

Frequently Asked Questions (FAQ)

GHG Assessment Procedure for New Development

1st November 2016

Document Title: FAQ, GHG Assessment Procedure for New Development

Document Code: RSPO-REF-T04-007 V1.1 ENG

Scope: International

Document Type: Others

Last Updated: 1st November 2016

Contact: RSPO Secretariat
Unit A-37-1, Menara UOA Bangsar,
Number 5 Jalan Bangsar Utama 1
Kuala Lumpur 59000, Malaysia

1. What is the RSPO GHG Assessment Procedure for New Development?

The RSPO GHG Assessment Procedure for New Development provides a practical methodology to growers for estimating the carbon stock for land earmarked for new plantation development. Based on this, the corresponding expected carbon stock changes (above and below ground) and GHG emissions associated with the resulting land cover change to oil palm and peat drainage can be estimated and development plans adjusted to minimise net greenhouse gas emissions associated with new plantation development. This procedure is referred to in the RSPO P&C 2013, as the RSPO Carbon Assessment Tool and is to be referred to in order to meet compliance with Criterion 7.8. The procedure is intended to be compatible with current processes required under Principle 7 – primarily the soil survey, SEIA and HCV assessments.

2. What is Criterion 7.8?

Criterion 7.8 is a new criterion that was introduced in the RSPO P&C 2013. It requires that new plantation developments are designed to minimise net greenhouse gas (GHG) emissions. The indicators under this criterion include the identification and estimation of potential sources of emission and sinks of carbon associated with new developments. Another indicator is that new developments must be designed to minimise GHG emissions which takes into account avoidance of land areas with high carbon stocks and consideration of sequestration options.

3. When does Criterion 7.8 become effective?

The application of Criterion 7.8 comes with an implementation period that ends on 31st December 2016, after which the report will be uploaded as part of the NPP notification documents. The purpose of the implementation period is to allow the RSPO Emission Reduction Working Group (ERWG) to review and fine tune the tools, emission factors and methodologies, and provide additional guidance, recognising the challenges associated with estimating carbon stocks and projecting GHG emissions from new developments. During this time, public reporting is voluntary.

4. Is compliance to Criterion 7.8 voluntary during the implementation period?

Compliance to Criterion 7.8 is mandatory for all NPP submissions as of 1st January 2015. Companies must submit their summary report to the ERWG via the RSPO Secretariat. Only public reporting is voluntary during the implementation period. As of 1st January 2017, when public reporting becomes mandatory, requirements under Criterion 7.8 will be published together with the standard NPP report.

5. Are historic land use change emissions considered under Criterion 7.8?

No. This should not be confused with the land use change analysis to determine changes in vegetation since November 2005 under Criterion 7.3. Companies should only assess the current carbon stock prior to the planned new development.

6. What is the threshold to determine High Carbon Stock?

RSPO recognises the challenges of placing a quantitative threshold to determine High Carbon Stock especially when taking into account regional differences in vegetation types, governance and socio-economic needs.

RSPO does not define what is High Carbon Stock. A definition for Low Carbon Stock is provided in Annex 2 of the RSPO P&C 2013 - Low carbon stock areas are defined as those with (above and below ground) carbon stores, where the losses as a result of conversion are equal or smaller to the gains in carbon stock within the new development area including set aside areas (non-planted areas) over the period of one rotation.

This GHG Assessment Procedure has been developed for members to identify the carbon stock changes and GHG emissions associated with a particular development. By integrating the findings together with the results of the HCV assessment and the community assessments (as part of SEIA), members can select the optimal development scenario and develop a plan to mitigate the possible impacts and to report on what the projected changes and emissions will be.

Companies are required to review the pros and cons of the various development scenarios, taking into account:

- Avoidance of land areas with high carbon stock and/or potential high GHG emissions (if developed)
- Options to increase the sequestration of carbon (conservation areas, river buffer zones, etc.)
- Avoidance of HCV areas as determined in HCV assessment.
- Avoidance of peatland
- Practical management issues such as access and connectivity, socio-economic concerns, etc.

Reasons for selecting the preferred development option shall be given.

7. What are the contents of the summary report that need to be submitted for compliance to Criterion 7.8?

The submission shall contain a summary of the carbon stock assessment (refer to indicator 7.8.1) and a summary of a management plan (refer to indicator 7.8.2). The GHG assessment procedure provides a comprehensive outline of the reporting requirements. Companies are advised to adhere to the reporting framework provided in the GHG assessment procedure when preparing their reports for submission.

8. What are the common issues encountered when reviewing submissions?

The common issues encountered are listed below:

- Confusion with Land Use Change Analysis (C7.3). In some cases, the carbon stock was estimated based on the November 2005 baseline which is not required.
- Maps are not well explained (i.e. areas of planned development and conservation areas, impact of ground truthing on stratification)
- Poor description of the vegetation strata and corresponding carbon stock
- In the cases of ongoing development (where the new plantation development started before January 2010 and continued thereafter) or in cases where new planting is being proposed in management units that are already in operation (there are existing estates and a mill in operation), emissions from proposed new development are not clearly differentiated from existing operations
- Lack of scenario testing and mapping overlay (integrated map showing results of HCV assessment, SEIA and carbon stock assessment). In cases where companies already have specific policies on the issues of deforestation and peat development, some scenario setting is also expected within the scope of their policy.
- Scenarios poorly explained and scenario choice also not well justified
- Unclear if the carbon stock assessment resulted in additional areas outside of identified HCV areas that will be set aside
- Poor description on how or whether the carbon stock assessment together with the other related assessments such as HCV and SEIA, influenced the outcome of plantation plan and design.

9. How are smallholders expected to comply with Criterion 7.8?

The compliance for scheme smallholders is the responsibility of the company that is managing the scheme. There is no mechanism in-place at this time for the independent smallholder to comply with Criterion 7.8.

10. Can RSPO member companies use the methodologies outlined in the HCS+ Study to comply with Criterion 7.8?

RSPO member companies that wish to follow the HCS+ Methodology would:

- i) Apply the methods described by HCS+ to map and estimate the above ground carbon (Must use the high-res mapping tool, i.e. Lidar/other tool) and soil carbon and prepare a map of land cover with carbon stock.
- ii) Apply the 75tC/ha carbon stock thresh-hold (AGB, roots and deadwood) and plan for carbon neutral development as per the HCS+ recommendations to determine the area for development.
- iii) Apply the 75tC/ha carbon stock thresh-hold for soil carbon.
- iv) Follow RSPO GHG Procedure/New Development GHG Calculator to:
 - a. Predict GHG emissions related to mill operations;
 - b. Prepare a management and mitigation plan including emission reduction measures; and
 - c. Set up a monitoring process

11. Can RSPO member companies use the HCS Approach toolkit to comply with Criterion 7.8?

RSPO member companies that wish to follow the HCS Approach toolkit would:

- i) Apply the methods described by HCSA toolkit to map out potential HCS forest. (Note HCSA does not have a soil carbon estimation process due strict “NO PEAT” commitment. Any company choosing this option must also commit to “NO PEAT” development). Tropical peat soils (Histosols) are defined as organic soils with 65% or more organic matter and a depth of 50 cm or more (see RSPO Manual on Best Management Practices (BMPs) for Existing Oil Palm Cultivation on Peat).
- ii) Develop a plan based on decisions on where to proceed with development and where to maintain/conservate as set aside areas.
- iii) Follow RSPO GHG Procedure/New Development GHG Calculator to:
 - a. Predict GHG emissions related to both the plantation and mill operations;
 - b. Prepare a management and mitigation plan including emission reduction measures; and
 - c. Set up a monitoring process

12. Can RSPO member companies use the HCS Approach and HCS+ Study converged methodology to comply with Criterion 7.8?

The parties behind HCSA and HCS+ have identified areas of synergy and there is an ongoing dialogue on convergence which also involves the RSPO Secretariat and some members of the ERWG. Converged method as the result of current convergence process could be adopted to comply with parts of the Procedure, mainly focusing on the Chapter 3 of this Procedure. Chapter 4 Assessment of GHG Emissions from New Development of this Procedure would still need to be applied.



The RSPO is an international non-profit organization formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.



RSPO will transform markets to make sustainable palm oil the norm

FIND OUT MORE AT

www.rspo.org

Roundtable on Sustainable Palm Oil

**Unit A- 37-1, Level 37, Tower A, Menara UOA Bangsar
No. 5, Jln Bangsar Utama 1, 59000 Kuala Lumpur, Malaysia
T : +603 2302 1500 F : +603 2302 1542 E : rspo@rspo.org**

Other RSPO Offices

Jakarta, Indonesia

London, United Kingdom

Beijing, China