

**MINUTES OF MEETING OF RSPO**  
**42nd RSPO BHCVWG MEETING****Date: 10-11 September 2019****Start time: 9.00 am to 5.30 pm****Venue: Aloft Hotel, Kuala Lumpur****Attendance:**

<b><u>Members and Alternates</u></b>	<b><u>RSPO Secretariat</u></b>
<ol style="list-style-type: none"><li>1. Harjinder Kler (HUTAN)</li><li>2. Lee Swee Yin (Sime Darby Plantations)</li><li>3. Ambang Wijjang (GAR)</li><li>4. Anne Rosenbarger (WRI)</li><li>5. Arnina Hussin (Sime Darby Plantations)</li><li>6. Benjamin Loh (WWF)</li><li>7. Chin Sing Yun (WILMAR)</li><li>8. Dr. Gan Liang Tiong (Musim Mas)</li><li>9. Erlangga Muhammad (FFI)</li><li>10. Fanny Roussel (SIPEF)</li><li>11. Ginny Ng (WILMAR)</li><li>12. Laila Wilfred (OLAM)</li><li>13. Lanash Thanda (SEPA)</li><li>14. Lim Sian Choo (Bumitama)</li><li>15. Martin Mach (BGA)</li><li>16. Michael Guindon (ZSL)</li><li>17. Michelle Disilets (OLT)</li><li>18. Pedro Cerrate (Femexpalma)</li><li>19. Tahirah Banu (WWF- MY)</li></ol>	<ol style="list-style-type: none"><li>1. Khing Su Li</li><li>2. Hazman Naim</li><li>3. Alicia Khor</li><li>4. Wignesvari Krishnan</li></ol>
<b><u>Absent with Apologies</u></b> <ol style="list-style-type: none"><li>20. Audrey Lee (OLAM)</li><li>21. Bukti Bagja (WRI)</li><li>22. Cahyo Nugroho (FFI)</li><li>23. Edrin Moss (Wilmar)</li><li>24. Gotz Martin (GAR)</li><li>25. Marcus Colchester (FPP)</li><li>26. Patrick Anderson (FPP)</li></ol>	

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No	Description	Action points	Progress
1.0	<p><b>Opening Remarks</b></p> <p>The co-chair (HUTAN) welcomed everyone to the 42nd BHCVWG meeting. As there were new members in the group, a round of introductions were conducted.</p> <p>The members welcomed the new representatives to the WG.</p> <p>a) Ambang Wijaya - GAR (alternate)  b) Arnina Hussin - Sime Darby Plantations (alternate)  c) Chin Sing Yun - Wilmar (substantive)[replaces Ginny Ng]</p> <p>Femexpalma participated in the proceedings via web conference. the BHCVWG and wishes her the best in all her endeavours.</p> <p>The RSPO Secretariat also introduced the associates attached to the Biodiversity Unit on a temporary basis.</p>	<p>Lee Swee Yin (SDP) was elected as the co-chair representing the industry.</p>	
2.0	<p><b>Review &amp; endorsement of the 40<sup>th</sup> BHCVWG meeting minutes</b></p> <p>A few items from the meeting minutes of the 40<sup>th</sup> meeting was discussed.</p> <p><b>a) Simplified HCV tool for independent smallholders</b></p> <p>The RSPO HCV app, a tool for a simplified approach for ISH groups to conduct HCV assessments, was on track to include additional HCV probability maps to support ISH in their compliance to RSPO requirements. Proforest, the consultant for the development of the HCV probability maps, has completed the maps for Cote d'Ivoire, Sierra Leone and Colombia. At the time of discussion, the HCV probability map for Papua New Guinea are still undergoing stakeholder reviews and consultations with map owners. Proforest are also working on developing the HCV probability map for Mexico on a separate stream of funding.</p> <p><b>b) RSPO Independent Smallholder Standard</b></p> <p>The feedback from BHCVWG on the third draft document of the RSPO Independent Smallholder Standard (specifically on Principle 4 and RaCP), which was opened for public consultation from 10 April to 8 June 2019, was submitted to the Smallholder Interim Group (SHIG).</p> <p>ZSL as a member of the BoG and SHIG updated the BHCVWG that there have been discussions at the RSPO Governance Review (6 September 2019) with regards to the Taskforce on RaCP for ISH. Rather than setting up a new Taskforce, there is consideration to place the RaCP for ISH as a subgroup of CTF2. The BHCVWG did not have any objections, and ZSL would be taking the decisions / discussions back to the SHIG (meeting the week after the BHCVWG).</p> <p><b>c) HCV management and monitoring (Phase II)</b></p> <p>In the previous BHCVWG meeting (May 2019), 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>Subsequently, RSPO Secretariat has made additional hires of temporary associates to reduce capacity bottlenecks of the 1 pax man-power operations of the Biodiversity Unit.</p>		<p>HCV probability maps for Cote d'Ivoire, Sierra Leona, Colombia finalised.</p>

	<p>The increased manpower has enabled some of the bottlenecks (especially the RaCP implementation) to be addressed, albeit on a temporary basis [refer to Item 4.0].</p> <p>The tender has been published and six proposals were received. These proposals are to be reviewed by the BHCVWG through a blind review process. The scoring of proposals includes review of technical merits, background and experience of researchers, financial assessment, and the legibility and writing style of the proposals.</p> <p><b>d) Review on the Implementation of RaCP</b> The tender for review of the implementation of RaCP has been published and two proposals were received. These proposals are to be reviewed by the BHCVWG through a blind review process. The scoring of proposals includes review of technical merits, background and experience of researchers, financial assessment, legibility and writing style of the proposals.</p> <p>The normal tendering process requires at least three proposals for evaluation. In the urgency to get the review initiated, if the proposal has met the evaluation criteria, the RSPO Secretariat may proceed with selection of the consultant.</p> <p>There being no further issues, the minutes of the 41<sup>st</sup> BHCVWG meeting was endorsed.</p>	<p>Tenders published and proposals to be reviewed by the BHCVWG.</p> <p>Same as above.</p>	<p>Proposals have been reviewed. Tenders have been shortlisted. BHCVWG to review the shortlisted proposals.</p> <p>Proposals have been reviewed. Consultant have been selected. RSPO Secretariat to initiate contact.</p>
3.0	<p><b>BHCVWG representation</b> Updates on the status of the members were presented:</p> <ul style="list-style-type: none"> <li>• Wilmar would be represented by Chin Sing Yun as the substantive member.</li> <li>• GAR has appointed Ambang Wijaya as the alternate member. Ambang Wijaya extended apologies on behalf of Gotz Martin (substantive), who was unable to travel to the meeting due to passport issues.</li> <li>• Sim Darby Plantations has appointed Arnina Hussain as the alternate member.</li> </ul> <p>A formal notification of discontinuation of FELDA’s representation in the BHCVWG to be communicated to FGV (who was the organisational member appointed to represent FELDA for the smallholder category).</p> <p><b>a) ISH representation</b> Rukaiyah Rafik from Yayasan Setara Jambi was proposed by a BHCVWG member to be a potential member of the BHCVWG to contribute the perspectives of the smallholders in the discussions, especially important for the discussions on Compensation Task Force (CTF) 2. Another BHCVWG member stated that Rukaiyah Rafik may be involved in too many RSPO discussions, and may be restricted in availability. There were no objections to approach Rukaiyah Rafik to seek her availability and interest to participate in the discussions, or obtain recommendations on certain issues, if availability to join physical meetings are a barrier.</p> <p>On a broader note, the BHCVWG members acknowledged that smallholder representation in the various RSPO supporting bodies is</p>	<p>RSPO Secretariat to contact Rukaiyah Rafik (Yayasan Setara Jambi)</p>	<p>Yayasan Setara Jambi and Solidaridad Africa have agreed to participate in Compensation Task Force 2, looking specifically at the RaCP for ISH.</p>

	<p>an ongoing challenge, considering the costs (i.e. time and funding) to attend meetings, limited number of smallholder groups who have good technical knowledge on conservation and be conversant in English (particularly for regions where English is not the working language).</p> <p>Other BHCVWG member proposed that RSPO Secretariat should consider allocating resources to engage a specific individual to act as liaison to approach smallholder groups and collate the inputs on their behalf to present the comments/feedback to the RSPO supporting bodies. The individual would be responsible for communications with smallholder groups with the capacity and technical knowledge to provide inputs, separate from the RSPO Secretariat. Any representatives from the Secretariat may have potential conflict of interest.</p> <p>RSPO Secretariat was asked to follow on with contacting Rukaiyah Rafik to check on availability and interest. In addition to Yayasan Setara Jambi, ELSAM may be considered. Representation from the African region should also be looked at.</p> <p>The BHCVWG members also provided a reminder for the RSPO Secretariat to ensure that the ISH from various regions were adequately consulted.</p>		
4.0	<p><b><u>Improving the capacity and resources of the RSPO Biodiversity Unit</u></b></p> <p>The RSPO Secretariat updated the members of the BHCVWG on interim measures and operational structure improvement that has been put in place since July 2019 to address capacity issues and to reduce bottlenecks in operations e.g. implementation of RaCP and Annex 5 (related to RSPO P&amp;C (2018) 7.12.2 indicator), development of the Salesforce database for RaCP, standard development/revision-related activities, capacity building, and assurance / compliance related activities.</p> <p>The interim arrangements and operational structure improvements included:</p> <ul style="list-style-type: none"> <li>• Strategic Projects (Dillon Sarim) coordinating the LUCA review processes until the end of December 2019.</li> <li>• Independent GIS associate focused on conducting the LUCA for ISH groups, and to provide GIS expertise for technical challenges</li> <li>• Biodiversity associate to assist and process disclosure forms, concept notes and compensation plan</li> <li>• Administrator to assist in the Salesforce development for RaCP database</li> </ul> <p>The Salesforce is currently for internal use. However, the RSPO IT unit would be exploring the possibility to extract data from Salesforce and update the RSPO tracker. The aim was to deploy this mechanism by end of September 2019. Also, the Compensation Unit would be working with IT to develop an online portal for the submission of RaCP documentation e.g. disclosure form, and a unique ID would be generated for tracking purposes.</p> <p>The RSPO Secretariat stated that there would be consideration to segregate the workstreams i.e. RaCP and Standard Development related activities, to provide targeted role delegation and work focus.</p>	The initial vendor	Associates have been hired on a temporary contract to work on RaCP cases, and Salesforce database development.

	<p>The RSPO Biodiversity Unit is also involved in the implementation activities of the “Interpretation of Indicator 7.12.2 and Annex 5” [refer to Item 6.0]. The NDTF work stream is being assisted by the RSPO Management Trainees.</p> <p>KSL stated that the associates are on contract until the end of December 2019. The BHCVWG members recommended to re-evaluate the interim structure after clearing up the backlog of RaCP and automating data management, evaluate the workload at each stage of the RaCP to determine the amount of resources needed, and if required, the BHCVWG may provide further recommendations to the RSPO Secretariat.</p>		
5.0	<p><b>RSPO Governance Review</b></p> <p>Four Standing Committee has identified, of which BHCVWG would be reporting to the Standards Standing Committee (SSC). Under the new framework, 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> <p>A template for the review of documents and/or guidances has been developed by the RSPO Standards Development Director. The template was developed with the aim to ensure that all required processes (e.g. setting out the ToR, briefing of the BoG, public consultations) have been followed and are consistent with other standards documents, and provide the opportunity to flag any sticky issues and how these were addressed, where applicable, to ensure that the endorsement process is not halted.</p> <p>The template would assist the SSC in getting better oversight on the review and endorsement of standards and/or guidance. This process would also ensure that documents that have been finalised for endorsement are not re-opened by interested parties and getting back into technical / content discussion.</p> <p>If there are issues with endorsement, the committee members would provide guidance on improvements and next steps for revision for re-submission.</p> <p>At the time of the discussions, the SSC members were working on finalising the ToR, and setting out clear outline of the types of documents that would be required for review at the SSC and the framework for the endorsement processes.</p>		
6.0	<p><b>Interpretation of Indicator 7.12.2 and Annex 5</b></p> <p>The RSPO Secretariat provided a quick overview on the “Interpretation of Indicator 7.12.2 and Annex 5” document was published on 21 June 2019. This document was developed by No Deforestation Task Force (NDTF) with the aim to provide clarity and guidance for the interpretation of Indicator 7.12.2 of the RSPO Principles and Criteria (P&amp;C) 2018, whereby any new land clearing after 15 November 2018 must be preceded by an HCV-HCSA assessment, and Annex 5: Transition from HCV to HCV-HCSA assessment, which shows how the new requirements apply within the different scenarios of existing and new certification, and with/without new land clearing.</p> <p>There were four key processes in the document:</p>		

	<p>i. Case register – the register used for keeping a record of new land clearing cases in the transition from HCV to HCV-HCSA assessments. The deadline for the case register has been extended from 13 September 2019 to 15 November 2019.</p> <p>ii. LURI – The “land use risk identification” process with the intent to minimise disruption to selected cases while ensuring compliance to 7.12 by identifying ‘low risk’ areas that may be developed while conducting a standalone HCSA assessment.</p> <p>iii. RSPO HCV review* – the process to review quality of non-ALS HCVs conducted under the older NPP (2010) process with ongoing land clearing after 15 November 2018, and for initial certifications against the RSPO P&amp;C (2018). The review would be undertaken by independent reviewers.</p> <p>iv. Standalone HCSA- an alternative assessment to comply with criteria 7.12 for land clearing scenario that already have an ALS-HCV approved assessment report.</p> <p>On the matter of the Integrated Conservation and Land Use Plan (ICLUP), the NDTF would be looking into the development of the procedure.</p> <p>The process abovementioned in (iii) may address the issue of RSPO legacy cases, whereby the HCV assessments have been undertaken by RSPO-approved assessors but may have issues with quality of assessments. [*Refer to Item 13.0 on Legacy]</p>		
7.0	<p><b>National Interpretations of the RSPO P&amp;C (2018)</b></p> <p>The RSPO Secretariat informed the BHCVWG that drafts of the National Interpretations of the RSPO P&amp;C (2018) of Colombia and Indonesia were currently open for public consultations. Interested members of the BHCVWG may submit the comments through the respective channels.</p>		
8.0	<p><b>FY20 Budget and Workplan for the BHCVWG/Biodiversity Unit</b></p> <p>The FY20 budget have been and approved by the RSPO BoG in June 2019.</p> <p>Key activities/budget allocations covered in the FY20 include:</p> <ul style="list-style-type: none"> <li>• Development of guidance / toolkits e.g. HCV Management and Monitoring, and social remediation</li> <li>• LUCA review</li> <li>• Bridging capital for HCVRN (HCV-ALS)</li> <li>• Maintenance of the RSPO HCV app and the continued development of the HCV probability maps</li> <li>• Database improvements for RaCP including streamlining, automating the progress tracking of RaCP cases.</li> <li>• Development / revisions of BMPs on human-wildlife conflict</li> <li>• Capacity building</li> </ul> <p>The BHCVWG members highlighted that the budget allocated for CTF2 was insufficient, accounting for the need to conduct public consultations and facilitator to ensure that the revised RaCP document and other related documents e.g. RaCP for ISH, LUCA guidance is published by the end of 2020. Budget to be reviewed and re-allocated.</p> <p>The RSPO Secretariat also updated that onboarding process for applicants and new members would be strengthened to increase the</p>	<p>RSPO Secretariat to review and submit budget requisition as necessary.</p>	

	<p>awareness of members to meet the RSPO requirements e.g. RaCP, time bound plans, certification.</p> <p>The budget for HCV-ALS on the bridging capital for 2 years of GBP300,000 for key activities such as recruitment/training staff, process improvements, training for Quality Panel and assessors) has also been approved by the RSPO BoG.</p> <p>Progress against the workplan was also presented and most activities have been initiated according to the stipulated timelines.</p>	RSPO and HCVRN to sign the service agreement	Done.
9.0	<p><b>HCV Management and Monitoring</b></p> <p><b>a) MY NI on the HCV toolkit</b> 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. Contract has been finalised and in the process of being signed by the parties before project initiation.</p> <p><b>b) INANI on HCV Management and Monitoring</b> 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 review the budget in Q1 of 2020 to resume the INANI on HCV Management & Monitoring.
10.0	<p><b>RSPO New Planting Procedures (2020)</b> The draft zero of the NPP 2020 was circulated to the BHCVWG members. Feedback was submitted to the RSPO Secretariat. The BHCVWG members reviewed the collated comments and there being no further comment, the comments would be submitted to the Assurance Unit.</p>		Comments submitted in September 2019.
11.0	<p><b>ISH: Remediation and compensation pathways</b> Previously, 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, rather than forming a Taskforce.</p> <p>After the RSPO Secretariat forwarded the names of the companies and experts to SHIG, the SHIG still maintained the need for the joint TF and have developed the ToR for the TF. The ToR for the TF on RaCP for ISH have been approved by the RSPO BoG.</p> <p>With reference to item 2(b), there was a proposal to nest the ISH RaCP discussions within the CTF2 (e.g. a sub-group within CTF2). There were no objections to the proposal above. However, the RSPO Secretariat was reminded to confirm the ISH representation in order to proceed.</p>	RSPO Secretariat to confirm the ISH representation.	Done. Yayasan Setara Jambi (Rukaiyah Rafik) and Solidaridad (Rosemary Addico) have agreed to participate in the RaCP for ISH discussions.
12.0	<p><b>RT17 Updates</b> The Prep Cluster to explore the socio-ecological and socio-economic perspective of conservation and the fundamental basis to maintaining sustainable development looking at forests, biodiversity and peat is on Prep Cluster 7: Our Shared Planet (4 November 2019 from 3.30 pm to 5 pm).</p> <p>The proposed outline of the session:</p>		



	<p>1. Unintended impacts of RSPO certification on biodiversity and natural habitats (speaker: Jen Lucey, SenSor)</p> <p>2. Human-wildlife conflict (speaker: Aida Quilter, Sime Darby Plantation)</p> <p>3. Landscapes, livelihoods and smallholder welfare (speaker: to be confirmed)</p> <p>4. Peat and RSPO drainability assessment (speaker: Faizal Parish, GEC)</p> <p>There was a suggestion to review the suitability of Food Security Standards (FSS) proposed presentation on presenting the draft standard on Food Security, and explore how it can be adapted by RSPO. As it did not fit with the overall flow of the Prep Cluster and that the theme of food security does not fall under the purview of the BHCVWG, the suggestion was for RSPO Secretariat to assess if other sessions could accommodate the proposed presentation by FSS.</p>		
13.0	<p><b>Legacy HCV cases (complaints related)</b></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><b>a) Complaints cases:</b> 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>b) Non-complaints:</b> Companies may pro-actively conduct internal assessments to review, and if there has been any clearance, on-site remediation on affected areas.</p> <p>Based on the previous meeting, the decision was 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> <p>With reference to Item 6.0, the NDTF has created process to review quality of non-ALS HCVs conducted under the older NPP (2010) process with ongoing land clearing after 15 November 2018, and for initial certifications against the RSPO P&amp;C (2018). The review would be undertaken by independent reviewers. If the HCV assessment reports do not meet the quality of the criteria set out by the NDTF, the companies have to re-do the HCV assessment.</p>		<p>Interpretation of Indicator 7.12.2 and Annex 5 (P&amp;C 2018) released on 21 June 2019.</p> <p>RSPO HCV reviews are ongoing.</p>
14.0	<p><b>Self-disclosure of land clearing within HCV areas</b></p> <p>The basis of the 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>Subgroup to continue discussions to develop the threshold.</p> <p>RSPO Secretariat to collate</p>	<p>Companies are still working submitting</p>

<p>If the cases of HCV clearance where it has not been declared and it was detected via CB checks and/or 3<sup>rd</sup> 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"> <li>• 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.</li> <li>• 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.</li> </ul> <p>Where cases of HCV clearance exceed the percentage threshold and is reported to the RSPO Secretariat, it undergoes the RaCP.</p> <ul style="list-style-type: none"> <li>• 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 cases of corporate clearance, and non-corporate clearance (e.g. community clearing) and government projects (e.g. roads).</li> <li>• It was raised and reminded that creating a threshold would be a reputational risk, as clearance of HCV areas is a breach to the RSPO P&amp;C.</li> </ul> <p>More information is required for further discussion in developing the threshold. Information to be collated by the Secretariat and presented to the subgroup to include:</p> <ul style="list-style-type: none"> <li>• How much of the cleared area in relation to the total HCV area ? (% of HCV loss/total HCV)</li> <li>• Nature / cause of clearance</li> </ul> <p>It was also imperative that should there be any further land clearing, a stop work order is to be imposed.</p> <p>Some members highlighted that cases lodged from Indonesia may present more complicated scenario. The confounding problems may be attributed to land legality issues e.g. Izin Lokasi (larger expanse of area and that the NPP/HCV assessment is based on Izin Lokasi), IUP (smaller extent of area), land use rights i.e. mining rights supersedes other rights, etc.</p> <p>For cases that have been disclosed at the Secretariat, the cases to be looked into case-by-case basis in the interim until the threshold and pathway is developed.</p> <p>Questions on the jurisdiction of mandate to decide on the threshold and approve the mechanism was also flagged as a sticky issue. This to be discussed further with Assurance and the Standards Unit. The Secretariat to develop case summaries and checklist for ease of reference. CBs could also be engaged to conduct unannounced audits for field verification. Proposed timeline to develop the threshold and finalise framework by end of September 2019</p>	<p>information on the cases lodged at the Secretariat to provide better insights.</p> <p>RSPO Secretariat has developed a form to collate case summaries and supporting information.</p>	<p>relevant information. Only 1 case has provided the information required.</p> <p>Companies are still working on completing and submitting information as required in the form.</p>
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15.0	<p><b>Post-NPP/HCV Monitoring project updates</b></p> <p>The post-NPP/HCV monitoring is aimed at monitoring and detecting land clearing within HCV areas. In the older submissions of NPP, shapefiles were not a requirement for the submission process. Therefore, RSPO Secretariat engaged HCVRN (and with U. Hawaii) to digitise map shapefiles of the NPP area boundary. The fifth reiteration of digitised dataset was received in June 2019.</p> <p>The scope of the digitisation looked at the NPP submissions from Jan 2010 to December 2017 (i.e. 16 countries, 51 members). As of early August 2019, the RSPO Secretariat has checked the shapefiles of 51 NPP submissions.</p> <p>There have been at least 3 growers that were contacted to enquire on the observation of land clearing within HCV areas. The clarification provided indicated that the digitised shapefiles were still inaccurate.</p> <p>The issues encountered as follow:</p> <ul style="list-style-type: none"> <li>• Difference in the HCV areas between the shapefiles generated through the digitisation work, and the shapefiles owned by the companies.</li> <li>• Inaccuracies in projections</li> <li>• Land clearance observed within HCV areas may be non-corporate clearance (e.g. government projects, mining, clearing by local communities). These land clearings are beyond the management control of companies.</li> </ul> <p>A BHCVWG member also highlighted that there are resolution differences between Google Earth (medium-resolution) and Planet.com (high resolution). Therefore, if the observations were based on Google Earth, inaccuracies in land cover would occur.</p> <p>The RSPO Secretariat agreed with the statement, and explained that in the past (the latest dataset being the fifth reiteration received in June 2019), much effort have gone into the post-monitoring work using the systematic approach of measuring tree loss using GFW Pro, thereafter cross-checking on Google Earth, before proceeding for verification using high resolution satellite images. However, there were still issues of data inaccuracies. Owing to the need to cross-check the shapefiles against NPP documents and landscape features, the rapid check using Google Earth was employed and any land clearing observed were recorded for clarification with growers.</p> <p>Rather than focusing on case-by-case basis to approach growers on potential clearance issues and obtaining accurate shapefiles from companies from the process, the RSPO Secretariat sought the recommendations from the BHCVWG on a more pro-active approach. The Secretariat clarified that moving forwards, the boundaries would not be digitised manually; rather, companies are requested to submit shapefiles.</p> <p>One of the BHCVWG members put forth a recommendation to re-think the protocol of post-NPP monitoring. Another member suggested to create a sub-group, which is anticipated to be working with the Assurance Standing Committee to:</p>		Discussions to be initiated after RT17.
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	<ul style="list-style-type: none"> <li>• Strategically develop a more holistic process and response protocol on post-NPP monitoring</li> <li>• Consideration for the social elements</li> <li>• Growers' responsibility</li> </ul> <p>The volunteers for this sub-group SIPEF, WRI, Musim Mas and Bumitama. HCVRN may be invited to participate in relevant sections of the discussions. A suggestion was also table to include members from the Peatlands Working Group (PLWG), as the PLWG are also in the midst of developing their monitoring process. The PLWG has requested for maps of peats to be submitted for monitoring. The co-chairs of the BHCVWG to reach out to the co-chairs of PLWG.</p> <p>With the addition of HCSA into the RSPO P&amp;C (2018), a suggestion was made for the RSPO Secretariat to initiate discussions with David Burns from HCSA to get insights on how HCSA is developing their monitoring protocol and explore synergies between the monitoring processes.</p>		
16.0	<p><b><u>Social liability and remediation</u></b></p> <p><b>a) Validation of social liability disclosure</b>  Samples of cases identified to be reviewed by the subgroup have been identified. 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>One of the findings from the review was that the social documents submitted prior to 2016 Guidance to Social Liability did not use the template and the information provided does not meet the basic requirements of the 2016 Guidance. RSPO Secretariat to check the submissions and request for resubmission of relevant documentations.</p> <p>The sampling of the social liability documents submitted post-2016 guidelines showed that the information submitted were much better in quality and were more relevant to the issue of social liability. However, the RSPO Secretariat in the past, had limited capacity in checking the complete submission of relevant documents.</p> <p><b>b) Social remediation guideline</b>  The main aim in developing this guideline is to assist growers who have social liability (post-declaration) to provide remediation for HCVs 4-6, and to ensure that the remedial actions are commensurate to the loss of social HCVs prior to HCV assessments. The other question to be addressed in the guideline is to provide guidance on proposed remedial actions commensurate with the extent, severity and nature of the social HCV loss.</p> <p>Some BHCVWG members have enquired with other commodities for guidance if some form of remediation of social HCV loss has been developed, of which RSPO may refer to. No response received.</p> <p>There were discussions on identifying other potential consultants that may have less concerns with growers granting access on-site and the</p>	<p>RSPO Secretariat to review the social liability document submissions.</p> <p>RSPO Secretariat to collate the information.</p>	<p>The RSPO Secretariat to conduct a review the documents submitted for completeness check and relevance. A temporary hire (3 months from Oct to Dec 2019) has been contracted to look into the matter.</p>

	<p>use of information collected from the field for purpose beyond the scope of work.</p> <p>It was highlighted that some cases lodged within the Complaints mechanism have issues with regards to social HCVs and for the cases that have been closed, the Biodiversity Unit can refer to the process of issue identification, resolution e.g. mediation, and the outcomes.</p> <p>It was also reminded that the “Guidance on Identifying Social Liability for the Loss of HCVs 4, 5 and 6” that was published in 2016 would be a good starting point.</p> <p>Suggestions on the next steps:</p> <ul style="list-style-type: none"> <li>• Relook at the social liability template</li> <li>• Glean information from the desktop scoping report produced by AidEnvironment</li> <li>• Refer to the Complaints cases that have been satisfactorily addressed to look at the process and the remedies for the issues</li> </ul>		
17.0	<p><b>Remediation and Compensation Procedures (RaCP)</b></p> <p><b>a) Emerging issues</b></p> <p>The RSPO Secretariat reported the challenges in processing the new submissions of RaCP cases for membership applications and certification purposes.</p> <p>Some of the key issues listed below:</p> <ul style="list-style-type: none"> <li>• Numerous revisions and communications to finalise a disclosure submission</li> <li>• Limited understanding of the RaCP process at membership applications, leading to inaccurate information being disclosed and irrelevant documents provided</li> <li>• Disclosures were initiated at the point of management units undergoing certification, forcing the RSPO Secretariat to expedite the cases rather than attending to the existing cases, subsequently leading to a backlog in the processing of ongoing cases.</li> <li>• Information disclosed in the past does not match the information of supply bases going for certification.</li> <li>• Some cases registered in the RaCP system did not have non-compliant land clearing after November 2005 without prior HCV assessment. In these situations, NPPs had also been submitted and publicly posted. In other cases, companies submitted for RaCP for HCV loss (e.g. planting on riparian areas or steep slopes).</li> <li>• There has been cases of disclosures reporting member land clearing after 9 May 2014 without prior HCV assessment (disclosed between 2014 – 2016) but no follow up after the declaration.</li> </ul> <p>As part of the systems improvement work that the RSPO Secretariat has initiated e.g. Salesforce, an online form for disclosure submission would be created. The online form would have validation rules and help functions so that the information that is finally submitted would</p>	<p>RSPO Secretariat tasked to evaluate the extend ongoing cases that potentially do not fall within the purview of RaCP.</p>	<p>RSPO Secretariat is currently mapping out the cases and collating information.</p> <p>RSPO Secretariat has identified the Salesforce vendor and now in the process of</p>

<p>have minimal errors. Language would also be taken into consideration. Once the online form is ready, the RSPO Secretariat would enlist the assistance from the BHCWG members to conduct user testing.</p> <p>However, taking into consideration that there was a gap in the understanding of RSPO requirements, the BHCVWG has requested the RSPO Secretariat to provide improve the outreach and provide more information sharing session / trainings, through webinars and physical meetings.</p> <p><b>b) Compensation Projects: Considerations on transboundary projects</b></p> <p>A clarification was also sought on the design on the compensation projects i.e. can the projects be transboundary? It was clarified that under the current RaCP (2015) guidance, the liability cannot be compensated in another region or country.</p> <p>Further point of clarification was made that for regions e.g. Cote d'Ivoire, which has large areas already developed, and therefore, is left with limited areas for conservation. In these circumstances, there would be a justified need to consider compensation projects in other regions. A subgroup to explore the consideration for transboundary compensation projects to be set up: SEARRP, ZSL, WWF. The subgroup to look at:</p> <ul style="list-style-type: none"> <li>• Minimum requirement to justify transboundary compensation projects</li> <li>• Environmental considerations e.g. ecosystem types</li> </ul> <p>Note: For the time being, the review of any projects that fall outside the set requirements of RaCP would reviewed on a case-by-case basis by the Compensation Panel.</p> <p><b>c) LUCA requirements for RSPO membership application approvals</b></p> <p>At the 37<sup>th</sup> BHCVWG meeting, the matter of LUCA requirements for RSPO membership application approvals was initiated. The key considerations for the discussion was the availability of HCV assessors and the time consumed in the preparation of the LUCA reports and the subsequent review. In the aim to promote RSPO membership, 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</i></p>		<p>reviewing the proposal.</p> <p>RSPO Secretariat to plan a series of RaCP trainings / webinars for 2019. Already working with Membership Unit for onboarding materials.</p>
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*LUCA reviewers as part of the due diligence process. However, no liabilities will be finalised until after the HCV assessment is conducted.*

*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.*

In the past year, there has been a substantial effort from various companies complying with the group membership rules and were submitting numerous LUCA reports for review as part of the membership processes. In the interest to process membership applications, these LUCAs submitted had to be put on a faster track for review, causing the backlog in the processing on ongoing RaCP cases.

An analysis on membership applications processing and the turnover time for applications requiring LUCA reviews showed that the following:

	<b>Average no. of days for approval</b>	<b>Percentage</b>
LUCA no required	143	67.60%
LUCA required	170	22.10%
Unknown	143	10.30%
<b>TOTAL</b>	<b>152</b>	<b>100.00%</b>

At least 20% of the membership applications reported non-compliant land clearance after Nov 2005 prior to HCV assessment and required the submission and review of LUCA. Currently, the figures does not reflect a significant delay, however, due to the urgency to obtain membership, substantial pressure and consequences are placed on reviewing LUCAs for membership applications.

The RSPO Secretariat has also been improving the checks of the disclosure forms and verification of the declaration of non-compliant land clearing after Nov 2005 without prior HCV assessment using Google Earth time lapse function. Using the check, the Secretariat has managed to detect inaccurate declaration, that is there was actual non-compliant land clearing after Nov 2005 prior to HCV assessment but declaration reported no non-compliant land clearing.

With the above, the RSPO Secretariat proposed that the LUCA process i.e. submission and review of LUCA to be shifted after membership application have been approved. To this end, the following process for the purpose of membership applications under the consideration of shifting the LUCA process after membership has been proposed:

<ul style="list-style-type: none"> <li>• Disclosure forms and shapefile submissions by companies at membership applications</li> <li>• RSPO Secretariat to perform Google Earth checks against the disclosure form and check on submission on social liability documentations</li> <li>• If there is non-compliant land clearance, the RSPO Secretariat provides a notification of the presence of non-compliant land clearing.</li> <li>• The LUCA, concept note and compensation plan to be addressed after membership is approved, working towards certification.</li> </ul> <p>A member cautioned that this proposal should be considered under very strict caveat i.e. growers shall not develop any land areas and/or conduct any planting without undertaking HCV assessment before land clearing and/or associated development during the membership application process. Also, as a reminder to the WG, that the spirit of the LUCA at the membership application was to use the tool as due diligence to identify the extent of the non-compliant land clearing after Nov 2005 without prior HCV assessment and the type of vegetation cleared. The rapid check shall not replace LUCA as a tool for verification, and that the timeframes based on the LUCA review should be referred to.</p> <p>There was no objection to the proposal, and the RSPO Secretariat may communicate the decision to Membership.</p> <p>It was also raised that the RSPO Secretariat should provide very clear timelines for the submissions of the various documents e.g. LUCA once the online submission portal is up and running so that the growers are made more responsive and not to shift the delays in processing to the RSPO Secretariat.</p> <p>The RSPO Secretariat was also requested to look into providing webinars and/or trainings on addressing the gaps in the LUCA submission and review process. This would be specialised training on GIS for LUCA.</p> <p>It was also highlighted that the RSPO Secretariat would need to re-evaluate the management of LUCA reviewers to ensure review timelines were followed. The Secretariat reported that following the decision of the 37<sup>th</sup> BHCVWG to allow for the hire of in-house GIS reviewers, an independent GIS associate has been engaged to provide LUCA review services on a full-time basis. The associate is kept independent from direct communications with companies. Under this arrangement, the RSPO Secretariat has achieved higher rates of LUCA reviews. There was no objection to pursue the idea of hiring more in-house GIS/LUCA reviewers, provided that these associates remained independent and were not involved in direct communications with companies.</p> <p><b>d) RaCP Statistics (as of September 2019)</b></p> <p>The RSPO Secretariat reported that the figures may be different to other figures reported previously. This is because the data is extracted from the Salesforce and that the FCLs reported now onwards would be from LUCA reviews that have been passed, rather</p>	<p>RSPO Secretariat may communicate the decision to Membership.</p>	<p>RSPO Secretariat to work on the implementation after RT17 with proper inter-departmental SOP and workflow.</p> <p>RSPO Secretariat to assess the level of specialised training required and work with GIS specialists to develop training modules after RT17.</p>
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than previously whereby unconfirmed and reviewed figures were collectively reported. However, as the data migration into Salesforce was underway, there would be transition time whereby the statistics reported experience inaccuracies.

i) The NCLC and FCL disaggregated by country

Country	Total NCLC (ha)	Total FCL (ha)
Brazil	2,726.2	819.8
Cameroon	8,280.97	4,351.05
Colombia	29,194.08	1,575.00
Congo	6,647.22	62.49
Costa Rica	173.16	0
Cote d'Ivoire	2,165.24	785.96
Ecuador	8,486.73	1,377.57
Ghana	6,102.57	684.31
Guatemala	23,085.52	927.09
Honduras	8,445.39	225.59
Indonesia	536,583.43	79,720.92
Malaysia	55,800.44	8,250.85
Mexico	2,607.41	302.00
Nigeria	70.00	
Peru	20,430.90	2,998.04
Sierra Leone	13,964.00	52.00
<b>Grand Total</b>	<b>728,335.26</b>	<b>102,256.27</b>

ii. Status of LUCA reviews

Cumulative total of LUCA marked as 'Pass'	# additional between Oct 2018 and January 2019	% increase (pass)
Sept 2019, n = 210	31	17.31
May 2019, n = 179		

In total, 400 LUCAs have been reviewed (cumulatively). Of these, 210 LUCAs have been marked as pass, 56 ongoing LUCA and 134 LUCAs have been returned to companies to provide clarification.

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

Period	NCLC (Ha)	FCL (Ha)
Sept-19	728,335.26	102,256
May-19	925,966.41	121,769.65

As of September 2019, the total NCLC reported was 728,335.26 ha and the total FCL was 102,256 ha. It is important to note that:

- The May 2019 FCL (ha) will vary at the time of reporting, based on the outcome of the LUCA review.
- The Sept 2019 (FCL) are only based on "Passed" LUCA review reports.

There are still ongoing 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	13,998.27	6,896.50	12,333.15	356.32	33,584.24
0.7	62,083.51	56,840.40	52,701.39	7,590.58	179,215.88
0.4	20,491	31,146.95	26,934.66	1,613.96	80,186.57
0	126,992.06	139,874.08	157,741.62	12,046.79	436,654.41
<b>Total</b>	<b>223,564.84</b>	<b>234,757.93</b>	<b>249,710.82</b>	<b>21,607.65</b>	<b>729,641.10</b>

iv. Status of concept note endorsement

The RSPO Secretariat updated the BCVWG that concept notes for 101 management units have been received and have worked with the Compensation Panel for the approval of concept notes for 35 management units. The remaining have been returned to companies for clarification.

v. Status of compensation plan evaluation

The RSPO Secretariat updated that compensation plans for 21 management units 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

Based on the request by the BHCVWG, the RSPO Secretariat to review and reporting on:

- Types of projects: in-situ or ex-situ
- Category of projects e.g. avoided deforestation
- Other details such as project partners

Thus, summary of compensation projects as follow:

No.	Biodiversity compensation projects types	% of projects
1	Off-site avoided deforestation and/or avoided degradation of high quality habitats	3.6
2	Off-site avoided deforestation and/or avoided degradation of high quality habitats, and community conservation and/or livelihood development	10.7
3	Off-site restoration of degraded forest to high quality habitats	57.1
4	Off-site species based conservation measures	14.3
5	On-site forest/high quality habitat re-establishment	10.7
6	On-site set-aside of plantable areas for conservation and community livelihood development	3.6

The first level of narrative i.e. types of projects and categories have been collated and this information has been submitted for the Impact Updates 2019.

<p>It was also raised to the group that there could be a potential loss of conservation area if a particular company set the area aside for conservation and does not use it for development. Governments may take back the permit to develop. For the time being, the set asides areas are being protected under members concessions but there is an acknowledgement that the issue would be compounded with the set aside of HCS areas. CTF 2 to discuss with invited experts.</p> <p><b>e) Guidance on conflict of interest</b> There have been several situations, whereby compensation panel members sought for guidance on identifying specific cases of potential conflict of interest. The co-chairs and the RSPO Secretariat came up with a draft and presented to the group for discussion. Suggestions were made to finalise the matrix for conflict of interest</p> <p><b>f) RSPO recognised compensation projects</b> There was a question on the approved compensation projects by the BHCVWG. It was clarified that the BHCVWG has only thus far reviewed and agreed on a list of recognised projects (but not exhaustive) that growers may consider for their conservation projects. Growers may choose from this list or may develop their own plans. It was reminded that it is still the responsibility of the growers to develop their own projects and ensure that the outcomes were met. There is always an inherent risk of projects not being able to meet the long-lasting criteria upon implementation, and that NGOs may not be able to provide a guarantee against the risk beyond 5 years. CTF 2 to discuss the question of lifetimes versus the ground practicalities. A precaution has to be taken when considering meta-projects with multiple sponsors. The approach may maximise impact but it is important to ensure that the activities are not duplicated.</p> <p><b>g) Annex 9: Monitoring Report Template</b> Musim Mas presented the progress report on its compensation plan that has been approved by the CTF and have been in implementation for 5 years, using the draft Annex 9 reporting template. Based on the testing, some improvements to the report format was provided. No objections from the BHCVWG on the reporting template. There were also suggestions from the WG on improving the narrative reported by Musim Mas.</p> <p><b>h) Independent evaluations of compensation projects after 5 years</b> The RaCP (2015) guidance stipulate an independent external evaluation of compensation projects at the end of 5 years. The aims of the evaluation are:</p> <ul style="list-style-type: none"> <li>• Review objectives and outcomes</li> <li>• Review if the project is implemented accordingly</li> <li>• Provide recommendations for improvements</li> <li>• Report back to RSPO if a project is on track or otherwise</li> </ul> <p>The CTF has approved 2 compensation plans during the initial stage implementation of RaCP i.e. Musim Mas and SIPEF. Both projects are into the 5<sup>th</sup> year and are on track for the independent external review. A draft ToR for the independent evaluations to be prepared. It was also agreed that the first independent review would be for Musim Mas' compensation project and that the costs would be borne by RSPO and Musim Mas, whereby:</p>	<p>CTF 2 to discuss with invited experts.</p> <p>RSPO to clean up the document.</p> <p>CTF 2 to discuss the question of lifetimes versus the ground practicalities</p> <p>RSPO Secretariat to socialise the Annex 9: Monitoring reporting template</p> <p>ToR to be finalised</p>	<p>The Annex 9: Monitoring Reporting template to be socialised after RT17.</p> <p>RSPO to look into the engagement of the evaluation after RT17.</p>
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	<ul style="list-style-type: none"> <li>• RSPO to bear the cost of consultancy fee</li> <li>• Musim Mas to share the cost of ground travel, logistics and accommodation during the evaluation.</li> </ul> <p>The results would feedback into the CTF2 discussions.</p>		
18.0	<p><b>AOB</b></p> <p>The co-chairs and the BHCVWG provided a reminder to the RSPO Secretariat that all communications between the Secretariat and the Compensation Panels shall be kept independent and anonymous.</p> <p>Permission to use of confidential information beyond the BHCVWG to be requested.</p>		
19.0	<p><b>Closing remarks</b></p> <p>The next meeting to be targeted for November 2019. There being no other matters, the co-chairs thanked everyone for the participation.</p>		

**42nd RSPO BHCVWG Meeting  
10-11 September 2019  
Aloft Hotel, Kuala Lumpur**

No	Name	Organisation	10 Sept 2019	11 Sept 2019
1.	Harjinder Kler	HUTAN	[Signature]	[Signature]
2.	Lee Swee Yin	SDP	[Signature]	[Signature]
3.	TAHIRAH BANU	WWF-MALAYSIA	[Signature]	[Signature]
4.	Arnina Hussin	SDartaj-Planta	[Signature]	
5.	Benjamin Loh	WWF-Malaysia	[Signature]	[Signature]
6.	Martin Mach	Bumitama	[Signature]	[Signature]
7.	Michelle Desilets	OLT	[Signature]	[Signature]
8.	Michael Guindon	ZSL	[Signature]	[Signature]
9.	FANNY ROUSSEL	SIPF	[Signature]	[Signature]
10.	Anne Rosenbarger	WRI	[Signature]	[Signature]
11.	Erlangga Muhammad	FFI	[Signature]	[Signature]
12.	Gan Lian Tiay	Mustin Mas	[Signature]	[Signature]
13.	Liam Sigit Utou	Bumitama	[Signature]	[Signature]
14.	Taila Wilfred	Olam	[Signature]	[Signature]
15.	Chin Sing Yun	Wilmar	[Signature]	[Signature]
16.	Lanash Thanda	SEPA	[Signature]	[Signature]
17.	AMEANG WIJAYA	CAR	[Signature]	[Signature]
18.	GINNY NG	WILMAR	[Signature]	[Signature]
19.	<del>Taila Wilfred</del>	<del>Olam</del>	[Signature]	[Signature]