

Terms of Reference

The RSPO Compensation Task Force 2 (CTF 2) of Biodiversity & High Conservation Value Working Group (BHCVWG)

1. Introduction

The RSPO Principles and Criteria (P&C) 2018, adopted at the 15th annual General Assembly (GA15) on 15 November, 2018, in Kota Kinabalu Sabah, includes new requirements to halt deforestation (C7.12) through the use of the High Carbon Stock Approach (HCSA) toolkit.

Criterion 7.12 in P&C 2018 requires that land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. This includes a requirement that land clearing since November 2005 has not damaged primary forests or any area to protect or enhance HCVs, and from 15 November 2018, that land clearing has not damaged HCVs and HCS forests.

The Remediation and Compensation Procedure (RaCP) was developed by the Compensation Task Force (CTF) between 2010-2015 under the Biodiversity and High Conservation Value working group (BHCVWG). The objectives of CTF were to develop a guidance document to help guide members and the RSPO in determining how to proceed with cases of land clearance without HCV assessment, how to develop acceptable compensation packages for individual cases, and to pilot the proposed mechanism. The CTF 2 presented an advanced draft of the RaCP to the Board of Governors (BoG) in 2014. The CTF 2 held several rounds of public consultation and further revised the RaCP guidance document before it was adopted by the BoG in November 2015.

While the RaCP procedure is well established, there is a need to update these procedures to account for land clearing of HCS forests by members since 15 November 2018 as required under P&C 2018. To ensure that the current RaCP process is meeting its intended impact, there is also a need to review the effectiveness of the current RaCP procedure and update the procedures as necessary.

The goal of the RSPO Compensation Task Force 2 (CTF 2) is to review and update the RaCP guidance document that will help guide members and the RSPO in determining how to proceed with cases of clearance without HCV and/or HCV-HCS assessment and how to develop acceptable compensation packages for individual cases.

2. Objectives

The vision of CTF 2 echoes the vision of RSPO & BHCVWG to “transform markets to make sustainable palm oil the norm” and the BHCVWG supports that goal by assisting the palm oil sector in their efforts to: (1) effectively implement ongoing processes of identifying, managing and monitoring biological, ecological, social or cultural values that are of outstanding significance or critical importance; and (2) undertake ongoing processes of remediation and compensation when required.

3. Scope of work

The CTF 2 will support the mission of the BHCVWG and facilitate the process of development of a revised guidance document for the RaCP for land clearance without HCV-HCS assessment to be presented to and endorsed by the RSPO BoG. This will include reviewing the effectiveness of the current RaCP procedure and updating the existing procedures as necessary.

3.1 Objective:

The key objective of the CTF 2 is to revise guidance for the RaCP for land clearance without HCV-HCS assessment since 15 November 2018, incorporating elements of non-compliance related to HCS.

3.2 Expected outputs

Based on the review of the RaCP which has been implemented since May 2014, the CTF 2 will produce the following:

- Conduct at least one (ideally two) public stakeholder consultation to discuss the RaCP review and provide feedback on the new guidance; and
- A final and revised guidance document to be submitted to the RSPO BoG for approval.

4. Membership

4.1 Composition

The CTF 2 will consist of RSPO members representing the sectorial and geographical composition of the RSPO, and technical specialists reflecting the nature of this group. Membership will include existing members of the BHCVWG.

Category	Total
Growers and Environment/Social NGOs	Equal number
Processors and Traders	2
Consumer Goods Manufacturers and Retailers	1
Financial Institutions	1

The CTF 2 will be co-chaired by two members, one selected from the Growers and one from NGOs (Environmental or Social).

Relevant institutions or experts, including HCVRN and HCSA may be invited to participate as technical experts. Members in this category will have no rights to vote shall there be any needs to practice it.

3.2 Criteria for Membership

Members are expected to participate actively to the proceedings on behalf of their sector and to ensure they are represented by a designated alternate if they are unable to do so.

3.3 Termination/Retirement and Reselection of Member

The CTF 2 can exercise the right to terminate or retire the membership of a TF member. However, the decision must be made by consensus of the TF (excluding the affected party).

The reasons (not exhaustive) for the TF to consider retirement of a TF members are:

1. Absence from TF meetings for three consecutive meetings without arranging for an alternate to attend these meetings.
2. Persistent refusal to furnish information in timely manner as requested by the TF. Information requested, if deemed beneficial to the objectives of the TF, shall not be unreasonably withheld except for those which are commercially sensitive and/or prohibited by law for dissemination.

Retirement of membership will be informed in writing by the Co-Chairs of the CTF 2, copied in to the RSPO secretariat. The Co-Chairs of the CTF 2 will invite the constituents of the affected sectorial and/or geographical stakeholder group to nominate a new representative to the TF.

3.4 Management

Each member must declare any conflict of interest on any matters on the agenda and/or matters arising at the beginning or during the course of the meeting. Should a conflict of interest exist, the member concerned must recuse themselves from the decision-making process or sensitive discussions.

All members of the CTF 2 are required to sign the Code of Conduct.

All outcomes and decisions are made on consensus basis, members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the CTF 2 are consistent with the consensus reached within the CTF 2.

If consensus is not possible for any specific issue or criteria and this results in a deadlock, i.e. whereby opposing parties come to a point of fundamental disagreement on a significant topic and no progress can be made risking a standstill or stalemate of the entire process, the TF shall refer the matter to the RSPO Board Committee, who shall seek to resolve the issue in question by consensus (as per the RSPO Standard Operating Procedure for Standard Setting and Review (June 2017)).

3.4.1. Communication

It is desirable that the Task Force organizes face to face meeting up to 4 times a year or teleconferences where necessary.

During these meetings, Chatham House rules apply. The Chatham House Rule aims to provide anonymity to speakers. This rule is applied throughout all meetings as an aid to free discussion, encouraging openness and the sharing of information. The Chatham House Rule reads as follows:

‘When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.’

Any public communications related to the CTF 2 and its work will be agreed by the CTF 2 members and approved by the RSPO communications team.

Minutes of the meeting and clarifications of decisions made by the CTF 2 are to be shared no more than one month after the meeting. Relevant guidance documents from the CTF 2 will be translated to relevant languages.

3.5 Role of the RSPO Secretariat

The RSPO Secretariat will provide the financial, human and logistical support that the CTF 2 requires to meet, conduct business and achieve its objectives: The secretariat will assist and support the CTF 2 and will provide the CTF 2 members with technical reports from in-house and outsourced studies, terms of reference for consultancies, and other information that is requested by the CTF 2 to fulfil its objectives.

3.6 Active Period

It is proposed that the taskforce undertakes its work for a period of one year, with the first physical meeting scheduled for September 2019. At the end of the active period, the RSPO secretariat will resume full responsibility for reviewing, reporting and verifying the implementation of the TF decisions and recommendations, and adjust as necessary by making recommendations to the appropriate RSPO Board Committee.