

Public Consultation On RSPO Remediation & Compensation Procedures

10 September, 2015
Ramada Plaza Dua Sentral

Summary Report
prepared by Daemeter Consulting



General Comments

1. There is a need to clarify at what stage in the process membership can proceed in relation to these procedures. It was proposed that membership can proceed when disclosure of liability is submitted.
2. It was proposed that certification process for land with no liability can proceed after disclosure of liability, not after LUCA or compensation plan is approved as the process is likely to take a long time.
3. There was disagreement that the whole unit cannot be certified if there is one part with liability. (see other guidance on “balance”)
4. Questions were raised around the clause of expulsion of membership as it won't assist RSPO in its efforts to transform the industry.
5. Better description and sample images to technically quantify the coefficients are needed/
6. Overall the document needs to be simplified with additional explanatory details taken out from the core procedure.
7. It was proposed to state in the core procedure that members of compensation panel external to CTF will have to sign NDA.



Proposed changes to specific text

1. Section 8, Table 2 (matrix), p. 12

Question the limitations mentioned in point 3: *“When land cleared is certified, palm products from areas with a vegetation coefficient < 0.4 in Nov 2005 may be sold as certified”* and point 4: *“Palm products from land cleared with vegetation coefficients > 0.4 in Nov 2005 may not be claimed as RSPO-certified ...”*

Suggest changing point 3 to ≤ 0.4 and raising the limit on point 4 to > 0.7 .

2. Section 10, p. 14

Suggest that it is not always possible to proceed asap with certification.



Responses to questions

How appropriate, effective and feasible will it be to request companies to submit top management-approved SOPs as evidence that they have taken steps to avoid new non-compliant clearing? If not appropriate, what could be alternative sources of evidence?

- Appropriate (two groups), as auditors will review SOPs anyway
- If checked by RSPO, then RSPO should provide inputs to the SOPs
- Not appropriate to submit (two groups), a declaration that SOPs have been made/ improved should be enough. No one will check the SOPs.
- SOPs should not need to be approved by RSPO
- Question on how to monitor the implementation of SOPs



Responses to questions

Should a summary of the findings of the Land Use Change Analysis, once accepted by RSPO, be made public or kept confidential between members and the RSPO? Why?

- LUCA should not be made public (three groups) as they may include information that are commercially-sensitive, perception from shareholders, and possible legality problems.
- Companies should be given the option whether to disclose or to disclose only when there is a request.



Responses to questions

How appropriate is it to offer a US\$ option for meeting conservation liability? If the value currently proposed is not appropriate, what method and/or data could be used to help the CTF develop a more robust value?

- It is appropriate to offer a monetary option. (3 of 4 groups)
- It is inappropriate to offer a monetary option (1 group), suggest to include an additional mechanism based on projects with conservation points assigned by the CTF/RSPO.
- Disagree with the value of USD2,500 as it's difficult to reserve such budgets. Refer to a study (HCV working group Indonesia) by a group of company in Indonesia in 2009 (USD1,000) and a study by MPOA (USD1,500).
- Suggest adding a reference date for the exchange rate, e.g. the date of the approval of the compensation plan.



Responses to questions

In order to fulfil the criteria of “long-lasting” to meet conservation liability, in the case that the concession changes ownership, which company should take responsibility for the ongoing compensation conservation project: the incoming company or the outgoing company with the original liability?

- Non-member will never agree to take on liability, so it will have to revert to the previous owner that is an RSPO member.
- Clause on this needs to take into account various acquisition scenarios, e.g. RSPO member to non-member, RSPO member to member, non-member to RSPO member.
- Questions how far this notional liability can be incorporated into legal acquisition documents



Individual questions

Project Endorsement

- Does Sabah State have a plan to set up RSPO pre-approval of ex-situ projects? Any special deal therefore growers in Sabah can have a “pool” of projects?
- What are variants of options from cash to non-cash payments being offered by NGO or consultancy firms and which projects can RSPO accept and which not?

Acquisition

- What will be the procedure on acquisition for member to nonmember and non-member to member?
- What will happen to RSPO members who decided to sell its properties to non-RSPO member who is known not to abide with RSPO requirement?

Implementation Time Frame

- What is the timeframe for the implementation of these procedures?
- When will the procedures be implemented?
- Why no time line has been set after the trial period to ensure robustness?
- Any gray period for this document implementation?

Other

- Is there any mechanism controlling compensation from complaint resulting to different agenda?
- What would be the impact of the RPC mechanism on RSPO’s vision in 5-10 years time?
- With so many polarising sides in the task force, how do you guys decide on anything?
- How often are certification bodies briefed on compensation? The current training is very loose.
- Would it be possible to be a simple procedure and reduce to a few pages and flow chart plus longer explanatory notes to accompany?
- Would it be possible to consider the burden on the grower when deciding the compensation value be practical and ensure “sustainability”/



Individual Ideas

Training and awareness

- Continue with basic 101 training to growers.
- More outreach to increase awareness and understanding on procedures before public consultation.
- Propose that RSPO organise a training on these procedures (3).
- More socialisation and outreach strategy needed to create better awareness.

Acceptability to Growers

- Ease the mechanism to help growers to achieve sustainable practices.
- Make RSPO practices more acceptable to growers.
- At the end you have to decide and move on, nothing is perfect.
- The panel must be flexible and not prioritise the monetary option but decide based on the project and the project size proposed.
- P&C needs to revisit and address compensation appropriately
- Make the R&C mechanism more practical and not an economic burden and impact to the company.
- Revisit the value of USD2,500 and consider other relevant studies (MPOA etc).

Liability

- In the matrix liability for non-members past 2014 should be limited to “sum of all areas cleared without HCV assessment without limitations on the status of the production”.
- Social liability should cover monetary and project according to the needs of the community.

Improving overall document

- Documents issued/produced by the CTF would be better if each figure or literature cited was referenced like a scientific paper.
- Some simple graphic illustration might help to ease the reader in understanding the entire document.
- Put timeframe work of each stage and the time frame have to pass through the trial.
- Be specific and simple (2).

