

MINUTES OF MEETING
RSPO CTF2 The Aloft Hotel hybrid meeting (11-13 April 2023)

Attendance:

<p><u>Members and Alternates</u></p> <ol style="list-style-type: none"> 1. Harjinder Kler (HUTAN) 2. Lee Swee Yin (SDP) 3. Ambang Wijaya (GAR) 4. Ahmad Yudana (GAR) 5. Martin Mach (Bumitama) 6. Lim Sian Choo (Bumitama) 7. Sander Van den Ende (SIPEF) 8. Olivier Tichit (Musim Mas) 9. Kalindi (Planting Naturals) 10. Cahyo Nugroho (FFI) 11. Chin Sing Yun (Wilmar) 12. Syahril Anhar (Wilmar) 13. Michelle Desilets (OLT) 14. Anne Rosenbarger (WRI) 15. Ahmad Furqon (WWF) 16. Sally Chen Sieng Yin (SEPA) 17. David Wong Su Yung (SEPA) <p><u>Absent with apologies</u></p> <ol style="list-style-type: none"> 1. Benjamin Loh (WWF) 2. Mahendra Primajati (FFI) 3. Eleanor Spencer (ZSL) 4. Arnina Hussin (SDP) 5. Quentin Meunier (OLAM) 6. Bukti Bagja (WRI) 7. Vivi Anita (Musim Mas) 	<p><u>RSPO Secretariat</u></p> <ol style="list-style-type: none"> 1. Ariel Toh 2. Lee Jin Min 3. Farkhani 4. Amirah <p><u>Facilitator</u></p> <ol style="list-style-type: none"> 1. Ginny Ng <p><u>Invited Guest</u></p> <ol style="list-style-type: none"> 1. Ruth Silva (HCVN) 2. Daneetha Muniandy (HCSA) 3. Adrian Choo (HCSA) 4. Jennifer Lucey (SEARRP) 5. Lanash Thanda (BCI)
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Meeting Agenda:

Day 1

Agenda	PIC
1. Opening remarks and updates	Co-chairs
2. Confirmation of previous meeting of minutes	Co-chairs
3. Protocol for recertification	Facilitator
4. Reprive document related to resolution GA18-2d on scheme smallholders	Facilitator
5. Disclosure of liabilities	Facilitator
6. Thorough discussion on the draft zero of RaCP version 2 document	Facilitator

7. End of meeting	Co-chairs
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Day 2

AGENDA	PIC
1. Thorough discussion on the draft zero of RaCP version 2 document	Facilitator
2. Self-Assessment Matrix (SAM) document	Facilitator
3. End of meeting	Co-chairs

Day 3

AGENDA	PIC
1. Thorough discussion on the draft zero of RaCP version 2 document	Facilitator
2. End of meeting	Co-chairs

No.	Details	Action
DAY 1		
1.	<p><u>Opening remarks and updates</u></p> <ul style="list-style-type: none"> ○ All members were greeted by the co-chairs to the hybrid meeting and members were re-introduced while the RSPO Secretariat presented the RSPO antitrust policy statement, consensus-based decision making in the CTF2 session and members to declare any conflict of interest, if any. ○ The co-chairs welcomed 3 new members to the CTF2 <ul style="list-style-type: none"> - Ahmad Furqon (WWF) - Sally Chen (SEPA) - David Wong (SEPA) ○ The following invited guest for the CTF2 meeting were welcomed to the meeting by the co-chairs: <ul style="list-style-type: none"> - Daneetha and Adrian from HCSA - Ruth from HCVN - Jennifer from SEARRP - Lanash from BCI ○ Facilitator shared the updates to the timeline for the completion of RaCP v2, with the formation of various CTF2 subgroups to address on the targeted topic of the RaCP v2, and informed CTF2 members about the number of the subgroups meetings that have commenced since its formation. The first draft is expected to be ready by August 	

	<p>2023 for CTF2/BHCVWG approval, followed by 30 days of public consultation. The document will be finalised and sent for SSC approval in October 2023, which will then be ready for the GA 2023 in November 2023.</p> <ul style="list-style-type: none"> ○ The CTF2 subgroup responsible to discuss protocol for recertification was disbanded as the task was completed and the result will be presented in this meeting. Current active CTF2 subgroups are social, smallholder, Africa/Latam/RoW, and GIS. A Peat Task Force (PTF) reporting to BHCVWG was created to discuss specifically on peat remediation. Additional CTF2 subgroups may be formed in the future if needed. A ToR for the CTF2 subgroups and PTF was created and members joining the CTF2 subgroups will need to sign the Code of Conduct (CoC). ○ There are also invited experts to the CTF2 subgroups: <ul style="list-style-type: none"> ▪ HCSA Secretariat - social, smallholder and GIS ▪ SEARRP - smallholder ▪ HCVN - Africa/LATAM/RoW and GIS ○ The BHCVWG members understood the purpose of the discussions that will take place for Peat Task Force and all subgroups, meeting to the aims for RACP v2. ○ The RaCP v2 document might include a placeholder for some of the unfinished discussion from the CTF2 subgroup, which will then be added as addendum to the RaCP v2. ○ A notification to the SSC will be done between July to September so that SSC is aware and ready for the approval in October. This requires the Secretariat to prepare a slide presentation to SSC with the main points to the content that have been updated in the RaCP v2 document. 	<p>Secretariat to prepare the slide presentation for the future session</p>
<p>2.</p>	<p><u>Confirmation of previous meeting of minutes</u></p> <ul style="list-style-type: none"> ● RSPO Secretariat presented the last CTF2 minutes of meetings on 23-24 November 2022. ● As the previous meeting did not have quorum, the action points noted down in the latest minutes will be further discussed in this meeting. ● The minutes were confirmed by Olivier and seconded by Harjinder. 	
<p>3.</p>	<p><u>Protocol for recertification</u></p> <ul style="list-style-type: none"> ● The CTF2 subgroup responsible to discuss protocol for recertification was convened once and managed to solve the outstanding issues. ● It was decided that the Protocol for recertification document is to be included in section 10 of the RaCP v2 as there are many repetitive elements. ● A separate discussion will be needed at the larger CTF2 level to review the overall process for initial certification as initial certification is not included in the protocol. ● On section 10.1.1, it was decided that the document will go for option 2, which allows for recertification to proceed while 	

	<p>reconciliation of data is ongoing, and certification body (CB) will not raise a non-conformance (NC); for the next round of review, the data should have been reconcile and if not, a NC will be raise. If during the reconciliation and liability was found, it will go into the RaCP process.</p> <ul style="list-style-type: none"> ○ To remove 'there will not be any retrospective application of the RaCP for certified members' from text. ● It was agreed that during data reconciliation for recertifying units: <ol style="list-style-type: none"> 1. Audit can still proceed; 2. Certification may still proceed; 3. Errors from data differences will not constitute a non-conformance (NC). Growers are given until the next surveillance audit to consolidate data; 4. If by the next surveillance audit there are still errors, then a NC will be issued; 5. Any liabilities that are found will follow normal RaCP; 6. Public announcement can proceed for audit. 	
4	<p><u>Reprieve document related to GA18-2d on scheme smallholders</u></p> <ul style="list-style-type: none"> ● Facilitator gave a background on this document where it was drafted but has yet to go through the CTF2 for approval. The reprieve document is mainly on existing and new scheme smallholder members, whether certified or non-certified, will need to undergo disclosure. Disclosure will be reviewed by RSPO Secretariat and the scheme smallholders need to also complete LUCA. If needed, to develop environmental and social remediation plans. They have no need to come up with the compensation plan. This applies similarly to independent smallholders. To be eligible for the reprieve, the scheme smallholders have to submit their disclosure separately from their companies; Resubmission of disclosure by the companies is required. ● CTF2 is made aware of this document for the reprieve but question remains on where this document sits and who needs to review it. <ul style="list-style-type: none"> ○ It was mentioned that there is one SSC meeting after the GA 2022 that this issue was flagged/discussed, which might have mentioned the assignment of this document to a certain party (i.e. Owner of the document). Therefore, until it is clear who it is assigned to, this document will not be further discussed. ○ Clarification is needed on whether this document sits in the RaCP. Currently the reprieve is mentioned in section 3.1 of RaCP v2 where it describes the time-limited/ temporary nature of the reprieve until the review for RaCP scheme smallholder is completed. Until it is resolved who is the responsible party to be assigned and reviewed the reprieve document, section 3.1 remains. 	<p>Secretariat to check the SSC minutes of meeting (from end of last year) to check who is the responsible party to review and where the reprieve document resides.</p>

5	<p><u>Disclosure of liabilities</u></p> <ul style="list-style-type: none"> ● The text for disclosure needs to consider two aspects: <ul style="list-style-type: none"> ○ Update of including HCSA elements for new disclosure <ul style="list-style-type: none"> ○ CTF2 Social subgroup to better define social liability and the requirement for disclosure, taken into consideration of the HCSA toolkit. ○ CTF2 GIS subgroup to discuss document submission and processes needed for new membership and newly acquired areas. This includes reviewing the LUCA process to include HCSA elements as past LUCA only considered HCV. ○ Past disclosure without HCSA elements <ul style="list-style-type: none"> ○ A potential way forward is to use forest cover as a proxy for HCS forest and to conduct a macro level desktop analysis for the existing submission. This work can be done either by the Secretariat or 3rd party services so that not all growers have to submit. ● Reference to Annex 5 of the P&C 2018 is needed so that there is no retrospective application of the standard during the transitional period to fully adopt HCV-HCS assessment. This is because Annex 5 provides a temporary measure such as the LURI to identify the likelihood of HCS forest in the land and determine the need for standalone HCS assessment, which should sufficiently help growers to avoid clearance to HCS forest. Submission during this period would not have the need to go through new disclosure. ● Further discussion is needed for elucidating the disclosure process for new members and/ or acquisition of areas previously owned by non-members. 	To be discussed in future CTF meeting
6	<p><u>Thorough discussion on the draft zero of RaCP version 2 document</u></p> <p><i>a. Section 3.2 Cases relevant to this procedure</i></p> <ul style="list-style-type: none"> ● On the suggested cases that are ≥ 200 ha threshold will not automatically be treated as Compensation cases: <ul style="list-style-type: none"> ○ It was clarified that the suggested threshold came about to reduce the amount of cases that go through the complaints panel such that only ≥ 200 ha goes through the complaint panel while ≤ 200 go through RaCP. ○ However, it was brought up that any cases related to RaCP that were sent through the complaint panel will then be sent back to the compensation panel. Although the complaint mechanism/ document is currently under review by a consultant (including delinking the RaCP & complaint process), there is a need to solve this continuous loop for better efficiency. Nonetheless, it is recognised that in the current process, cases that go through a complaint will have 'a more severe consequences' than that of through the RaCP. ○ The 200 ha value was selected based on a research paper that indicated the biodiversity value is significantly higher beyond 200 ha. It is caveat that the 200 ha only applies to cases on mineral soils and focuses on environmental remediation (as 	

	<p>the social aspects were unable to be developed at that time due to lack of samples for study and Covid situation).</p> <ul style="list-style-type: none"> ○ Instead, It was then suggested to apply 100 ha instead, in alignment with the HCSA requirement. ○ Nevertheless, the cases under RaCP need to go through remediation and compensation as fast as possible to recover losses (including social losses) rather than going through a lengthy process. Thus, additional considerations such as how recent is the land clearance and the critical losses that occurred need to be factor in. ○ At this point of time, it was suggested that 200 ha and above will need to undergo remediation and at the same time complaint is lodged. Further questions such as the social element requires remedy, degree of criticalness of loss, how recent is recent, and whether to apply the 100 or 200 ha will be further discussed in tomorrow session. <ul style="list-style-type: none"> ● On the suggested cases of HCV clearance due to poor quality of HCV assessment (i.e. HCVs not identified as part of HCV assessment but which were encountered and cleared) will not automatically be treated as Compensation cases: <ul style="list-style-type: none"> ○ It was raised whether the sentence, which was in the previous RaCP version, is still required in the updated RaCP version. It was placed previously as it was foreseen that a large number of complaints would have come in due to the poor assessment, which is not the fault of the growers. ○ As the current processes and systems in place would have dealt with the situation of poor-quality assessment during the earlier days, it was agreed that the sentence is to be refined and placed as a footnote. ● At the end of this session, a flow chart was created to better visualise the process of how the different cases are being treated and will be further discussed in tomorrow's session. <p><i>b. Section 4 Responsibility</i></p> <ul style="list-style-type: none"> ● On section 4.2 RSPO Secretariat, in line with the best practice, RSPO Secretariat is expected to have a verbal discussion with the growers and Compensation Panel to reduce incidences of miscommunications. This includes written form of communication, whereby transparency to the Compensation Panel and growers are encouraged. ● On section 4.3 Compensation Panel, it was accepted and included in text that after three rounds of back and forth communications on the RaCP Concept Note, the Secretariat will inquire as to whether the Compensation Panel would like to have direct engagement with the growers. However, during the direct engagement, the anonymity of the Compensation Panel will be retained through methods such as voice changer technology and also hidden screens. 	
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- On section 4.3.1 Anonymity, further refine the section to reflect changes in section 4.3.
- On section 4.3.2 Timing,
 - Accept to maintain the 15 working days;
 - Edit the text that RSPO Secretariat will provide the revised timeline;
 - Rephrase the sentence that the materials is to be kept for 7 years by the Secretariat. This is to consider the project will run in perpetuity (i.e. 25 years).
- On Section 4.5 Independent Evaluator:
 - Currently, there are situations where compensation plans were not well written, proposals not adequate, or required clarity, which lead to multiple submissions that goes beyond the cost of USD 2700 for the evaluator.
 - Thus, point c was added previously together with a proposed cost (USD 2700) and timeline for the entire evaluation process, taken into consideration of a fair resubmission process that does not go beyond their time/ underpaid.
 - Discussion regarding the effective timeline:
 - To review the calendar day for the process as the current suggestion is unrefined and this will affect the certification process. Need to consider how many working days are expected for the evaluator to review the plan and to consider the possible multiple projects that need to be evaluated. To consider this aspect, the RSPO Secretariat were advised to find out how many compensation plans are currently at hand, how long each assessment takes and where are the bottlenecks.
 - To remove the CP endorsement process. Once the plan is approved, it will then go through the implementation stage and growers can proceed for certification.
 - Suggestion was raised to include an appeal period and system, including the consideration of re-evaluation by another evaluator for the appeal.
 - However, the whole timeline and process might need to be re-evaluated to build a robust system and with clarity on the steps required. With the right system, the appeal should not/ rarely happen.
 - To this end, it was suggested to apply the same system as HCVN report process whereby growers have 2 chances to resubmit. By then, if it is still unsatisfactory, growers have to re-start from scratch. Although this process is predictable and not open ended, it was not well received because growers have placed a lot of effort and resources in preparing the plan.
 - There was an understanding that there is a need for an enabling environment where knowledge needs to be shared with the growers for better understanding. There were several suggestions provided:

	<ul style="list-style-type: none"> ▪ Create detailed guidance on how to prepare a compensation project based on the compensation panel’s knowledge and experience in handling compensation projects. ▪ Create an online self-paced training course, which guides people on the documentation, what growers need to do, the reasons for doing it, how to measure outcome, what consideration might be needed, what risks are, how to solve them, etc. ▪ Hire NGO to train the growers on project design. ○ Therefore, a better knowledge management system needs to be in place so that new panel members learn/ have the institutional knowledge from other similar projects. ○ Annex 7 and 8 are to be reviewed. 	
7	<u>End of meeting</u>	
Day 2		
1	<p><u>Through discussion on the draft zero RaCPv2 document</u></p> <p><i>a. Section 3.2 Cases relevant to this procedure</i></p> <ul style="list-style-type: none"> ● It was agreed that for self-disclosed case, regardless of size, growers will follow the RaCP process and does not go through the complaint process. Caveat: <ul style="list-style-type: none"> ○ There is a need to have a mechanism in place to monitor recurrence of self-disclosure of a company to avoid a clear and pay situation. ○ Leeway should be given to self-disclosure and not automatically expel members. ● Therefore, it was agreed that self-reported cases can be evaluated on a case-by-case basis for exceptional cases. As a result: <ul style="list-style-type: none"> ○ Point A is removed, and section 8.1.1.1 Self-disclosed cases are also removed to be consistent/aligned with the requirement. ○ Additional footnote is placed on Table 2: **The RSPO BHCVWG Compensation Panel may review exceptional cases of accidental and limited land clearing with or without prior HCV-HCS assessment. ● On the second paragraph, to remove ‘will be treated as complaints’ and amend the paragraph to describe some of the exceptional cases, which are: <ul style="list-style-type: none"> ○ Self-disclosure process; ○ Immediate disclosure within 3 months of discovery; ○ Critical ecosystem services or social values affected would need to be remediated in parallel to applying to the RaCP ○ Cannot be planted with oil palm; ○ Not applied to any recurrence land clearing; ○ Present corrective action. ● Other aspects such as hectare size of clearance, critical loss and social impact were allocated to tomorrow’s session. 	

<ul style="list-style-type: none"> ● For the cost of service, there is a proposal that the cost for evaluation being borne by the growers can be counted as part of the payment for compensation value (only for ha to \$). <p><i>c. Section 8: Specific requirement</i></p> <ul style="list-style-type: none"> ● On section 8.1.2 Submission of SOPs: <ul style="list-style-type: none"> ○ A point was raised that the SOPs need to be checked for adequacy to prevent recurrence of land clearing prior to HCV-HCS assessment or post HCV-HCS assessment. This should be done either by the Secretariat or the CB. ○ To add in the audit checklist to check the adequacy of the SOPs during initial certification and recertification, and the need to request to review the SOP when there is self-disclosure of land clearing. If there is no self-disclosure of land clearing, the SOP should be adequate. ○ Delete section 8.1.2, but strengthen the concept note section on a declaration from senior management of the grower. To include in the declaration the second paragraph. ○ To add into the disclosure template in Annex 2 on the date for stop work for non-compliant land clearing. ● On section 8.1.3 Identification of social liability for the loss of HCV 4, 5 and 6: <ul style="list-style-type: none"> ○ To add in Point 1, after the sentence ‘since the time of clearance’, [such as those who were in the vicinity of the cleared area or downstream, those who have been displaced from the area, those who have been using the area as a source of livelihood, and those who have entered the area since the time of clearance] to make it clearer. ○ A reference was made to the HCSA toolkit module 2 on social background study, as well as ICLUDE, which are useful guidance to help growers to identify the affected communities. ○ To update any mention of the P&C in this section to refer to the year of the P&C ○ On the suggestion to have HCV-HCS assessment as a tool for social liability assessment as discussed in the CTF2 social subgroup: <ul style="list-style-type: none"> ▪ It was commented that HCV-HCS assessment is focusing on what is identifying now and not what is in the past (i.e. not a tool for retrospective identification social HCV loss). ▪ HCV-HCS assessor may not be suitable as they might not have social training background/expertise. ● On section 8.2.1 Land use change (LUC) analysis since November 2005: <ul style="list-style-type: none"> ○ To amend the remark in Table with the inclusion of HCSA - ‘After 15 November 2018 all structurally complex forest or simplified degraded forest will be calculated as coefficient 1. In reference to HCS, all forests that are HCS also be categorised as coefficient 1’. 	<p>Secretariat to add this requirement in the audit checklist.</p>
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	<ul style="list-style-type: none"> ○ The table will be amended to update the description of land type, including HCF and other non-forest ecosystems that are being discussed in the CTF2 Africa/LATAM subgroup. ● On section 8.2.1.1, it is removed and added as a footnote in Section 2 Introduction to the sentence ‘this is to say... associated development’. ● On section 8.2.3 Calculating conservation liability: <ul style="list-style-type: none"> ○ In table 2, to add a row on Land clearance after 15 Nov 2018. For the column Land controlled by non-member at time of clearance, to add [social remediation, environmental remediation, Twice the sum of all corporate clearance without prior HCV assessment multiplied by their vegetation coefficient(s) in Nov. 2005]. For the column Land controlled by RSPO members at the time of clearance including land acquired from other RSPO members, to add [Expulsion from RSPO (with caveats related to self-disclosure)]. <ul style="list-style-type: none"> ▪ The caveats will be further discussed tomorrow. ▪ However, further consideration is needed to consider the condition/ criteria of expulsion. ○ Identified HCV areas being cleared would be calculated at coefficient 1 for HCV 1,2 & 3. For HCV 4,5 & 6 it will be social remediation, taking note of identified social values. ● Section 8.3.1 Negotiation and agreement of a social remediation plan will be addressed in the CTF2 social subgroup. <p><i>d. Next plan of action</i></p> <ul style="list-style-type: none"> ● Moving forward, to have a brief call with quorum to discuss the CTF2 subgroups’ outcomes and remaining pages of RaCP. 	
2	<p><u>Self-Assessment Matrix (SAM) document</u></p> <ul style="list-style-type: none"> ● The SAM is applicable to smallholders as they are required to do disclosure. ● Edited ‘oil palm development’ to ‘previous development’ in the HCV row, page 3. ● This document is to be reviewed by the CTF2 social subgroup. 	
3	<p><u>End of meeting</u></p>	
Day 3		
1	<p><u>Through discussion on the draft zero RaCPv2 document</u></p> <p><i>a. Section 3.2 Cases relevant to this procedure</i></p> <ul style="list-style-type: none"> ● On the discussion of hectare size, critical loss and social impact: <ul style="list-style-type: none"> ○ Not to put a specific size so that it is not viewed as prescribing a certain size is acceptable for clearance, which can lead to criticism. Instead, the proposal is to have the size as a 	

	<p>guidance to compensation panel and the suggested size are (1) 1% of management unit/ certified area hectarage (allowable ops factor); (2) 10 ha per cleared area patch, 100 ha collectively (i.e for a company); (3) 100; (4) 200 ha. However, these size proposals need to be supported with evidence if it were to be applied.</p> <ul style="list-style-type: none"> ○ Cases on recurrence and critical loss to be brought up to all compensation panels for decision, rather than immediate expulsion. ○ The guidance for the compensation panel, which will include the cases and experience of compensation panel members, will be valuable as a reference and need to be tested out and further refined in the coming years. <p><i>b. Final check on the documents</i></p> <ul style="list-style-type: none"> ● The following were the decision made on whether further discussion is needed: <ul style="list-style-type: none"> ○ Section 1 – completed ○ Section 2 – completed ○ Section 3.2 – to amend and return to CTF2 for approval ○ Section 4.5 – to revisit but not extensively ○ Section 5 – completed ○ Section 6 – completed ○ Section 7 – completed ○ Section 8.1.3 – will be discussed in CTF2 social subgroup ○ Section 8.2.1 – LUCA and Annex 3 will be discussed in CTF2 GIS subgroup, coefficient for other ecosystem will be discussed in CTF2 Africa/LATAM subgroup ○ Section 8.2.2 – peat remediation will be discussed in Peat Task Force ○ Section 8.3 – will be discussed in CTF2 social subgroup ○ Section 9 – completed ○ Section 10 – to review and refine ○ Annex 7 and 8 to be reviewed ● A folder will be created to save all different versions of the changes to the draft document. ● Meeting proposal – at any one time when a CTF2 subgroup has completed/ has a major decision/ has a key result reached, a CTF2 online meeting session can be held for approval. The next CTF2 meeting was tentatively set in July/August. 	
2	<u>End of meeting</u>	