

**MINUTES OF MEETING**  
**JURISDICTION WORKING GROUP MEETING #18 (VIRTUAL)**

**Date: 20 July 2023 (Thursday) 4:00 pm to 6:00 pm (MYT)**

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

\*\*Special consultant

**Agenda**

Item	Time (MYT)	Duration (minutes)	Agenda
1 – Admin matters	1600 - 1610	10	1.1 – Opening 1.2 – Antitrust Guidelines, Conflict of Interest Declaration, Chatham House Rules 1.3 – Acceptance of JWG #17 Minutes of Meeting
2 - Updates	1610 - 1625	15	2.1 – JWG Memberships 2.2 – HCVN-HCSA Proposal & JE Membership 2.3 – Bali workshop
3 - Discussions	1620 - 1715	55	3.1 – Landscape level RaCP: Presentation and Q&A 3.2 – Discussion on next step (way forward)
4 - Discussions	1715 - 1750	35	4.1 – Requests from Pilots (Sabah and Seruyan) 4.2 – Priority setting (JWG Workplan)
5 - AOB	1750 - 1800	10	5.1 – Next JWG Meeting & RT planning 5.2 - AOB

**Minutes of Meeting:**

Item	Description	Action / Remark
1.1	<p><b>Opening</b></p> <p>The meeting started at 4:13 pm Malaysian time.</p>	
1.2	<p><b>RSPO Antitrust Guidelines, Conflict of Interests Declaration and Chatham House Rules</b></p> <p>There was no question regarding the guidelines and the rules. And no conflict was declared.</p>	
1.3	<p><b>Acceptance of minutes – JWG Meeting #17</b></p> <p>In page 5, Agenda 3.2, the sentence “members asked about the limitation of grower size (&lt;50 ha)” should be changed to “(&gt;500 ha)”.</p> <p>Minutes of the JWG Meeting #17 was adopted by members.</p> <p><u>Action points from the JWG Meeting #17:</u></p> <ul style="list-style-type: none"> <li>a) The Secretariat has shared the latest draft of the JA strategy paper.</li> <li>b) The Secretariat has shared the JE consultant ToR.</li> <li>c) The Secretariat sent a letter to RSPO Producer members in Seruyan encouraging them to get involved in the JA, JE and working groups. A separate discussion was held with Seruyan to work on a draft that will be sent mainly to the growers’ company based on the list from the Seruyan pilot. The Secretariat is currently working on the draft letter to explain what JA is and encourage their involvement.</li> <li>d) Secretariat to help plan agenda and budget for JA session at RT 2023. This will be updated in the meeting today.</li> <li>e) New JWG Co-chair has been confirmed to be Silvia Irawan. The JWG membership updates will be updated in the meeting today.</li> <li>f) To put as a standing matter for further discussions on the size limit, support and impact on JA certification. The Secretariat has provided an update that a similar concern was raised by Wild Asia on one of the certificates implicated by the new requirement of the group certification, where it does not allow the growers who have a land size of larger than 500 ha to be part of the group certification. The Secretariat is working with Wild Asia to present a decision paper for SSC’s endorsement to allow any existing certifications with larger growers that are part of the group certification to remain valid. As the group certification will be revised in 2024 after the adoption of P&amp;C, this matter will be rectified during the revision process.</li> </ul>	

	<p>Members raised a question on the possible implications for producers that have a land of above 500 ha, who have individual memberships with RSPO. Secretariat stated that initially when the Medium Grower Task Force’s discussion (MGTF), a clear rule was set that the large growers (&gt;500ha) should have their own capacity and resources for independent certificate, and they should be restricted from being certified through the group. Large growers can pursue their own certificate but should also be allowed to be a part of group certification. The implications are lower, and it is easier and has lower cost.</p> <p>Members commented that we need to be open if we go for jurisdictional certification. WWF is currently developing a self-sustaining business model around cooperatives, where the larger grower subsidises the smaller grower within the group.</p> <p>Secretariat explained that if this flexibility is allowed under the group certification, it is their choice whether they want to maintain their individual certification or under the group certification. Their decision will come with the risk, as there will be a higher risk if they are attached to a group when one of the groups is suspended. There is an option for the mill with its own plantation to be included as one of the supply bases and to be certified but they will have to apply the same standard.</p> <p>Secretariat clarified that we are not proposing to change the rules but seeking SSC’s agreement to recognise it for now and revise it next year.</p>	
<p><b>2.1</b></p>	<p><b>Project updates by the Secretariat</b></p> <p><u>JWG Memberships</u> Members were updated with the current membership in JWG. Substantive representation still missing from Smallholders (Indonesia) and Smallholders (RoW). The Secretariat has reached out to the Smallholder Unit in the Indonesia office and identified 4 potential candidates. The Secretariat will follow up with them to confirm their participation. There were no responses from the Secretariat African team for RoW representatives and financial institutions.</p> <p>For alternate members, Secretariat will be reaching out to the Sabah JCSC for Growers Malaysia. Still waiting for response from the African team for growers and smallholders (RoW), and the Smallholder Unit in Indonesia. We are not pursuing retailer and financial institution representations for the time being.</p>	
<p><b>2.2</b></p>	<p><u>HCV-HCS Jurisdictional Screening Tool</u> The Secretariat has formalised the contract for the Jurisdictional Screening Tool. Work will start on the week of 31 July. The RSPO Ecuador team is arranging the visit and interviews with the local government and NGOs. The data review results will be presented during the upcoming Bali workshop in</p>	

	<p>August. The first draft of the methodology and the QA process is expected to be ready by November.</p> <p><u>JE Membership Category</u> The Secretariat has published a tender to call for a proposal for an optimal JE model, its applicability with existing membership structure and the need for new structure and implications. Currently only one proposal has been received from the same consultants for the RaCP JA study, but this has not been finalised.</p> <p><b>2.3</b> <u>Bali Workshop</u> The Bali workshop will be held at Sanur Bali from 29-30 August 2023. The purpose and agenda of the workshop is to share the progress from the pilots and RSPO Secretariat, agree on a timeline to close the gaps of the JA framework, discuss contribution of different parties to expedite the process and deep dive on JE (membership criteria), HCV/HCS and RaCP.</p> <p>Participants are limited to 25 pax, including pilot jurisdictions, JWG members, RSPO Secretariat and industrial players. Ecuador is still finalising participants. There is one confirmed participant from Conservation International. Invitation has been sent out to the co-chair of Sabah JCSC but yet to receive a reply.</p>	
<p><b>3.1</b></p>	<p><b>Landscape level RaCP</b> The consultant, PT Hijau Daun presented the study on the Review of RSPO RaCP for Implementation in Jurisdictional Certification.</p> <p>The scope of study is to assess the applicability of existing RaCP on jurisdictional level and identify the gaps/constraints of existing RaCP to be applied on jurisdictional level. Then provide recommendations based on the gaps and develop a final recommendation for RSPO to consider in terms of RaCP at jurisdictional level.</p> <p>The consultant gave a brief methodology of the study, by mapping the RaCP requirements to the requirements of the RSPO JA Stepwise Approach and consulting relevant RSPO JA stakeholders: pilot, Sabah government, etc.</p> <p>Based on the gap analysis, there were three types of gaps identified for RaCP in JA implementation:</p> <ul style="list-style-type: none"> <li>● Implementation of RaCP in JA certification</li> <li>● Fundamental gaps (existing) of the RaCP</li> <li>● Fundamental gaps of the JA piloting framework.</li> </ul> <p>The fundamental gaps were not looked into as part of the scope of this review.</p> <p>Addressing the Gaps:</p>	

- Disclosure of NCLC – it is not stated clearly how the NCLC are completed. Disclosure template does not take into consideration information needed at JE level. Social liability is identified early in the RaCP, but procedures related to social (FPIC etc) is implemented at Step 3 of the Stepwise Approach. There was also inconsistency in the HCS requirement as this was absent within the RaCP 2015, but present in P&C 2018 and the JA.
- LUCA - Potential liability is not part of the RaCP LUCA. Pilots are expected to produce LUCA using their own methodology, taking the existing LUCA guidance as guidance.
- Concept Note – Current RaCP mechanisms do not ensure maximum benefits of compensation projects to flow directly to the jurisdictions. The process is lengthy involving multiple approval processes. Compensation panel structure is not applicable to JA.
- Compensation Plan – ISH compensation will not be able to apply and the burden of compensation will likely fall upon larger growers. There is also a multiple certification concept which encourages ‘cherry pick’ by JE to certify compliant members first. This is business as usual.

Two possible recommendations were presented to the members:

- a) Negotiated Outcomes Approach – This approach is to recognise the jurisdiction’s commitments towards landscape level sustainability. RSPO should provide a platform for jurisdictions to negotiate their compensation based on their past clearance versus their existing/planned conservation effort. Its applicability in every jurisdiction is uncertain.

Pros of this approach is that it is less complicated compared with management unit level RaCP and relieves a huge burden of review and analysis. With some of the process simplified, the RaCP implementation at jurisdictional level can potentially be more efficient.

Cons of this approach is that the requirements of the RaCP processes involved are diluted. Proving additionality of compensation projects will be challenging as the compensation projects are existing jurisdictional/government commitments. It could be based on a generalised HCV map that does not take into account the HCS area.

- b) Analytical Approach – this is a business-as-usual approach which allows jurisdictions to apply the exact requirements and process of the management unit level RaCP at jurisdiction level. This requires

	<p>JE members to comply with the RaCP requirements but with support from the JE. This will also require producers to support independent smallholders towards delivering their FCL, similar to the RaCP management unit level approach.</p> <p>Pros – Based on the current RaCP, there will be no significant changes. RSPO can develop a database on vegetation coefficient for LUCA from its JA participants and this can be developed into a guidance document to assist all LUCA processes within RSPO. Compensation projects platform could increase the pool of approved compensation projects within RSPO.</p> <p>Cons – the complexity of RaCP remains. Future bottlenecks are expected for both disclosure and the LUCA process. The RaCP JA could also be viewed as still being implemented at management unit level. There will also be potential added risk to producers to establish agreement with ISH.</p> <p>Both approaches have shared pros and cons where it recognizes existing conservation efforts by the jurisdiction and creates an enabling environment for stakeholders to work together towards achieving landscape level sustainability. However, the identification and compensation of loss of social HCVs are still not addressed in both approaches. There is still uncertainty on the level of acceptance of the indicative HCV-HCS map and monitoring of compensation projects is still a concern.</p> <p><u>Key takeaways from the study:</u></p> <ul style="list-style-type: none"> <li>a) Simplification of process - Given the size of the jurisdictions, there must be a focus on simplifying the RaCP process in JA. RSPO JA has the potential to assist with the delivery of ISH FCL. The consultant recommended RSPO to make a decision on which recommendation to adopt from this short study.</li> <li>b) Revision of the RaCP - The social component of the RaCP must be addressed at the procedure level to find a workable solution at JA level. There needs to be guidance on how compensation projects can be monitored. The consultant recommended that there is an urgent need to revise the RaCP 2015.</li> <li>c) A piloting framework - JA piloting framework is under-socialised. Enabling mechanisms/guidance need to be developed as soon as possible to assist Jurisdictions/JEs in the piloting framework period.</li> </ul> <p>The consultant recommended frequent socialisation of the JA Piloting Framework as well as updates on the pilot progress. Enabling environment must be set up to allow the pilots to progress in the Stepwise Approach</p>	
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more effectively/efficiently. RSPO should also organise lessons learned with other organisations implementing landscapes approach.

Members raised a concern on what's in it for the growers and the government to accept this? Where can they get a better deal if they declare their individual liability? Consultant responded that this is unfortunately not in the purview of the ToR as it is a gap analysis. When the government makes a commitment, the requirement trickles down to the growers and it is between the government and growers. This question is posted to the Secretariat and JWG, on how to turn this into an opportunity to have some creative mechanism where this liability can be solved in a different way to benefit. Secretariat clarified that the benefit for the growers is to simplify the RaCP process that will save time and cost.

Members also commented that the beauty of JA is to have the government stepping into the processes, particularly as they are the one giving the licence. There are some confusions raised with the technicality between the two options. In the 1<sup>st</sup> recommendation, jurisdictions will carry out LUCA and they will negotiate how they compensate the loss/land clearing. But it will also have the hectare to hectare and on-site compensation. Who will be the one verifying the claim? There should be some robust method as well in the first option.

Consultant clarified that for the 1<sup>st</sup> recommendation, it requires the jurisdictions to calculate the land cover in Nov 2005 and at the time they do the NCLC. From that they calculate how much area has been cleared for oil palm between those two dates. This becomes the compensation liability. RSPO then recognises that the jurisdictions have already committed to RSPO certification and conserve areas. For the 2<sup>nd</sup> recommendation, it will do the land cover map over a concession, or 5000 ha which is a challenge.

Members commented that it is calling for a practical solution. The current model states that if you do not address your liability, you cannot go towards certification. Some concession needs to be given to at least give some traction to those that are ready. We cannot be perfect and follow the current RaCP model in JA and we also do not want a RaCP model just for JA. We need to take the risk.

Members also highlighted that some of the possibilities of making RaCP easier is the government support. We need to look at how to get their involvement, what will draw their involvement and what is the benefit for them, especially dealing with ISH as they need assistance to socialise with them.

Members raised a question on what happens if a jurisdiction has 400,000 ha of FCL, but their existing commitment is only 300,000 ha? Consultant explained that there needs to be a match for the Final Conservation Liability, and it cannot be lower. If FCL is 400,000 ha, the 300,000 ha must go up to the FCL, only then it will be qualified. There should be an element to negotiate with the government to understand the condition of the

	<p>jurisdiction itself. If there is no more land, the additional 100,000 ha may come from additional activities, such as effective management of TPA, making the activity more robust. In the case of the compensation mechanism for JA, additional criterion is the one thing that needs to be explained further. If RSPO recognizes the existing commitment by the government to use this compensation as part of the certification process, this is a huge benefit for the government. As long as your commitment to protect is higher than the land to be developed, then that is enough.</p> <p>The Secretariat raised a question on how to simplify the LUCA assessment and how do we look at all the existing liability that has been declared by RSPO members? How would that contribute to the entire final liability of the landscape and compensation?</p> <p>Consultant stated that through the negotiated outcome approach, LUCA is already simplified, as it only looks at the forest cover in Nov 2005 and one additional cut-off date, which is the date of HCV-HCS. Based on that the areas that have been converted to oil palm are calculated and that hectare will be their NCLC and FCL as well because there will not be any additional multipliers.</p> <p>For existing compensation within the jurisdiction, this is leaning towards additionality. We cannot inform growers to cancel that approved case. The existing compensation cases can still be implemented by the grower, but the JE needs to support the existing compensation cases and this support will be deemed as additional. For existing liability, there should be a consideration for this FCL to be dismissed as they are part of the jurisdictions, and the jurisdiction is taking care of the whole RaCP for the jurisdiction. That member will benefit from having the JE to conduct the RaCP. It will also dismiss those that have already been calculated.</p> <p>Next step forward, members suggested for the report to be tidied up, simplify the recommendations, and add some flowcharts before closing the consultancy. Members also request to add a 2-page executive summary. Members agreed to close the consultancy. Any comments or inputs can still be sent to the Secretariat by the end of next week. The Secretariat will request the consultant to relook at the report and simplify the recommendations.</p> <p>The working group will work based on the recommendations moving forward and bring it for pilot testing.</p>	
<p><b>4.1</b></p>	<p><b>Requests from Pilots (Sabah and Seruyan)</b></p> <p>The pilots requested for RSPO to provide some recognition on progress made, based on the JA Framework to maintain the commitment. The Secretariat is planning to have a form of assessment template for the pilot to assess on where the progress are made.</p> <p>Members commented that this was already discussed during the RT last year, to have some basis/template to see the progress made in order for the Secretariat to write a recognition letter.</p>	



	<p>The Secretariat will put forward the template for the members to look at and agree upon during the next meeting.</p> <p>The pilots also requested for RSPO to step-up efforts in inspiring members' participation and contribution to pilot site's progresses and have clear communication to the pilots on the support RSPO can do. The pilots also requested RSPO support for fund raising to continue to support the progress on the pilot site.</p> <p><b>4.2 Priority Setting (JWG Work Plan)</b></p> <p>The 3 main work in JWG currently is the JE Membership, HCV-HCS landscape level mapping and RaCP.</p> <p>Members should find time to discuss priority setting and give some priority to the pilot.</p> <p>The work plan will be discussed in the Bali workshop as the uncertainty is worrying for the stakeholders. Membership is one of the important guidance from the JA.</p>	
<p><b>5.1</b></p>	<p><b>Next JWG Meeting &amp; RT Planning</b></p> <p>The Secretariat proposed to have a physical JWG meeting on 31 August as a follow up from the Bali workshop. Members have no objection.</p> <p>The Secretariat will submit a brief concept note for JA discussion for RT. The RT planning session will be discussed during the Bali meeting.</p> <p><b>The meeting ended at 6:17 pm.</b></p>	