

MINUTES OF MEETING OF RSPO
41st RSPO BHCVWG MEETING

Date: 27-28 May 2019

Start time: 9.00 am

Venue: Capri Hotel, Kuala Lumpur

Attendance:

<u>Members and Alternates</u>	<u>RSPO Secretariat</u>
<ol style="list-style-type: none"> 1. Harjinder Kler (HUTAN) 2. Audrey Lee (OLAM) 3. Benjamin Loh (WWF) 4. Cahyo Nugroho (FFI) 5. Dr. Gan Lian Ti ong (Musim Mas) 6. Erlangga Muhammad (FFI) 7. Fanny Roussel (SIPEF) 8. Gotz Martin (GAR) 9. Lanash Thanda (SEPA) 10. Lee Swee Yin (Sime Darby Plantations) 11. Lim Sian Choo (Bumitama) 12. Marcus Colchester (FPP) 13. Martin Mach (Bumitama) 14. Michael Guindon (ZSL) 15. Michelle Desilets (OLT) 16. Olivier Tichit (SIPEF) 17. Pedro Cerrate (Femexpalma) 18. Tahirah Banu (WWF-MY) 	<ol style="list-style-type: none"> 1. Khing Su Li
<p><u>Absent with Apologies</u></p> <ol style="list-style-type: none"> 19. Agus Purnomo (GAR) 20. Anne Rosenbarger (WRI) 21. Bukti Bagja (WRI) 22. Laila Wilfred (OLAM) 23. Olivier Tichit (SIPEF) 24. Ginny Ng (Wilmar) 25. Edrin Moss (Wilmar) 26. Tn. Syed Madhar bin Syed Hussain (FELDA) 27. Norazam bin Abdul Hameed (FELDA) 	

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No	Description	Action points	Progress
1.0	<p>Opening Remarks The co-chair (HUTAN) welcomed everyone to the 41st BHCVWG meeting. HUTAN convey apologies on behalf of Wilmar's absence due to unforeseen work commitments, and that Ginny Ng (Wilmar) would be stepping down as co-chair.</p> <p>The members of BHCVWG expressed their gratitude to the commitment and leadership that Ginny Ng brought to the BHCVWG and wishes her the best in all her endeavours.</p>	Lee Swee Yin (SDP) was elected as the co-chair representing the industry.	
2.0	<p>Review & endorsement of the 40th BHCVWG meeting minutes A few items from the meeting minutes of the 40th meeting was discussed.</p> <p>a) Simplified HCV tool for independent smallholders Proforest, the consultant for the development for the probability maps, has prepared the HCV probability maps for Cote d'Ivoire, Sierra Leone. Both Colombia and PNG maps are undergoing stakeholder reviews, and/ consultations with map owners e.g. governments.</p> <p>b) RSPO Independent Smallholder Standard The 3rd public consultation for the RSPO Independent Smallholder Standard opened from 10 April to 8 June 2019. Discussion on Principle 4 and RaCP to be undertaken by the BHCVWG in the meeting.</p> <p>c) HCV management and monitoring (Phase II) The RSPO Secretariat extended apologies that some activities including the publication of the HCV management and monitoring (Phase II) was delayed. Owing to the adoption of the RSPO P&C (2018) and the need for revision of documents, including the work on processing RaCP cases has stretched timelines. The operations of the Biodiversity Unit were on 1 pax man-power.</p> <p>d) Review on the Implementation of RaCP It was raised that in the previous meeting, the need for the review of the implementation of RaCP should be tendered during the Q1 of 2019, even though there was no budget allocation for the fiscal year of FY19.</p> <p>RSPO Secretariat extended apologies that it could not proceed without budget allocation. Budget have been allocated for FY20, and the tender would be published in Q3 of FY20.</p> <p>A request was made by the members BHCVWG for RSPO Secretariat to look into increasing capacity and resources into the Biodiversity Unit in order to implement the tasks and activities as agreed upon by the BHCVWG.</p> <p>There being no further issues, the minutes of the 40th BHCVWG meeting was endorsed.</p>	<p>Tenders to be published.</p> <p>RSPO Secretariat to look into increasing capacity and resources.</p>	<p>HCV probability maps for Cote d'Ivoire, Sierra Leona, Colombia finalised.</p> <p>Tenders published and proposals to be reviewed by the BHCVWG.</p> <p>Additional hires have been contracted to assist in RaCP and data clean-up for Salesforce platform. DS engaged on temporary basis to coordinate LUCA reviews.</p>

3.0	<p><u>BHCVWG representation</u></p> <p>Updates on the status of the members were presented:</p> <ul style="list-style-type: none"> • Wilmar has resigned from the co-chair position, and a representative to replace Ginny Ng would be informed to the BHCVWG. • Olivier Tichit (SIPEF) announced that he would be moving to Musim Mas and introduced Fanny Roussel as the replacement representative of SIPEF. • IFC focal point, Conrad Savy, would not be able to participate physically in the BHCVWG meetings but would be able to support in providing feedback remotely. • Pedro Cerrate, from Femexpalma, is now representing LatAm region in the BHCVWG, and joined the BHCVWG discussions remotely via Webex. • Cahyo Nugroho (FFI) introduced Erlangga Muhammad as the replacement alternate for Arief Hamidi. • This being the third consecutive meeting that FELDA has not participated in the BHCVWG, FELDA's representation in the BHCVWG would be discontinued. A replacement would be sought to provide smallholder representation. 		
4.0	<p><u>Joint strategy for strengthening Licensed Assessor capacity and Quality Assurance of HCV-HCSA assessment in RSPO</u></p> <p>In August 2018, the RSPO Secretariat provided funds for the HCVRN Secretariat to temporarily hire additional staff to support processing delayed reports. Agreed measures and additional temporary staff helped improve overall report evaluation times.</p> <p>In November 2018, the RSPO adopted new Principles & Criteria, and has included the no-deforestation element with the need for integrated HCV-HCSA assessments for any new land clearing.</p> <p>A strategic workshop was held in February 2019 between HCVRN MC, RSPO BoG and both Secretariats to discuss on a joint strategy to address upcoming challenges related to quality assurance of upcoming HCV-HCSA Assessment reports. The challenges discussed included those conveyed by RSPO members (e.g. time, cost and perceived lack of good performing licensed assessors) as well as those inherent to the operations of the ALS system (e.g. unpredictability of submissions, poor quality submissions, integrated HCV-HCSA assessments).</p> <p>The agreement was on a bridging capital for 2 years of GBP300,000 for key activities such as recruitment/training staff, process improvements, training for Quality Panel and assessors).</p>		
5.0	<p><u>RSPO Governance Review</u></p> <p>The RSPO governance review of Standing Committees, Working Groups and Taskforces had been ongoing at the RSPO Secretariat. The aim of the review was to align with the RSPO's Theory of Change (ToC), strengthen committee links to the BoG, and to have a clearer division of roles and responsibilities in achieving the goal of the ToC. Four Standing Committee has identified, of which BHCVWG would be reporting to the Standards Committee. Any terms of reference, and guidance documents produced by the various WGs/TFs would need to be sent for review and approval by the Standing Committees.</p>		

6.0	<p>FY20 Budget and Workplan for the BHCVWG/Biodiversity Unit</p> <p>The budget for the upcoming fiscal year was presented by the RSPO Secretariat to the BHCVWG. Key activities/budget allocations covered in the FY20 include:</p> <ul style="list-style-type: none"> i) Development of guidance / toolkits e.g. HCV Management and Monitoring, social remediation, Annex 9 (RaCP reporting template) ii) Coordination and operations of BHCVWG and Compensation Task Force 2 iii) Maintenance of the RSPO HCV app and the continued development of the HCV probability maps iv) Operations of RaCP iv) Capacity building v) Bridging capital for HCVRN (HCV-ALS) <p>All budgets would be reviewed and approved by the RSPO BoG in June 2019.</p>		
7.0	<p>HCV Management and Monitoring</p> <p>a) MY NI on the HCV toolkit</p> <p>The second phase to develop the MY NI on the Common Guidance on HCV Management and Monitoring had been initiated, and the terms of contract is being finalised between WWF-MY and RSPO for co-funding.</p> <p>b) INANI on HCV Management and Monitoring</p> <p>On a similar note, FFI requested if the RSPO Secretariat can look into allocating funds to enable the INANI on HCV Management and Monitoring to continue the discussions and/or to hire a facilitator, as the current work is purely on voluntary basis and thus it is difficult to get continued commitment.</p>	RSPO Secretariat to look into fund and resource allocation for INANI.	
8.0	<p>RSPO P&C (2018)</p> <p>As an update to the BHCVWG on the no-deforestation element in the RSPO P&C (2018), two groups have been formed to look into Principle 7, which outlines the requirement to identify HCV, HCS & other conservation areas (e.g. peat, social etc.) for new and existing plantations (certified & uncertified).</p> <p>a) No Deforestation Joint Steering Group (NDJSG)</p> <p>The first meeting on the NDJSG was held in Kuala Lumpur on 15 April 2019.</p> <p>b) No Deforestation Taskforce (NDF)</p> <p>The NDF, which has been established to provide guidance on the implementation of 7.12.2, has been working to identify gaps and provide solutions to ensure smooth transition from HCV to HCV-HCS assessments and would be active period till December 2019.</p> <p>It was raised that the Integrated Conservation and Land Use Plan (ICLUP) of the HCSA would need to be included in the RSPO guidance, especially in the New Planting Procedures (NPP). HCSA has not yet developed the guidance/procedures, and a placeholder was to be parked in the RSPO to look into the development of the ICLUP procedure.</p>		

9.0	<p><u>RSPO Independent Smallholder Standard (3rd public consultation)</u></p> <p>The draft RSPO Independent Smallholder Standard was presented to the BHCVWG. The proposed standard combined all certification aspects (system requirement, PCIs, Guidance and certification system itself) in one document, and is not applicable for scheme smallholders. The simplified approach allows a lower burden of entry into RSPO system through the eligibility criteria, phased approach towards compliance, simplified assessment and verification.</p> <p>In the phased approach, smallholders who meet the eligibility criteria would have 2 years to comply to Milestone A indicators. After compliance to Milestone A, smallholders have 1 year to comply with Milestone B indicators to achieve full compliance.</p> <p>There are 4 principles. In Principle 4, a combined simplified HCV-HCS tool would be developed to identify and protect HCS areas. In the meantime, until the simplified HCV-HCS combined tool for independent SH is available, this Standard will apply the HCV precautionary approach to identify and protect HCS areas for new oil palm plantings. For cases identified as high risk, an ALS assessor will need to be hired and by default HCS is already included as part of the assessment. Further, an appropriate RaCP mechanism such as on-site remediation (with funding mechanisms to be determined) is to be developed, where it would be contextually appropriate to the scale of ISH production and would enable ISH to maximise positive environmental impact on-site.</p> <p>The BHCVWG reminded the RSPO Secretariat that the previous concerns on the definition and classification of ISH still remains i.e. maintain the definition of ISH as family-owned and oil palm being the main source of income.</p> <p>Discussion on the ISH standard ensued and the RSPO Secretariat was tasked to collate the comments.</p>		Comments from the BHCVWG was collated and sent in June 2019.
10.0	<p><u>ISH: Remediation and compensation pathways</u></p> <p>As a follow up to the presentation of the potential framework for remediation and compensation for ISH groups, presented by the RSPO Secretariat in the previous meeting, the RSPO Secretariat presented the information on the typology of ISH and options of remediation / compensation that can be considered.</p> <p>a) Historical land use prior to conversion to oil palm without prior HCV assessments of ISH groups</p> <ul style="list-style-type: none"> • Thailand: Rubber, rice paddyfields, small fruit tree farm systems. • Malaysia: Forest areas, rubber, oil palm • Indonesia: Forest areas, rubber, agroforests <p>Cases of oil palm farm plots within protected areas e.g. national parks and protected areas were also emerging.</p> <p>b) RaCP options</p> <p>An options paper, submitted by Proforest to the SHIG, was shared with the BHCVWG. The BHCVWG recommended potential experts / companies who were more knowledgeable on smallholders' issues to work directly with the SHIG to develop the RaCP mechanisms further.</p>	RSPO Secretariat forwarded the names of the companies and experts to SHIG.	SHIG still maintained the need for the joint TF and have developed the ToR for the TF.

11.0	<p>Legacy HCV cases (complaints related)</p> <p>The proposed pathway to address potentially poor-quality HCV assessments (carried out by RSPO approved assessors) within the RSPO system was presented. The proposed framework, discussed by the subgroup consisting of GAR, OLT, SDP, OLAM, SEPA, divided the cases into those already within the Complaints unit, and those not yet lodged as complaints.</p> <p>a) Complaints cases: For cases that have been lodged in the complaints, the treatment would be case-by-case basis, due to other underlying issues. If the complaints were purely due to poor/faulty HCV assessments, the proposal was that RSPO bears the cost for the independent HCV re-assessment. Compensation for HCV loss within this period either on-site, off-site or work with communities.</p> <p>b) Non-complaints: Companies may pro-actively conduct internal assessments to review, and if there has been any clearance, on-site remediation on affected areas.</p> <p>There was no decision on this proposed framework. Rather, it was suggested to wait for the final decision by the NDTF and resume discussions, as the issue of quality of HCV assessment reports (pre-ALS) was also a concern in the NDTF discussions.</p>	RSPO Secretariat to update the decision from NDTF.	Interpretation of Indicator 7.12.2 and Annex 5 (P&C 2018) released on 21 June 2019.
12.0	<p>Self-disclosure of land clearing within HCV areas</p> <p>A subgroup consisting of MM, GAR, SDP, ZSL, SEARRP had discussed the proposed framework in more detailed. SDP presented the framework on behalf of the subgroup. Rather than 200 ha, the threshold was presented to be a percentage threshold (x% of the total management unit). The previous 200 ha threshold was proposed based on a SenSor study which found that any HCV areas less than 200 ha was not viable.</p> <p>The basis of proposal is to promote self-disclosure, and undergo IMU and CB checks (in the case of certified units) and where necessary, compensate and remediate through the RaCP. The desired outcome is conservation and in order to prevent incentivizing clear and pay – the clause on no planting on HCV areas is put into place.</p> <p>If the cases of HCV clearance where it has not been declared and it was detected via CB checks and/or 3rd party complaints, these cases were to be lodged as complaints.</p> <p>Where cases of HCV clearance fall below the percentage threshold, and have been reported to the RSPO Secretariat, the proposed pathway as follows:</p> <ul style="list-style-type: none"> • If certified, the CB was to check against reported actions and the progress of remediation. If actions of remediation have been completed, the case is closed; if not, case to be escalated into Complaints. • If not certified, checks by the IMU, and undergo a mechanism for remediation. This mechanism to determine the necessary action plan would need to be developed. <p>Where cases of HCV clearance exceed the percentage threshold and is reported to the RSPO Secretariat, it undergoes the RaCP.</p>	Subgroup to continue discussions to develop the threshold.	

	<p>The percentage threshold (x% of the total management unit) is to be further defined and discussed by the BHCVWG taking into consideration that the clearing could be done by the company and/or community.</p> <p>The proposed framework also included the cases of both corporate and non-corporate clearance such as community clearance (e.g. encroachment) and where clearing is mandated by the government (e.g. roads).</p> <p>There were some questions from the BHCVWG to the RSPO Secretariat if the self-declaration was a past clearance or real-time clearance. The RSPO Secretariat clarified that the cases that have been disclosed concerned only past clearance and no further progress of clearance. The reasons cited by the companies are operational issues. Some members have expressed that as RSPO members with very clear guidance and requirements already established e.g. NPP, members should not be citing operational failures as reasons of HCV clearance.</p> <p>In cases of non-corporate clearance, questions on the onus of responsibility of clearing within HCV areas was raised. Also, how would RSPO address scenarios whereby, community have proceeded to clear within HCV area for livelihood purpose, despite having agreed with companies to co-manage the HCV areas previously?</p>		
13.0	<p>Post-NPP/HCV Monitoring project updates</p> <p>A third reiteration of the digitised dataset was submitted to the RSPO Secretariat in April 2019. No confirmation received yet if this set is the final dataset.</p> <p>A rapid check on the dataset, overlaying on Google Earth satellite images showed indications of potential clearing in HCV areas. However, there are still questions on the accuracy of the dataset as the rapid check still showed overlapping boundaries and areas where palm oil was already planted prior to HCV assessment.</p> <p>It was proposed that the RSPO Secretariat proceed with the request for clarification to growers to provide documents and maps for verification.</p>	RSPO Secretariat to contact growers for clarifications where HCV clearings have been detected.	Fifth reiteration of digitised dataset was received in June 2019. Work ongoing to check the dataset before notification.
14.0	<p>Social liability and remediation</p> <p>a) Validation of social liability disclosure</p> <p>It was strictly reminded that the work should have been initiated after the previous BHCVWG meeting, but there has been no progress after the ToR for the Social Remediation Panel has been drafted.</p> <p>The work on reviewing and validating the declaration of no social liability is to be commenced, as per the ToR for the Social Remediation Panel.</p> <p>The subgroup for social remediation panel was reconfirmed: HUTAN, FPP, SEPA, OLAM, BUMITAMA.</p> <p>b) Social remediation guideline</p> <p>A member raised the issue of the social remediation guideline where the consultant, AidEnvironment, could not proceed further with the case studies to proceed with the development of remediation</p>		Samples of cases identified to be reviewed by the subgroup.

guideline, as there was no agreement from the companies shortlisted from the desktop study to grant access for the ground consultations to the consultant.

The RSPO Secretariat clarified that growers have expressed some concerns about the use of information collected from the field visits for purposes beyond the social remediation guideline development.

The RSPO Secretariat has also reached out to the BHCVWG subgroup overseeing the social remediation guideline work to discuss the ways forward. FPP extended apologies that due to timing issues, the representatives were unable to participate in the calls.

Thus, the BHCVWG would need to revisit this discussion. The RSPO Secretariat has allocated budget for FY20.

15.0

RaCP Statistics Updates

RaCP Statistics (as of May 2019)

i) The NCLC and FCL disaggregated by country

Country	Total NCLC	Total FCL
Brazil	2,750.51	815.53
Cameroon	8,280.97	4,351.05
Colombia	41,457.70	2,534.70
Costa Rica	173.16	2.67
Cote d'Ivoire	2,165.24	785.96
Dominican Republic	7,446.62	74.11
Ecuador	15,579.35	2,952.45
Ghana	6,102.57	684.31
Guatemala	23,085.52	927.09
Honduras	12,593.84	316.63
Indonesia	692,206.98	93,163.91
Malaysia	62,613.32	10,122.81
Mexico	3,547.68	236.38
Nigeria	2,048.00	8.00
Peru	20,430.90	2,998.04
PNG	9,863.59	1,024.83
Sao Tome & Principe	1,330.99	483.38
Sierra Leone	14,289.47	287.8
Grand Total	925,966.41	121,769.65

ii. Status of LUCA reviews

Cumulative total of LUCA marked as 'Pass'	# additional between Oct 2018 and January 2019	% increase (pass)
October 2018, n = 144	35	24%
January 2019, n = 179		

iii) The NCLC and the FCL in June and October 2018

Period	NCLC (Ha)	FCL (Ha)
Jan-19	922,404.78	121,543.96
May-19	925,966.41	121,769.65

As of May 2019, the total NCLC reported was 925,966.41 ha and the total FCL was 121,769.65 ha (0.2 % increase from Jan 2019).

In total, 319 LUCAs have been reviewed (cumulatively). Of these, 179 LUCAs have been marked as pass, 37 ongoing LUCA and 103 LUCAs have been returned to companies to provide clarification.

The increase in NCLC and FCL were from new membership applications particularly in the LatAm region under the group membership consolidation exercise.

iv) Land clearance by vegetation type and time period

VC	2005 - 2007	2007 - 2009	2010 - 2014	After 9th May 2014	Total
1	16,722.13	9,909.10	15,657.22	432.56	42,721.01
0.7	96,480.56	68,079.03	57,441.57	7,536.24	229,537.40
0.4	24,736.13	38,397.08	30,262.34	1,485.35	94,880.90
0	198,517.57	167,571.43	175,122.85	17,722.71	558,934.56
Total	336,456.39	283,956.64	278,483.98	27,176.86	926,073.87

iv. Status of concept note endorsement

Country	No. of Concept Notes	No. of endorsed Concept Notes
Colombia	6	3
Honduras	5	2
Ecuador	2	2
Ghana	1	1
Guatemala	6	5
Indonesia	22	17
Malaysia	5	3
Mexico	1	0
PNG	1	1
Sierra Leone	1	1
Grand Total	50	35

The RSPO Secretariat updated the BCVWG that 50 concept notes have been received and have worked with the Compensation Panel for the approval of 35 concept notes. The remaining have been returned to companies for clarification.

v. Status of compensation plan evaluation

Country	No. of Compensation Plan	No. of endorsed Compensation Plan
Colombia	3	3 (conditional)
Ecuador	2	2

Ghana	1	0
Guatemala	4	3
Honduras	1	1
Indonesia	9	3 + 2(conditional)
Malaysia	1	0
Grand Total	21	14

The RSPO Secretariat updated that 21 compensation plans have been submitted. Out of these, 9 have been approved, while 5 compensation plans were given conditional approval for certification to proceed, due to the delays of the compensation plan evaluators.

vii) Compensation plan options

Country	Sum of land-land (ha)	Sum of land-dollar (USD)
Colombia	670.60	
Ecuador	1,960.37	
Ghana		212,500
Guatemala		3,156,625
Honduras		532,575
Indonesia	30,790.92	17,664,435
Malaysia	180.94	2,190,175
PNG	798.83	
Sierra Leone	240.24	
Grand Total	34,641.90 ha	USD 23,756,310

Annex 9: Monitoring Report Template

A rough draft of Annex 9 was reviewed. The subgroup made up of SIPEF, Musim Mas, FFI, RemarkAsia and ZSL to continue developing the draft.

Streamlining the Remediation and Compensation Procedures

a) RaCP Training

RSPO Secretariat would plan the training on project development in order to address submission issues of compensation plans in Q3-Q4 of 2019.

b) Approval of Compensation Plans

The RSPO Secretariat tabled a proposal for the consideration of reducing the administrative step of Compensation Panel approving the process of RaCP completion after the compensation plan evaluator has reviewed and provided a satisfactory result to the compensation plan. The basis of the proposal was that the Compensation Panel would not be reviewing the Compensation Plan and the evaluation results but would be providing approval that all necessary processes for the evaluation process have been met.

The BHCVWG has agreed to the proposal in order to reduce the additional time required to obtain the approval from the Compensation Panel, but with the request that RSPO Secretariat to provide notification to the respective Compensation Panel that the process of evaluation has been completed with the condition that the evaluation is satisfactory and the RaCP case is closed.

	<p>c) LUCA review process</p> <p>The RSPO Secretariat presented a LUCA platform built by Agroprecision, a company based in LatAm, as a consideration to explore opportunities of automating the LUCA process and reduce both cost and time incurred by companies and RSPO Secretariat in the submission and review of the LUCAs. The platform allowed account managers to upload shapefiles and use its functionalities and algorithms</p> <p>The issue of complexities in resolving and agreeing upon the land cover classification was raised. In addition, the work would be a longer-term goal rather than a quick fix solution.</p> <p>The RSPO Secretariat acknowledged the complexities; and stated that it may be a good way to resolve the issue of the varied experience of LUCA reviewers, who are conducting desktop-based reviews, and reduce the time incurred in the process of clarification of LUCA review findings.</p> <p>Another BHCVWG member raised that the RSPO should be exploring innovative solution to streamline processes.</p> <p>In principal, there was no objection from the BHCVWG for the RSPO Secretariat to explore automate mechanism for the submission and review of LUCA.</p>		
16.0	<p>Closing remarks</p> <p>The next meeting to be targeted for September 2019. There being no other matters, the co-chairs thanked everyone for the participation.</p>		