

MINUTES OF MEETING OF RSPO
37th RSPO BHCVWG MEETING**Date: 15 – 16 April 2018****Start time: 9.00 am****Venue: Capri Hotel, Kuala Lumpur****Attendance:**

<u>Members and Alternates</u> <ol style="list-style-type: none">1. Audrey Lee (Olam)2. Azmariah Muhamed (FGV)3. Cahyo Nugroho (FFI)4. Gan Lian Tiong (Musim Mas)5. Ginny Ng (WILMAR)6. Gotz Martin (GAR)7. Harjinder Kler (Hutan)8. Izabela Delabre (ZSL)9. Laila Wilfred (OLAM)10. Lanash Thanda (SEPA)11. Lee Swee Yin (Sime Darby Plantations - SDP)12. Michelle Desilets (Orangutan Land Trust)13. Olivier Tichit (SIPEF)14. Rhama Budhiana (Remark Asia)15. Richard Kan (GAR)16. Tang Meng Kon (Sime Darby Plantations - SDP) <u>Absent with Apologies</u> <ol style="list-style-type: none">17. Norazam (FGV)18. Marcus Colchester (FFP)19. Michael Brady (IFC)20. Paulina Villalpando (HCVRN)	<u>RSPO Secretariat</u> <ol style="list-style-type: none">1. Cheryl Ong2. Khing Su Li3. Nur Ainaa Amira <u>Invited delegates</u> <ol style="list-style-type: none">1. Arie Soetjadi (HCVRN)2. Jennifer Lucey (SEARRP)3. Michal Zrust (via Skype on Day 1)4. Surin Suksuwan (Proforest)
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No	Description	Action points	Progress
1	<p><u>Opening Remarks</u> The co-chairs welcomed all members to the 37th BHCVWG meeting. A round of introduction was made as there were new attendees in the room. The co-chairs also brought to attention that arising from the decision made in the 36th BHCVWG, invited experts would only be participating in certain discussions and not for the full meeting.</p>		
2	<p><u>Review & endorsement of the 36th BHCVWG meeting minutes</u> The meeting minutes of the 36th meeting was approved. It was proposed that the Chatham House rule for minuting be adopted by the BHCVWG. There being no objection, the Chatham House rule was adopted.</p>	The RSPO Secretariat to prepare future minutes accordingly.	The 37 th BHCVWG meeting minutes have been prepared accordingly.
3	<p><u>HCV Toolkits: MY NI HCV Malaysian and the INA HCV Taskforce</u></p> <p>i. MY NI HCV Malaysia Surin Sukswan (Proforest) presented the progress on the activities of the MY NI HCV Malaysia. The key objective of the initiative is to produce the HCV Malaysia toolkit on the national interpretation of the HCVRN Common Guidance on HCV Identification, and the HCVRN Common Guidance on HCV Management & Monitoring (specific to different sectors/commodities). The first phase of the work is on developing the NI on the Common Guidance of HCV identification is in its final stages. Two stakeholder consultations have been organised, in the months of October and December 2017. The text from of the Draft 3 (the product of the 2nd public consultation in December 2017) is now finalised, and the design & layout is underway. The document is expected to be printed by end April 2018.</p> <p>The Phase 1 of the toolkit development has been funded by WWF-Malaysia. Additional funding needs to be secured for Phase 2, the NI of the Common Guidance on HCV Management & Monitoring.</p> <p>A question was raised to enquire the estimated cost of the Phase 2. SS replied that the estimated cost would be around RM200,000 but reminded that Proforest is the facilitator for the Phase 1 activities.</p> <p>ii. INA HCV Taskforce Cahyo Nugroho (FFI), in his capacity as the co-chair of the INA HCV TF, provided the updates on the progress of the NI on the HCV Management and Monitoring document.</p> <p>Several issues were presented by FFI in the BHCVWG meetings. One of the key question is the procedure for re-assessment due to disputes on HCV findings, which could arise from changes in values (e.g. HCV 5 and 6). new findings during monitoring, or when field surveys produce results that rejects the precautionary approach of assuming presence when no evidence have been collected during the time of assessment. There could also be disputes due to the communal land rights over HCV areas.</p> <p>Following the recommendation from the BCHVWG to address these questions, the TF has checked with HCVRN. HCVRN responded to them that no procedure is in place yet as no cases has been raised</p>		

	<p>to them. The INA HCV TF will compile the cases presented and produce recommendations on how to address the dispute in HCV findings.</p> <p>Representatives from HCVRN and JNKTI have been invited to attend the meetings as observers: Arie (HCVRN) and Kresno (JNKTI).</p> <p>Efforts to finalise the document to-date include collating best practices from the field from the TF members who have volunteered to submit case studies, submitting the draft document to the Jaringan NKT Indonesia (JNKTI) to ensure alignment between the national HCV toolkit and the NI on the Common Guidance on HCV Management & Monitoring, and the formation of a smaller taskforce to finalise the contents. It is anticipated that the Draft 1 would be ready by May 2018. An editor would be hired after the completion of the Draft 1. If there are no more overlaps with other documents, the Draft document would be put through to public consultation, expert consultation and field testing.</p>		
4	<p>Restructuring of the RSPO Secretariat</p> <p>The RSPO Secretariat provided an update restructuring of the Secretariat. The restructuring was effective in March 2018. Changes to the corporate structure include:</p> <p>i. Establishment of new units such as Research and Advisory, GIS, Investigation and Monitoring</p> <p>ii. Splitting of division. The Technical unit is now split into 2 divisions i.e. Assurance and the Standard Development. Salahudin Yaacob heads the Assurance division, while Julia Majail heads the Standard Development division. The Standard Development division is made up of the Biodiversity, GHG, Social and Smallholder units. A training unit would also be established to plan and deliver structured and systematic capacity building efforts for growers, CBs and other relevant stakeholders.</p> <p>iii. Strengthening of divisions. In view of the endorsement of the Smallholder Strategy in March 2017, more capacity will be hired to ensure that the strategy is implemented.</p> <p>The RSPO Secretariat office in Kuala Lumpur is undergoing ISO certification, with the aim to complete the certification process September 2018. As part of the requirements for certification, systems and procedures for financial controls and performance evaluations of contractors/consultants would be established.</p>		
5	<p>RSPO GIS unit</p> <p>The RSPO GIS unit at the moment is only made up of one person, Masrudy Omri (the GIS manager). There are four major GIS activities at the RSPO Secretariat.</p> <p>i. Resolution 6g GA10</p> <p>The resolution mandates that grower members submit their existing concession boundaries in digital format (Shapefile) and these will be made publicly available via the RSPO website.</p> <p>196 companies have submitted maps. A grower member who did not submit had their membership terminated by the Board. The RSPO Secretariat has developed guidance and checklist assist grower members in submitting map data according to the right format and</p>		

<p>information needed. A webinar on how to submit concession maps for ACOP 2017 was also held earlier in the year to provide understanding of the requirements. A map review system was also established to monitor and track the map submissions.</p> <p>ii. GeoRSPO The latest concession map layer was updated in December 2017. Some of the maps had to be excluded due to geometry and topological errors, which had been communicated back to the company.</p> <p>iii. Hotspot monitoring The current hotspot monitoring is done on a weekly basis and alerts are sent to growers. A system of GIS processing of hotspots has been developed but will still require improvements to the system to reduce the number of false positive detection. Growers currently provide responses on a manual basis. An online, digital fire reporting system with proper hotspot data management would be in the pipeline for development.</p> <p>It was suggested that the MO organise a dialogue with growers' GIS teams/collaborators to streamline the monitoring efforts and to improve the quality of the information used for processing. GAR will forward the contact for a Singaporean research lab that provides hotspot detection information using the data from NOAA 19 satellite.</p> <p>A member expressed that forums on RSPO.org are not being used enough. There should be forums built around the various thematic areas to initiate dialogues and share knowledge. The RSPO Secretariat has responded that it will attempt to establish an online forum similar to the RSPO Interpretation Forum (RIF) for CBs.</p> <p>iv. Peat mapping MO is working very closely with the GHG unit to look into the expansion of planted area on peat within the RSPO member concession for Malaysian and Indonesia up till 2014. The project will also gather information the analysis of land and soil type within new planting areas. The challenge faced is the lack of suitable and available data. Thus, the approach to address the data availability issue would be to approach more research labs for data access.</p> <p>v. NPP-HCV monitoring A project with HCVRN and WRI on monitoring HCVs in all NPPs has initiated by the RSPO Secretariat. The aim of this project is to digitize and collate the NPP and HCV shapefiles and to use the Global Forest Watch Pro platform to monitor changes within the NPP area.</p> <p>It was highlighted that under the new Indonesian laws, the HGU excises riparian area as riparian areas fall under the purview of government management areas. The disparities between HCV assessed and HCV managed by companies also results from changes in the final and approved maps.</p> <p>A member expressed concern that the RSPO Secretariat was undertaking a more policing role, particularly with the establishment of the IMU (Investigation and Monitoring Unit). RSPO Secretariat clarified that this was not the intention. Instead, the IMU sought to</p>	<p>The RSPO Secretariat will look into initiating the forum for Biodiversity</p>	
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	proactively monitor non-compliances to the RSPO P&Cs and to engage with growers to seek understanding of the situation before further actions were to be considered.		
6	<p>RSPO Research Agenda</p> <p>Cheryl Ong, the Research and Advisory Manager in the RSPO Secretariat presented quick overview of the Theory of Change (ToC) as a preamble to the research needs within the RSPO Secretariat.</p> <p>The R&A has developed a list of research question. As the R&A is under Impacts and Evaluation, the questions are focused on elucidating impacts (in this phase of the work roadmap) and to identify innovation and areas for continual improvement. The questions have been reviewed by ISEAL to ensure compliance to requirements, as RSPO is a member of the ISEAL alliance.</p> <p>In order to ensure relevance of the research questions relating to biodiversity and HCVs, CO sought the feedback from the BHCVWG on the list of research topics.</p> <p>It was highlighted that growers e.g. GAR and Wilmar, have partnered with various organisation to conduct research. Thus, the recommendation was to conduct a stock-take of what has been done to avoid replicate of efforts and to identify areas for innovation and continual improvement.</p>	RSPO Secretariat to engage with BHCVWG members to solicit feedback on the research questions	
7	<p>Sustainability College</p> <p>The RSPO Secretariat informed the BHCVWG that the Sustainability College platform has undergone an upgrade. The beta version of the upgraded platform was announced in the RSPO e-Gazette in March 2018.</p> <p>The platform will be formally launched at the EU-RT (25 to 26 June 2018) in Paris. The learning modules will cover all the topics relevant to the RSPO P&C e.g. FPIC, no exploitation, certification, RaCP, GHG and traceability. The modules are divided into 3 levels – beginners, intermediate and advanced. Users will have to complete quizzes to proceed from one stage to another.</p> <p>As part of the initial phase of module development, the RaCP video has been rehashed including notes on updates (e.g. LUCA guidance 2017).</p> <p>More modules will be required. The RSPO Secretariat proposed modules on HCV identification, HCV management and monitoring and the riparian guidelines, but will need assistance for expertise within the BHCVWG for content.</p> <p>SEARRP, HCVRN, GAR volunteered to work on providing content on HCV identification, while ZSL offered to provide content on the SMART monitoring tool.</p> <p>Beyond just focusing on HCV topics, Integrated Pest Management (IPM) was suggested by the BHCVWG as a module. SEARRP volunteered assistance. The RSPO Secretariat was also informed that they could collaborate with MPOB and Fedepalma for content on IPM.</p>	The RSPO Secretariat to finalise the Phase 2 and prepare a plan for the module development.	

	<p>Olam volunteered assistance on the HCV management module. Possible topic for this module could include technology application, elephant management and monitoring methods.</p> <p>The RSPO Secretariat thanked the members for their offer of help. As the next step forward, a calendar for content development will be shared with the member content collaborators after the plans for the second phase of development is finalised.</p>																				
8	<p>Updates on the P&C</p> <p>The RSPO P&C TF4 meeting was held in March 2018. There were three major efforts were being looked into:</p> <ol style="list-style-type: none"> No deforestation definitions and context with the high forest cover countries and in fragmented landscapes Simplification of the standard for smallholders Restructuring of the standard to align with the Theory of Change and the Smallholder Strategy. <p>The P&C review will now be producing 2 products i.e. the standard P&C and the simplified standard for smallholders.</p> <p>The TF4 agreed that:</p> <ul style="list-style-type: none"> The content will be retained in the old format i.e Principles, Criteria and Indicators (including incorporating comments from the first public consultation The P&Cs will be restructured to align with the ToC, reduce redundancies and to make the P&C more outcome-based and auditable <p>The TF requested that a fifth meeting be held in May 2018 prior to the second public consultation to finalise the contents and the structure of the Draft 2 P&C. The public consultation for Draft 2 P&C is scheduled for a 60-day public consultation beginning in June and ending in July 2018. Field testing of the auditability of the Draft 2 will also be undertaken during this period.</p> <p>A proposal was made to convene a physical meeting to review the Draft 2 and collate the collective feedback from the BHCVWG. Agreement was reached and the RSPO Secretariat was tasked to select dates for a 2-day meeting in June/July 2018. It was suggested that the meeting be held in the same week of EU-RT.</p>	<p>The RSPO Secretariat to send a Doodle Poll for dates and meeting location.</p>	<p>Done.</p>																		
9	<p>RaCP updates</p> <p><i>RaCP Statistics (as of April 2018)</i></p> <ol style="list-style-type: none"> The NCLC and FCL disaggregated by country <table border="1"> <thead> <tr> <th>Country</th> <th>NCLC (Ha)</th> <th>FCL (Ha)</th> </tr> </thead> <tbody> <tr> <td>Brazil</td> <td>29,405.85</td> <td>801.47</td> </tr> <tr> <td>Colombia</td> <td>33,131.89</td> <td>2,392.10</td> </tr> <tr> <td>Costa Rica</td> <td>173.16</td> <td>2.67</td> </tr> <tr> <td>Dominican Republic</td> <td>799.40</td> <td>11.62</td> </tr> <tr> <td>Ecuador</td> <td>15,579.35</td> <td>2,952.45</td> </tr> </tbody> </table>	Country	NCLC (Ha)	FCL (Ha)	Brazil	29,405.85	801.47	Colombia	33,131.89	2,392.10	Costa Rica	173.16	2.67	Dominican Republic	799.40	11.62	Ecuador	15,579.35	2,952.45		
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Ghana	523.20	85.58
Guatemala	23,076.59	1,089.97
Honduras	12,332.48	463.63
Indonesia	623,424.89	86,575.80
Malaysia	82,652.87	12,667.19
Mexico	2,694.00	235.70
Nigeria	2,048	8.00
Peru	6,852.45	2,998.04
PNG	6,852	798.83
Sierra Leone	234.90	279.44
Grand Total	853,359.93	111,362.48

ii. Status of LUCA reviews

Cumulative total of LUCA marked as 'Pass'	# additional between Nov 2017 – Apr 2018	% increase
November 2017, n = 106	16	15.1%
April 2018, n = 122		

Currently, the RSPO LUCA reviewers are only able to deliver 6 review reports / month collectively. Each LUCA review takes an average of 2 weeks to be processed. The RSPO Secretariat put forward a proposal to hire an additional GIS personnel to assist with the initial checking of the LUCA submission and to assist growers in providing correct image classifications and liability calculation. There was no objection to this proposal.

The RSPO Secretariat also highlighted that a grower in Africa is experiencing some challenges in finalising the LUCA and has requested for a new submission timeline. The mill has lease agreements with many smallholders farms and the average size of the land parcels is 13.1 ha. The total area is 1968 ha of more than 100 land parcels. The grower has expressed that the HCV assessment is a very costly and time-consuming process and they do not have in-house capacity to conduct HCV assessment. The RSPO Secretariat asked the BHCVWG is simplified HCV assessment using the tools the RSPO developed could be used.

It was noted that while African region faces slightly issues in terms of the supply base models, growers in other regions has also invested in costly HCV assessments and that should not be an excuse to comply with RSPO requirements.

One of the co-chairs suggested that the site can potentially serve as a training site to build capacity for HCV assessments, and test out the simplified tools.

If the land areas are too small to be resolved using the free Landsat images, the LUCA can be supported by proof of land use prior 2005

(evidence of liability) to demonstrate land use trajectory (e.g. land taxes, and subsidies).

iii. The NCLC and the FCL in November 2017 and April 2018

Period	NCLC (Ha)	FCL (Ha)
Nov-17	677,222	77,489
Apr-18	853,359.93	111,392.48

As of April 2018, the total NCLC reported was 853, 359.93 ha and the total FCL was 111,362.48 ha (43.8% increase from November 2017), cumulative percentage of LUCAs both reviewed and passed, and those pending review. 33 LUCAs were undergoing review, and 73 are pending clarification submission. 40 LUCAs were in the queue for review.

iv) Land clearance by vegetation type and time period

VC	2005 - 2007	2007 - 2009	2010 - 2014	After 9th May 2014	Total
1	16,688	9,912	15,647	435	42,682
0.7	95,468	67,200	50,405	7348	220,420
0.4	24,138	41,420	28,005	1245	94,808
0	188,815	156,657	1419278	8050	495,450
Total	325,109	275,190	235,984	17,077	853,360

iv. Status of concept note endorsement

Country	No. of Concept Notes	No. of endorsed Concept Notes
Colombia	3	2
Ecuador	2	1
Ghana	1	1
Guatemala	4	2
Honduras	2	0
Indonesia	13	9
Malaysia	3	1
Sierra Leone	1	1
Grand Total	29	17

To-date, 29 concept notes have been received and the Compensation Panels have approved 17 projects. The others have been returned to companies for clarification.

v. Status of compensation plan evaluation

Country	No. of Compensation Plan	No. of endorsed Compensation Plan
Colombia	2	0
Ecuador	1	0
Ghana	1	0

Guatemala	0	0
Indonesia	7	2
Malaysia	0	0
Sierra Leone	0	0
Grand Total	11	2

10 compensation plan evaluators have been approved by the BHCVWG. 5 are currently engaged in evaluations. The compensation plans endorsed for Musim Mas and SIPEF have been endorsed during the staged implementation of the Compensation Taskforce. 2 compensation plans from Colombia are conditionally approved pending clarification.

Annex 9: Monitoring Report Template

The RSPO Secretariat reminded that Annex 9 still needed to be worked on and finalised.

SIPEF, Musim Mas, FFi, RemarkAsia and ZSL volunteered to work on a draft.

Taskforce for RaCP for ISH

The TF for RaCP for ISH held its first meeting on 28 November 2017 in Bali. The participants consisted of nominated SHWG and BHCVWG members.

No	Organisation	Name	RSPO membership category	
BHCVWG				
1	Wilmar	Ginny Ng Siew Ling	Grower	Co-chair
2	WRI	Anne Rosenbarger	ENGO	
3	GAR	Richard Kan	Grower	
4	SIPEF	Olivier Tichit	Grower	
5	HCVRN	Paulina Villalpando	Invited expert (non-RSPO)	
6	Olam	Audrey Lee	Grower	
7	Felda	Norazam bin Abdul Hameed	Felda	
8	Felda	Azmariah Muhamed	Felda	
SHWG				
9	NBPOL	Ian Orell	Grower	
10	Solidaridad	Marieke Leegwater	Social NGO	Co-chair
11	Yayasan Setara Jambi	Rukaiyah Rofiq	Social NGO	
12	IFC	Triyanto Fitriyardi	Financial Institution	

	13	INOBU	Ofra Shinta Fitri	ENGO		
	14	Felda	Ismail Samingin	Grower		
	RSPO					
	15		Julia Majail			
	16		Kertijah Kadir			
	17		Thitinai Pongpiriyakit			
	18		Khing Su Li			
	19		Rahmat Untung			(resigned)
	<p>The key output would be RSPO Secretariat to collate information of environmental compensation models implemented by smallholders or communities.</p> <p>The key guiding question are:</p> <ol style="list-style-type: none"> 1. What is the scale of the NCLC ? <ol style="list-style-type: none"> a. Hectarage b. Time period 2. What are the areas cleared without prior HCV assessment? <ol style="list-style-type: none"> a. Spatial location b. Peat, steep terrains, riparian areas 3. What is the typology of the ISH involved ? 4. What is the capacity of the ISH affected ? <ol style="list-style-type: none"> a. Access to technical input b. Financial and access to credit c. Implementation & monitoring 5. What is the production capacity vs income ? <ol style="list-style-type: none"> a. Production curve -> FFB yields / \$\$\$ / tonne / ha 6. What are the most feasible types of compensation projects ? <ol style="list-style-type: none"> a. Off-site vs on-site b. Land tenurial issues 7. Co-investment opportunities <ol style="list-style-type: none"> a. How would it work ? b. Who are the actors ? c. How will monitoring and incentives work ? <p>Next meeting targeting end April or early May 2018.</p>					
10	<p><u>Referral process between complaints vs compensation</u></p> <p>The issue of the Referral process between complaints vs compensation was raised and a query was posed on when and how the compensation process could be used to process complaints cases.</p> <p>A smaller group was convened to discuss the issue as it involved an active complaints case.</p> <p>The provision for Compensation as a resolution for complaints was agreed upon during the 14th CTF meeting in February 2015. However, any cases where i) HCV assessments were conducted prior to land clearance and where known HCVs were lost due to failure in protection, and ii) there is doubt over the adequacy or quality of an HCV assessment prior to land clearance and potential</p>					

	<p>HCVs were loss as a result, would not be accepted automatically as a compensation case. This is clearly outlined in the RaCP guidance (2015).</p> <p>The Complaints Panel would decide if compensation was to be used for the resolution of complaint cases. Only when the case has been referred to Compensation, the Compensation Panel will review the case information and make decision within the scope of the RaCP.</p> <p>The aggrieved part(ies) should refer to the Complaints Panel should there be questions on the resolution of the case.</p>		
11	<p><u>Simplified riparian guidelines</u></p> <p>The work to develop the infographics and to lay the contents into a field booklet had been tedious and more time consuming than anticipated. There has been a lot of background work by SEARRP and the RSPO Secretariat to simplify and illustrate the contents to the graphic designer, who was engaged by the previous Biodiversity Manager. The draft layout has not met the expected quality.</p> <p>The RSPO Secretariat requested more time and would deliver a field booklet on the Simplified Riparian Guidelines in the next BHCVWG meeting.</p>	The RSPO Secretariat will produce a draft field booklet by the next meeting.	Done.
12	<p><u>LUCA requirements for RSPO membership applications approvals</u></p> <p>Under the current RaCP Guidance (2015) and membership procedures, growers applying for RSPO membership would have to comply with the following:</p> <p><u>Section 3.1 (RaCP, 2015):</u> Growers applying for RSPO membership shall disclose to the RSPO Secretariat any clearance for expansion after 2005 without prior HCV assessment on land under their control, or else state in writing that no such clearance exists, prior to the two-week public comment period on membership applications. Applications for RSPO membership will be eligible for approval after the Land Use Change analysis has been approved by the RSPO.</p> <p>The barriers to membership approvals were identified as follow:</p> <p>i. HCV assessment. There are limited number of assessors (e.g. Thailand, Africa, Latin America), and in turn the assessors' availability to conduct any assessments could range between 6 months to 3 years. After the assessment has been conducted, growers who have chosen to use the services of ALS licensed assessors may only get the report approved as satisfactory after 1 to 2 years following the completion of the field assessment.</p> <p>ii. LUCA. The delays are both in the LUCA preparation and the LUCA review stages. At the LUCA preparation end, there are only a limited number of GIS specialist who are able to conduct LUCA according to the RSPO LUCA guidance, more so for smallholders. After submission, there are still inaccuracies in the map shapefiles and image classifications. Additionally, the LUCA reviewer availability and review turnover rate is still below the optimal number to process the increased number of reports.</p> <p>An analysis of the rejected or pending membership applications due to delays in the LUCA process was presented. The statistics as follow:</p> <ul style="list-style-type: none"> Deleted membership applications – 12.7% (n=63) 		

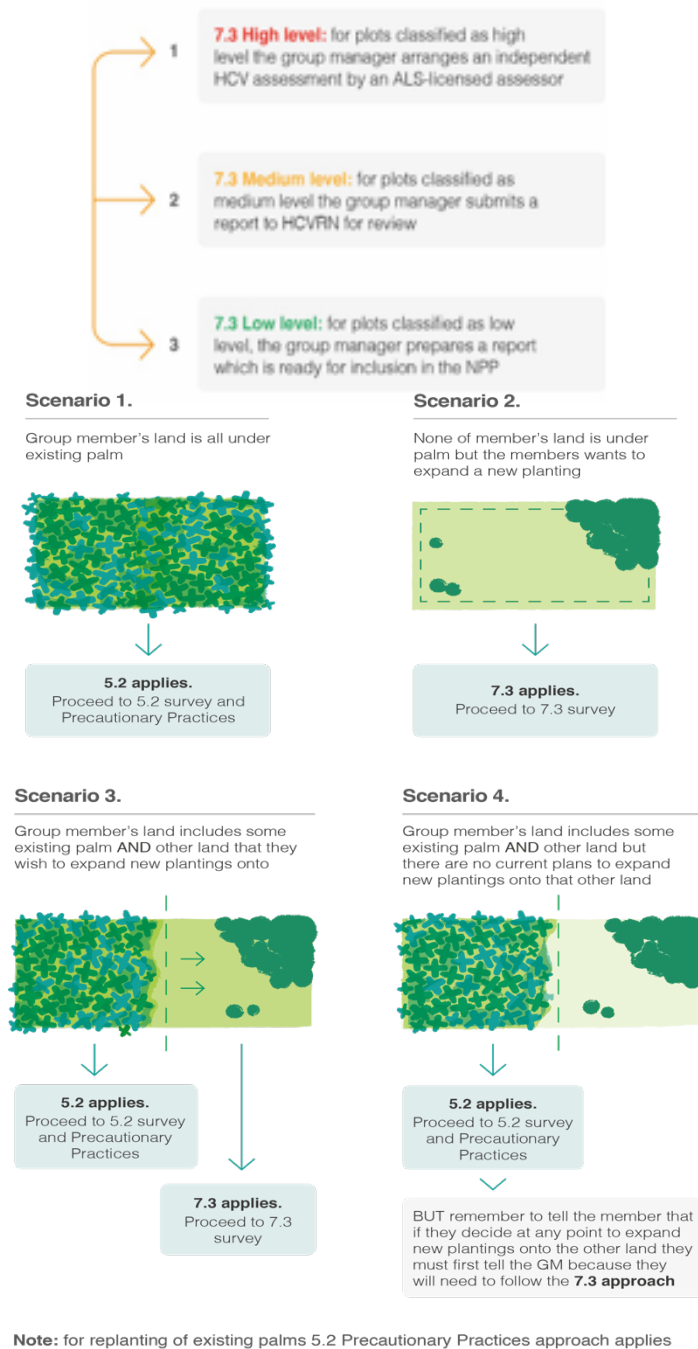
	<ul style="list-style-type: none"> • Pending membership applications – 55.6% (n=18) <p>A consensus was reached on the below:</p> <p><i>After the disclosure of liabilities, grower(s) applying for RSPO membership (with potential liabilities) may select the option of submitting LUCAs without conducting HCV assessments first i.e. running liability until HCV assessment report date is available. This option is only applicable for existing plantations, and it is crucial that growers shall not develop any land areas and/or conduct any planting without undertaking HCV assessment before land clearing and/or associated development.</i></p> <p><i>The LUCA must be current to the membership application date (not older than 1 month) and must undergo an initial review by LUCA reviewers as part of the due diligence process. However, no liabilities will be finalised until after the HCV assessment is conducted.</i></p> <p><i>After membership is approved, growers must undertake HCV assessment and finalise the LUCA using the HCV report date as the cut-off date for liability. The LUCA must be submitted for a final verification by LUCA reviewers to obtain the final conservation liability, after which the RSPO grower members must comply with all other procedures in the Remediation and Compensation Procedures.</i></p> <p>This pathway would enable more growers to join RSPO.</p>	<p>The RSPO Secretariat to communicate the pathway option to Membership.</p>	<p>Done.</p>
<p>13</p>	<p><u>New Planting Procedures</u></p> <p>i. Monitoring new oil palm planting and HCV areas</p> <p>The aim of the project is to enable the RSPO Secretariat to establish an internal monitoring system to determine if HCVs are being managed and monitored effectively. One method to achieve such outcome is through the use of GIS and remote sensing.</p> <p>RSPO Secretariat has collaborated with HCVRN and WRI on a 5-month project to:</p> <ul style="list-style-type: none"> • Collate and digitise NPP concession boundaries and HCV areas shape files up to May 2017 and December 2017 respectively; • Create and populate private accounts on GFW Pro; and • Use the functionalities of GFW Pro platform e.g. Global Land Analysis and Discovery (GLAD), Forest Monitoring for Action (FORMA) and Visible Infrared Imaging Radiometer Suite (VIIRS) Fire Alerts will allow the monitoring of certain threats to HCV areas – such as tree-cover loss and fires – in near real-time using remote sensing. Past encroachment events may also be assessed using archived alerts. <p>The outputs are to be delivered by June 2018.</p> <p>Some of the key questions for analysing historic maps: Did HCV areas change after NPP notification? If so:</p> <ul style="list-style-type: none"> • For what reasons did changes occur? • When do changes occur? • How frequently do HCV areas change? • How much area is being changed? 		

<p>Have HCV areas been encroached after the HCV assessment / NPP notification? If so:</p> <ul style="list-style-type: none"> • When does encroachment happen? • How frequently does encroachment happen? • How much area has been encroached? <p>ii. HCV review and update of assessments older than 3 years In the 36th BHCVWG, the process for the update of HCV assessments older than 3 years for NPP was agreed as follow:</p> <ul style="list-style-type: none"> • For HCV assessment that was done before January 2015, the review and update of the HCV assessment must be conducted by a licensed assessor who shall not be the same assessor who conducted the initial assessment. • HCV assessments report produced after January 2015 by licensed assessors, companies may hire the same licensed assessor to update the report. • The review and updating process does not need to go through ALS quality control system, but the update process needs to include a field visit. Should the licensed assessor deem that too much has changed and a new assessment is required, the re-assessment report will need to go through the usual HCVRN quality panel review process. <p>The RSPO Secretariat proposed for the development of a checklist or a guide on the triggers for HCV re-assessment. This would ensure that licensed assessors would still have to comply to a level of credibility assurance to maintain/enhance HCVs.</p> <p>Various indicators were discussed including a threshold of significant change (beyond x ha or % change) [preference for % change], and the presence of key species. A smaller group consisting of Wilmar, GAR, FFI, RemarkAsia, SEARRP, SIPEF, Olam, HCVRN and SEPA will work on developing the guidance.</p> <p>HCVRN highlighted that under the current Code of Conduct (CoC) for licensed assessors, any reports produced by licensed assessor (be it review and update, or an assessment report) have to be reviewed by the ALS system. This clause was added into the CoC to circumvent licensed assessor conducting HCV assessments but not submitting the reports through the HCV-ALS review system. As part of the HCVRN Management Committee, GAR and Olam to look into this matter with HCVRN.</p> <p>The RSPO Secretariat and HCVRN have been asked to discuss the alignment of review procedures so to avoid increasing backlog on the HCV-ALS review system, while maintaining the credibility of the review and update of the HCV assessments for reports older than 3 years.</p> <p>iii. Post-NPP SOP The RSPO Secretariat presented the working draft of the SOP to account for post-NPP variations. The potential issues after the NPPs have been approved include:</p> <ul style="list-style-type: none"> • Clearing HCV areas within the 2 km buffer zone required • Land clearance beyond the declared boundar(ies) in the NPP submission (i.e. HGU or similar). 	<p>The RSPO Secretariat to coordinate the discussion on triggers for HCV re-assessments.</p> <p>The RSPO Secretariat and HCVRN to discuss procedures.</p>	
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<p>The potential issues could be detected via GIS monitoring and verification, CB reports and complaints lodged.</p> <p>The proposed actions upon confirmation of breaches include</p> <ul style="list-style-type: none"> • Sanctions for 3 years • Growers to re-submit revised development plan, which will be treated as new NPP submission <p>BHCVWG members opined that the RSPO Secretariat should be monitoring the HCV management and monitoring efforts. This could be achieved through various mechanisms e.g. spatial monitoring, CB reports, ACOP and time bound plans. A risk-based approach should also be adopted for a more pro-active approach to detecting potential breaches. There was no need at the point of discussion for a separate SOP for post-NPP variation.</p> <p>v. NPP for Smallholders</p> <p>Smallholder groups submitted a resolution at the 2016 GA – the NPP requirements were too difficult for smallholder to comply with. The resolution was accepted (Resolution 6f 2016).</p> <p>With the resolution still currently enforced, the smallholder submission of NPP be reprieved until a proper guidance is available, which is now available.</p> <p>The reprieve of NPP submission does not mean SH are exempted from conducting all the assessment on new areas. Smallholders are still required to comply with Principle 7 - HCV assessment, SEIA assessment, GHG assessment, FPIC, soils and topographic survey, LUCA. Simplified tools to conduct the SEIA, HCV, GHG have been also been developed.</p> <p>At the BoG meeting on 8 March 2018, the guidance document and simplified tools were presented.</p> <p>The NPP for Smallholders was endorsed with condition:</p> <ul style="list-style-type: none"> • To clarify the applicability of the guidance documents attached to the NPP document. Question raised if scheme smallholders are allowed to also use the same. • To re-visit the recommendation on why NPP is required for lands already planted with other crops • The group working on smallholders along the P&C Review (SHIG) will take into account the spirit of the discussion in the BoG especially the concerns on smallholders’ areas on already planted with other crops <p>The BHCVWG members will review the guidance document and provide comments.</p> <p>The RSPO Secretariat also updated the BHCVWG on the RSPO HCV app for independent smallholders that functions as a mapping and reporting tool for 5.2 and 7.3.</p> <p>General process of the app:</p> <ul style="list-style-type: none"> • Map boundaries and calculate the size of the proposed expansion plots of any group members planning new plantings, and 		
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- Assess the presence of any potential HCVs in the proposed expansion plots based on:
 - For HCVs 1-3: the location of the plots on the pre-developed HCV 1-3 probability map, and
 - For HCVs 4-6: by answering simple questions based on conversations with the group member and observations made during the site visit.

The overall framework as follow:



The app is only available for Android platform and can be downloaded from the Play Store.

The RSPO Secretariat would share the group code to the BHCVWG for testing.

<p>vi. NPP for small development Current consideration for setting RSPO P&C standards for land clearing and/or associated development have focused on management type i.e. grower, associated growers, outgrowers, scheme smallholders and independent smallholders.</p> <p>There are scenarios now which necessitates the discussion on using simplified approaches for small development area (scale), rather than management type (definition of smallholders). Examples of situations which necessitate this discussion are (but not exhaustive):</p> <ul style="list-style-type: none"> • Areas for development are communal lands or small land parcels that do not form a contiguous landscape, which may be opened up at various points in time. • Small areas of development, where costs for conducting assessments are costly per ha in size. Case in point: LUCA for small areas. Currently, members are depending on free Landsat satellite images (30 m resolution) to conduct LUCA. This becomes a problem as the images are not well defined for areas requiring higher resolutions. Growers are required to purchase costly satellite images to provide higher resolutions (5 to 10 m resolution) to conduct LUCA for areas not yet developed or stable in landscape use. <p>The NPP guidance should consider small development (scale of development area) instead of smallholder definition (management type). Risk based approach (e.g. HCV and LUCA) to be deployed for development areas of ≤ 200 ha aggregated per year regardless of the type of management.</p> <p>The 200 ha is based on a study by Lucey <i>et al.</i> (2017) where a minimum size of 200 ha of forest patches is required to keep an HCV area viable.</p> <p>As there are already simplified tools developed for the NPP for Smallholders, these tools can be adopted for the purpose, pending assessment on the applicability.</p> <p>Reference Lucey, J. M., Palmer, G., Yeong, K. L., Edwards, D. P., Senior, M. J. M., Scriven, S. A., Reynolds, G., & Hill, J. K. (2017). Reframing the evidence base for policy-relevance to increase impact: a case study on forest fragmentation in the oil palm sector. <i>Journal of Applied Ecology</i>, 54(3), 731–736.</p> <p>vii. Securing HCV areas where there are community claims The matter was raised by the RSPO Secretariat to seek guidance on the resolution of this matter. The BHCVWG were divided into smaller groups to produce some recommendations for the RSPO Secretariat to process cases of such nature.</p> <p>The collective recommendations were set out as follow:</p> <p><i>The decision of the grower member and community should follow the tenets set out in the RSPO P&C (2013), specifically on 5.2 and 2.3.</i></p> <p><i>The grower member can consider a few options to secure HCV management and to secure local peoples' rights and livelihoods.</i></p>	<p>The RSPO Secretariat to submit this proposal to the Smallholder Working Group and the SHIG for consideration.</p>	<p>A briefing note was prepared and sent to Julia Majail in May 2018 for the deliberations by the SHWG and SHIG</p>
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	<p><i>Some of the options include land swap, compensation and co-managing the HCV area.</i></p> <p><i>At present, the protection of HCV 1 species concentrations and HCV 2 and 3 ecosystems require these areas to be completely set-aside as conservation areas, with the management prescription to exclude all production activities (i.e. oil palm cultivation). These are especially important in conversion contexts as most HCV 1 species would not persist in monoculture agricultural land.</i></p> <p><i>Excision of the area from the HCV area shall only be undertaken as the last resort after all avenues of negotiation have been fully exhausted. If a negotiated agreement cannot be reached (e.g. land swap or compensation), there should be evidence of sustained efforts to achieve such an agreement, including details of the free, prior and informed consent process.</i></p> <p><i>Both the grower member and the community should be cognizant of the fact that should all avenues of negotiation have been fully exhausted and that a decision has been made to excise the area per land title (i.e. IUP), the excised area concerned would be subject to the local laws of the jurisdiction and shall be surrendered to the local government for determination of land use and land rights.</i></p>		
14	<p>AOB</p> <p>SEARRP presented its proposal on HCV management and monitoring study as the Stage 3 of their 5-year funding. The proposed research would look into using scientific evidence base to assess and improve the impact of RSPO management and monitoring of HCV areas. The project aimed to engage with smallholders and the proposed study site would be in Central Kalimantan. The co-chairs thanked SEARRP for the presentation and would review the project.</p> <p>SEARRP also updated that the organisation is planning to develop the Forest Integrity Assessment tool into a global tool and a smartphone app, which was field tested in Sabah.</p> <p>[WG core members stayed back to discuss administrative matters]</p>		
15	<p>FY19 Roadmap</p> <p>The RSPO Secretariat presented the tentative FY19 roadmap for the Biodiversity unit. Among the activities in the pipeline (pending budget approval by the BoG in July 2018) were:</p> <ul style="list-style-type: none"> • Build linkages with research institutions and universities to identify potential GIS specialist/teams who could review LUCAs • Add the number of HCV probability maps into the RSPO HCV app • Create a GIS library of landcover types to standardized LUCA interpretations • Capacity building initiatives • Socialization of guidance documents e.g. riparian guidelines, national HCV toolkits <p>Some budget has also been parked aside to support:</p> <ul style="list-style-type: none"> • Phase II of the HCV management and monitoring research • HCV-ALS system to improve the efficiency i.e. hiring of additional staff, Quality Panel reviewers and upgrade the CRM platform 		

	[members who had potential conflict of interest were requested to recuse themselves from the discussion]		
16	<p>BHCVWG membership</p> <p>i. Membership updates</p> <p>BORA had expressed its intention in March 2018 to not renew RSPO membership to focus on conservation efforts and secure funding. Notwithstanding, BORA has expressed that it will still continue to support RSPO where possible.</p> <p>The ENGO caucus expressed its intention to retain 7 seats and will seek a replacement for BORA's seat in the BHCVWG.</p> <p>In order to maintain equal number of seats, the grower caucus will also seek a replacement when Musim Mas officially moves into the processors/trader category. The IGC would be consulted to identify a grower to represent the Indonesian grower.</p> <p>SIPEF represents the rest of the world and have offered to be the substantive, and Fedepalma can take the alternate position.</p> <p>A retailer would be sought to represent the consumer goods manufacturer seat in the BHCVWG.</p> <p>ii. ToR for BHCVWG</p> <p>The BHCVWG members reviewed the draft ToR with the amendments made following the decision on the membership and composition in the 36th BHCVWG meeting. During the review, it was also proposed that the aim, objectives, vision and mission to be updated to capture the role of the BHCVWG more accurately. A proposal was also made to reduce the number of physical meetings to 3 in a year.</p> <p>A smaller group was formed to work on a revised draft for the next BHCVWG. Once the ToR has been agreed and finalised by the BHCVWG, it will be used to recruit the new organisation representations to take up the vacant seats in the BHCVWG.</p>	The RSPO Secretariat to coordinate the discussion.	Draft available.
17	<p>Implementation of the RaCP</p> <p>Compensation Plan evaluations</p> <p>The BHCVWG reminded that evaluations should be kept independent, although the cost is borne by the companies, and that the names of the evaluators must be kept anonymous until the results are delivered.</p> <p>Some compensation panels have also expressed that they should not be reviewing the compensation plans after being evaluated as unsatisfactory. If the evaluation report has identified unsatisfactory areas, the compensation plan was to be sent back to growers for revision.</p>		
18	<p>Closing remarks</p> <p>The next meeting to be targeted for June 2018 to align with the next P&C public consultation.</p> <p>There being no other matters, the co-chairs thanked everyone for the participation.</p>		

**37th RSPO BHCVWG Meeting
16 – 18 April 2018
Capri Hotel, Kuala Lumpur**

No	Name	Organisation	Signature
1	Anne Rosenbarger	WRI	
2	Arie Soetjadi	HCVRN	
3	Arief Hamidi	FFI	
4	Audrey Lee	OLAM	
5	Azmariah Muhamed	Felda	
6	Bukti Bagja	WRI	
7	Cahyo Nugroho	FFI	
8	Dr. Gan Lian Tiong	Musim Mas	
9	Edrin Moss	Wilmar	
10	Ginny Ng	Wilmar	
11	Gotz Martin	GAR	
12	Harjinder Kler	HUTAN	
13	Izabela Delabre	ZSL	
14	Jenifer Lucey	SEARRP	
15	Juan Carlos	Fedepalma	
16	Laila Wilfred	OLAM	
17	Lanash Thanda	SEPA	
18	Lee Swee Yin	Sime Darby Plantations	
19	Michal Zrust	Daemeter	
20	Michael Brady	IFC	

No	Name	Organisation	Signature
21	Michelle Desilets	Orangutan Land Trust	M. Desilets M. Desilets
22	Norazam Abd Hameed	Felda	
23	Olivier Tichit	SIPEF	o/ti o/ti
24	Paulina Villalpando	HCVRN	
25	Richard Kan	GAR	Richard Kan
26	Tang Men Kon	Sime Darby Plantations	
27	Khing Su Li	RSPO Secretariat	KS
28	Cheryl Ong	RSPO Secretariat	Cheryl Ong
29	Ainaa Amira	RSPO Secretariat	
30	Rhama Budhiana	Re-Mark Asia	Rhama Budhiana