

MINUTES OF MEETING
Biodiversity and High Conservation Value Working Group (BHCVWG) – 50th
Meeting (Hybrid)

Date : 29 February (Thursday)
 Time : 9:00 AM to 5:00 PM (MYT)
 Venue : Connexion Conference & Event Centre (CCEC)– Kuala Lumpur, Malaysia

Attendance:

<u>Members and Alternates</u>	<u>RSPO Secretariat</u>
<ol style="list-style-type: none"> 1. Harjinder Kler (HUTAN) 2. Hendi Hidayat (GAR) 3. Ambang Wijaya (GAR) 4. Martin Mach (Bumitama) 5. Angga Prathama Putra (WWF) 6. Eleanor Spencer (ZSL) 7. Michelle Desilets (OLT) 8. Mahendra Primajati (FFI) 9. Lanash Thanda (BCI) 10. Marcus Colchester (FPP) 11. Chin Sing Yun (Wilmar) 12. Dita Galina (Musim Mas) 13. Athirah Insani (Musim Mas) 14. Sander Van den Ende (SIPEF) 15. Sophie Gett (SIPEF) 	<ol style="list-style-type: none"> 1. Aloysius Suratin 2. Lee Jin Min 3. Durgha Periasamy 4. Mohd Zaidee Mohd Tahir 5. HS Yen 6. Soo Chin Ooi 7. Mohan Raj 8. Kasih Putri Handayani 9. Muhamad Iqbal bin Jailan
<p><u>Absent with apologies</u></p> <ol style="list-style-type: none"> 16. Arnina Hussin (SDP) 17. Lee Swee Yin (SDP) 18. Ahmad Furqon (WWF) 19. Cahyo Nugroho (FFI) 20. Sally Chen Sieng Yin (SEPA) 21. David Wong Su Yung (SEPA) 22. Syahrial Anhar (Wilmar) 23. Bukti Bagja (WRI) 24. Anne Rosenbarger (WRI) 25. Dayang Norwana (BCI) 26. Patrick Anderson (FPP) 27. Yunita Widiastuti (Cargill) 28. Lim Sian Choo (Bumitama) 29. Quentin Meunier (OLAM) 30. Paola Despretz (OLAM) 	<p><u>Invited Guest</u></p> <ol style="list-style-type: none"> 1. Daneetha Muniandy (HCSA) 2. Jennifer Lucey (SEARRP) 3. Ruth Silva (HCVN)

Meeting Agenda:

Agenda	PIC
1. Opening Remarks	RSPO Secretariat/ Co-Chairs
2. Introduction to the RSPO Director of Standard and IMEL	RSPO Secretariat
3. Update: RaCP progress and RaCP tracker	RSPO Secretariat (Integrity)
4. Discussion: Prevent re-opening of LUCA	RSPO Secretariat (Integrity)
5. Confirmation of MoM and a brief update on the BHCVWG action tracker	RSPO Secretariat
6. Update: Guidance on steep slope and fragile and marginal soils management	RSPO Secretariat
7. Discussion on the way forward – Helen Newing’s Report	RSPO Secretariat
8. Update and discussion: ToR HCV & HCS management and monitoring	RSPO Secretariat
9. Any other business (AOB)	RSPO Secretariat/ Co-Chairs
10. End of Meeting	RSPO Secretariat/ Co-Chairs

Summary of key points:

No.	Agenda	Summary of key action points
1	Introduction to the RSPO Director of Standard and IMEL	<ul style="list-style-type: none"> - The Director provided updates on the on-going revision of P&C and ISH based on the SG’s inputs where the progress will be updated to the SG soon. - Any decisions or directions from either the SG or BoG during the upcoming board meeting will be shared with all working groups and task forces to inform their respective work streams.
2	Update: RaCP progress and RaCP tracker	<ul style="list-style-type: none"> - RaCP tracker on the RSPO website will be improved to provide a more detail information on the RaCP cases and the geographical breakdown of the liability. - Further review of RaCP process is needed (e.g. compensation panel, review of Annexes). - Secretariat to present data related to the social aspects of the RaCP in the next meeting.
3	Discussion: Prevent re-opening of LUCA	<ul style="list-style-type: none"> - The group unanimously agreed that reopening of approved LUCA is disallowed.
4	Confirmation of MoM and a brief update on the BHCVWG action tracker	<ul style="list-style-type: none"> - MoM is accepted without changes.
5	Update: Guidance on steep slope and fragile and marginal soils management	<ul style="list-style-type: none"> - Secretariat to incorporate members’ comments into the ToR.
6	Discussion on the way forward – Helen Newing’s Report	<ul style="list-style-type: none"> - Secretariat provided update on the progress regarding the Helen Newing’s report on RaCP. - Secretariat to carry out the action points as discussed during the meeting.
7	Update and discussion: ToR HCV & HCS management and monitoring	<ul style="list-style-type: none"> - Secretariat to incorporate members’ comments into the ToR.
8	Any other business (AOB)	<ul style="list-style-type: none"> - Secretariat to arrange a targeted consultation with the WG on the P&C and ISH standard. - Members to provide comments on the HCVN draft paper regarding the proposed changes to HCV values by the end of

	April 2024. The comments will be discussed in the next WG meeting.
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Minutes:

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1.	<p><u>Opening remarks</u></p> <ul style="list-style-type: none"> ● All members and invited experts were welcomed by the co-chair and the RSPO Secretariat to the 50th BHCVWG hybrid meeting. ● The Secretariat introduced the addition of 2 new members to the BHCVWG: <ul style="list-style-type: none"> ○ Sophie Gett (Sipef) ○ Imogen Fanning (ZSL) ● The co-chair also welcomed the invited experts for the BHCVWG meeting: <ul style="list-style-type: none"> ○ Daneetha from HCSA ○ Jennifer from SEARRP ○ Ruth from HCVN ● The Secretariat introduced HS Yen as the new Director of Standards and IMEL. ● The Secretariat went through the meeting’s housekeeping details and read out the RSPO antitrust policy statement, consensus-based decision-making, and conflict of interest declaration, if any. No conflict of interest was raised by the members. ● The Secretariat provided an update on the current BHCVWG composition and indicated that they have received an application from Haleon to join the CGM category of the WG pending approval from the WG. 	
2.	<p><u>Introduction to the RSPO Director of Standard and IMEL</u></p> <ul style="list-style-type: none"> ● The director introduced his background and explained the merger between the IMEL and standard departments. He clarified that he is tasked with overseeing both departments. ● The director provided an update on the standard revision: <ul style="list-style-type: none"> ○ The Secretariat has been following the directives from the Standards Revision Steering Group (SG) based on the letter dated 6 September 2023, aiming to refine the draft to be clearer, more relevant, auditable, and implementable. ○ A 5-day internal workshop was recently conducted to revise the standard, and an update will be provided to the SG soon. ○ The standard's direction and decisions will be guided by the SG's input. ○ Any decisions or directions from either the SG or BoG during the upcoming board meeting will be shared with all working 	

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	<p>groups and task forces to inform their respective work streams.</p> <p><i>Questions from the members:</i></p> <ul style="list-style-type: none"> ● A member questioned whether the Secretariat has any upcoming plans or changes for the biodiversity/climate unit. The Secretariat responded that no changes are planned for now. The current structure is effective, and since the merger of the two departments, the team has expanded, providing more support to existing units. However, there are considerations for implementing a thematic, operational matrix structure in the future. This change could help address certain capability and functional areas where the current setup may not be the strongest. Any structural changes would be considered in the next financial year and requisition. ● A member inquired about the RSPO standard's relevance to sustainability regulations like EUDR, TNFD, TCFD, and GHG protocol. <ul style="list-style-type: none"> ○ The Secretariat emphasised the RSPO is aligning with the broader aspects of the EUDR, including forced labour and FPIC. Challenges were seen in legal compliance and the differing definitions of "forest" between the EUDR and RSPO, suggesting the use of CTTS/PRISMA technology for risk assessment and bridging definition gaps. RSPO is taking a modular approach to various regulations, supporting members in complying with regulations, especially in Europe and North America. The Secretariat acknowledged the paradigm shift in sustainability towards granular data-driven approaches, integrating digital tools like CTTS and PalmGHG calculator for transparency. ● A member noted that current RSPO standards for upstream operations are more robust than those for downstream activities. Concerns were raised about proving adherence to NDPE policies in the downstream supply chain and the member questioned whether RSPO could address these challenges. <ul style="list-style-type: none"> ○ The Secretariat clarified that the RSPO can help with sustainability challenges, highlighting the voluntary nature of uploading data to PRISMA and the complexity of managing third-party supply bases. However, it is not the sole solution due to diverse certification paths. Recognizing the challenges faced by smaller growers, it was emphasised the importance of change management and offer choices based on market realities. As regulatory pressures grow, the Secretariat stressed the need for adaptability, ensuring the RSPO remains relevant and supportive for all growers. 	

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3.	<p><u>Update: RaCP progress and RaCP tracker</u></p> <ul style="list-style-type: none"> ● The session was presented by Mohd Zaidee, Acting Head of the RSPO Integrity Unit, on the RaCP progress and tracker. ● As of January 2024, the team is managing approximately 633 ongoing cases of RaCP. ● Currently, there are 8 active compensation panel members, with plans to increase this number to 10. ● There are currently 12 LUCA reviewers, with a proposal from the Secretariat to increase this number to speed up the LUCA review process. ● The RaCP team consists of 4 full-time members. ● The team is currently handling around 1324 LUCA cases, which includes smallholders. Out of these 1324 cases: <ul style="list-style-type: none"> ○ 105 cases are subjected to remediation. ○ 575 cases are at the concept note stage. ○ 365 cases have progressed to the remediation and compensation plan stages. ● There have been improvements in the time taken to approve LUCA since the Integrity/Assurance team took over the RaCP process from the Biodiversity Unit. Before 2024, LUCA submissions took about 3 rounds of review for approval. Currently, it takes only 2 rounds for approval. ● Breakdown of RaCP cases by regions: <ul style="list-style-type: none"> ○ Latin America: 162 cases, covering approximately 158,598.41 hectares. ○ Africa: 34 cases, accounting for 162,458.29 hectares. ○ Asia: 419 cases, totalling 1,583,883.73 hectares. ● The LUCA process has undergone significant changes and is in line with the RaCP Reduction Program 2 introduced last year. <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> ● A member requested an update on the progress of the social remediation. Secretariat responded that based on the submissions from the members, in terms of social remediation, most reported no social remediation issues. Thus, there is currently no data on social remediation issues. ● A member raised a huge concern that was mentioned back in 2015 when the RaCP review report was released. At that time, it was identified that companies without HCV assessments were unlikely to have proper FPIC or HCVs and also unlikely to have clarified with the communities what values may or may not have been lost. There has been a nine-year delay in addressing this gap in the process. The commenter highlighted that this is an urgent and worrying gap in the procedure. Taking note that only half of the RaCP procedures are being carried out as planned, the social aspect appears to be omitted from the implementation plan. 	

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	<p>Companies claim to have no social liabilities, which is believed to be untrue. In reality, they do have social liabilities but the system is not picking it up. Secretariat clarified that in RaCP v2, more emphasis has been placed on the social remediation aspect. A social expert is now involved in the process of addressing social remediation. Additionally, the SAM is also included to ensure proper evidence is submitted to back their claim.</p> <ul style="list-style-type: none"> ● A member raised a question about the RaCP tracker available on the website, suggesting improving it to make it more informative. It was pointed out that while the case tracker provides detailed information on a case-by-case basis, the RaCP tracker offers more generalized, aggregated data based on the company. The tracker does not provide information about the progress by case or company. The Secretariat agreed with the observation and acknowledged that the tracker currently only displays RaCPs that are approved or completed and agreed to include ongoing cases in the tracker for individual management units. The Secretariat also added that the RaCP is going to be a module in PRISMA, thus transitioning the entire process to a digital format. Currently, the RaCP is partially digitized and partly manual. Digitizing it within the PRISMA environment will enable better tracking and structured capture of digital data, which can be made available to the public where appropriate. A consultant is assisting in digitizing existing RaCP plans to gain a good grip on content. Depending on the progress, these findings could be presented in the next WG meeting. It was also highlighted that many of these elements are interconnected. With data being digitized, it will help avoid replication, as the systems will be interconnected. This enhances the overall transparency and provides a lot more detail in the end. ● A question was raised whether the information detailing the geographical breakdown and location of the current liabilities will be made available on the RSPO website in the future. The Secretariat replied that the information is already available online as part of the impact reports and updates, under an annex. The Tableau dashboard that was presented earlier is based on this information. However, the Secretariat noted that if the group feel that it is of value to include the geographical breakdown, the data team can work with the Integrity team to add an additional tab to the dashboard. The data is already available and can be made public, as it is included in the annex of the impact reports and updates. ● A member asked the Secretariat for reflections on what are the main changes that have been driven the improvement of the current RaCP cases and whether this trend is expected to continue or if it represents a new standard going forward. The Secretariat responded that the decrease in processing times is closely tied to resources. Initially, with only one person handling RaCP, the 	<p>Integrity unit to work with the data team to create a tab on the dashboard to show the geographical breakdown</p>

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	<p>process was slower. As the team expanded, there was an acceleration in the process. There is a link to institutional knowledge and learning what has happened and how to make things more efficient. For example, while the LUCA submissions take time, so do the concept notes and compensation plans due to multiple review rounds. As discussed in the CTF2 meeting, there is a potential to speed this up by matching them with pre-verified and credited plans. This approach could truncate the process without mandating it, thus the members still have the freedom to choose. It was also noted that the LUCA process has seen an 80% increase in efficiency, whereas the efficiency for concept notes and compensation plans is more moderate. This could be due to the complexity of the content, as the Secretariat are not the content expert. The Secretariat can assist to facilitate and spot the gaps.</p> <ul style="list-style-type: none"> ● A member highlighted concerns about the panels lacking sufficient information to make well-informed decisions. It is a task with insufficient information and communication. There is limited interaction with those submitting concept notes, making the task challenging to begin with. The member inquired whether there has been discussion within the Secretariat to consider changes to professionalize the process, drawing parallels with the success seen in outsourcing the LUCA process to consultants. Could a similar approach be taken for concept note provisions? <ul style="list-style-type: none"> ○ The Secretariat acknowledged that additional resources can help to some extent, however, adding more people would not fully solve the issues. This requires alternative approaches as the Integrity team is balancing a lot of other responsibilities. In the recent CTF2 meeting where Lestari Capital presented, there was a discussion about potential parameters that could define a verified compensation plan. Supporting these parameters independently could be helpful. The Gold standard matchmaking proposition is the other. By focusing on providing options that are more likely to be approved and accepted, the process could become more efficient. ○ In regards to the Secretariat's response, the member noted that the fundamental issue lies in entrusting a panel with limited information. Instead of relying on a panel, the member suggested using consultants or hiring a dedicated permanent team, akin to a monitoring and evaluation team. This team would have the necessary experience in reviewing proposals and testing them against certain guidelines. They believe that the current compensation panel approach is the problem. ○ The Secretariat clarified that the proposed change to the compensation panel would need to come from the members themselves. Such changes would require discussion and input 	

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	<p>from the SSC and the board. If the WG collectively feels that the compensation panel structure needs changes or have alternative options, these suggestions can be presented to the SSC and the board for consideration.</p> <ul style="list-style-type: none"> ● It was also pointed out that the concept note stage has become lengthy and unwieldy. The intended purpose of the concept note is to provide a quick check to determine the viability of a project before significant efforts are made. However, the current process has got bigger. The panel often feel they lack the necessary expertise to evaluate the concept notes effectively. There is also an increase in detailed information, including satellite imagery and letters from NGOs, which could cause disengagement among the panellists, as they cannot dedicate several days to looking through extensive documentation and verifying it. There is a clear need to reform the process. The concept note stage has thus become an unwarranted bottleneck. The investigation should be well done at that stage by a professional approach and then perhaps the compensation panel can be informed of the outcome so that they can make a decision. There is a need for change while maintaining the unbiased approach that RSPO strives to maintain. ● A member highlighted that past discussions have brought attention to the need for revising the format of the concept note, as well as Annexes 8 and 9. The member finds the current format confusing and repetitive, making it challenging for growers, especially those unfamiliar with RaCP. The lack of clear guidance and repetitive questions across different sections were identified as key areas needing improvement. <ul style="list-style-type: none"> ○ The Secretariat responded by acknowledging the need to review the annexes. Refining these documents is part of their planned agenda moving forward. ○ However, a member emphasized that concept notes should not include annexes to begin with. They should be concise, limited to two pages, outlining the project's details. The panel does not need to see proof of government or stakeholder support, including support letters and satellite imagery at this stage. The panel's role is to assess the viability of the project assuming the applicant has all the necessary information. Essentially, the panel needs to determine if all required boxes have been checked for the project to proceed. The Secretariat informed that they would explore ways to introduce process efficiencies to support the compensation panels in making informed decisions without having them go through excessive text and images. It was also noted that enforcing the existing rules for concept notes is also crucial. Secretariat plans to develop proposals to streamline this process in the future and will present them to the WG for further discussion. 	<p>Secretariat to take note</p>

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	<ul style="list-style-type: none"> ● In regard to the idea of a matchmaking approach with previously approved plans, a member suggested building a case history. This would provide a precedent for similar projects, ensuring consistency in approval criteria. By referencing these precedents, the panel could quickly assess whether a new plan meets the established standards or requires recommendations. The member suggested that the Secretariat could match similar plans and present them to the panel simultaneously. This would help the panel members who may not be familiar with the specific expertise required for a particular concept note. <ul style="list-style-type: none"> ○ The Secretariat noted that there is the potential for implementing such a matchmaking approach, especially with the ongoing efforts to digitize existing plans by breaking it down into at least a cover sheet and accessing it on a score basis. There might be room to contextualize the whole concept note and break it down into parts, such as what it meets and what it does not meet. This could help the panel members to understand the context of it, as opposed to a single large document being shared with them. However, the Secretariat noted that addressing the content part is separate and would involve matching projects, either through the suggestions made by Lestari Capital or by collaborating with Gold Standard, among other options. To pursue these, the WG's approval would be necessary. With the WG's agreement, the Secretariat would explore and propose process improvements to assist the compensation panel in pre-assessing concept notes more effectively. Additionally, with the capabilities of PRISMA, there may be opportunities to further enhance efficiencies of this whole process. ● A member agreed that examining the entire process is essential, however, noted that there are concerns about whether the compensation panel is the appropriate body to handle this task, considering time and expertise constraints. They suggested exploring alternative options, such as outsourcing to an external party or establishing an in-house team. While not going into a detailed analysis at this stage, the member noted that it is crucial to identify and understand various alternatives so it could be discussed at the next meeting. The Secretariat agreed to outline potential options. Once the WG agrees, a detailed plan can then be developed. ● There was a request for the next meeting, to focus on the data related to the social aspects of the RaCP. It was suggested to review the available data alongside the Helen Newing report to facilitate a group discussion on how to move forward. 	<p>Secretariat to review and outline potential options</p> <p>Integrity unit to review the request and plan for the presentation</p>
4.	<u>Discussion: Prevent the re-opening of LUCA</u>	

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	<ul style="list-style-type: none"> ● The session was presented by Mohd Zaidee to seek the BHCVWG's opinion on the reopening of the LUCA. ● The Secretariat received requests from members to revisit or reopen the approved LUCAs that were done previously to recalculate the compensation and/or remediation areas. The reasons for this request include: <ul style="list-style-type: none"> ○ Improvements in data, i.e. higher resolution images being produced (members get improved data that they feel might reduce the liabilities). ○ New BMP and/or new RSPO guidance being released (not applicable for approved LUCA and Compensation plan). ○ Change of ownership - by acquiring new assets from other members. ● Implications that might occur if LUCA is reopened and redone: <ul style="list-style-type: none"> ○ Changes in approved compensation and/or remediation area (increase or decrease of FCL) ○ Added complexity for the current approved compensation project (ha to ha or ha to the dollar) ○ Possible disruption in the certification process. On non-compliance, an NC status will be given and insufficient time to close the NC may affect the outcome of the process. ○ Adding to the backlog of LUCA and/or RaCP cases. ● Reopening LUCA could cause a strain on the limited internal Secretariat's manpower and budget more than potentially necessary. ● Integrity Unit sought the recommendation of BHCVWG on the proposed way forward: <ol style="list-style-type: none"> 1. Reopening of approved LUCA to be disallowed. 2. Reopening of approved LUCA to be allowed provided its Concept Note is still in review. <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> ● A member noted there are financial implications to the RaCP process. For example, if a project has undergone a two-year process and finally received approval for a raw hectare and a final liability, which then the company finances a long-term project initiative, any sudden changes could have significant financial implications for the company. Thus, changing these terms would cause someone to be held liable for the changes. For example, in a scenario where the approved area changes from 1,000 hectares to 500 hectares, if multiplied by the rate of \$2,500 per hectare over 25 years, it represents a significant financial commitment. The RSPO could be taken to court for overcharging. In most cases, once an agreement was finalized and signed, business models were based on these terms. Thus, the mechanisms being 	

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	<p>discussed have real-world and legal implications. Modifying liabilities that have been agreed upon is not advisable.</p> <ul style="list-style-type: none"> ● A member asked whether it was the growers themselves requesting to change their liability or if it was prompted by someone else through a complaint mechanism. It was clarified that it was entirely the growers' request to revisit or change their LUCA liability. ● A question was raised about the type of scenarios in which the LUCA would need to be reopened. It was responded that some members, upon having new satellite imagery technology and cross-referencing it with the latest RSPO guidelines, found there is a decrease in their liability when consulting with external experts. Thus, they request to revisit their LUCA. ● It was noted that there are cases where liabilities from previous historical disclosures are being revisited, with new technology retrospectively being changed by the RSPO. Many long-serving members were asked to disclose their liabilities in 2014, which they did, and the RSPO accepted those disclosures. ● A member expressed curiosity about the scale of this problem and asked what percentage of already completed or ongoing processes are reporting this issue. The commenter also asked for clarity on why this is seen as necessary. Additionally, the commenter found reason 3, related to changing ownership, is unclear. It could be understood if there were no data, a revision might be necessary, but was uncertain how a change in ownership would trigger a revision of the LUCA. In regards to change of ownership, it was clarified that when a new member acquires an asset together with its liabilities, they believe by using advanced technology, it will produce more accurate result. This is why they propose to the Secretariat to reduce the liability from the previous owner. ● It was noted that the incidents of this happening will reduce if the time taken to get concept notes and projects approved decreases significantly. In many cases, the lengthy period it has taken to get concept notes approved has given growers the feeling that they have time to change their LUCA before their project gets approved. However, if the time from LUCA approval to concept plan approval is significantly reduced, these issues are less likely to occur. The Secretariat commented that introducing a retroactive element into an already retroactive procedure will complicate matters and open up to risks, especially in the future. It may encourage people to continually revisit things as technology improves. However, there may be exceptional circumstances where this could be applicable, but these should always be treated as exceptions rather than the rule. ● It was highlighted that with recertification, the revisit of past liability declarations that have been previously accepted should 	

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	<p>be included. The liability declarations from 2014 are now being reopened, with the time period dating back to 2006/2007, based on new technologies like Google Earth. It was also emphasized that the procedures that the member approved currently also include these scenarios. Those should be considered as closed cases and not reopened. With the two suggestions presented, the member noted that it should be clear that those cases that were liability declarations from 2014/2015, should be considered as closed cases with accepted LUCA.</p> <ul style="list-style-type: none"> ● A member noted that for suggestion 2, there needs to be a valid reason provided for wanting to reopen it. The only reason to revisit LUCA would be if there were complaints indicating intentional dishonesty about the LUCA. It was noted that improvements in technology or the release of new BMP or guidance should not be reasons to reopen LUCA retrospectively. The member stressed that actions should be based on the guidance and BMP available at the time, as the RSPO are in a process of continuous improvement. Applying contemporary standards to historical actions should not be allowed. In regards to changes in ownership, if liability has been accepted in the agreement, it should not be subject to reduction through post hoc reopening. ● A member questioned whether there might be an incentive for growers to delay in terms of getting the concept note through, to wait for better technology. It was clarified that growers want to obtain certification to access premium benefits. The extended duration of the RaCP process is a significant concern to them and thus prefer the process to be shorter. The commenter also has concerns about the issue of revisiting old files due to new guidance documents, which may led to re-evaluating previously accepted LUCA disclosures. With over 600 cases to manage currently, going back to files from 2006/2007 for long-standing members who were not part of the RSPO at that time and questioning their accuracy is not an efficient approach. ● A member highlighted several key points regarding the use of new technology in LUCA reviews. Firstly, new technology may not always favour growers by reducing liability; in some cases, it could instead increase the liability. Secondly, there are limitations to what historical satellite imagery can achieve, suggesting that outcomes may not dramatically change due to new technology. Additionally, LUCA reviews are a long process. Given the lengthy review periods, it seems unlikely that many cases would be reopened within a 30-day timeframe. For practicality, it might be beneficial for everyone involved to establish clear guidelines and avoid creating additional bottlenecks or resource issues. Setting a definitive line could help avoid unnecessary issues. 	

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	<ul style="list-style-type: none"> ● A member noted that it is important to remember that the RSPO is a voluntary market mechanism, and all participants are cooperating to the best of their abilities in good faith at the time. When reviewing LUCAs, the best available technology should be utilized at that moment and not applied retrospectively. The member also shared that there might be advancements in technology in the future that could enable the application of biodiversity indexes and biomass estimation using multi-spectral data from past periods. ● Several members leaned towards suggestion 2, considering the concept notes have not yet been approved. This approach allows growers to rectify their LUCA but was noted that the cost of reviewing the LUCA is to be borne by the growers initiating the review. This would help resolve resource issues and ensure that reviews are conducted on a case-by-case basis. Additionally, it was noted that changes in BMP and ownership will not affect the LUCA, instead, it is just the data. Suggestion 2 does not open old cases; it is only the approved cases. ● A member also noted that the RaCP process sometimes presents cases that require decisions on a case-by-case basis. The concern raised is that completely closing the door to revisiting LUCA could pose challenges when such cases arise in the future. Therefore, some members were leaning towards suggestion 2. However, the Secretariat clarified that suggestion 1 doesn't entirely rule out exceptional circumstances. While the procedure disallows such cases, it doesn't entirely close the door on exceptions. If exceptional cases do arise, they will be considered on a case-by-case basis to determine their merit. The intention behind the sentence is to set clear boundaries, but it remains flexible for exceptional cases that might arise. ● The Secretariat also pointed out that suggestion 2 aligns with legal principles akin to double jeopardy, which prevents the same matter from being relitigated. If a case has been closed, it should not be reopened. However, if a case is still ongoing, such as when a concept note has not been approved, it remains open to revision. Once a concept note is accepted and the compensation plan goes through, it is set in stone. Ongoing cases could potentially be revisited due to exceptional circumstances, however, need to be cautious with the language to avoid triggering numerous changes. Therefore, any such exceptions should be branded as an exceptional case under exceptional rules subject to the discretion of an oversight party in allowing those exceptions to go through. In terms of governance, that is the fairest way to go through. ● Some members favoured suggestion 1, expressing concerns about the RSPO's capacity, particularly the Secretariat's ability to manage an influx of reapplications. This would substantially 	

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	<p>increase their workload, given the existing challenges in handling the current volume of RaCP work. Therefore, they believe that sticking with suggestion 1 would be easier and more practicable. Another member noted that if suggestion 1 allows for exceptional cases to be considered, they would be fine with considering that approach. A clear definition of what constitutes "exceptional cases" should be made. The Secretariat clarified that the initial point of contact would be with them, but the final decision would rest with the respective compensation panel that approves the LUCA.</p> <ul style="list-style-type: none"> ● Suggestion 1 was unanimously chosen by the working group without any objections. 	
5.	<p><u>Confirmation of MoM and a brief update on the BHCVWG action tracker</u></p> <ul style="list-style-type: none"> ● The minutes (MoM) of the 49th meeting (17 November 2023) was presented to the members by the RSPO Secretariat. The minutes were accepted with no amendments and/or objections. ● The Secretariat provided an update on the ongoing BHCVWG activities. <ul style="list-style-type: none"> I. <i>Timeline for RaCP v2.</i> Currently, there are 8 subgroups and 3 have been completed. II. <i>Scheme smallholder study (Resolution GA18-2d)</i> The tender deadline has closed, and two proposals have been received. The Secretariat is preparing to submit these proposals to the tender committee. III. <i>ToR for the evaluation of remediation and compensation plans.</i> The ToR is scheduled to be revisited either in April or May 2024. IV. <i>ToR on HCV-HCSA management and monitoring (M&M)</i> Framework to be presented in the meeting. V. <i>Guidance on steep slopes and fragile and marginal soil management</i> Framework to be presented in the meeting. VI. <i>HCVN: updating information over time</i> 	

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	<p>HCVN has shared the draft paper regarding the proposed changes to HCV values. To be discussed in AOB session if time allows.</p> <p>VII. <i>Undisclosed land clearing issue</i> Integrity will prepare the draft proposal and present it in the next working group (WG) meeting in June 2024.</p> <p>VIII. <i>A system to update existing HCV assessment</i> The Secretariat will initiate the work and discussion after the digitalisation of the system (CTTS) goes live.</p> <p>IX. <i>The options for Independent Smallholder (ISH) Final Compensation Liability (FCL)</i> The discussion has been reassigned to the smallholder subgroup and is currently in discussion.</p> <p>X. <i>RSPO-Monash Scientific symposium</i> The RSPO Impact team has a plan to conduct a second workshop in either March or April and will provide a document for feedback.</p> <p>XI. <i>Review of BHCVWG ToR</i> The review will be conducted after receiving the results from the governance restructuring exercise.</p> <ul style="list-style-type: none"> ● A member inquired about the completion timeline for the scheme smallholder study and whether it would fit into the RaCP process. The Secretariat responded that they are scheduled to meet with the tender committee. Once the agreement contract between the RSPO and the chosen proponent is signed, the study is expected to start by mid-March. This will be in time for the June BHCVWG meeting and will be incorporated into the RaCP v2 draft. ● A member sought clarification on the nature of the ToR for the evaluation of remediation and compensation plans. The Secretariat clarified that it is aimed to assess the RaCPlan for those who achieve 5 years mark, thus requiring an external evaluator to evaluate. The ToR will be presented in the upcoming meeting for member feedback. If members approve, it will be put up for tendering. ● An inquiry was also made on how the RSPO would ensure that there is enough budget allocated for crucial aspects such as management and monitoring studies, social liability reviews, etc. The member emphasised the importance of applying for the appropriate budget quota to avoid further delays. 	

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	<p>The Secretariat noted that the RSPO Biodiversity Unit and Standard Department would have a budget review in March and that they will budget all the projects that the BHCVWG is working on into the activity plan.</p>	
6.	<p><u>Update: Guidance on steep slope and fragile and marginal soils management</u></p> <ul style="list-style-type: none"> ● The Secretariat presented the framework for the draft ToR of the "Guidance on steep slope conservation and management.". The guidance document will be refined based on the comments and feedback received and consultations with experts. <p>Outline of the ToR framework:</p> <ol style="list-style-type: none"> 1. Introduction 2. Definition of steep terrain 3. Steep slope management framework 4. Steep slope inventory <ol style="list-style-type: none"> a) Assessment of the topographical factor b) Assessment of the soil factor c) Assessment of the climate factor d) Assessment of the vegetation factor e) Soil loss analysis 5. Result of soil erosion assessment in steep terrain 6. Steep slope conservation plan 7. Steep terrain management <p>Annexe 1: Steep slope assessment result</p> <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> ● A member inquired regarding the auditability of the P&C, specifically whether the Secretariat has cross-checked against the current list of verifiers provided for auditors and if these are being included in the guidance. The Secretariat stated that this refers to the audit checklist, which has been tested for completeness. Regarding the standard revision, the Secretariat is looking at mechanisms to harmonize what is written in the standard with what is being asked of the auditors to check. This aims to ensure clarity for everyone regarding the necessary steps. Moving forward, this pathway will be extended to other interconnected indicators to ensure consistency between the guidance, audit checklist, and the standard itself. This aligns with the directive provided to the Secretariat by the Steering Group (SG), which aims to eliminate gaps and ensure all the documents say and mean the same thing. 	

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	<ul style="list-style-type: none"> <li data-bbox="284 237 1126 725">● A member noted that the current draft is an improvement compared to the previous version, particularly in terms of outlining the steps needed for assessing various aspects. However, it was noted that there is an absence of a ground check, especially regarding vegetation. It was highlighted that, while satellite imagery can provide canopy cover data, it may often be bare ground underneath. For example, an oil palm plantation has good canopy cover, but if there is no ground cover, there would be a high level of soil erosion. Additionally, the member emphasized the importance of considering other HCVs present in the area as the additional HCVs will affect the type of management activities that can be implemented. The Secretariat agreed with the points made. <li data-bbox="284 734 1126 1771">● A member raised a question regarding the definition of steep slopes. They pointed out a discrepancy between the P&C, which mentions a 40% slope, and the draft, which refers to a 38% slope or a 25-degree. They asked for clarification on which definition should be referred. The member also questioned the strategy for conservation management based on soil erosion rates. The draft provides risk classification based on soil erosion, however, it lacks specific strategies to handle these situations based on the soil erosion rate. They also asked about the best strategy for steep terrain conditions with the highest soil erosion rate, which is more than 150. For the first question, the Secretariat agreed that there is a discrepancy and noted the conflicting references to steep terrain categories in different countries. The Secretariat will work on this in the draft. For the second question, the Secretariat explained that once areas are classified, the user/grower would be able to categorize the level of risk, and based on that corresponding conservation strategies can be determined. For example, planting trees is a simple strategy, but the guidance draft suggests selecting tree species that offer higher protection if the area has high erosion risk. This approach considers factors such as root structure and species characteristics. The guidance provides recommendations/ options on the type of plants to be planted based on the result level. In regard to the best strategy for addressing high soil erosion rates, plants with lateral root are recommended as they can hold up more soil particles compared to plants with deep roots but fewer branches. This approach allows higher protection to the soil surface and high soil stability. <li data-bbox="284 1780 1126 1993">● A member raised the importance of including health and safety considerations in the assessment. Steep terrain can have various hazards such as landslides, slipping, road collapse, and other risks. Therefore, need to assess whether there are access requirements, especially for areas designated as HCV 5 and 6, and if there are issues related to worker safety and health. It is essential to 	

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	<p>consider other HCV aspects as well, such as the presence of a river at the bottom of the hill, in addition to health and safety aspects.</p> <ul style="list-style-type: none"> ● The members also inquired about the absence of management recommendations in terms of what needs to be done once results are obtained. They noted that the presentation seemed to suggest planting trees is the only solution, whereas various other measures can be put in place for managing steep slopes such as engineered physical barriers, retention structures, signage, and barriers to limit access. The type of management actions taken may depend on the critical need or risk of landslides, such as quick fixes needed before planting trees, which are quite slow and long-term. ● It was also noted that there may be situations where cover crops can be used on slopes. However, the commenter found that in the draft, <i>Mucuna</i> (a legume cover crop) is mentioned and highlighted that it is a highly invasive species and emphasized the need for a clear ban on such species to ensure that they do not encroach near or become part of the HCV 1, 2 and 3 areas. ● The Secretariat sought clarification on whether to use "invasive species" or "invasive alien species" in the guidance. A member answered that "invasive species" would be appropriate as they are often used as cover crops in oil palm plantations. It was noted that in terms of erosion control, plantations commonly use non-native species as there are no other options. Usually, plantations use <i>Mucuna</i> or vetiver grass, both of which are non-native species. While <i>Mucuna</i> can pose problems in HCV management as it can creep and harm trees, there are specific circumstances where it is needed to improve soil conditions, especially in areas that need remediation. Thus, there needs to be a balance. The Secretariat shared that the term "invasive species" is mentioned in the P&C 2018 criteria 7.1, in relation to integrated pest control, and is considered a last option. Currently, there is no direct connection to steep slope management, but there might be a need to connect these two. Additionally, it was suggested that the invasive species indicator within 7.1 might need to include language or guidance indicating its relevance to the management of steep slopes, referencing indicator 7.6 or another relevant indicator. ● It was also pointed out that the management plan for steep slopes needs to specify actions based on whether it is a remediation case or not. The assessment conducted should inform the actions. For example, the assessment of vegetation factors will indicate if there are oil palms planted, leading to specific management needs. The commenter also suggested that the document should include a framework, perhaps in the form of a decision tree, to guide actions based on the situation. All these details should be clearly outlined in the document. 	

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	<ul style="list-style-type: none"> ● It was also highlighted that it is important to recognise that managing slopes to prevent negative impacts is different from managing areas that have already been damaged. Therefore, the management and monitoring plans need to reflect the objectives for these particular areas aimed at restoring the slope to a healthy condition. There must be a monitoring of whether the implemented improvements or practices are achieving the goal of restoring the slope to its previous condition. ● A member also expressed confusion regarding the document. They noted that steep slope areas are protected as HCV 4 and there are slopes already planted with oil palm. They pointed out that the guidance seems to primarily address early-stage development, but in reality, most of these areas have already been developed. They found the guidance to be general and seems to apply broadly to all steep areas, thus suggesting that the document should state specific management recommendations for existing planted areas and for conservation. It was also questioned whether all areas are expected to be monitored. From an operational perspective, priority is given to steep slope sites that are known risk areas for erosion. Additionally, HCV areas have forest cover, and erosion occurs naturally in these areas. They sought clarification on what is expected to be monitored in terms of HCV 4 areas, some of which are very steep. There needs to be clearer information on the different types of management strategies. ● Several members questioned whether there are plans to consult with experts on technical issues and across various geographical regions. They pointed out that issues like invasive species can vary significantly depending on the region. The Secretariat answered that following the WG input, they will improve the document. Concurrently, they plan to invite experts to provide technical expertise in specific areas. Based on the experts' input, they will incorporate the relevant information into the document. ● A member inquired whether the guidance is specifically for the RaCP process or if it applies to the general P&C. Additionally, for companies with existing oil palm plantations on steep slopes, it was questioned whether these companies need to comply with the RaCP and follow the provided guidance? The commenter also expressed concerns about the results of the soil erosion assessment as it does not mention what impacts should be measured. The Secretariat responded that the result of the assessment is the soil erosion rate. In regard to measuring the impact, the expectation from the P&C is to minimize soil erosion. After implementing conservation measures, the impact can be measured by ensuring the soil erosion rate is lower than the baseline. In terms of conservation, even after planting trees, 	

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	<p>the key indicator should be achieving a soil erosion rate of zero or lower than the baseline.</p> <ul style="list-style-type: none"> • The importance of considering the usability of the documents was stressed. When addressing steep slope management and assessing associated risks, it is crucial to ensure that all information is organized within the document. With a comprehensive assessment that takes into account all these important criteria, navigating the decision tree to determine the appropriate management approach will be much more straightforward. • It was pointed out that the previous draft included preambles before the introduction that explained the purpose of the document. It was suggested to reintroduce this feature into the new draft for clarity. There needs to be a clarification on whether the new draft guidance is general or specifically for the RaCP, as the previous preamble suggests that it was for remediation purposes. 	
7.	<p><u>Discussion on the way forward – Helen Newing’s Report</u></p> <ul style="list-style-type: none"> • The Secretariat presented and provided updates on the report tracker based on Helen Newing’s report which lists the measures to be taken, response by the WG, progress of it at that time, and the current progress since last update. <p><i>Feedback/questions from the members:</i></p> <p><i>Staffing at RSPO Secretariat.</i></p> <ul style="list-style-type: none"> • A question was raised about whether there are any staff within the RSPO who have expertise in social HCVs, given its significance in previous discussions. The Secretariat answered that currently, there is no social expert on the team. However, there might be a plan to hire an external social expert for the LUCA review moving forward. • A member pointed out that in the previous CTF2 discussions, the social self-assessment matrix (SAM) was discussed and that it is equivalent to LUCA. However, the current LUCA focuses more on land use change, while there is another annexe providing guidance on identifying social liabilities for HCV 4, 5, and 6. Based on the LUCA disclosures, there is good implementation in terms of the environmental aspect, but there is a need to improve the social aspect. The member was unsure whether the SAM was the correct follow-up but suggested that certain aspects of that procedure could be incorporated into the LUCA review by social experts. The member also expressed concern about how the 	Integrity Unit to take note

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	<p>Secretariat plans to handle the review by a social expert if they do not have one on the team. The Secretariat clarified that the SAM is required during the disclosure stage. Based on previous discussions, it was mentioned that the role of the Secretariat is to only check for the completeness of the SAM. At the end of the day, an external social expert is still needed to review more details when it goes through the LUCA stage. Currently, the focus is on ensuring the completeness of the SAM.</p> <p><i>Documentation and information - To ensure that all social liability reports undergo quality assurance.</i></p> <ul style="list-style-type: none"> • A member noted that in a previous discussion, the focus was on future assessments. Additionally, it has been identified that prior declarations of no social liability by companies are implausible, noting that it is unlikely there is no social liability but get unreported. The member questioned how the organization plans to address this issue moving forward. The Secretariat stated that the previous idea was to focus on future assessments rather than delving into retrospective reviews, especially for those who already submitted the disclosure and went through the LUCA stage. Moving forward, the best way is to focus on future cases to ensure there is indeed no social liability by completing the SAM. • A member noted that there are numerous disputes on the ground due to the destruction of social HCVs due to the lack of or poor assessments. They find that simply pledging to future improvements is not enough while leaving millions of hectares of certified operations without addressing their liabilities. The Secretariat clarified that during the certification process, Certification Bodies (CBs) will identify and address any social issues that arise. Additionally, auditors will examine any pending cases during audits and inquire about actions taken and follow-ups to address these issues. • A member pointed out that with the requirement for growers to provide self-disclosure of social liabilities for any new land being incorporated, there will likely be a large number of these social disclosure reports. It seems that there will be reliance on independent experts. It was questioned whether the RSPO should consider the effort needed to move forward with the LUCA processes to create a system that can handle this volume efficiently. The member emphasized the importance of proactive planning to prevent social disclosure from becoming a bottleneck in the future. The member also highlighted the need for clarity in the processing of the disclosures, similar to the LUCA. They questioned whether there is a defined process for the SAM, detailing how it is handled by staff in the Secretariat, who then allocate it to an independent consultant before it is reviewed by a 	<p>BioD unit to take note</p>

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	<p>social expert. The member suggested outlining the processing time for social liability disclosures and estimating the volume of demand for this service. This information could inform staffing decisions, such as hiring more than one social expert given the anticipated volume of work, especially considering this is required for every new piece of land. The Secretariat will discuss internally first and will present the flow chart during the CTF2 social subgroup meeting.</p> <ul style="list-style-type: none"> It was also suggested that the RSPO should consider inviting someone from the FSC to share insights on their remediation and social component processes or to review their documents to check if the RSPO could learn from them without having to start from scratch. The Secretariat will look into it and bring this up during the social subgroup. <p><i>Compensation panels and review process - to provide induction training to new compensation panel members.</i></p> <ul style="list-style-type: none"> Based on members' experiences, there were discussions about conducting inductions/refresher courses, but they did not materialize. Given the importance of the issues raised earlier, it is important for the panel members to understand the process thoroughly. The Secretariat acknowledged this concern and will raise the issue with the RSPO Integrity unit. The WG agreed to have an annual refresher course. A member shared that based on their experience of doing assurance of assessment reports and having external consultants doing the work, it is never enough to just have an induction. Induction materials evolve over time, and consistency is a big challenge. Solving it is not just about training but also about providing clear guidance on what should be checked and the kind of feedback that should be provided if that is the scope of the work. Additionally, there is a workload that needs to be recognized for systematizing learning from the work of these consultants. Setting best practices and learning from the work of the six individuals on the panel is important. There should be recurrent updates of the induction and training materials, including examples of do's and don'ts based on what the panel has observed. Orienting these individuals to be consistent with each other can only happen if someone reviews the full performance of these panels and extracts lessons learned and best practices to recommend. In regards to best practices, the Secretariat stated that they currently have a consultant examining all the remediation plans and extracting key practices from them as mentioned previously by the director of the standards. Once that information is received, it can then be incorporated into the induction (managed by the Integrity Unit) to provide guidance on 	<p>Integrity Unit to take note</p> <p>Integrity Unit to take note</p>

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	<p>how to handle specific cases. Additionally, the information gathered might be shared in the future on the CTTS platform with the compensation panel.</p> <p><i>Compensation panels and review process - recruit social experts to compensation panels and as external reviewers.</i></p> <ul style="list-style-type: none"> ● A member inquired about the organizational structure of the Secretariat and whether there are new positions for social experts currently being considered. The Secretariat noted that the operational responsibility falls under the Assurance Department and the Integrity Unit. Currently, there are no openings for a social expert as the focus has primarily been on environmental aspects. Thus, the reason why the RSPO have five environmental specialist staff but no social expert. ● A member commented on the involvement of external reviewers and the invitation of social experts to join the compensation panel. They mentioned that they have connections with quality panel members who conduct evaluations. Additionally, they know a few social experts working on HCV/HCS assessments who could be interested in registering as consultants for the compensation panel. ● A member noted that the compensation panel consists of six growers. They raised concerns about how it was divided among these grower representatives, as some are on multiple panels while others are only on one. The member emphasized the importance of ensuring a balanced workload among the panel members, especially considering the amount of concept notes and annexes they need to review. ● A member pointed out that one of the reasons why it is difficult to recruit social experts is due to the limited number of RSPO members who are social NGOs. Given that this has been a long ongoing issue, the member inquired whether there are plans to look outside of the RSPO membership for potential recruitment or to have a different system or requirement for social experts. Another member recalled that around 2015/2016, there were discussions about involving those outside of the BHCVWG due to this lack of social expertise. The previous co-chairs had approached a few individuals outside of the WG, however, these individuals declined as there was no compensation given, and the workload involved was significant, given that it is voluntary work. They also noted that the current system is not working very well. While it would be beneficial to go in a different approach, there is a need to maintain a balance of partiality. ● One member, who was previously on the panel, mentioned that they left as the compensation panel as there was hardly any discussion on the social side and their expertise is not needed. 	<p>Integrity Unit to take note</p> <p>Integrity Unit to take note</p>

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	<p>Current situation focused more on the technical aspects, especially the environmental side.</p> <ul style="list-style-type: none"> ● It was also noted that the panels are under NDAs, which restricts social NGOs from interacting with communities to understand their viewpoints. This causes a challenge for NGOs that have an obligation to support and represent these communities. Thus, they consciously choose not to be involved in the compensation panel to avoid conflicts of interest as they cannot share information about community issues. The commenter suggests reassessing how social expertise can be effectively involved to avoid these challenges. ● A member emphasized the importance of addressing the social liability assessment before focusing on the social experts. The Secretariat responded by highlighting the SAM as an initial screening tool. The Secretariat would review this first, and if liability is confirmed, it would then be handed to panels that have social experts. The Secretariat will discuss this matter internally and refine the process further. ● A suggestion was made that if there are not many cases of social liability, there may not be a need to include a social expert on the compensation panel. Instead, social experts could be engaged on an as-needed basis for specific reviews. ● A member noted the need for clarity regarding the audience and intended users of the SAM checklist. It was suggested creating a flowchart that outlines the roles and responsibilities of the Secretariat, complaint panel, and company reporting, and how these documents link with each other. This would help tailor the checklist to its intended users. The Secretariat will prepare the flowchart and present it during the social subgroup meeting. <p><i>Compensation panels and review process - introduce basic screening step by the Secretariat to ensure all necessary documents are attached before sending to the reviewers.</i></p> <ul style="list-style-type: none"> ● It was noted that there were repetitive comments from different reviewers. A member suggested that all records of reviews, feedback, and responses from companies should be included as part of the documentation for the next reviewer. This would help the reviewer understand the document and prevent the same comments from being repeated. The Secretariat acknowledged this suggestion to provide a summary of all records and feedback between growers and reviewers. ● Depending on the outcomes of the way the subgroup is looking into the topics, there could be budgetary implications for the Secretariat. For example, hiring additional staff for social matters or needing to allocate funds to pay social experts to conduct reviews might. There could be important budget implications and 	<p>BioD unit to take note</p> <p>Integrity Unit to take note</p> <p>Integrity Unit to take note</p> <p>BioD unit to take note</p>

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	<p>the implementation of recommendations would depend on having a budget to do so. It was suggested that a clear plan outlining the path forward and its budgetary implications should be developed and included in the following year's budget planning.</p> <ul style="list-style-type: none"> It was noted that while an external reviewer reviews the full proposal, they primarily focus on the concept note level, which does not go into detail. Thus, there's a need for specific guidelines on the social aspects to be looked at to assist the compensation panel. An immediate action would be to have a social expert provide key considerations that need to be looked at. This can then be shared among the existing compensation panel to address the issue promptly while working towards a long-term solution. Having a checklist would help the compensation panel to stay within the scope of what they need to look at. The Secretariat to discuss further internally (with the HRRS team). <p><i>Monitoring reports - call for monitoring reports on the implementation of all approved plans to be submitted within the next six months.</i></p> <ul style="list-style-type: none"> A question was raised regarding the submission of monitoring reports, whether they are submitted by the UoC or the implementing organization, and whether they are submitted to the Secretariat. The member also inquired about who should the company address the report to. The Secretariat stated that based on the document, the reports should be sent from the growers to the Secretariat. A member asked about which specific quarter or month within the ongoing year the growers should submit their documents. It was also questioned whether the reports should be submitted before the CBs conduct the audit. The Secretariat responded that they would need to discuss this internally and will provide an update in the next meeting. In regards to the timeline, in reference to the monitoring by the Secretariat, a member suggested streamlining the timeline. They noted that sometimes Annex 8 approvals come in the middle or end of the year. Based on their experience, they mentioned that their plan was approved in August, and they combined it into a yearly report. Internally, they aim to have a summary report of the implementation of the RaCP by the end of each year. They suggested allowing for some flexibility in the first year to address potential gaps and this can allow the growers to streamline and have a clear deadline. The Secretariat noted that the intention is to establish it to be similar to the ACOP, where reports are submitted annually. They noted they would allow a transitional 	<p>Integrity Unit to take note</p> <p>Secretariat to take note</p> <p>Secretariat to take note</p>

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	<p>period to facilitate this and possibly able to incorporate into PRISMA. The Secretariat would discuss this further internally.</p> <p><i>Undertake a feasibility study on the economic implications of moving all technical aspects of the RaCP (both environmental and social) in-house to the Secretariat.</i></p> <ul style="list-style-type: none"> ● The feasibility study has not been conducted and is temporarily put on hold due to lack of resources. If the feasibility study is not undertaken, then the Secretariat would need to develop a new outline of procedures. ● A member noted that this relates to the compensation panel structure and how it works. They suggested considering whether these issues can be combined and addressed together to improve it. The Secretariat responded that they would internally assess the process and determine if a study is necessary. If required, they would inform the WG. ● A member proposed an idea to streamline the bureaucracy or review process within the RaCP. The commenter suggested the "ha to dollar" approach as a potential solution. If a company chooses this approach, it implies that the company already has the necessary funds to cover the compensation costs. If the RSPO can assist with accounting for these compensation costs, the process would bypass the subsequent steps involving the concept note and the development of a compensation proposal. This would simplify the process, as the liability is already approved, and the company is prepared to pay. However, if a company chooses the "ha to ha" approach, they will need to follow all the steps since they have a specific area to do the compensation project. The Secretariat noted that in a previous subgroup meeting, some members had raised comments that the funds should be channelled directly through the project itself rather than being allocated for administrative costs as those funds are allocated for the project. ● There was a comment made in the past, that from a legal point of view, the Secretariat are hesitant to manage larger sums of money. The focus has primarily been on smaller cases, particularly those involving less than 100 hectares. The conversation has been limited to smallholders. The commenter expressed concern about any diversion of funds from compensation projects. Suggested that the Secretariat clarify their limits and what they are prepared to manage. The Secretariat's view on this is that the fund should not be allocated to other activities. ● It was suggested where FCL is below a threshold value and has no outstanding social liability, the remaining steps may be waived or involve a light touch approach. The Secretariat responded that they have not discussed a threshold value because their position 	<p>Secretariat to take note</p>

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	<p>has been that every liability should be compensated. However, they are open to discussing this further. A member suggested that a possible threshold could be set at a maximum of 10 hectares, aligning with the requirement for an NPP for any clearing exceeding that size. For cases falling below this threshold, a straightforward payment could work without the need for a proposal. This still addresses the liability but the process is simpler and smaller. Based on the member's experience, they mentioned a case involving less than 2 hectares where the compensation amount was minimal, and nothing much could be done. Secretariat to discuss further in a subgroup.</p> <ul style="list-style-type: none"> ● A member highlighted that this discussion relates to the issue of small liabilities. A previous discussion indicating that it is about 30% of cases with FCL of less than 100 hectares. The discussion about aggregation is aimed at addressing this issue. If the challenge lies in managing numerous small liabilities and therefore needs some kind of threshold to deal with them more easily, then a solution would be to aggregate these smaller liabilities. This has to be addressed through the RaCP. The Secretariat responded that for areas of 10 hectares or less, the liability could either be entirely waived or aggregated, as previously discussed in CTF2, with majority preference it to be aggregated. ● A member noted the importance of transparently and publicly on where the fund is allocated. For example, the funds could be directed towards sanctioned projects that have undergone verification as part of the aggregation mechanism. It is critical to ensure clarity in the use of these funds, ensuring they contribute to equitable, additional, and environmentally evidence-based activities. ● A member suggested creating two flowcharts to indicate if there are any changes to the current process. The first chart illustrates the current process while another outlines what is desired in the future. The old flowchart should highlight the bottlenecks. With the new flowchart, it could help to evaluate if it effectively addresses the problems. ● There was mention of an administrative transaction cost to the Secretariat for managing the fund. Therefore, this cost should not be deducted from the money allocated for the compensation project, as it is intended to cover the costs of the project. The member questioned how this administrative cost would be financed. The Secretariat to bring this up in a subgroup meeting to discuss further. <p><i>Development of a mechanism to invite conservation project proposals from external organisations and build up a portfolio of approved projects. Companies choose to make liability payments to one of the</i></p>	<p>Secretariat to take note</p>

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	<p><i>approved projects rather than setting up or seeking a project independently.</i></p> <ul style="list-style-type: none"> ● The discussion relates to aggregation and will be further discussed in the subgroup dedicated to this topic. A member reminded the need to discuss the process of preapproving projects, determining who handles it, and understanding how it works. ● A member highlighted a point made by Lestari Capital regarding the practicality of projects being readily available for financing. The concern is that funding might happen through other means, making them no longer additional. This point is critical because the feasibility of the arrangement depends on the availability of such projects. If there are no projects available, then discussing the process becomes a waste of time. To gain a better understanding of the restoration market's offerings, there is a need to explore whether there are projects readily available, their scale, and their capability to report on results. It is important to assess what is expected from these projects beyond just providing funding, there needs to be a return of what is put in. ● It should be noted that while there might be large-scale restoration programs, there seems to be reluctance from the NGO side to take on funding due to management costs, even for long-term or smaller-scale projects. This needs to be under consideration. The commenter suggested that the Secretariat should assess the potential pool of funds they can gather and that requires data on all ongoing cases. It is important to determine the projected amount the Secretariat can allocate to projects. Another member suggested adopting a match-making model where a brokerage approach matches a group of funders with the right project at the right time and place. This approach is more likely to be effective. <p><i>Suggestion to consider removing the different liability rates for members and non-members, which appears to be acting as a disincentive for RSPO membership.</i></p> <ul style="list-style-type: none"> ● A member highlighted the importance of considering this within the context of the jurisdictional approach, which aims to encourage non-members to join the RSPO system at a landscape or jurisdictional scale. It is critical to keep this in mind when evaluating whether this is a viable suggestion. ● A member raised a question about how this approach would disincentivize, as it is not the non-members who are bearing the liability costs. Confusion was expressed about the difference in liability and suggested that the whole RaCP scheme might incentivize membership. The liability weight seems to apply only if companies are applying for membership. Another member further 	<p>Secretariat to take note</p>

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	<p>commented that there should not be any difference in treatment. If there is a more lenient approach for non-members, it could encourage delaying membership until after any negative actions have been taken. This delay would not be beneficial.</p> <ul style="list-style-type: none"> ● It was concluded that since the recommendation is quite vague, it would not be considered. <p><i>Set a timetable for review of the US\$2,500/ha liability rate, to be preceded by a desk-based study of the available literature on area-based costs of conservation</i></p> <ul style="list-style-type: none"> ● The suggestion was raised during a previous CTF2 meeting. A member pointed out that revisiting the established figure, which was set over 10 years ago, is needed due to inflation and changing prices as well as to make sure the projects maintain their value over time. The Secretariat responded that they would maintain the 2,500 ha dollar for now, as they are nearing the completion of revising the RaCP v2. However, this could be revisited in the next round of revisions or near future. <p><i>Add guidance on the relationship between environmental remediation and FPIC (especially in relation to smallholders)</i></p> <ul style="list-style-type: none"> ● Given a lack of social expertise on the panel and in the Secretariat, a member questioned whether there are sufficient mechanisms in place to ensure that local communities involved in compensation projects are being consulted properly and are giving their free, prior, and informed consent. Concern was raised on the potential conflicts arising in compensation areas and questioned who is responsible for checking these aspects. ● In regards to the concept note stage of compensation projects, particularly for environmental projects, a member suggested using a simple checklist that does not require expertise to ensure the company acknowledges the need for FPIC and identifies relevant stakeholders. However, for the full plan, the involvement of a social expert would be needed. The reviewer should be consulted with a social expert or is the one to ensure that the FPIC process is sufficient in detail. ● It was highlighted that obtaining consent from communities is needed before conducting any remediation work on their land. The Secretariat noted that during the drafting of the full plan, consultation with the local community is required. For environmental remediation projects, during the concept note development, the minimum required information includes details about any communication with the local community and how the company plans to communicate with the community regarding the conservation of the remediation area. For conservation 	<p>Secretariat to take note</p>

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	<p>compensation, the minimum information required from the grower includes whether the proposal has been communicated to the local community, if there has been an initiation with the local community, and the community's response to the proposal.</p> <ul style="list-style-type: none"> Based on a member's experience, remediation usually occurs within the concession, such as steep areas, riparian zones, and some peatlands. These areas are generally not involved with the community as they are located within the concession itself. Another member added that there are not many cases where FPIC is required because it occurs within the concession area. However, it is something that needs to be signed posted because the remediation does not go to the full project concept plan which then goes to the review. It can take a long time for a concept note to go through and by then it is too late to conduct remediation. But if it is being checked at the concept note stage, that would require making sure that there is a proper check for remediation. <p><i>Provide different templates for on-site and off-site compensation projects</i></p> <ul style="list-style-type: none"> Currently there is only a single annex for all compensation projects. A member suggested adding a checkbox at the beginning of the existing form to indicate whether the compensation is ha to ha, onsite, or offsite before going into the project details. This would help clarify some unclear proposals. The Secretariat will review the template. <p><i>Consider broadening the criteria to include non-area-based conservation compensation projects (for example, those that focus principally on addressing drivers of forest loss and HCV destruction)</i></p> <ul style="list-style-type: none"> The recommendation was rejected as it is methodological too complicated to establish. <p><i>Introduce target turnaround times and cut-off dates for submission of documents by growers, and also default procedures and/or sanctions to be applied where these are not met</i></p> <ul style="list-style-type: none"> The member asked for justifications for this recommendation. Based on their experience, the delays were caused by assessors not returning revised documents. There was no mechanism in place to ensure the submission of revised reports, leading to bottlenecks and delays in the NPP processes. Delays can have significant consequences, as reviewers may forget details about the documents, requiring additional time to familiarize themselves with the case again. Before implementing the recommendation, it is crucial to understand the root causes it 	<p>Secretariat to take note</p>

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	<p>aims to address. Regarding this specific recommendation, if it aims to address delays in processes and reduce double work, then action should be taken. Based on the member's experience, their organization implemented negative incentives, such as introducing penalties for delays, with the penalty funds going to the reviewers so they could read the entire document again. This resulted in fewer delays.</p> <ul style="list-style-type: none"> ● A member requested the Secretariat to assess whether this issue remains significant, as the review was conducted a few years ago and other bottlenecks have since been reduced. It was suggested considering setting a deadline and implementing penalties as a precautionary measure. <p><i>Other comments</i></p> <ul style="list-style-type: none"> ● A member asked for clarification on why some suggestions are marked as currently not under consideration in RaCP v2. They questioned if this is due to timeline constraints and suggested highlighting the points that have been missed out of from the RaCP v2 for clarity when the members refer to the document. The Secretariat noted that they were not discussed in any meeting and thus not considered. However, they will highlight the points marked as not under consideration in the document and will discuss them in the next meeting. 	
8.	<p><u>Update and discussion: ToR HCV & HCS management and monitoring</u></p> <ul style="list-style-type: none"> ● The Secretariat presented the first draft of the ToR for the “Development of guidelines for the management and monitoring (M&M) of HCV & HCS”. This is part of the action points stemming from the previous study and presentation. <p>Outline of the guideline:</p> <ul style="list-style-type: none"> Section 1: Introduction Section 2: HCV Monitoring and Management Framework Section 3: Sampling Techniques for Species Diversity Section 4: Sampling framework for Rare, Threatened, and Endangered Species (RTE) Section 5: Sampling Technique for Habitat Changes Section 6: Threat Section 7: Presenting the Monitoring Finding Section 8: HCV Management Plan <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> ● A member sought clarification on the purpose and development process of the ToR, whether the ToR was developed in-house, through a consultant tender, or within BHCVWG. The Secretariat 	

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	<p>clarified that the draft presented acts as a brainstorming document to gather input and assess whether the Secretariat's approach aligns with the members. Secretariat will then incorporate the feedback into the document and use it as a basis for further developing the guidelines.</p> <ul style="list-style-type: none"> ● A member noted that the ToR focuses on biodiversity rather than the full set of the 6 High HCVs (i.e. social HCVs are missing) and HCS forest. It is important not only to focus on HCVs 4 to 6 but also to involve communities in the identification of all HCVs, including 1 to 3. A concern was raised that communities are often viewed as threats rather than as actors in management and monitoring. However, their rights in the forest include their livelihoods, cultural identity, and their need for ecosystem services. This should be the central consideration in any effective M&M. The current text in the ToR ignores the fact that HCV and HCVS management areas can overlap with communities' land and there is a need to establish Free, Prior, and Informed Consent (FPIC). The commenter also suggested that there should be mechanisms in place for community participation in the M&M processes as their indigenous and local knowledge can help in having an effective M&M. ● The commenter also suggested considering tenure options that provide security to local communities, allowing them to manage areas set aside with their agreement. This approach aligns with adaptive management as discussed in the HCVN paper. The member continued that there should be a social dimension in both the ToR and the proposed guidelines. The commenter highlighted that the landscapes are inhabited by people, not just companies and biodiversity. These are areas where people earn their livelihood. Failing to accommodate the needs of these communities will cause the management plans to be ineffective. The member reminded the BHCVWG remember that RSPO operates on a triple bottom line. ● A member commented that the approach to M&M appears to be non-inclusive of social stakeholders that may be present in the landscape. The viability of the HCVs is closely linked to the extent to which these stakeholders are involved in the process of management and monitoring (M&M). The member also suggested that it would be useful for the ToR guideline to refer to the research results of the HCV M&M conducted by SEARRP. While SEARRP found that these assessments were not methodologically designed to serve as baselines, there is still data available that could be useful. This data could provide insights into what to expect regardless of how monitoring is conducted, including highlighting critical species that require attention. The report from SEARRP also contains M&M recommendations, and while not all may be viable in the short term or a priority, they should be 	

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	<p>considered when determining how to manage and monitor these HCVs. Referencing this source in the guideline should be included.</p> <ul style="list-style-type: none"> ● The commenter also noted that the section on threats appears to have a very strong focus towards external threats. However, the development itself can constitute a potential threat and should be monitored as there are significant changes in land cover. It is crucial to closely check if there should be any measures that should be implemented to avoid negative impacts. ● In regard to the results section, it was observed that it focuses on how to collect data rather than presenting actual results. They emphasized that results should involve the analysis of the collected data to inform decision-making about operations. A part of the M&M plan should be geared toward developing standard operating procedures for the management of HCVs. The results will inform whether these standard operating procedures are serving their purpose of protecting the HCVs. M&M requires a level of introspection to critically look at the outcomes of actions taken. It is not only about monitoring the presence or absence of wildlife; it is about evaluating the efficiency, effectiveness, and impact of management actions. It is not a data collection exercise; data collection is just the beginning. Without analysing the collected data, it is impossible to make informed decisions. These elements must be part of the guidance. ● Regarding impact, a member noted the importance of aligning each of the RSPO member's activities with the RSPO's theory of change, targets, and objectives related to the planet aspect of the ToC. It was suggested that the Secretariat should consider how to aggregate these outcomes from RSPO members to provide a good picture of the RSPO's contribution in protecting both environmental and social HCVs. ● The Secretariat inquired the definition for critical or keystone species. A member responded that it is important to recognise what is critical to protecting a given area. The member found that the most efficient way to protect HCV 1 species is through habitat protection and management. Drawing from experiences in Brazil, the member highlighted instances where endemic species faced direct threats, which required specific measures for protection. While not all threatened species in a given area may require such targeted actions, if a species represents the last remnants of its population, then it would be required to act on that. Creating better habitat conditions and controlling certain threats are essential steps, but additional measures may be necessary for specific species. Therefore, referencing the results of relevant reports can help identify and prioritize actions. Additionally, the commenter shared that there have been many examples where communities were initially against protected areas and conservation measures. However, that changes when they realize 	

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	<p>that a critical species is under threat. Communities themselves recognize the need for management and take proactive steps without requiring additional funds or efforts.</p> <ul style="list-style-type: none"> ● A member noted that managing HCVs should not be approached one at a time or separately. Certain areas designated as HCVs (areas of natural habitat), can have multiple HCV categories due to their overlapping nature. Therefore, an integrated management plan is needed. Instead of starting off with addressing species diversity, HCV 5, and then HCV 6, the focus should be on an area-based approach that considers all management requirements and considerations together. It was also highlighted that many of the items discussed should also apply to HCS areas. It was suggested not moving away from artificial categories and instead to focus on the specific area in question. If it is an HCS area, habitat monitoring should be conducted similarly to HCV forest areas. ● It was commented that the approach to M&M needs to be buildable since companies are at different stages in their journey. Some have a lot of resources and experience, while others may lack understanding and expertise, as indicated by the SEARPP survey. The commenter recommended starting with a basic requirement for habitat quality monitoring, such as conducting a vegetation structure and threat survey. The approach should be simple enough for someone with little experience or knowledge to execute effectively. Having a basic routine for monitoring sampling is essential; conducting the same activities in the same location at regular periods. It is more effective to focus on consistency, such as maintaining a single plot that one person visits annually. This would allow them to get a trend line. Understanding whether the trend line is going up, down, or staying the same provides valuable insights. However, to ensure this line is meaningful, certain basic elements need to be in place. Overcomplicating the process can make data interpretation challenging. Thus, simplicity is the absolute key to getting anything out of your monitoring data. Once the habitat quality assessment is completed, more advanced aspects can be considered, like meeting the specific requirements of RT species. An example of an advanced method for biodiversity measurement would be using birds as habitat quality indicators for measuring changes in species richness over time. ● It was also suggested that the social layer should be placed near the bottom to understand the resource and absolute requirements, such as resource use of the HCV or well-being measurements. There should be different levels of engagement. For this to be effective, it is essential to be very prescriptive about the absolute basics that every community needs to have in place. 	

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	<ul style="list-style-type: none"> ● A member questioned the final outcome of this initiative, asking if it is intended as a reference for growers on HCV M&M. There are already guidelines from the HCVN, and discussions often focus on biodiversity and are science-based, but in reality, many medium and small sized companies lack the capacity for such approaches. The tools and references available currently are not simple to be utilised. The member echoed the previous commenter and added that in order to integrate HCV M&M into the plantation settings, the techniques should be simple enough for anyone in a plantation setting to understand and implement, including estate workers and supervisors without having training in ecology or forestry. With such an approach, it would be then effective to achieve a bigger impact. Without practical usability on the ground, the risk is that the guidelines become just another unused document. In regard to the sequence of the guidelines, plantations often find threat monitoring to be most important as they find it crucial to safeguard what is within the plantation. Thus, it was suggested to prioritise threat monitoring first. ● A member highlighted a point made during the last meeting regarding the SEARRP presentation, suggesting the development of something similar for social HCVs. The member found it to be still relevant and emphasized that it would be helpful to learn what the growers have been doing so far regarding social HCVs and the involvement of local communities in managing environmental threats. The member questioned whether the Secretariat could commission a study, similar to SEARRP's, to assess how companies and smallholders are implementing the management of social HCVs and also explore the involvement of communities in environmental HCV management, the status of threats, and identify key learnings from these practices. The Secretariat informed that a few years ago, a study was commissioned to look into HCV-related matters, including social HCVs. This study highlighted some of the challenges that growers are facing. The Secretariat will circulate this study again to determine if it is sufficient or if another study needs to be commissioned. ● A member shared that it would be good to gather experts together to properly integrate social and environmental considerations. The Secretariat suggest a workshop to bring all the ideas together. ● It was also suggested to pilot the guidelines with the growers. Instead of a full-scale pilot, sustainability managers could be engaged to review the documents, assessing their practicality and effectiveness. This approach may involve several interactions to refine the guidelines. 	<p>BioD Unit to take note</p> <p>BioD Unit to take note</p> <p>BioD Unit to take note</p> <p>The Secretariat to circulate the document.</p>

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	<ul style="list-style-type: none"> After collecting feedback, the Secretariat will revise the TOR draft. Once refined, the final draft will be circulated for further review. 	
9.	<p><u>AOB</u></p> <ul style="list-style-type: none"> A member inquired about the process for providing input into the P&C revision, particularly regarding the unresolved matter of revising section 7.12. The Secretariat highlighted that there will be a one-month public consultation period following the Steering Group's review of the P&C draft. During this time, members can give their comments, or a dedicated session can be arranged to address revisions to the P&C. A suggestion was raised to have the relevant changes to the HCV and HCS be discussed as a group, rather than individually sending comments. It was also suggested to have the Secretariat present the changes, along with the rationale behind them, and how the changes make the standard better. Additionally, it was recommended that these explanations and information should be made available to the public during the public consultation. The previous rounds of public consultation were challenging to some, as it was difficult to compare the previous standard with the proposed changes and understand the reasons for the changes. It was also pointed out that the platform used for consultation had problems, as the sections were isolated, making it difficult to view the standard as a whole and provide meaningful feedback on its integrity rather than just indicators. The Secretariat will discuss the suggestions internally and will provide an update to the WG if a session can be arranged once the results are available. The Secretariat requested members to provide their comments on the HCVN's draft paper regarding the proposed changes to HCV values by the end of April 2024. In the next WG meeting in June, the comments will be discussed further, as well as how these ideas can be useful for the RSPO in developing a procedure to document changes, and determining if additional information is required. The date for the next CTF2 and BHCVWG meetings is proposed to be scheduled sometime between the middle to end of June 2024. 	<p>BioD Unit to take note</p> <p>BioD Unit to take note</p> <p>The Secretariat to send out a doodle for the selection of the meeting dates.</p>
10.	<p><u>End of meeting</u></p> <p>The co-chairs and the RSPO Secretariat thanked all the members for their participation in the meeting, and the meeting was adjourned.</p>	