

**9<sup>th</sup> ERWG Meeting****14<sup>th</sup> July 2016 – 15<sup>th</sup> July 2016****Capri Hotel, Bangsar South, Kuala Lumpur**

Attendance:

Name	Organisation	Status
Faizal Parish (Chair)	GEC	Substantive
Gan Lian Tiong (co-chair)	Musim Mas	Substantive
Lim Sian Choo	Bumitama Gunajaya Agro	Substantive
Audrey Lee	Olam	Substantive
Foo Siew Theng	Wilmar	Substantive
Azmariah Muhamed	FGV Felda	Substantive
Joseph Hutabarat	Rainforest Alliance	Substantive
Phubalan Karunakaran (14 <sup>th</sup> only)	WWF-Malaysia	Alternate
Julia Lo (14 <sup>th</sup> only)	GEC	Alternate
Arina Schrier	Wetlands International	Alternate
Jason Foong	KLK	Alternate
Lee Kuan Yee	KLK	Alternate
Shahrakbah Yacob	Sime Darby	Alternate
Mukesh Sharma	Asian Agri	Alternate
Melissa Chin	RSPO Secretariat	Secretariat
Javin Tan	RSPO Secretariat	Secretariat
Devaladevi Sivaceyon	RSPO Secretariat	Secretariat
Absent with apologies		
Olivier Tichit	SIPEF	Substantive
Henry Cai	Musim Mas	Alternate
Marcel Silvius	Wetlands International	Substantive
Henry King	Unilever	Substantive
Cecile Bessou	CIRAD	Technical Advisor

No.	Description	Main Discussion Points	Action Items
14 <sup>th</sup> July 2016 (Thursday)			
1.	Updates from Secretariat	RSPO Secretariat introduced new WG member, Azmariah Muhamed, replacing Melissa Yeoh in representing FELDA.	
2.	Review of the previous meeting minutes	The previous meeting minutes was reviewed and endorsed. The WG recommended to circulate meeting minutes with progress updates 2 week before the next meeting.	RSPO Secretariat to circulate the next meeting minutes with progress updates 2 weeks prior to the meeting.
3.	Updates on EURT by RSPO Secretariat	<p>A total of 300 participants in EURT. The first day was a series of parallel panel sessions on RSPO Next; smallholder's linking and learning; e-trace for CBs and refiners and promoting trade and consumption of sustainable palm oil in China. On the second day, Cecile presented on RSPO PalmGHG during the 1<sup>st</sup> panel session RSPO measures for climate change.</p> <p>Concern raised over RSPO NEXT session on carbon footprint or GHG emissions reporting for supply chain, focusing on whether the reporting is product-based or corporate emission reporting. Dr. Gan pointed that PalmGHG is inadequate as the approach would be different. While for corporate emissions reporting, GHG Protocol has been used in other GHG reporting model for emission reporting on organisational level (e.g. Carbon Disclosure Project). The meeting felt that RSPO NEXT requires organisation reporting of emission and for supply chain player to report their GHG emission and it is useful for RSPO secretariat to clarify this. (This was done with invitation to Salahudin Yaacob who came with Yohannes Ryan to the ERWG meeting after lunch. This is reported in item 7 below).</p> <p>There were also questions raised if PalmGHG could account for different emissions from different types of peat, as peat in other region may be different from the tropical peat (which is currently used as reference). Cecile responded that there isn't sufficient research or publication for such. PalmGHG does allows the use of custom value.</p>	Javin to invite person in charge within RSPO to the meeting to provide clarity on RSPO NEXT related matters.
4.	RSPO initial Incentive	RSPO Secretariat gave a short brief on the agenda and the progress of the incentive workshop organised on 3 <sup>rd</sup> & 4 <sup>th</sup> May 2016 at Sultan Hotel, Jakarta. An external facilitator was engaged,	RSPO Secretariat to communicate comments from ERWG on the

	<p>Workshop by RSPO Secretariat</p>	<p>successfully keep participants engaged throughout the two days of workshops. Two keys shortcoming based on feedback received are: 1) not having enough time for discussion; and 2) too many presentations.</p> <p>The outcome of the workshop is to establish a task force to develop incentive options for conservation set-aside. It was raised by members of ERWG on the importance of government engagement in the whole process of incentive option development. The secretariat explained that there is a need to have a clear role of government within options developed for effective engagement. Hence, the ToR is improved ensuring strategies, barrier and opportunity (including the role of government within both) to be identified. All the comments and changes made within the ToR was captured immediately.</p> <p>Major change made within the ToR is to have the taskforce stands independently from other WGs.</p>	<p>ToR with other WGs (BHCV and SH) and having the ToR approved by Board.</p>
5.	<p>Updates on Guatemala Event by RSPO Secretariat</p>	<p>RSPO is organising RSPO Latin America Conference in Guatemala following Grepalma Palm Oil Congress on 25<sup>th</sup> &amp; 26<sup>th</sup> August 2016. In conjunction with the conference, three trainings were scheduled on the 22<sup>nd</sup> August 2016, covering HCV, e-Trace and PalmGHG.</p> <p>RSPO has engaged a local consultant with experiences on carbon footprint accounting, based in Ecuador, to conduct two face-to-face trainings on PalmGHG. One of the face-to-face training would take place in Guatemala, while another one would be in Colombia.</p>	<p>A total of 55 participants attended for 2 sessions of 2.5 hrs each session. Perspective changed from ‘very difficult requiring consultant’ to ‘doable’.</p> <p>‘Emission debt’ – clearing of OP before the ending of cycle is common</p> <p>‘Hybrid species’</p> <p>Different ‘set-up’ and ‘structure of SH’ and its’ association with mill</p> <p>Peat definition is different – concern in Peru and Colombia – highland and floodplain peat</p> <p>LATAM Consultative group established to have more</p>

			effective views from the region on matters discussed within different WGs. Jose Roberto represented ERWG in the consultative group.
6.	Updates on Africa Palm Oil Conference by RSPO Secretariat	<p>Proforest, RSPO and Solidaridad are co-organising the Africa Palm Oil Conference on 6<sup>th</sup> September 2016 at La Palm Royal Beach Resort, Accra. Following the conference, RSPO is organising RSPO Open Day, covering topics of NPP, LUCA and RaCP in the morning and parallel session of PalmGHG Training and World Café in the afternoon.</p> <p>Announcement of these events are made on RSPO website and registration to both events could be made via <a href="https://africasustainablepalmoil.net/">https://africasustainablepalmoil.net/</a>.</p>	
7.	Updates on RSPO NEXT by RSPO Secretariat	<p>Through an internal RSPO discussion on RSPO NEXT Guidance document, it is informed that the guidance document previously shared for comments are for CBs. The WG raised a concern for not having guidance for companies. The content of guidance created for CBs was questioned due to lack of clarity and no proper way to check and verify several standards sets.</p> <p>Secretariat explained that for the 1<sup>st</sup> audit done for RSPO NEXT, the certification manager will be there to witness how the audit will be conducted on ground level for better implementation approach.</p> <p>As for the RSPO NEXT standard, concern raised on lack of clarity in term of certifying unit and the requirement to get certified was seen as a double certification process.</p> <p>Salahudin and Yohanes presented in the meeting later of the day to provide clarity on RSPO NEXT and the associated progress on how comments from ERWG is to be looked at and feedback from RSPO Secretariat on comments given.</p> <p>ERWG requested a respond from RSPO Secretariat on comments given by members of ERWG onto RSPO NEXT Guidance Document.</p>	<p>RSPO Secretariat to revert on:</p> <p>i) the responds to comments received.</p> <p>ii) (if any?) existing guidance provided under RSPO Next for the 'program of measuring, reduction and reporting GHG' as minimal threshold for supply chain members.</p> <p>iii) (if) clarity and/or guidance could be provided for GHG 3.1 for the GHG emissions monitoring and reporting at organizational level.</p> <p>iv) confirmation on that RSPO NEXT Guidance Document is</p>

		<p>Members of WG raised concern over lack of guidance for emissions monitoring and reporting for supply chain using RSPO equivalent tool, as ERWG has not received any request to provide the guidance. RSPO PalmGHG was developed for emissions monitoring and reporting for OP production, thus it would definitely be inadequate or even not-applicable for supply chain. Should current corporate reporting on footprint is acceptable by RSPO, there may be a view of lower standards of RSPO Next.</p> <p>There are also concerns raised over lack of clarity on RSPO NEXT Indicator GHG 3.1 on GHG emissions monitoring and reporting at management unit (currently covered under C5.6) and (the worrying) organisational level. Concerns raised are: 1) the reporting boundary (if on organisational level) would be outside of the current PalmGHG reporting boundary; 2) this would then make PalmGHG inadequate for organisational level monitoring; 3) what would be the new defined boundary for reporting and; 4) all relevant technicality and methodological guidance involved in such monitoring and reporting.</p>	<p>serve as guidance for the Standard (not just for CBs).</p> <p>v) The secretariat needs to come put with guidance for the growers on implementation to mitigate the problem of interpretation due to the unclear indicators in the RSPO NEXT document.</p>
8.	<p>Updates on Smallholder Workshop by RSPO Secretariat</p>	<p>Two smallholder group managers' workshops were organised by RSPO Secretariat at Pekan Baru, Indonesia and Krabi, Thailand in mid-May to understand the how smallholders group are organising themselves and challenges they faces for certification. Both workshops have provided useful information for RSPO to develop relevant guidance for smallholders.</p> <p>On the aspect of GHG (C5.6), RSPO Secretariat explained that growers are currently equipped with most of the data, except for origin of fertiliser and the type of fertiliser used is unknown as it is provided on subsidy basis and based on resource availability.</p> <p>SHs in Indonesia has limited land bank with minimal expansion within existing certified group. In Thailand, there are many SHs with land bank and high chance of new plantings or expansion within existing certified group. In relations to C7.8, the challenge remains on to address SH new plantings of areas ranging from 0.1 ha to 49ha.</p> <p>One of the concern raised by WG was that SH groups will only be formed and group manager appointed after the production of FFB has started. Hence the smallholder will not have any guidance or obligation to comply to C7.8 because land clearing will take place as business as usual before any Group Manager is formed, they are not yet RSPO member and not even aware of RSPO rules at the time of clearing.</p>	<p>RSPO Secretariat to bring the changes made within PalmGHG V3 and concern raised over existing SH structure limiting non-certified SH coming on-board.</p>

		<p>This means C7.8 guidance for SH will very likely only be used when existing RSPO certified SH groups expand their current land bank. The concern will be the marginalisation of new smallholders' groups which have not abide by the RSPO Principle 7 or RSPO NPP requirements as these non-compliance smallholders will be excluded in the selection of grouping for Group Certification.</p>	
9.	Sequestration from conservation set aside area by Audrey	<p>Sequestration default value proposed by Audrey was adopted by WG for both C5.6 and C7.8. Three region default conservation value are given as following: i) Africa 2.41 tC/ha/yr; ii) SEA 2.5tC/ha/yr; and iii) South America 1.5 tC/ha/yr.</p> <p>It is agreed that continuous efforts needed to further refined the list to include default for PNG; as well as the needs to have more credible methods for accounting the sequestration.</p>	RSPO Secretariat to include the decision into PlamGHG V3 (C5.6) and GHG Assessment Procedure for New Plantings (C7.8)
10.	PalmGHG Subgroup Updates (C5.6)	<p>Secretariat presented on the decisions made during palmGHG sub-group meeting. From the meeting, following are the decisions made:</p> <ul style="list-style-type: none"> <li>i. Existing assumption used for sales of PKS and EFB to displace coal (thus the calculation formula used within PalmGHG) would be remained due to lack of scientific papers and findings for new calculating methods.</li> <li>ii. Secretariat presented the proposed new value which was taken from GHG emissions from purchased electricity worksheet by GHG Protocol based on IEA emission factors, 2012. As for the countries without emission coefficient, they are encouraged to use respective regional value.</li> <li>iii. It is agreed that smallholders would be advised to use guesstimated data for fertiliser transport and fuel consumption until the WG develop a default that could be used for SH. The default values will be developed by Cecille based on the raw data extracted from previous submissions.</li> </ul> <p>The WG adopted '5.5%' as default percentage for emissions estimation against total planted area for road, ditches and mill development associated with existing plantation (based on the weighted average of % of data submitted from companies participated into survey sent out by WG). However, there is a need to continue collect data through existing survey to have a more representative '%' to inform the decision made or for making a refined change to the % based on a larger data base. Use of custom '%' will be made available within PalmGHG for</p>	<p>RSPO Secretariat to reflect decisions made into PalmGHG V3, including the '5.5%'.</p> <p>RSPO Secretariat to ensure communication to CBs reflecting all the changes made.</p> <p>RSPO Secretariat to continue collect data through the emissions from other land use change survey.</p>

		<p>companies with own data. Companies are allowed to use their data where such historical data are available.</p> <p>Some discussion initiated on potential methods within PalmGHG capturing 'emission debt'. This scenario happens when cultivation of first-cycle of OP has to be cleared prior to completing the 25 years cycle due to low yield or disease attack. The proposed calculation was to account for remaining emissions has yet fully amortised (emission debt) to be accounted in the next cycle of re-planting. There is no decision on the matter, as there are still concerns over on the proposed methods; as well as consensus yet reached for this 'emission debt' to be paid off by other planted areas reaching beyond 25 years in its planting cycle. This is also take into consideration should the planting falls on peatland.</p>	<p>PalmGHG sub-group to further discuss on the method accounting for 'emission debt'.</p>
11.	<p>C7.8 revision updates by RSPO secretariat</p>	<p>Slide from Proforest was presented to which the members felt that the work done was not up to expectation. WG raised concern over the potential major revision of Chapter 3 by Proforest. RSPO Secretariat ensured WG that Chapter 3 revision by Proforest would be as guided by ERWG.</p> <p>Dr. Gan and Faizal offered assistance to RSPO Secretariat for the revision of GHG Assessment Procedure for New Plantings, incorporating Chapter 3 from Proforest on the 21<sup>st</sup> &amp; 22<sup>nd</sup> of July). The revised version of the Procedure will be circulated for feedback from ERWG (on 25<sup>th</sup> July) and to have a final revision by 1<sup>st</sup> week of August.</p> <p>The revision work should include revise the PalmGHG Simplified Excel for GHG Assessment Procedure and renamed it to New Development GHG Calculator.</p>	<p>RSPO Secretariat to communicate back to Proforest on changes made by WG.</p> <p>RSPO Secretariat to finalised the GHG Assessment Procedure for New Plantings and New development GHG Calculator with assistance from Dr. Gan on the 21<sup>st</sup> &amp; 22<sup>nd</sup> and send the draft out to WG on 25<sup>th</sup> September 2016.</p>
15 <sup>th</sup> July 2016 (Friday)			
12.	<p>RSPO monitoring &amp; evaluation framework development workshop (Presentation by</p>	<p>Dr. John Tey, from UPM, RSPO consultant presented on RSPO existing work on the theory of change and thus the development of RSPO Monitoring &amp; Evaluation (M&amp;E) framework; and the upcoming workshop planned to reach out to members and stakeholders for more feedback.</p>	<p>RSPO Secretariat to send out the survey; information with more detail on the workshop and proposed date to WG.</p>

	Dr. John Tey, UPM)	There are concerns raised over the unclear objectives of the workshop and how the outcomes would have an impacts on growers. Some members of WG are not aware of the survey sent out by RSPO.	
13.	Submission updates for C7.8 & C5.6 from RSPO Secretariat	<p>C7.8 A total of 38 reports received from 1<sup>st</sup> April to 1<sup>st</sup> July 2016. Most of the submissions are from Indonesia; with 3 submissions from PNG; 2 submissions from Africa; and 1 from Malaysia. Most of the new plantings take place on shrubland and tree crop.</p> <p>Out of the 38 reports received, structure and context of reports improved compared to the reports received before 1<sup>st</sup> April. However, there are concerns over the quality of the reports, especially on the carbon assessment component. Some reports submitted with carbon stock value estimated much lower than RSPO default value, i.e. secondary forest estimated at 35tC/ha.</p> <p>WG would like to see an analysis done based on emission/ha new planting done for each scenario, capturing field and operational emissions. Reporting updates should include submission by region and general trend of land cover changes for new plantings.</p> <p>C5.6 A total of 156 GHG reports received for year 2015; and 119 reports received by mill as of July 2016 for year 2016. Out of these report submissions, 41 mills have submitted the report for the second time. As of May 2016, a total of 273 mills certified (based on RSPO Website).</p> <p>WG would like to see data on emission per tCPO and per ha for the mills that reported for the 2<sup>nd</sup> time. The 273 certified mill to be tabulated by making a comparison based on region or country. As for the mills that has reported for the following year, WG would like to see if there are any trend in reduction. It was also suggested to have emission comparison done against value from other groups/sectors to prove that the effectiveness of ERWG.</p> <p>Suggested analysis to include comparing emissions from planting on mineral soil vs peat soil; mill with methane capture vs mill without methane capture; and any other outliers.</p>	<p>RSPO Secretariat to improve reporting for C7.8 and C5.6 report submissions in next ERWG meeting as per suggested.</p> <p>RSPO Secretariat to prepare a discussion paper on the reporting of C5.6 after January 2017 for further discuss with WG in next meeting.</p>



		<p>RSPO Secretariat raised the concern over data accessibility after 31<sup>st</sup> December 2016 for continuous monitoring and analysis of trend of emissions associated with existing plantations and new plantings. Concern also raised that actual sample data size would be smaller than the actual submission figure, due to the fact that not all submissions are based on PalmGHG.</p> <p>As of 1<sup>st</sup> January 2017, all reports would stop at CB. RSPO Secretariat would no longer have access to these reports.</p>	
14.	RT14	<p>One day pre-RT side training is scheduled for PalmGHG V3 (C5.6) and GHG Assessment Procedure for New Plantings (C7.8) at Centre Point Silom, Bangkok on the 7<sup>th</sup> November 2016 (Monday).</p> <p>One 2-hour prep cluster session is reserved for ERWG on the 8<sup>th</sup> November 2016 (Tuesday). WG has agreed to have the session to talk about 3-years progress of ERWG with 3 speakers covering the following topic:</p> <ul style="list-style-type: none"> <li>i) Evolution or progress on PalmGHG and GHG Assessment Procedure for New Plantings – Faizal / Dr. Gan to speak</li> <li>ii) Experiences and Challenges by company on C5.6 and C7.8 – TBD</li> <li>iii) [TBC] Analysis results of reports received (emission trend) for C5.6 – TBD</li> </ul>	RSPO Secretariat to make all logistic arrangement; identify company to speak; and starts analysis emissions trends based on reports received.
15.	RSPO proposal for emission reduction	<p>It was raised in the meeting that ERWG has been in the past three years focuses on the monitoring of GHG emissions from existing plantation and new plantings (indicator 5.6.1 and 7.8.1); there is a need to look at providing guidance or proposal on mitigation plan (indicator 5.6.2 and 7.8.2).</p> <p>WG suggested to revive the case study by getting a consultant to work on this since there are more submission available that could be used. ToR for the compilation of BMPs is discussed, include the scope of land conversion, peat management, pome, fertiliser manufacture and N20, conservation, mill technology, yield enhancement and diverse mitigation measures done based on reporting from companies.</p> <p>The first draft was proposed to be received by RT. Suggested time frame for final document by end of March 2017.</p>	RSPO Secretariat to engage consultant for the compilation of emission reduction BMPs for palm oil production.

16.	Updates from peat subgroup	<p>Three proposal documents proposed by Arina were discussed among peat subgroup and the decision made as follow:</p> <ol style="list-style-type: none"> <li>1) Peat re-wetting – the current proposal only covers the default value for calculating of emission reduction from peat re-wetting through reducing peat oxidation (drained peat). This proposal needs to be expanded to include more information on emission reduction from ABG should peat is set-aside. There is consensus that sequestration from peat swamp forest is different from forest. There is a need (outstanding matter) for reference to existing literatures (may or may not be available) to the uniqueness of peat swamp forests to agree on the default of annual sequestration for above ground.</li> <li>2) Off-site impact – this will be a standalone guidance document as reference for C5.1 and C7.1 and supplement to C5.6 and C7.8 to identify potential emissions off-site impact and associated management actions. WG agreed that off-site impact would not be included within current PalmGHG for calculation, as it falls outside of the defined calculation boundary of PalmGHG and is not required under RSPO P&amp;C 2013. It is also made not necessary for C7.8 as RSPO New Planting Procedure made provision for avoidance on peat cultivation.</li> <li>3) Drainability assessment - will serves as additional guidance document within existing Peat BMPs for reference of existing plantation. Guidance for drainability assessment is also raised as important for growers on existing plantation. Arina to prepare a proposal on resources need and a gap analysis on existing drainability assessment guidance provided within Peat BMPs for RSPO to consider supporting the development of a detail assessment guidance.</li> </ol> <p>It is also raised that there is a need to have a document documenting all references to RSPO default emission factors for sequestration on conservation set-aside, including the agreed value from this meeting minutes' item 9 and peat rewetting.</p> <p>There is also concern on the lack of awareness among auditor to check the needs and the 'how to assess' the drainability assessment under C 4.3.</p>	<p>Arina to revise:</p> <ol style="list-style-type: none"> <li>i) peat re-wetting document and circulate to ERWG;</li> <li>ii) gap analysis of existing drainability assessment within Peat BMPs and a proposal for development of a detail guidance.</li> </ol> <p>RSPO Secretariat to re-confirm if current audit checklist includes checking on drainability assessment as required under C4.3.</p> <p>ERWG to further discuss if, as a group, achieved consensus to send in recommendation paper for 'off-site impact' issue to be considered into next P&amp;C review.</p>
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17.	Next plan for ERWG after December 2016	<p>ERWG agreed that the WG to be extended for another one year (ending December 2017) with lighter load to oversee the implementation of C5.6 &amp; C7.8 after public reporting is made mandatory.</p> <p>Both co-chair to send in a letter of intent to RSPO Secretariat for the extension once new ToR is agreed on next meeting.</p>	RSPO Secretariat to prepare a draft ToR for the extension of 1-year for ERWG.
18.	Peat working group (revive)	ERWG agreed to revive the peat working group in view of the recent discussion and needs for guidance for i) drainability assessment; ii) off-site impact; and iii) peat re-wetting. It is also in line with the need for Peat BMP revision (the first Peat BMPs was developed 5 years ago). It is also suggested to keep the WG small (roughly about 10 – 15 members) with more peat experts.	Faizal to send proposal for revive of peat working group to RSPO Secretariat
19.	AOB	<p>Communication and Training Materials All relevant materials produced previously for PalmGHG and GHG Assessment Procedure for New Plantings would need to be revised, reflecting the new changes made. Translated materials would be needed as well.</p> <p>HCSA and HCS+ The last meeting was held on 1st April at Singapore where RSPO attended as observant, where the convergence (HCSA and HCS+) initiated with limited information shared during the meeting. Next HCSA Steering Group meeting is scheduled on 21<sup>st</sup> September 2016 (Wednesday) in Singapore.</p> <p>Indonesian NI status There will be a meeting on 22nd of July to finalise Indonesian NI by the Standard and Certification Standing Committee (SCSC)</p>	RSPO Secretariat to ensure all communication and training materials revised to reflect the changes made.
20.	Next ERWG meeting	Either 26th and 27th September or 29th and 30th September.	Secretariat to send out doodle poll