

2nd ERWG Meeting Notes

Pullman Hotel KL, Studio 1, Level 3

17th – 18th February

Attendance

WG members: Alexandra Booth, Faizal Parish, Sophie Persey, Gan Lian Tiong, Norazam, Foo Siew Theng, Henry King, Sheun Su Sin, Oliver Shawn

Via telcon: Marcel Silvius, Derk Byvanck

Secretariat: Salahudin, Melissa, Lavanea

Observers:

1st day: Cecile Bessou, Azmariah Muhamed (Kulim), Rikke Netterstrom & Tang Kok Mun (Helikonía)

2nd day: Cecile Bessou (CIRAD), Surin Sukswan (Proforest) – Carbon assessment tool, research team from Uni of Bogor, Prabakaran Many (PT PAL)

Absent with apologies:

Felipe Guerrero, Arif Budiman

Day 1 – 17th February (Monday)

	Item	Main discussion points	Action point	Timeline
1.	1.1 Introduction of new ERWG members	<u>Changes in ERWG membership</u> -Tim Killeen has left WWF and is now replaced by Arif Budiman of WWF-Indonesia - Indonesian growers are now represented by Dr. Gan (Musim Mas), Sophie Persey (PT REA) and Peter Lim/Agam Fatchurrochman (Bumitama). Substantives and alternates to be determined - Traders and processors will be represented by Foo Siew Theng (Wilmar) and Yunita Widiastuti (Cargill). Substantive and alternate to be determined.		
	1.2 Confirmation of last meeting minutes and progress of action points			

<p>2.</p>	<p>Preparation of PalmGHG pilot</p> <p>2.1 Update of arrangements with companies and revision of calculator</p>	<p>Secretariat informed that so far about a dozen companies have indicated an interest to participate. The Secretariat sent a brief concept note and a sample data input sheet to these companies to give them a better idea of the data and resource requirements for participating in the pilot. The Secretariat will conduct another round of communications after the ERWG meeting to finalise the number of participating companies.</p> <p>Webinars and physical meetings will be arranged in March to “walkthrough” the new PalmGHG applications with the participating companies.</p> <p>Confidentiality Option 1 – Confidentiality is kept between company and secretariat. The WG will not know data origins.</p> <p>Option 2 – Confidentiality is kept between company and WG and the WG will be able to trace the datasets to the specific company and mill.</p> <p>The reason for having a signed confidentiality agreement is to provide a mechanism to protect the company providing their information. It would be helpful to the WG if the company is not anonymous although not strictly necessary for the purpose of the pilot.</p> <p>The main objective is not to publish papers and findings from the pilot but to improve the system. Companies can have the option of having nothing being published.</p> <p>Companies can amend the terms in the confidentiality letter to suit the level of disclosure that they are comfortable with. This will be discussed between the Secretariat and the participating company. The main thing is that full accdb file generated by PalmGHG has to be submitted to the Secretariat in order to meet the objectives of the pilot.</p> <p>Secretariat will coordinate the pilot with the help of Cecile Bessou and Ian Henson.</p>	<p>1. Secretariat will coordinate the pilot activities and update the WG periodically</p>	
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	<p>2.2 Presentation of PalmGHG calculator</p>	<p>Secretariat gave a general update on amendments made and items that are still pending (Paper 2.2).</p> <p>POME COD values are not often measured therefore may be redundant as a user input value in PalmGHG – suggest to remove and rely on the default value in PalmGHG</p> <p>Compost How compost is handled within PalmGHG requires more thought. At the moment, the composting process itself is assumed to have zero emissions by PalmGHG. However this can only be safe to assume for aerated composting. The composting process will vary from mill to mill. There could be cases where the composting is not done by the mill but by an external contractor who sells the compost back to the mill and to other parties.</p> <p>More work will be needed to look into the various uses of EFB and composting process in mills. This will be delegated to a subgroup comprising of Cecile, Henry, Sophie, Melissa and with contributions also from Azmariah (observer from Kulim) and Tang (observer from Helikonion)</p> <p>More information on this will also be collected during the pilot phase. Sale of EFB – Cecile to check PalmGHG on the proper use of equations as this is a new addition</p> <p>Kernel crusher WG decided to go with Option 1 – user need not identify every single supplier and only keys in the total PK volume. The user will then need to key in the estimate tCO₂e/t PK for the external PK sourced. The</p>		

		<p>user will use the weighted average value. Option 2 requires the user to key in individual volumes of PK sourced from the various suppliers and the respective tCO₂e/t PK values</p> <p>The Secretariat informed the WG that moving forward, the kernel crusher will be part of Supply Chain certification rather than P&C certification. This effectively means that the company is not obliged to report emissions from kernel crushing activities as part of compliance with C5.6. However, for commercial purposes, they can still do so as PalmGHG allows for such calculations.</p> <p>Data correction The current version does not allow corrections/amendments to the data once the final report has been generated. This is because PalmGHG relies on a 3 year mean for many of its inputs and this was meant to be a safeguard for the system (to prevent historical data from being changed) as the user will keep on building on an existing data base to generate annual results. However, the secretariat raised a concern to the programmers because mistakes can occur and there should be a system that allows for correction of errors. The programmers are looking for a systematic way to do this which allows the tracking of such amendments through the change in report version numbers. However, this would be a significant change in the system and will not be ready for the pilot.</p> <p>Report layout The Secretariat has already shared the sample report with the ERWG and the PalmGHG programmers. The programming team is trying to meet the required layout as closely as they can. We may not get the ideal layout design during the pilot phase but this is something that can be worked out and improved on during the pilot especially with feedback from the pilot companies themselves.</p>		
3.	<p>Discussion on default values 3.1 Default values – land categories</p>	<p>WG to decide on the number of previous land use categories and associated values for the pilot. A small group is established to check the defaults and revert to the WG. Overall consensus is to</p>		

		<ul style="list-style-type: none"> • retain the PalmGHG classes for now • take the biomass value at maturity (not time averaged). • include root biomass but not leaf litter • to group all tree crops together to limit the number of land uses and given that PalmGHG does not provide biomass stands for all potential tree crops. At times the growers may not be able to distinguish the tree crop type from maps. • use conservative values for defaults – incentive for users to use user-define values • to limit number of previous land use classes. It would be difficult to accommodate every land use type at the global level • need to provide guidance to users on how to select the most applicable land use type • include shrubland which is missing at the moment • adopt the Agus et al value for disturbed forest but adjusted for root biomass • do not allow users to change the default values provided by PalmGHG but users can add additional land classes and provide the appropriate reference source 		
3.2	Default values – peat	<p>After looking through the paper, the WG has decided to put forward the following questions (in addition to WI’s comments) to the authors during the telcon discussion</p> <ol style="list-style-type: none"> 1. How different are the values derived from studies based on flux measurements and those derived from the subsidence? 2. The recommendation of the factor of 2.6 for the first 5 years - i) how robust is this value? ii) does this account for the emissions coming from land preparation from the initial conversion? iii) any guidance on how is the 2.6 factor applied? iv) if applying 2.6 for the first 5 years, is the 0.97 factor added on top of it, or what you meant is to use 2.6 for the first 5 years and the revert to 0.97 subsequently? 		
3.3	Default values – POME emissions	According to a handbook published by the Dept. of Environment Malaysia (Industrial Processes and the Environment, CPO Industry Handbook 3) the national average for mills in Malaysia is about	2. Change default of 0.5tPOME/tFFB to 0.6725tPOME/tFFB	

		<p>0.7tPOME/tFFB. However in order to be consistent in using peer reviewed sources in PalmGHG it was decided to use 0.6725 tPOME/tFFB (Schmidt, 2010).</p> <p>Methane default value of 12.36 kg methane/t POME is maintained for now as no alternative peer reviewed values have been suggested. Changing of GWP for methane based on new IPCC value is shelved for the moment.</p>		
4.	4.1 Communication and outreach for PalmGHG	<p>Option 1 – Working report to reflect the changes that happens to PalmGHG</p> <p>Option 2 – Keep the first report and have addendums as updates</p> <p>Standard QA – pick up and add from questions raised during online discussion forum</p> <p>What role does the WG has as a back office on this?</p> <p>There should be a platform to manage the questions and issues users have with PalmGHG. This can be like a helpdesk for users to get clarification on PalmGHG. Problems and questions should be reported back to the WG so that they are aware of the issues surrounding the use of PalmGHG but the WG members themselves will not be able to hand the individual questions. The Secretariat should take the main role in managing this with the help of the technical experts engaged on PalmGHG.</p> <p>The action plan on communications and outreach was discussed and the decisions reflected in the update 4.1 (v2) paper.</p> <p>Additional notes:</p> <ul style="list-style-type: none"> • RT12 – organize 1 day training on PalmGHG. • Cecile Bessou can assist with the Spanish and French translations of PalmGHG and related communication. • Suggestion from WG to Secretariat to put some pressure on CBs to send representatives that cover different regions to the RSPO organized CB workshops (RSPO organizes CB workshops once every 6 months in KL and Jakarta) • The CB workshop should also touch on how to audit C5.6 and C7.8. • Auditors need to be clear on the justification to select different values and defaults on previous land use type for 	<p>1. Press release on PalmGHG to be prepared by Secretariat (Melissa to liaise with Comms) in advance and circulated to WG for comments</p> <p>2. Other action points as per 4.1</p>	<p>Tentative launch is in July so the draft press release should be circulated to the WG by 2nd week of June.</p>

		<p>PalmGHG. They should also understand how the tool works.</p> <ul style="list-style-type: none"> • Inclusion of a media release when the new PalmGHG is launched. Need to be strategic on how to approach the launch and the press release. RSPO should take the opportunity to be put in a more positive light with regards to GHG but at the same time also manage the risks. Suggestion to promote the news on PalmGHG with external parties like the Financial Times. • Perhaps there is also avenue to do a mini-briefing on PalmGHG at the mini RT in London in June. Needs further exploration depending on the progress of the pilot at that time. 		
5.	<p>Carbon in conservation areas</p> <p>5.1 Treatment of sequestration from conservation areas in PalmGHG and the need for further studies</p>	<p>Draft ToR was discussed and edited by the WG (see updated 5.1)</p> <p>The decision on whether to account for areas that are under legal obligation would be a policy decision by the RSPO and not determined by the consultancy which will be more focused on methodologies. However, we would want to create an incentive for companies to manage all the areas that are set aside under their care even areas that are legally required.</p> <p>If the conservation area is within the land title then the company should be able to take credit for it.</p> <p>Sequestration in conservation area – should take into account actively managed conservation area. Protection of the area is also a form of management.</p> <p>The RSPO should also not be reinventing the wheel and should also look at existing methodologies such as the one developed by VCS (Verified Carbon Standard).</p> <p>The Secretariat will put the ToR up for open tender on the RSPO website. The Secretariat also requested the WG to provide suggestions of suitable experts and the secretariat will follow up accordingly.</p>	<p>1. Secretariat to upload ToR and tender announcement on the RSPO website</p> <p>2. WG to revert to Secretariat if there are suggestions for suitable candidates for the consultancy</p>	<p>March 2014</p> <p>March 2014</p>
6.	Determination of equivalence to PalmGHG	The Secretariat made a recommendation to refer to the remaining members of WS1 (who developed the PalmGHG) as well as one of the	1. Send out an announcement for	March 2014

	<p>6.1 Criteria list</p>	<p>peer reviewers of PalmGHG as potential members of the review panel to determine the equivalency of other tools (submitted by growers) to PalmGHG. The secretariat also suggests a fixed payment for the review. The proposed fee is EUR 2500/3000 per review subject to discussions and negotiations with the reviewers.</p> <p>The idea as per the first meeting in Medan is to have the applicants (companies submitting their calculators for review) bear the review costs. However this was not agreed upon after further discussion as some felt that it was unfair to penalize companies for having had a GHG accounting system prior to the development of PalmGHG. For companies who have made such advances, it is only fair that the review cost is borne by the RSPO.</p> <p>Generally the main method used by growers currently is the one prescribed by ISCC (for EU-RED compliance). Other tools include IFEU by ENZO, Biograce and SIMPRO (by MPOB). SIRIM apparently uses a Japanese model for GHG calculations.</p> <p>The main differentiating factors between the various tools and methods would be the allocation ratios and the default values used.</p> <p>The main purpose of having RSPO companies use PalmGHG is to have a consistent tool that can be used to assess trends and management options and not to compare between companies.</p> <p>The WG made a recommendation to commission a separate consultancy to compare PalmGHG outputs with those from other calculators commonly used by growers. Only commonly used ones (2 – 3 tools) will be selected otherwise the review will consume too much time and resources.</p> <p>The decision from this discussion is to keep the document as it is and defer it to the next meeting pending the findings from the calculator comparison study.</p>	<p>companies to submit their calculators for the PalmGHG comparison study</p> <p>2. Prepare ToR for the comparison study and commission a consultant</p>	<p>March 2014</p>
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7.	Guidance to National Interpretation in relation to C5.6 and C7.8 7.1 Monitoring and reporting under 5.6	No issues highlighted so far in the respective NIs on 5.6. However, the WG would need to provide proper guidance at some point to auditors on how to check for 5.6 and 7.8 during the implementation period and beyond.	To include in agenda for next meeting on guidance for auditors	
	7.2 Definition of HCS/LCS under 7.8	<p>The definition of HCS and LCS should ultimately be left to the respective National Interpretation Task Forces to define. HCS will mean different things in different countries so flexibility should be given to the different countries.</p> <p>The ERWG should only provide a guide, preferably on what can be considered as high, medium and low.. The idea is that there should be some flexibility in the interpretation of an intermediate/medium category (neither low nor high) that can be converted to oil palm plantations. The general view is that the ERWG should not set any numbers or thresholds as part of the definition of LCS/HCS.</p> <p>The WG should take a landscape approach and not risk pushing companies into community lands in their efforts to avoid HCS.</p> <p>Due to time constraints, only a small group managed to stay to provide working draft guidance on LCS/HCS for the circulation of the wider ERWG and the Nis in order to help give the NIs some basis on how they could possibly move forward in their discussions</p> <p>Draft text:</p> <p><i>High carbon stock land (includes above and below ground carbon stock) would include primary forest, logged forest where at least 50% of the stock remains, any land on peat (50cm or more) and mangrove.</i></p> <p><i>Low carbon stock land (includes above and below ground carbon stock) would include those areas with similar or lower carbon stock compared to oil palm plantation (including set aside areas) which could include wood land, scrub land, grassland and arable crops.</i></p>		

Day 2 – 18th February (Tuesday)

	Item	Main discussion points	Action point	Timeline
3.	3.2 Default values – peat emissions (cont’d with Kim or Lael calling in)	<p>Kim Carlson (University of Minnesota), Lael Goodman (Union of Concerned Scientist – UCS), Marcel Silvius and Derk Byvanck participated in the morning teleconference discussion on the peat emission factor review paper.</p> <p>Comments and questions from WI and the WG were sent in advance. Generally the review and analysis was found to be robust.</p> <p>The WG requested the authors submit their paper for journal publication so that it also undergoes a peer review process before a decision is made on whether or not to adopt the recommendations made in the review paper. It was suggested that this should be done as soon as possible. Until then, no changes will be made to the PalmGHG default emission factors on peat.</p> <p>It was also suggested that the emission factor should be reviewed every two years to take into account the latest scientific findings.</p> <p>There should be proper review and update process for all default values used in PalmGHG. The WG also recognizes that default values should not be frequently changed as it would complicated the system and make it difficult for users manage their emissions effectively if the estimated value fluctuates as a result of changes in the default values rather than due to improvements in management practices.</p> <p>There is still a great level of uncertainty over the increased emissions from peat oxidation in the first 4- 5 years of conversion and cultivation. PalmGHG currently does not account for that.</p> <p>PalmGHG allows for the data input on water table levels per management block. However, the default values available (60 cm = active management, 80 cm = no management) are considered to be inadequate and not conservative enough to encourage users to use actual values from the field. It was recommended as an action point to allow for 3 different values instead with some guidance on how to apply them (100cm = no management, 75 cm = partial management</p>	<p>1. To follow up with authors on publishing</p> <p>2. Faizal to provide guidance on what is meant by good management and partial management</p>	ASAP

		<p>and 60 cm = good management).</p> <p>PalmGHG to stick to 0.91 (published Hooijer paper) but will review before the end of the implementation period taking into account that there could be new studies by then and that the review paper would have also been published by then. There was a suggestion to also publish the paper as a RSPO publication in the interim to share it with a wider circle but there could be complications to have published it under RSPO and the as a scientific paper in a journal.</p> <p>Please also refer to written responses by authors (attached)</p>		
8.	8.1 Review of other relevant elements in the P&C which may relate to GHG	Discussion deferred to next meeting due to a lack of time.	1. Follow up in the next meeting's agenda	
9.	9.1 ERWG Budget proposal for FY2015 (Jul 2014 – June 2015)	<p>See update budget proposal (Paper 9.1)</p> <p>Note: Some of the figures in the budget still needs to be reviewed for instance translation costs of the PalmGHG user manual.</p> <p>Secretariat will arrange for sufficient support and assistance for participating companies during the PalmGHG pilot. The wider technical training will commence in the FY 15 (Jul 2014 onwards) after the pilot programme. One of the training workshops will coincide with RT12 to enable growers from the ROW region to attend.</p>	1. Secretariat will work further on the budget in line with the internal processes to get the entire RSPO FY15 budget ready for approval by the Board. Updates on the budget will be given at the 3 rd meeting.	
10.	10.1 Carbon assessment tool	Research team from University of Bogor shared their experience on conducting a carbon assessment for a new development in Indonesia. Methodology and findings were presented to the WG.		
	10.2 Communication and outreach	<p>Refer to update 10.2 (v2)</p> <p>Some key points</p> <ol style="list-style-type: none"> 1. A draft leaflet explaining the carbon assessment tool will be prepared before the 3rd meeting. Planned release of leaflet will be in July. 2. The carbon assessment tool needs further work beyond the updating exercise for example the inclusion of a guidance for root biomass and the development of a manual. This will need to be work on and completed. Translation is secondary for now – revisit in FY16. 	1. Secretariat will coordinate the development of a draft leaflet for the 3 rd meeting for release in July.	

		<p>A ToR needs to be developed on the sections that are to be expanded.</p> <ol style="list-style-type: none"> 1. Development of a manual (at the moment the report is more of a guidance document) 2. Manual should also include how HCV, soil assessments etc can be integrated together with the carbon assessment. Integrated planning and reduction plan. Integration – using result of high and low carbon stock – put together with HCV to decide with the layout and design of your plantation and mill design option a b c <p>ToR and pilot outline should be endorsed and sign off for June meeting Kick off meeting for carbon assessment tool pilots</p>		
	10.3 Proposed pilot programme outline and concept	<p>ERWG needs companies to start reporting on C7.8 as part of the NPP to WG by 1st Jan 2015 to have two full years of review and feedback on C7.8</p> <p>Therefore some testing and finalization of the carbon assessment tool needs to be done from now till December 2014 so it can be made available for wider use by growers from Jan 2015 onwards</p> <p>Those in pilot phase can submit reports in January based on pilot testing</p> <p>The WG should encourage growers to use the system that RSPO is developing but during the learning and review period, other methodologies should not be restricted.</p> <p>Notification needs to go out to highlight to members and encourage volunteers for the pilot with different geographic spread. The notification should be an open invite to companies to engage with RSPO and the ERWG in a dialogue on how to ensure compliance to C7.8 if they are planning to submit NPP notifications between now and Dec 2016. A short write-up on the pilot should also be provided. Secretariat should also identify companies who already done some form of carbon assessment and learn from their experience</p>	1. Secretariat to prepare short write up on pilot and to send out notification	
11.	Carbon assessment tool 11.1 Updated Carbon assessment tool report	<p>Scope and purpose of update:</p> <ol style="list-style-type: none"> i) take into account the publications from the RSPO science panel ii) remove outdated information iii) make references to the P&C 2013 and other new relevant 	1. Secretariat to inform the NPP WG co-chairs in writing, that it is the recommendation of the WG	

		<p>developments by relevant RSPO groups e.g. CTF</p> <p>iv) improve clarity in text</p> <p>The update process did not introduce major changes to the document or to the process flow and work flow of the carbon assessment as that was outside of the purview of the ToR. Major changes to the carbon assessment tool itself are too be made after agreement and instruction by the WG.</p> <p>Further work on update:</p> <p>Process flowchart – needs more clarity, need to add separate flows for LIDAR and for assessment based on proxy approach using default values</p> <p>WI has suggested a more comprehensive flowchart showing integration with other assessments – suitable for separate manual that is being discussed on a more integrated approach and also for inclusion in NPP when the integration of C7.8 is discussed.</p> <p>Tool is not meant to be retrospective – used for new plantings prior to clearing. NPPs submitted from 1st May 2014 (NIs would have been completed) should start to incorporate elements of 7.8 in them and the NPPs submitted after 1st January 2015 should more fully incorporate these elements to give the WG more time to review the reports before the end of the implementation period</p> <p>Need clarity on the compliance period for 7.8.- growers should not be penalized before methods have been ready or defined</p> <p>The RSPO WG should not exclude other methodologies in the review as stated in the P&C</p> <p>Methodologies for interpreting satellite imagery would be useful to include. A guide on interpretation of satellite imagery has already been done by the BHCV Working Group. It is recommended that the carbon assessment tool report refers to that guide</p> <p>At the moment the carbon assessment tool report is a mix of a guidance document – need something more streamline of the options that are available for the various types of data that is available.</p> <p>2 versions may be needed – executive version and one more of a detailed manual for practitioners on the ground</p>	<p>to include reporting on carbon assessment (section 4c in Box A3.1 and Box A3.2 of the carbon assessment tool report) as part of the NPP. This is the information that the WG would need to complete the review on C7.8</p>	
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	11.2 Recommendations on Allometric equations	<p>Based on lit review, many authors have said that the factor that affects the results is the allometric equation.</p> <p>No formal comparison of the allometric equations from the similar region to see how different the results can be.</p> <p>The issue is whether a company uses the equation that is specific to the region of the plantation or to use a more general equation (e.g. pan tropical equation by Brown).</p> <p>Need to have root-shoot biomass equations for future</p>	<p>1. Prepare something similar for root-shoot ratio equations</p> <p>2. Consult Cecile and Ian for further documents on root-shoot equations and allometric equations</p>	
	11.3 Inclusion of leaf litter (pros and cons)	It was decided that leaf litter will not be included in the carbon assessment as it would require added resources and the carbon in the litter pool is not significant enough to affect the overall results and decision making compared to the carbon in the living biomass.		
	11.4 Default carbon stocks for different ecosystem types.	Discussed under 3.1 – need to ensure that there is some consistency between what is used in PalmGHG and the carbon assessment tool		
	11.5 Vegetation types used in tool and how it relates to PalmGHG and classification used by HCV compensation TF	It was decided that the main purposes of classification by HCV compensation TF and in PalmGHG and the carbon assessment tool are different. Attempts to link them may cause confusion as unlike HCV compensation, the carbon assessment tool is not meant to be retrospective. Furthermore, the classification would prioritise carbon whereas in HCV it would be on biodiversity.		
12.	12.1 Suitability of PalmGHG in addressing C7.8	<p>It is difficult to assess the suitability of PalmGHG in addressing C7.8 and to ascertain the type of modifications that are potentially needed without trying the PalmGHG calculator on a real case.</p> <p>Pilots should be conducted with companies with new planting developments where a mill has not yet been constructed.</p>	1. Secretariat to follow up to look for pilot candidates	
13.	AOB	<p><u>Venue and dates for the 3rd ERWG meeting</u></p> <p>Initially it was suggested to have the 3rd ERWG meeting to coincide with the RSPO European Summit in London in June 2014. It has since been determined that the Summit will take place in the first week of June.</p>	1. Secretariat to follow up with WG on setting the venue and dates for 3 rd meeting	

		<p>The WG is concerned that this may be too early and it may be better to have the meeting in July when there will be more outputs to report on, especially on the PalmGHG pilot.</p> <p>It was then decided for the Secretariat to circulate a summary the action points required and the timeline. Following which, the WG will decide on the suitable timing and venue for the 3rd meeting</p> <p><u>Implications of C7.8 on NPP</u></p> <p>No progress yet on revision of NPP documents to integrate C7.8 and to revive the NPP WG.</p> <p>Concerns were raised that for countries with NI, there should be clarity as to when new planting submissions need to have the carbon assessment included. Carbon assessments are not yet part of the NPP documents and new plantations will only apply for certification 5-6 years later.</p>	<p>2. Secretariat to discuss on the implication of C7.8 on NPP (along with the other new elements in P&C2013 that impact NPP) and communicate to members.</p>	
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