

MINUTES OF MEETING OF RSPO
36th RSPO BHCVWG MEETING

Date: 26 November 2017
Start time: 9.00 am
Venue: Grand Hyatt, Bali, Indonesia

Attendance:

<p><u>Members and Alternates</u></p> <ol style="list-style-type: none"> 1. Benjamin Loh (WWF MY) 2. Bukti Bagja (WRI) 3. Cahyo Nugroho (FFI) 4. Dico Luckyharto (FPP) 5. Edrin Moss (WILMAR) 6. Gan Lian Tiong (Musim Mas) 7. Ginny Ng (WILMAR) 8. Harjinder Kler (Hutan) 9. Izabela Delabre (ZSL) 10. John Payne (BORA) 11. Juan Espinosa (Fedepalma) 12. Laila Wilfred (OLAM) 13. Lanash Thanda (SEPA) 14. Lee Ming Enn (Sime Darby Plantations - SDP) 15. Olivier Tichit (SIPEF) 16. Rhama Budhiana (Remark Asia) 17. Richard Kan (GAR) 18. Sophia Gnych (IFC) 19. Tang Meng Kon (Sime Darby Plantations - SDP) <p><u>Absent with Apologies</u></p> <ol style="list-style-type: none"> 20. Azmariah Muhamed (FGV) 21. Marcus Colchester (FFP) 22. Michael Brady (IFC) 23. Michelle Desilets (Orangutan Land Trust) 24. Paulina Villalpando (HCVRN) 	<p><u>RSPO Secretariat</u></p> <ol style="list-style-type: none"> 1. Salahudin Yaacob 2. Dillon Sarim 3. Khing Su Li <p><u>Invited delegates</u></p> <ol style="list-style-type: none"> 1. Glen Reynolds (SEARRP) 2. Jennifer Lucey (SEARRP) 3. Michal Zrust (Daemeter) 4. Henry Barlow (Complaints Panel) 5. Surin Suksuwan (Proforest)
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No	Description	Action points	Progress
1.0	<p>Opening Remarks</p> <p>The co-chairs welcomed everyone to the 36th BHCVWG meeting. Delegates were asked to make a round of introductions as there were new attendees in the room. BORA highlighted that the meeting will proceed with the full participant of delegates in the afternoon after the AOB. The meeting will reconvene after AOB with the core BHCVWG members.</p>		
2.0	<p>Review & endorsement of the 35th BHCVWG meeting minutes</p> <p>2.1 NPP Checklist. The RSPO Secretariat has followed up with ASI. A reviewed draft by ASI is available. The document is based on the NPP guidance 2015 and has a comprehensive checklist for the Secretariat to review NPP submission. The RSPO Secretariat maintained that although the checklist is very comprehensive, the Secretariat cannot replace the role of the Certification Bodies (CBs).</p> <p>2.2 LUCA non-submitters. All remaining 5 grower members have responded and provided a timeline for LUCA submission. MADOS Holdings Sdn Bhd have tendered their resignation from RSPO (effective from 22 August 2017).</p> <p>There was an enquiry on the progress of Eagle High and FELDA in terms of LUCA submissions as they were accorded extension because of new acquisitions. The RSPO Secretariat clarified that both companies have submitted LUCA but proposed a revised timeline submission for all other management units.</p> <p>2.3 LUCA guidance document. A 3-month transition period was provided from 13 September to 13 December 2017 so that grower members could choose to either use the old or the new LUCA reporting template. All submissions after 14 December 2017 shall comply with the new LUCA guidance document. Clarification was sought if the old template was still applicable to LUCAs that were submitted before 14 December 2017 (pending clarification). The RSPO Secretariat answered yes.</p> <p>2.4 Taskforce for Independent Smallholder Remediation and Compensation (TF for ISH RaCP). The inaugural TF meeting is to be held on 29 November 2017 with 20 people from both the BHCVWG and SHWG.</p> <p>2.5 Consultancy to develop social remediation guidelines. The RSPO Secretariat stated that only two proposals were submitted, even after the submission deadline was extended to 13 September 2017. There was insufficient votes via email to select a consultant. The BHCVWG members were reminded to vote in the present meeting.</p> <p>Wilmar highlighted that there was a suggestion to set up a sub-group to help the Secretariat review and to ensure that the outputs meets the needs of growers. Only FPP, SEPA, Wilmar has volunteered to be in the subgroup. Wilmar noted that another industry representative is required. SDP volunteered.</p> <p>2.6 Formatting of the meeting minutes. A request was made by Wilmar to record the organization rather than the names of individual unless it is a very specific item. John Payne asked for clarification to this request. HUTAN responded that confusion may arise because some participants</p>		

	<p>attended as last minute representatives but were neither substantives nor alternates. No objection from the BHCVWG members.</p> <p>The WG agreed and endorsed the 35th BHCVWG meeting minutes.</p>	RSPO Secretariat to record organisations for future minutes.	Done																																				
3.0	<p>Update and Final Housekeeping for RT15</p> <p>The RSPO Secretariat provided a roundup of the schedule for BHCVWG related events at the RT15. Two events have been organised – RaCP workshop (27 November 2017) and the Preparatory Cluster (28 November 2017).</p> <p>The RaCP workshop for growers is aimed at socializing the new LUCA guidance document, addressing questions about compensation projects and providing a platform for invited growers to share their experience in designing compensation projects and what are the key criteria to be considered. 39 growers registered for the workshop.</p> <p>The Preparatory Cluster will feature four topics selected by the BHCVWG. The session will be moderated by Ginny Ng. The topics and the presenters listed below:</p> <ol style="list-style-type: none"> 1. Riparian areas – Elenor Slade 2. HCV management and monitoring study – Paulina but might be a decision to drop this topic if there is no replacement 3. Update from PONGO Alliance – Harjinder Kler 4. HCS area and tropical biodiversity – Matthew Struebig <p>The RSPO Secretariat informed the BHCVWG members that they would be required to use the mobile RT15 app to submit questions. The questions will be posted live to the moderator, who will review and decide which questions to be directed to the panellists.</p> <p>A poster exhibition space at RT15 has also been prepared to feature information on how concept notes are designed and for the proponent of the compensation projects that have been recognized by the BHCVWG.</p>		<p>The events ran as scheduled although many sessions at the RT15 were cancelled due to the eruption of Mount Agung. Both the RaCP workshop and the Preparatory Cluster registered between 30 – 40 pax attendees.</p>																																				
4.0	<p>RaCP Statistics update and RaCP webpage (Resolution 6dGA13)</p> <p><i>RaCP Statistics (as of 2 November 2017)</i></p> <p>i) The NCLC and FCL disaggregated by country</p> <table border="1"> <thead> <tr> <th>Country</th> <th>NCLC (Ha)</th> <th>FCL (Ha)</th> </tr> </thead> <tbody> <tr> <td>Brazil</td> <td>392</td> <td>55</td> </tr> <tr> <td>Colombia</td> <td>21,906</td> <td>1,503</td> </tr> <tr> <td>Costa Rica</td> <td>173</td> <td>3</td> </tr> <tr> <td>Dominican Republic</td> <td>799</td> <td>12</td> </tr> <tr> <td>Ecuador</td> <td>6,897</td> <td>1,575</td> </tr> <tr> <td>Ghana</td> <td>523</td> <td>86</td> </tr> <tr> <td>Guatemala</td> <td>23,077</td> <td>1,090</td> </tr> <tr> <td>Honduras</td> <td>8,667</td> <td>360</td> </tr> <tr> <td>Indonesia</td> <td>523,045</td> <td>59,563</td> </tr> <tr> <td>Malaysia</td> <td>82,609</td> <td>12,645</td> </tr> <tr> <td>Nigeria</td> <td>2,048</td> <td>8</td> </tr> </tbody> </table>	Country	NCLC (Ha)	FCL (Ha)	Brazil	392	55	Colombia	21,906	1,503	Costa Rica	173	3	Dominican Republic	799	12	Ecuador	6,897	1,575	Ghana	523	86	Guatemala	23,077	1,090	Honduras	8,667	360	Indonesia	523,045	59,563	Malaysia	82,609	12,645	Nigeria	2,048	8		
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PNG	6,852	311
Sierra Leone	235	279
Grand Total	677,222	77,489

ii) Status of LUCA reviews

Period	Total MU	Complete review (%)
Aug-17	220	32%
Nov-17	226	47%

iii) The NCLC and the FCL in August 2017 and November 2017

Period	NCLC (Ha)	FCL (Ha)
Aug-17	644,628	69,619
Nov-17	677,222	77,489

As of 2 November 2017, the total NCLC reported was 677,222 ha and the total FCL was 77, 480 ha (1% increase from August 2017), cumulatively obtained from the 47% cumulative percentage of the LUCAs that have been reviewed and passed. In total, 179 LUCAs have been reviewed. There are still 23 ongoing LUCA and 49 LUCAs have been returned to companies to provide clarification.

RSPO Secretariat was requested to insert a qualifier to define management unit for clarity.

iv) Land clearance by vegetation type and time period

VC	2005 - 2007	2007 - 2009	2010 - 2014	After 9th May 2014	TOTAL
1	7,855	6,221	10,785	1,076	25,937
0.7	80,762	58,348	31,853	2,275	173,238
0.4	17,620	27,708	19,042	120	64,490
0	157,634	128,833	124,066	3,024	413,557
TOTAL	263,871	221,110	185,746	6,494	677,223

The RSPO Secretariat has highlighted this table indicated that most of the land clearing without prior HCV assessment since November 2005 occurred in the time periods of 2005 – 2007 and 2007 – 2009.

Wilmar highlighted that land clearance without prior HCV assessment has reduced over time.

v) Status of concept note endorsed

Country	No. of Concept Notes	No. of endorsed Concept Notes
Colombia	3	2
Ecuador	1	1
Ghana	1	1
Guatemala	4	2

RSPO Secretariat noted.

Done.

RSPO Secretariat noted.

Indonesia	8	5
Malaysia	3	1
Sierra Leone	1	0
Grand Total	21	12

The RSPO Secretariat updated the BCVWG that 21 concept notes have been received and have worked with the Compensation Panel to endorse 12 projects. The rest have been returned to companies for clarification.

SEARRP indicated that it would be useful to provide a chart or some statistics to compare the proportion of the area cleared without prior HCV assessment with the total planted area. It provides a good indication that of the total areas developed without prior HCV assessment, only 11% involved the clearance of HCV. Wilmar suggested to put that total planted area over time very but may be difficult.

The RSPO Secretariat responded that it will require time to process the proposed statistics but for the purpose of fulfilling the Resolution 6dGA13, the current information will be uploaded, and additional information can be added in due course.

Wilmar said that future considerations can look at the scale and the total size of the management units and what is the total FCL. The RSPO Secretariat will need time to process but for the sake of responding to the resolution, the information provided should be adequate and footnotes to be added.

The RSPO Secretariat sought to clarify the request from SEARRP. For the RSPO Secretariat, any numbers that we get or publish about non-members will require some sort of validation, beyond the remit of the Secretariat.

GAR and Wilmar clarified that the data on the total management unit size and the total FCL should only be applicable to RSPO members.

vi) Status of compensation plan evaluation

Country	No. of Compensation Plan	No. of endorsed Compensation Plan
Colombia	2	0
Ecuador	0	0
Ghana	1	0
Guatemala	0	0
Indonesia	3	2
Malaysia	0	0
Sierra Leone	0	0
Grand Total	6	2

The RSPO Secretariat highlighted that only 6 compensation plans have been submitted – 3 from Indonesia, 2 from Colombia and 1 from Ghana. The compensation plans for Musim Mas and SIPEF have been endorsed during the staged implementation of the Compensation Taskforce. The compensation plans from Colombia were being reviewed at the time of meeting.

RSPO Secretariat to add footnotes into the RaCP webpage

Done.

<p>Fedepalma sought clarification as to why the two companies in Colombia have been certified but their compensation plans have not been endorsed. The RSPO Secretariat explained that the companies have undertaken an initial certification audit in May 2017 and submitted their compensation plan at the same time. However, no compensation plan evaluators were available at that time causing a delay in the evaluation process. Therefore, in November 2017, the Secretariat has proposed to the BHCVWG co-chairs to provide conditional approval for certification without the endorsement of the plan. The companies were also given a year to address issues raised by the evaluator, failing which the certificate will be revoked.</p> <p>SIPEF also affirmed that in the previous meeting, the BHCVWG has agreed to provide 1 year to close the non-compliance while continue to be certified.</p> <p><i>RaCP webpage</i> SIPEF and BORA requested for explanatory text or footnotes to be added to accompany the tables and graphs to provide information on how to interpret the statistics. Additionally, the clearance after 9 May 2014 should be clarified whether it was a result of member clearance or acquisition. The RSPO Secretariat will work with SEARRP and ZSL to come up with a set of footnotes.</p> <p>Wilmar asked if there will be additional figures reported in the next BHCVWG meeting, to which the RSPO Secretariat replied yes as figures from non-submitters and new members will be added.</p> <p>The RSPO Secretariat also updated that the RSPO.org is currently undergoing a revamp therefore any additional interactive features will be coded into the new platform. Additional to the general info on the RaCP webpage, there is a link at the bottom of the page linking to the RaCP tracker. There are two main lists. The first features the list of independent smallholders. ISH would still be required to compensation for any land clearing without prior HCV assessment, however, while the mechanism still being worked out, the ISH can still get certified provided that they have disclosed and conducted the LUCA by the Secretariat and proceed with audit and certification. The list presents the list of ISH that are eligible to get certified. The second list is the grower section. As agreed at the previous meeting, the RSPO Secretariat will disclose only the names of the parent company. After reviewing the content of the table on the beta webpage, the column order and column headings were revised to provide better clarity. Thus an agreement was reached for the column headings in this order – Mus with potential liability, LUCA submitted (Mus), LUCA review ongoing (MUs), passed LUCA (MUs), CN required (MUs), CN submitted (MUs), CN approved (MUs), CP submitted (MUs), CP endorsed (MUs), where MUs = Management unit, LUCA = land use change analysis, CN = concept note, CP = compensation plan.</p> <p><i>Compensation Plan Evaluator</i> Selection of the pool of evaluators. The RSPO Secretariat updated that there were only 4 evaluators selected – Josh van Vianen, Erik Meijaard, GEC and Claudio de Sassi. From September 2017, more organizations and individuals have applied to be part of the evaluators pool. The RSPO Secretariat has requested BHCVWG members to review the organisation profile and CVs, and to vote.</p> <p>Contracting terms. A request was made in the previous meeting for the RSPO Secretariat to coordinate the evaluation process between the growers and compensation plan evaluator and to manage the service agreements as</p>	<p>RSPO Secretariat to work on the footnotes with SEARRP and ZSL.</p>	<p>Done.</p>
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well as the financial transactions. The Finance unit at RSPO Secretariat has agreed to undertake this procedure. Therefore, the RSPO Secretariat will develop and manage two sets contracts – the service agreement for compensation plan evaluator and the undertaking of payment for the growers outlining the scope of work of the evaluator.

Access to compensation plans

Daemeter relayed a situation where certain NGOs had a long-standing complaint against a company and they were on the understanding that the company has submitted a proposal for compensation. The NGOs wanted to know how to get access to the information about the compensation plan which they said is related to a complaint against one of the concession, and who to speak to if they have their concerns about the project. Daemeter replied that they should email the BHCVWG co-chairs or the RSPO Secretariat but the response the NGOs received was not favourable. The RSPO Secretariat informed them to contact the company directly. In this case, Daemeter sought to get clarity on the process and if there a mechanism that allowed external stakeholders to provide input to the Compensation Panel.

GAR and SIPEF provided similar responses, whereby if the situation involves complaints, the point of entry is the Complaints Panel. Complaints may require compensation as a resolution to address HCV loss, but this is a separate consideration. The complainant should not approach the Compensation Panel directly, otherwise it will create confusion.

The RSPO Secretariat explained that this was the advice provided to the NGO, because this was a complaints case, and the NGO being a complainant would have to go through the Complaints Panel and liaise with the Complaints Panel and talk to the company directly.

Daemeter responded that in this particular case, it should be referred to Complaints Panel. What if the matter was not under Complaints but external stakeholders would like to provide input?

A 30-day comment period based on the publication of the endorsed concept note was suggested. This mechanism would be similar to the NPP process. However, the NPP comments period has not been entirely effective, and therefore there was no assurance that it would be effective in this matter.

Henry Barlow clarified that the Complaints Panel review complaints cases on a monthly basis. However, if it is with the Compensation Panel, the Complaints Panel would not delve into the details. In theory they could, but the Complaints Panel would not.

After a lengthy deliberation, it was agreed that concerned parties can write to the RSPO Secretariat in any language of their choice to rspocompensation@rspo.org The RSPO Secretariat will forward the comment / input to the Compensation Panel and the Compensation Panel has to deliberate and provide instructions for the next steps. This is to ensure independent and fairness of the process where neither the growers nor the concerned parties have direct access to the Compensation Panel. The concerned parties can place comments/inputs at any time of the process. The RSPO Secretariat will acknowledge receipt and take the necessary action.

<p>5.0</p>	<p>Updates from MY NI HCV Toolkit</p> <p>Surin Suksuwan (Proforest) provided updates of the Malaysian NI HCV Toolkit. Two tools would be developed in 2 separate phases – National Interpretation of the Common Guidance on Identification and the other, the Malaysian National Interpretation of the Common Guidance on Management and Monitoring of HCV. The tool on HCV identification will be applicable to all sectors, e.g. forestry, oil palm and mining. Management and Monitoring will be more specific to the different sectors. In this respect, RSPO has signalled its interest to develop the Management and Monitoring guide for the oil palm industry.</p> <p>The first tool – NI on HCV Identification - was targeted for completion by end of 2017.</p> <p>Also, another recap, the Steering Committee of the National Toolkit comprise mainly of the certification standards in Malaysia namely FSC Malaysia, Malaysian Palm Oil Council, MTCC, RSPO. Other committee members are MPOA, WWF (the prime movers and funders), Roundtable of Sustainable Biomaterials. RSB are involved as observers. Proforest is both the facilitator and the Secretariat for this.</p> <p>The Technical Working Group is subdivided into 3 regional groups. There are 14 members from Peninsular, 8 members from Sabah and 6 members from Sarawak. The TWG members are a mix of government agencies, corporate players in the palm oil industry, NGOs (e.g. MNS and GEC), Center for Indigenous Studies (University of Malaya), and Forever Sabah to name a few. HUTAN asked for clarification if MNS Sabah is representing the Peninsular chapter. Proforest clarified that WWF is represented in the 3 regions, while MNS is represented in Sabah and Sarawak (not Peninsular). Social NGOs are still under represented. There has been success in getting them to participate at the stakeholder consultation level, some have chosen not to be a TWG member, but at least at the stakeholder consultation that we did in October 2017, there were representatives from indigenous groups, so they have not been side-lined.</p> <p>Timelines have shifted: the initial completion date was June 2017, which was very ambitious. The completion date has now been reset to end of 2017. Proforest has undertaken a series of Steering Committee meetings, online stakeholder consultation to collate inputs on definitions with certain HCV related terminologies, thresholds, etc. The first draft was release in August/September 2017 and the first regional workshop was organised in early October 2017 in KL, Kuching and Kota Kinabalu. The comments/inputs were incorporated and a draft 2 was released for public consultation in December 2017. The national level stakeholder consultation workshop was held on the 4 and 5 December 2017. A two-week consultation period was provided to solicit other comments/inputs.</p> <p>Proforest had managed to work with the current WWF funding and stretched the funding even though the timeline had been extended. WWF-Malaysia allocated RM 460,000 while RSPO was committed to a top up of RM40,000 for Phase 1. If Proforest was able to save cost on Phase 1, they hoped that RSPO can proceed with the Phase 2 to develop Management and Monitoring Guide for the palm oil sector.</p> <p>Wilmar asked Proforest to provide an indicative budget for Phase 2. Proforest replied that it would be ball parked around RM200,000.</p>		
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	<p>Fedepalma ask for some insights into the 2 or 3 main issues encountered during the development of the NI. Proforest responded that in his opinion, the main topic for debate is the reflection of the composition of the WG. There were more people who were interested in HCVs 1-3 and a lot of discussion was generated on species - HCV 1. One of the interesting ideas was that for some of the really threatened endangered species, the presence of 1 individual shall confer HCV status on a particular area. This led to a debate on how the species on this list would be selected and what list should the list make reference to. The local Malaysian redlist, the IUCN redlist or the legally protected list. There is no consensus at the moment, but at least there was an agreement in principal, that it would have to be individually named species. If the list was to be cross-referenced to the lists, the status of the species may change and result in difficulties for the companies to update themselves.</p> <p>Therefore, the agreement on developing a short list of key individual species. This meant that if one individual of the species is spotted, the area will need to be conferred with HCV status. For the other species that are not on this list automatically, the due process will still need to be followed i.e. still need to do the Biodiversity assessment to ascertain minimum viable population.</p> <p>The other one debate is more on the social side, especially in the case of Sarawak whose area that were claimed by indigenous people which has not been legally recognised and if these areas could be assigned a HCV value. HCV 5 and 6 are really about values and not about land ownership status but the main point is that if the communities think they have claim over this area, that should alert the HCV assessor that the area is potentially HCV 5 and 6. The assignment of the values is not definite, but it should be noted. Otherwise the company may face issues, which could have legal implications.</p> <p>SDP asked if there was a plan to develop toolkit for other countries and would the Malaysian guidelines be applicable to other countries?</p> <p>Proforest explained that they have been actively engaging and the only other process that Proforest was aware of tis the Indonesia toolkit. During the project initiation phase, Proforest attempted to establish a framework for engagement with HCVRN and the national process. HCVRN assisted by providing the MoU that was signed between Indonesia and the HCV network for Indonesia. The Malaysian process was different as Malaysia does not have a legal HCV entity, so it was to be a provision of parties. Therefore, very few requirements. Main requirement is that the national toolkit must be based on the CG document, there should not be any contradiction and changes in the definition of the HCV. The process should be integrated with the CG.</p> <p>Co-chairs thanked Proforest for the presentation there being no other questions.</p>		
6.0	<p>Update on the RSPO INA HCV Toolkit</p> <p>Cahyo Nugroho (FFI) explained that there are 2 parallel activities aimed at developing the INA HCV toolkit. The first is the RSPO-led initiative with the objective to develop management and monitoring of HCV within oil palm concession. The second is under Jaringan NKT (HCV Network Indonesia) aimed at developing the National Interpretation toolkit. Cahyo Nugroho is not involved in the second initiative but his understanding is that Network is divided into 3 WG to discuss HCV1-3, HCV 4 and HCV 5-6 respectively. Remark Asia is involved in the process so FFI propose that they can be invited to provide a progress update on the initiative.</p>		

FFI would be providing updates on the HCV Taskforce of Indonesia to develop management and monitoring toolkit.

The TF was established on 3 April 2017. The first meeting discussed about the mapping and cross-referencing of the common guidance to the previous management and monitoring that has been previously developed, followed by expert reviews and development of inputs. In June, the TF focused on clarification of issues and then identifying the focal points to seek clarification. Another meeting was held in October 2017 to continue the process of cross-referencing.

The TF aimed to complete all activities by end of 2017, but it has taken longer than anticipated so the revised milestones would consist of finalizing the cross-referencing in mid-December 2017 and then conducting the consultation with HCVRN, Jaringan NKT and experts from the government. The other milestones will be decided in the December meeting e.g. final drafting, public consultation, field trial and finalising of the document. There is an expectation to have the document completed by RT16.

One of the main concerns of the TF is on the revision of the HCV report based on actual conditions. FFI clarified that when precautionary approach is used, the HCVs identified may not reflect the actual conditions on the ground, thus the need to revise the report. Additional to this, the identified species does not tally even after going through peer review but based on the actual survey, the species [identification] is no longer valid. Further to this, more important species may be picked up during the monitoring surveys. Another question is how to deal with the changing values of HCV 5 and 6. Thus, the TF is looking to the BHCVWG to provide guidance to address these concerns, who is to govern the process (HCVRN or RSPO) and how does it relate to the current procedures and who is going to verify or validate the changes on the ground because if there is not revisions, when the auditor comes, the grower would be questioned. In several cases the validity of the findings e.g. presence of species can be questioned.

The TF has also consulted with HCVRN to get clarity on some of the prescriptions outlined in the CG (e.g. no species are lost as result of management activities). HCVRN explained that it is an example. The main point is that the organization or the management unit must specify the management objectives to maintain or enhance HCV value.

Wilmar sought clarification on the statement made whereby the precautionary approach is no longer correct and to provide scenarios where this is applicable. FFI clarified that it can be deduced from the results of the assessments. The precautionary approach is used as a methodology to assess the area and then we more thorough surveys are conducted, the potential value(s) are no longer presence.

SIPEF highlighted that a new guidance on HCV has just been released by the Ministry of Environment and Forestry, and if the TF is referring to the guidance because the guidance has different definitions of the HCVs. For example, HCV 4 now includes carbon sink. How would the TF address this? FFI clarified that this matter will be discuss during the December meeting. However, as it is still new, the TF will continue to follow the CG. Musim Mas expressed a concern that growers may be confused with the different sets of documents and asked if the new national guideline would be integrated with the current work. FFI concurred with the concern, and informed that the TF is still awaiting the Jaringan NKT toolkit.

	<p>Wilmar pointed out that HCVRN who are the stewards of HCV concept should be part of the TF. A clarification was sought to ascertain if Arie Soetjiadi, the HCVRN representative in SEA. FFI replied the TF was for RSPO members only. Wilmar added that it may be helpful to include HCVRN as a member of the TF so to clarify HCV issues and to speed the process. The BHCVWG would not be able to address Indonesia specific issues and may be able to discuss globally relevant challenges.</p> <p>The RSPO Secretariat will check with the RSPO Indonesia office to invite Arie Soetjiadi to the TF meetings. GAR and Wilmar also recommended that Remark Asia be brought into the TF meetings.</p>	<p>The RSPO Secretariat to communicate with RSPO Indonesia office to invite Arie Soetjiadi to the TF meetings.</p>	
7.0	<p>SenSOR Biodiversity Report Release</p> <p>Jennifer Lucey (SEARRP) presented the findings from a study looking at the impact of RSPO membership on avoiding biodiversity losses, in terms of HCVs. In particular the research team looked at two key questions: 1) whether the HCVs are large enough and of good quality to support biodiversity, and ii) do HCVs improve connectivity in oil palm landscapes. In order to derive the answer to the first question, the research team first digitized the HCV areas from NPP reports for 70 oil palm plantations in Borneo. The size of the core area of HCV patches were then calculated and the amount of remaining forest cover within HCVs were computed. To look at HCVs and connectivity, the location of HCVs in relation to the remaining forest cover around plantation was determined and computer models were used to measure connectivity benefits of reforested HCVs.</p> <p>The findings from the research are listed below:</p> <ul style="list-style-type: none"> • Forest patches with a core area of >200 ha could support 60-70% of biodiversity in continuous forest • Almost half of all plantations contained at least one large HCV patch. If fully forested, these large HCVs with core areas > 200 ha could support substantial biodiversity. • Typically, HCVs contain only 21% forest cover. Thus, the benefits vary across plantations. • Currently, HCVs provide only very small connectivity benefit for most forest species due to low levels of forest cover. • If fully reforested, the HCVs could substantially improve connectivity for many species with intermediate dispersal capability e.g. rainforest butterflies and understorey birds • If the HCVs are too isolated, they have few connectivity benefits • Small HCVs can provide some connectivity benefit and act as stepping stones linking to other areas of forest. <p>Therefore, one of the key recommendations is to restore high-quality forest habitat within the HCVs e.g. by enrichment planting to minimise biodiversity losses in oil palm landscapes.</p>		
8.0	<p>Procedure for the ‘review and update’ of HCV assessment older than 3 years for NPP submission</p> <p>At the last meeting, the proposed procedure by HCVRN did not address how the assessment reports older than 3 years for NPP submission would be updated and be published on the HCVRN website.</p> <p>In the requirements of the NPP, there is a requirement than HCV assessment reports older than 3 years must be reviewed and updated by ALS- HCV assessor. Many growers and CBs have been seeking the RSPO Secretariat for the procedures to address this requirement.</p>		

Wilmar clarified that so far, the SOP prescribed is that the company hires an ALS assessor to review and update the report. There is no requirement for the assessor to submit that review report into HCVRN. There is no clear guidance at this moment. A lengthy discussion took place at the previous meeting whether to continue with this practice or to make it a requirement to go through the ALS Quality Review system.

RSPO Secretariat explained that there were 2 scenarios currently, with the recognition that HCV-ALS took effect in January 2015. The first scenario would be where the reports prepared before January 2015 and used by companies to submit NPP to the RSPO Secretariat. Thus, the RSPO Secretariat created an internal procedure, where any reports submitted will be reviewed by an ALS assessor. The RSPO Secretariat followed this procedure because there was a need to be assured of the quality of the HCV assessment. The reviewer is paid by the RSPO Secretariat and the comments used to process the NPP submission. This internal procedure was created because the reports fell outside the purview of HCVRN.

The second scenario was that the HCV assessment report done by ALS assessor after January 2015 will fall under the category of older than 3 years come 2019. So, a procedure is required, which the RSPO Secretariat thought of enlisting HCVRN to develop.

The key questions were:

- Whether the ALS assessor report is subjected to this requirement or not
- If yes, need to come up with procedures - what are the steps, who can do the review an update and should the review report be subjected to ALS system (otherwise in terms of payment and so on, will be doubled)

SIPEF commented that there was a need to be reasonable and practical. If this was a present assessment, it has to go through ALS. A review is not an assessment. The key is to set up a guidance to provide a mechanism for the reviewer to decide when the original assessment is not adequate. A review does not need to go through the ALS quality assurance/control. SIPEF further clarified that the discussion also addresses legacy cases, and it must be highlighted that the discussion is not to provide a cheap way to address such cases.

According to ZSL, the ALS report might be of good quality but ground conditions may have change, in which a re-assessment may be able to cover the changes.

SIPEF added that the need for updating the report or a re-assessment will have to be assessed against the ground conditions. If the landscape is a former agricultural landscape, it is unlikely that the conditions would have changed dramatically over 3 years. If the area is still a natural landscape, there will be a possibility that there will be changes. It should be the responsibility of the assessors to evaluate if an update is adequate. The incentive to be honest is the retention of their ALS license by HCVRN. Again, reference is made to legacy cases.

Daemeter made reference to the weaknesses of subjecting past HCV reports to only desktop peer review. The peer review process of the pre-ALS reports can only establish if the assessment had gone through the right process e.g. if the assessors have not spent enough time in the field, the stakeholder consultation may not have been conducted in a thorough manner but the review would not be able to decide if the assessment was

inaccurate. The procedure that is to be established is important given that a number of complaints have resulted from old HCV assessments for NPP submission done poorly. Daemeter is aware that a number of NGOs has flagged up 35 assessments that they are waiting to raise as complaints. He recalled that HCVRN has already proposed the method at the last meeting.

Wilmar reminded that the BHCVWG did not reach an agreement on the proposed procedure by HCVRN at the last meeting.

SIPEF emphasized that the update of the report must entail not just the lead assessor checking document; the person must conduct a field visit to check on the validity of the report. The suggestion was that if the report is still valid, all that is required is an update. However, if the report was no longer valid because conditions have changed, a re-assessment is required. In this proposition, the update and site visit are to be conducted by a one person, after which the next step is a risk review to determine if a re-assessment is necessary.

SEPA raised a concern that many of the old HCV assessments have issues with quality and Daemeter added that this procedure provides an opportunity to weed out poor-quality HCV assessments for NPP submission, which did not go through HCV-ALS quality control.

SEPA enquired if the assessor reviewing the assessment should be the same person or a different person from the assessor who did the original assessment. Wilmar responded that the assessor cannot be the same person and must be ALS licensed.

SDP agreed to this proposition, which should be applied for assessments conducted before January 2015. For assessments done after January 2015 and after the 3-year validity period, the update of the report by the same licensed assessor should be allowed to make it more effective.

The proposed procedure for the review and update of the HCV assessment older than 3 years for NPP submission would be:

For HCV assessment that was done before January 2015, the review and update of the HCV assessment must be conducted by a licensed assessor who shall not be the same assessor who conducted the initial assessment.

HCV assessments report produced after January 2015 by licensed assessors, companies may hire the same licensed assessor to update the report.

The review and updating process does not need to go through ALS quality control system, but the update process needs to include a field visit. Should the licensed assessor deem that too much has changed and a new assessment is required, the re-assessment report will need to go through the usual HCVRN quality panel review process.

The BHCVWG members agreed to the proposed procedure.

A concern was raised by the RSPO Secretariat that HCVRN will not claim responsibility over the review and update process as it does not go through the quality assurance process. GAR responded that HCVRN has issued licenses to assessors and that there needs to be a level of trust on the work conducted by assessor. Licensed assessors are still required to submit

	<p>assessment reports and will need to undergo 2 independent assessments per year. Any concerns can be raised in the next BHCVWG meeting.</p> <p>SDP raised a question to clarify if there would be a guideline to define major changes that would require re-assessment. Wilmar responded that licensed assessor would have the sufficient experience to determine the need. A case in point would be the scenario explained by SIPEF, where an old plantation has been procured and already has an old HCV assessment. The area would mostly be agricultural areas and would not experience major changes to the landscape.</p> <p>BORA raised 2 points for clarification. The first was related to the availability of ALS assessors, to which Wilmar responded that growers may probably run into the problem of the lack of HCV assessors. The second question was the need for a site visit at every update, to which GAR responded yes so to confirm whether an update or re-assessment is required. This was to also to provide assurance of quality.</p>		
9.0	<p>AOB <i>RaCP tracker column headers</i> The order and column headers were finalised. Further to this, a proposal was forwarded by Musim Mas and GAR to create a separate table in the future for growers who have completed the RaCP process, which will distinguish growers who were undergoing the RaCP procedures. This could also help track progress over time. No objection from the BHCVWG members.</p> <p><i>Compensation plan evaluators</i> BHCVWG members were reminded to review the CVs and organisational profile to candidates to be added into the pool of evaluators.</p> <p><i>Social remediation proposal</i> BHCVWG members were reminded to vote for the project proposal for social remediation.</p> <p><i>Election of Co-chairs for 2018</i> Wilmar informed the BHCVWG members that BORA will be stepping down as the co-chair for BHCVWG. The new co-chair to represent the NGOs would be Izabela Delabre from ZSL. Ginny Ng from Wilmar would remain as the co-chair from the industry. Ginny Ng extended her gratitude to John Payne for co-chairing the BHCVWG. Dillon Sarim from the RSPO Secretariat would also be moving onto a new portfolio in RSPO Strategic Projects and had not been manning the rspocompensation email for some time. The email is manned by Ainaa Amira.</p> <p>RSPO Secretariat also conveyed appreciation and gratitude to BORA, who steadfastly co-chaired this group and have done a lot of good work.</p>	RSPO Secretariat to make the necessary changes in the future.	
10.0	<p>ToR for BHCVWG membership [WG core members stayed back to discuss BHCVWG membership]</p> <p><i>Note: Following on from the previous meeting, there were proposals to do housekeeping and to only bring in experts for important and specific slots. These invited experts are not required to stay throughout the whole meeting. The WG has to also redefine the numbers of growers, NGOs and other sectors in the group. A consensus was reached to discuss the ToR for membership (amongst core members only). A proposal was made to review</i></p>		

the role of the BHCVWG to set its objectives and subsequently, to provide a guide of which parts in the ToR needs to be reviewed.

BORA led the discussion by asking members to look at the vision, mission, objectives and other sections of the current ToR, and to decide if a review was needed. The text in the ToR was formulated quite some time ago (before BORA joined the group). Wilmar reminded the members that the purpose of the session was to review the ToR, which needed to be updated because there have been many changes and quite a number of new things. No issues were raised with regards to the introduction.

BORA raised an observation that for the mission, it should be framed along the lines of “advising RSPO the biodiversity and high conservation values in the oil palm landscapes”. Wilmar remarked that the social elements or social HCVs would need to be added as well.

ZSL raised a question on the ‘Introduction’ section, in reference to the RSPO P&C and what would happen after the P&C review e.g. priority areas. Wilmar stated that there might not be significant changes in terms of the P&C, as the priority would still be to maintain HCVs. However, Wilmar added that there may be a possibility that HCS would be included in the new P&C. SIPEF reminded that the members needed to work with the existing P&C. There exists a possibility for HCS in the new P&C, but it is not in the current P&C.

RSPO Secretariat suggested that instead of reviewing the ToR line by line, the members should address the major issues. There are two key questions to be addressed:

- The role of observers, substantives and alternates
- Potential conflict of interest

The co-chairs agreed. The review of the mission and objectives would not be carried out at this meeting but any members who would like to take it up can raise this in the next meeting. Members to use the remainder of the session to look at membership and composition of the BHCVWG.

The list of BHCVWG members was reviewed. Currently, the BHCVWG is made up of 7 growers, 7 environmental NGOs, 2 social NGOs, 1 processor/trader, 1 financial institution (by organization). HUTAN clarified that it was alternate to BORA as the co-chair. HCVRN and Remark Asia participates as independents, while SEARRP and Daemeter participated as invited experts.

A decision was reached to have just members and invited experts, where members would refer to core members who can vote and will be required to attend all meetings. Invited experts may not need to attend all meetings or the entire duration of the meeting.

The co-chairs sought clarification if independents were members of the BHCVWG. RSPO Secretariat explained that both HCVRN and Remark Asia were members of the BHCVWG. However, HCVRN is not an RSPO member. Clarification was then sought to determine if not being a RSPO member excluded independents from being BHCVWG members. It was agreed that HCVRN will be invited as experts because they are stewards of HCV but not as members of the BHCVWG. The BHCVWG also discussed the position of Remark Asia. Remark Asia is a member of the RSPO, they will remain as BHCVWG member. However, as there was a discussion that

<p>Proforest, who were also licensed assessor but were only invited to certain parts of the meeting due to potential conflict of interest.</p> <p>A suggestion was put forward to treat all consultants the same way, and every consultancy are to be categorised as invited experts. It was agreed that consultants should be invited experts because in the past, consultants were privy into the discussion and this raised conflict of interest when they bid for projects from the BHCVWG. Thus, the list of invited experts comprised of SEARRP, Daemeter, HCVRN and Remark Asia.</p> <p>The BHCVWG members also reached a decision whereby only substantives and alternates would be allowed to attend the meetings. The consideration is to maintain continuity and because a code of conduct has been signed. If neither the substantive of alternate could attend, the organization will be deemed as absent. Should the organization be absent for 3 consecutive meetings, the position will be retired.</p> <p>The RSPO Secretariat highlighted that the numbers of the organizational representation may change. A case in point would be Musim Mas, who in the future will assume the status of processor/trader bringing the ratio of growers and environmental NGOs to 6:7. As the BHCVWG would require equal representation of growers and environmental NGOs, when Musim Mas provides a notification, the grower caucus may want to review and propose a nomination for replacement.</p> <p>SDP made a clarification that Sime Darby Plantation is the member of the BHCVWG and not Sime Darby group. It was also requested that the representation would be minuted as Sime Darby Plantations (SDP). SDP would be recognised as a legal entity by 30 November 2017.</p> <p>Under the prescription of the ToR, the supply chain is made up of retailer, consumer products manufacturers, financial institution and processors/traders. A consensus was reached to have 2 processors/traders, 1 financial institution and 1 consumer product manufacturer.</p> <p>With the new structure (based on function rather than form), there would be a total of 20 members made up of 7 growers, 7 environmental NGOs, 2 social NGOs and 4 supply chain members. 1 vacant slot for consumer goods manufacturer, 1 vacant slot for Indonesian grower pending the move of Musim Mas to processor/trader.</p> <p>A question was raised if the total number would need an odd or even figure. There is no need for this consideration as decisions are based on consensus.</p> <p>The next item for discussion was on whether members can bid for projects from the BHCVWG.</p> <p>FFI sought clarity on this issue if involvement with the Hutan Desa compensation project falls within the scope of this discussion. FFI explained that although they are project managers, any money received goes directly to the community because they cannot benefit from national engagements. It was clarified that the discussion does not cover compensation project but acknowledged that FFI has been removing themselves when there was conflict of interest. FFI was also reminded that they cannot review any concept notes or compensation projects that proposes for the project, to which FFI acknowledged.</p>		
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	<p>During the subsequent discussions, it was determined that members cannot be a part of the consortium of organizations that submit a proposal or receive receiving money from the BHCVWG. They can however be consulted on project implementation.</p> <p>A question was raised if quality of the work could be compromised if member organizations who the experts in the field are or have access to local communities have removed themselves from the project.</p> <p>Quality of work is a consideration, but it is crucial that members who declare conflict of interest must step out when the ToR and the budget for the project are being discussed. If the member continued to sit in the discussion, it could be deemed as insider dealing. Members cannot be project implementers but can be consulted to provide feedback. If the member was aware that their organization would be tendering for a project, the member was required to step out of the room.</p> <p>The decision reached by the BHCVWG was that members will not be allowed to bid for projects unless there is a specific reason for which the working group decides that the consultant may need to work closely with the member. The clause for that provision could be added into the ToR. However, the member cannot make monetary decisions.</p> <p>Experts were allowed to bid for projects only if they were not privy in the discussions.</p> <p>The RSPO Secretariat to revise the ToR and send the draft to BHCVWG for finalization before agreeing on to it at the next meeting.</p>		
11.0	<p>Closing remarks</p> <p>The next meeting to be targeted for Jan or March / April 2018 to align with the next P&C public consultation.</p> <p>There being no other matters, the co-chairs thanked everyone for the participation.</p>		

**36th Meeting of RSPO BHCVWG
26 November 2017
Tabanan 1, Grand Hyatt, Bali**

No	Name	Organisation	Signature
1	Benjamin Loh	WWF-MY	
2	Bukti Bagja	WRI	
3	Cahyo Nugroho	FFI	
4	Dico Luckyharto	FPP	
5	Dr. Gan Lian Tiong	Musim Mas	
6	Ginny Ng Siew Ling	Wilmar	
7	Glen Reynolds	SEARRP	
8	Harjinder Kler	HUTAN	
9	Izabela Delabre	ZSL	
10	Jennifer Lucey	SEARRP	
11	John Payne	BORA	
12	Juan Espinosa	Fedepalma	
13	Laila Wilfred	OLAM	
14	Lanash Thanda	SEPA	
15	Lee Ming Enn	Sime Darby	
17	Michal Zrust	Daemeter	
18	Olivier Tichit	SIPEF	
19	Paulina Villalpando	HCVRN	
20	Rhama Budhiana	Remark Asia	
21	Richard Kan	GAR	
22	Tang Meng Kon	Sime Darby	
23	Triyanto Fitriyoreh Sophia Gnych	IFC	
24	Dillon Sarim	RSPO	
25	Khing Su Li	RSPO	

26 Salehudin Yusuf

RSPO

27 Edwin Moss

WILMAR

RSPO

Henry S. P. ...

CP

Andrew ...

Henry S. P. ...

Henry S. P. ...

Henry S. P. ...