

**Assurance Standing Committee
Standards Quality Subgroup
1st Meeting (via Zoom)
Minutes of Meeting**

Venue : Zoom Meeting (<https://zoom.us/j/92771731538>)
Date and time : 6 October 2022 at 5.00 pm – 6.30 pm KL time

Members Attendance:

Growers		
Name	Organisation	Group Representation
Salasah Elias <i>(absent with apology)</i>	Kulim (Malaysia) Bhd	Malaysian Growers
Mariama Diallo (MD)	SIAT Nigeria	Growers RoW
NGOs		
Name	Organisation	Group Representation
Marcus Colchester (MC) <i>(absent with apology)</i>	Forest Peoples Programme	S-NGO
Corey Norton <i>(absent with apology)</i>	WWF International	E-NGO
Supply Chain Sector / Downstream / Others		
Name	Organisation	Group Representation
Ruth Silva (RS)	HCVN	ALS Quality Manager
Jan Pierre (JP)	ASI	RSPO Program Manager

RSPO Secretariat Attendance:

Name	Position
Wan Muqtadir Wan Abdul Fatah (WM)	Head, Integrity
Zaidee Mohd Tahir (ZT)	Manager, Integrity
Freda Manan (FM)	Sr. Executive, Integrity
Indrawan Suryadi (IS)	Manager, Geographic Information System (GIS)
Maria Roswita Kartika Sari Bawono	Executive, Geographic Information System (GIS)
Ahmad Amirul Ariff	Manager, Certification



Item	Description	Action Points
1.0	<p>Introduction FM shared the agenda for today's meeting.</p>	
1.1	<p>RSPO Antitrust Law, ASC Standards Quality Subgroup ToR (Consensus-Based Decision-Making, Declaration of Conflict of Interest, Col) FM briefly shared the RSPO Antitrust Guidelines and the RSPO consensus-based decision-making process, in accordance with the ASC Standards Quality Subgroup Terms of Reference. FM highlighted the Col obligations. No Col was declared at this meeting.</p>	
2.0 2.1	<p>For Discussion</p> <p>Actions on Undisclosed Land Clearing of HCV Areas IS shared the methods that have been used by the Secretariat since 2018 to identify undisclosed land clearing within RSPO concession areas:</p> <ul style="list-style-type: none"> • Post-NPP Retrospective Monitoring - potential past HCV area clearance which was left unmonitored since the NPP was approved. • Post-NPP Active Monitoring - track progress of approved NPP implementation of RSPO members. • Land Clearing Monitoring of RSPO Concession - continuous monitoring mechanism to ensure no land conversion into oil palm outside of NPP approved areas for Certified and Non-Certified Units. <p>IS explained the steps involved in RSPO's Deforestation Monitoring:</p> <ol style="list-style-type: none"> 1. GLAD alerts - alerts received through Global Forest Watch (GFW) subscription with GFW Pro on potential land clearing/deforestation. 2. Notification to Members - sent after the information is validated by the GIS team. 3. Show Cause and Analysis - members fill in the Land Clearing Report form provided as a show cause. Further analysis will be done and this could trigger more verifications. 4. Next steps - actions to be determined depending on the show cause. <p>Two topics will be discussed in the meeting; 1. How to strengthen the verification process, 2. How to determine the next course of action after verification.</p> <p>IS explained the information requested during the Show Cause stage:</p> <ul style="list-style-type: none"> • 4 geotagged photographs (with GPS location embedded within the metadata) taken in four different directions (north, south, east, west) at the cleared area's GPS coordinates. • Maps of the area overlaid with the concession boundary showing the actual extent of land clearing (in PDF). <p>IS shared that from April 2022 to September 2022, 11 verified cases of undisclosed land clearing (ULC) within RSPO concessions were identified.</p> <ul style="list-style-type: none"> • Total clearance inside HCV areas: 444.45 ha • 72.7% of them are from uncertified units. 	

	<ul style="list-style-type: none"> • 85.7% of the uncertified units have approved NPPs. • Justification by members: 81.8% land clearing done by local community <p>IS continued with related RSPO requirements including sections 7.12.1 of P&C 2018, 1.4 of RaCP, 5.5.2(a) & 5.5.3(a) of CSD 2020 and 1.5 of NPP 2021. IS also highlighted a case example whereby in April 2022, 114.36 ha of HCV area was found to have been cleared.</p> <p>Then, FM raised two problem statements to be discussed:</p> <ul style="list-style-type: none"> • The most common reason given by members for the undisclosed land clearing cases was clearance by local communities which means that there is a need to improve monitoring and management of the identified HCV and/or HCVA's by the members. • Further improvements are also required to determine: 1. How can the Secretariat strengthen the verification process i.e types of evidence that are acceptable and methods to validate the information and 2. How can the Secretariat determine the next course of action after verification i.e suspension, expulsion and sanction mechanism. <p>Discussion points</p> <p>A member commented that the approach of the concession area only applies to Indonesia and Malaysia and has to be more inclusive and applicable to the rest of the world. WM responded that this is due to major alerts received from this region. IS confirmed that the monitoring is done globally but most cases were detected in this region.</p> <p>A member asked what is meant by evidence to be requested, whether it is to confirm that clearance has happened, or to justify the cause of clearance. FM responded that it is for the second reason. IS added that it is for both confirmation and justification for the land clearing. When GFW alert was received, internal verification was done by checking hi-res images from various sources including <i>Planet</i>, delineating the areas and acquiring the maps before conveying it to growers. WM said that he was not convinced when 81% claimed that land clearing was done by local communities and asked how the Secretariat should move forward on this.</p> <p>Another member mentioned that since the concession belongs to the company, land clearing could have only been done either by the company or the local community. Instead of asking companies to prove their innocence, the member suggested getting information that clarifies who is responsible for the clearance.</p> <p>A member commented that as RSPO members, companies are obliged to follow through with the development plans and ensure that the HCV areas are not cleared, otherwise it will dilute their commitment to RSPO. If they claim it was done by local communities, then the question should be how did they allow that to happen, what mechanisms have they put in place to prevent it. The member emphasised that the verification should not only focus on understanding the cause for the clearance, but also what the company did to uphold their commitments to no deforestation and protection of HCVs.</p> <p>Another member quoted clause 7.12.4 of the P&C 2018 i.e commitment for</p>	
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	<p>integrated management plan to protect and enhance HCVs. If local communities cleared the land, then the certificate holders have failed to manage the HCVs and the Secretariat can use this clause to take action on them.</p> <p>A member shared that from a grower’s perspective, this is a sensitive topic because it depends on where the HCV is located. If it is inside the concession, the liability of the company is bigger. If it is on the border, it is more challenging to secure for many reasons. It is not possible for the company to forbid local communities from accessing the area as it should be co-managed. In some cases, people who encroach the areas can be armed and dangerous and this presents real challenges to the company. The focus should then also be on how to assist companies to deal with such issues. There are cases where growers are considering excluding some areas due to the difficulties faced in securing it.</p> <p>FM then directed the members to the next topic for discussion i.e Next Course of Action, and explained the different approaches taken on certified and uncertified units. For certified units, the CB will conduct verification during annual surveillance audit and if major NC is detected, certificate won’t be issued, the root cause(s) will be determined and corrective actions will be decided for the member to take. For uncertified units, if the area already has an approved NPP, it will go through Complaints process and may result in suspension or expulsion. For those without an approved NPP, it will be subject to a 3-year sanction from the date of first certification.</p> <p>A member commented that the mechanism seems to be favoring those without NPP since the unit will still be allowed certification even if found to have cleared a HCV or HCS area which is clearly a breach of the P&C. WM agreed with the member that it does seem that uncertified units will receive less penalty than those certified. WM shared that the NPP document stated that if HCV assessment was conducted but the member did not submit NPP and land clearing was done, the member will receive a 3-year sanction. WM is also of the opinion that if such land clearing has happened, the area should not be certified at all.</p> <p>WM asked for clarification from one of the members if a major NC has been raised and the corrective actions have been accepted by the auditor, will the NC be closed. The member pointed out that WM missed a step in which the auditor should review the closure of the major NC in the following year. If the corrective actions are not effective, the NC could be raised again and this may lead to suspension. The procedure may seem relaxed, but there are rules that have to be followed by all parties involved. WM added that since it is a critical indicator, the certificate holders have only three months to close the NC, then the certificate can be issued anyway.</p> <p>WM then asked if the group should question if there is a systemic failure i.e the organisations failed to monitor the identified HCV areas. A member agreed to this especially if the clearance involved an area as big as 100 ha which could not have happened in a short period. It seems that the</p>	
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	<p>companies are asking for forgiveness on behalf of the local community for the land clearing. The member emphasised the importance of establishing the companies' responsibilities over their concession areas.</p> <p>Another member raised a question of how to determine the responsibilities and what level of breach is acceptable and may lead to corrective actions or suspension and what should be 100% unacceptable and directly lead to expulsion or prevent the area from ever becoming RSPO-certified. This was not spelled out anywhere and should not be dealt with on a case-to-case basis. Instead, it should be based on certain criteria, such as what would constitute as sufficient evidence that the company has delivered their responsibilities as a certified company but was unable to protect the HCV areas. The member added that when it comes to identification of HCV and HCS areas, community needs are also considered. In theory, results of the HCV-HCS assessment would have already been presented to and agreed by the community. If the community breaches this agreement, there has to be some documentation of what the company did to prevent it, otherwise the identification of those areas would have been pointless.</p> <p>WM asked for final thoughts from each member. A member stated that companies would have a management plan as a result of their HCV-HCS and social & environmental impact assessments. The due diligence should not only look at who cleared the land, but also whether the management plan to protect those areas and to comply with criteria 7.12 is sufficient, to be able to decide whether it is the company's, local community's, shared responsibility or a third-party's responsibility. WM responded that companies also need to conduct a risk assessment to identify any potential risks and incorporate the risks into their management plan to decide on control measures that should be put in place when such cases happen. The member added that perhaps prior to approving an NPP submission, the Secretariat may want to include a clause that links the management plan to this issue. WM thanked the member and led the group to the next topic which was directly related to the last point mentioned.</p>	
<p>2.2</p>	<p>NPP 2021: Checklist for CB's Verification of NPP</p> <p>ZT gave a background on the RSPO's New Planting Procedure (NPP):</p> <ul style="list-style-type: none"> • The NPP consists of a set of assessments to be conducted by growers, followed by a verification by certification bodies (CB) prior to any new oil palm development. • The intention of NPP is that new oil palm plantings will not negatively impact HCV and HCS areas, peatland, fragile and marginal soils or impact the rights of local peoples, including their rights on the land being developed. • The key output of the NPP is a report that proposes how and where new oil palm plantings should proceed for a given management area and the proposed integrated management plan. <p>ZT raised two problem statements:</p> <ul style="list-style-type: none"> • In the process of Completeness Check of NPP submissions by the Secretariat, several recurring issues can be detected which result in the rejection of the submissions. A few examples are: 	

	<p>incomplete information e.g assessment team, time period, methodologies used, key findings from some of the assessments were not included in the management plan, key mitigation and monitoring regime did not correspond with actual findings and timelines for mitigation and monitoring regime were not provided.</p> <ul style="list-style-type: none"> • There is a need to create a checklist that can be used as a complementary document by CBs to improve their verification of NPP documents and subsequently improve the quality of NPP submissions. <p>Then, ZT explained the objectives of the CB NPP Verification Checklist:</p> <ul style="list-style-type: none"> • To produce the checklist as a complementary guidance for CBs to use in NPP verification. • To provide consistency for CBs during their verification of NPP documentations. • To improve the quality of NPP submissions and prevent the need for multiple rounds of submission by CBs. • To create stronger assurance when the NPP documents are published for Public Comment. <p>ZT also shared how the checklist was developed:</p> <ul style="list-style-type: none"> • Cross reference between NPP 2021 document and relevant RSPO Principles and Criteria (P&C) indicators to ensure alignment and compliance. • Consideration of issues detected by the Secretariat in its Completeness Check on NPP submissions. • Consultation with other divisions within the Secretariat. • Consultation with CBs during the RSPO CB Interpretation Forum in Medan, Indonesia in August 2022. <p>Finally, ZT highlighted some questions from each section of the checklist for the purpose of discussion.</p> <p>Discussion points</p> <p><u>1. Social And Environmental Impact Assessment, SEIA</u></p> <p>ZT highlighted a question from the checklist:</p> <ul style="list-style-type: none"> • Were there significant environmentally or socially sensitive areas or issues identified? If yes, was an independent assessment conducted? - ZT added that at the moment only areas above 500 ha are required to conduct an independent assessment. <p>A member responded that an independent assessment is always preferred unless it is a really small area and said that based on experience, companies often hide important information in their self assessments. Another member commented that independence is equally important as the qualification of the team conducting the study. However, independence is relative since most experts are contracted by the companies. That is why it is critical to have an independent third-party assurance to the work that is done by the independent experts. The member continued that the assurance provided by ALS to third-party independent assessments has shown a 30% increase in areas identified as HCVA. This is related to the level of data and experience in analysis but the ALS is aware that sometimes companies put significant pressure on the independent experts to align with the companies' land use plans before commissioning the assessments. This is why ALS always recommends third-party assurance</p>	
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	<p>of the studies because the impact can be very significant in terms of protection of biodiversity and areas of importance for local communities.</p> <p>WM commented that this shows a need for CBs conducting NPP verification to be very familiar and competent with SEIA elements regardless of the assessors' independence. Another member agreed that in normal circumstances, the assessment should be conducted by independent assessors because not all companies would have someone with the required competencies. However, the member mentioned that some considerations may be given for example if a study has been conducted on the area in the past, size and location of the area (not high-risk areas).</p> <p>WM continued with the second question highlighted:</p> <ul style="list-style-type: none"> • Does it explain the assessment methodology and sampling points for both environment & social issues? - WM added that most countries have SEIA-related regulations and asked if this question needs to be expanded. <p>A member stated that another factor to be considered is the limited time that auditors have. The member was unsure if government entities provide assurance on these assessments and if auditors can rely on them. The member asked what would happen if there is clearance or conversion of HCVAs between the time of the assessment and when the NPP is being prepared. ALS has seen situations where, by the time the quality panel check is being done, some HCVAs have already been converted. WM asked if the companies claimed those were done by local communities. The member responded that ALS would not have that information because it only checks the quality of the assessments (beyond assurance scope). ALS is deciding on whether it would begin to disclose such findings on its website because otherwise when the reports are published, it may be perceived as 'greenwashing' since it received Satisfactory results but some HCVAs no longer exist.</p> <p>In relation to the question, ZT asked how the sampling points for social issues need to be identified when verifying Social Impact Assessment. A member reiterated auditors' limitations on the field - only check if there is a SEIA, who is the assessor and if it has been approved - they do not have the capacity to analyse the assessment (too many pages & time consuming). SEIA legislation varies for each country and the member gave an example that in general, for clearing 100ha of agricultural land (non-primary forest), there is not much legislation protecting it in terms of social and environmental impacts.</p> <p>Another member agreed that auditors do not have the time to thoroughly check the report and at some point, just have to trust the findings and all the identified risks. They should however, evaluate the effectiveness of the management & mitigation plan resulting from the findings of the assessment.</p> <p><u>2. HCV-HCS Assessment</u> ZT highlighted a question from the checklist:</p>	
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	<ul style="list-style-type: none"> • Is there evidence of stakeholder consultation and negotiated agreement, in accordance with FPIC principles, with local communities to optimally safeguard HCVs and rights of local communities? - to ensure their understanding of the process. <p>WM added that NPP is the start of a plantation cycle and FPIC is critical at this point.</p> <p>A member commented that this is covered by the third-party assurance process so did not recommend auditors to double-check the information. The member added that RSPO has a commitment with the HCS toolkit that establishes a specific process to take place before the assessment is conducted. Initiation of FPIC is one of its strong pillars and it is the company's responsibility. The member stated that the likelihood of this step to not have been completed before and during the assessment is low because the assurance process includes verification of evidence (e.g minutes of meeting) for FPIC. The member suggested auditors to focus on recommendations from the assessment and check if the company has undertaken such steps since the report was published up until the start of the NPP. This is because in some cases, consultation may not have been sufficient (particularly during the COVID-19 pandemic). The assessment may state that consultations with local community or authority are pending or the map is labelled as draft because it cannot be finalised until the community agrees that it is indeed a HCV area. The member referred to the earlier comment made on key agreement with the local community regarding a HCV area on the border.</p> <p>A member asked how to identify and ensure the right stakeholders are engaged in this process. WM answered that this is determined during the stakeholder mapping stage. The member gave an example of Ghana where in such assessment, the community chiefs would represent themselves as the first person to represent the community. However, in some cases, their thoughts are not always representative of the community so the member suggested considering this aspect.</p> <p>ZT brought up the second question:</p> <ul style="list-style-type: none"> • If a negotiated agreement cannot be reached, is there evidence of sustained efforts to achieve an agreement? - if agreement cannot be reached, does the NPP still can continue and what needs to be done. <p>A member commented that the two questions seem to have come straight from the HCV-HCSA social requirements guide and the Secretariat needs to be mindful that it is not intended to be used at the NPP stage, but at the start of the assessment. In theory, if the legally recognised representative of a community has not given documented consent, it will not even be included in the assessment and the land should never be part of the NPP. There have been cases where the community changed their mind after the assessment (during the third-party assurance process), in which the assessor would then contact HCVN to inform them that the scope of the report needs to be revised. The member continued that during the NPP verification process, if auditors detect that a community which has given consent before decides not to do so anymore, the scope of the NPP may</p>	
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	<p>need to be revised.</p> <p><u>3. Stakeholder Engagement & FPIC</u> ZT highlighted the first question:</p> <ul style="list-style-type: none"> Is the company aware of local systems of land ownership (especially held by custom, informal tenure and not through statutory land titling)? - ZT gave an example: if there is a nomadic community, how can the informal tenure be determined? <p>A member mentioned that if a company complies to P&C 2018, it would have followed the HCS toolkit about land tenure and use studies. Training for RSPO members has been conducted a few years ago on this. The toolkit outlines a preparatory stage where growers must first conduct desk-based social baseline studies, then engage the communities for preliminary consultation to inform of what needs to be done. One of the studies to be conducted is land tenure and use study which not only covers both legally-owned lands with titles, but also use of resources. This study is required to include participatory mapping, at least at the preliminary stage, so all communities that could be affected by the development should have participated and the company would be aware of any kinds of ownership system beyond the formally documented ones. This would resolve the earlier question about identifying the right stakeholders.</p> <p>Another member commented that the assessors who prepared the report are meant to be local experts so the question should be - is the upper management aware of the results of this report? If they are not, and only ordered the team in charge to get the development done no matter what, the team may possibly hide some results from the management, especially on the 'no go' areas.</p> <p><u>4. Soil Suitability & Topographic Survey</u> ZT continued with the next question:</p> <ul style="list-style-type: none"> Does it identify any fragile and marginal soils? - ZT added P&C 2018 mentioned that extensive planting on marginal and fragile soils should be avoided, but it still can be planted so what defines/threshold an extensive planting? Should the RSPO BMP or NI be followed? <p>WM asked if this question is necessary because the P&C 2018 clearly stated that it is not allowed. A member responded yes, because if it is not presented, people will not see what they do not want to see.</p> <p><u>5. Land Use Change Analysis. LUCA</u> ZT posted this question:</p> <ul style="list-style-type: none"> Has there been any non-compliance such as land clearing after the HCV-HCSA Assessment obtained a 'Satisfactory' result in the HCVN ALS Quality Review? <p>WM stated that LUCA for NPP includes a proxy date of up to two years prior to the submission and asked the members' thoughts on this. A member agreed to have the question in the checklist but to add another question on the cut-off date for the land clearing, which would refer to the</p>	
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	<p>P&C requirements and time of acquisition. This is as critical as land clearing after the assessment, because HCVN has received cases where the land was cleared shortly before the assessment and also when the company already owns the land. If this goes to the Remediation and Compensation discussion, it is important to know if the company is aware of the condition of the area and the value it contains before and after the acquisition. WM agreed that we need to see what happens between the proxy dates and the date of the land clearing and acquisition of the land by the company.</p> <p><u>6. Integrated Management Plan, IMP</u> ZT highlighted the following question:</p> <ul style="list-style-type: none"> • How to ensure that the auditor is really looking into the effectiveness of the management plan which includes the implementation phase? i.e NPP post-monitoring <p>A member commented that it is overly ambitious to expect auditors to verify the effectiveness of the management plan. Two things are being discussed; i. verifying that the HCV & HCS areas still exist and ii. verifying whether the company did implement the plan and whether the actions are effective (values are maintained). The member believes the Secretariat would benefit in having third-party verification on this to determine whether the company has a plan that can actually result in protection of the values identified (which is quite weak at the present).</p> <p>WM raised a question - if an area already has an approved NPP, the next step for it is to be certified by the CB that conducts P&C audit so the impact and the effectiveness of the management plan should be checked during the Initial Certification stage. A member commented that only 3 to 4 years after the NPP, the area will undergo certification audit, at which point the auditor will check if all NPP requirements were fulfilled and the integrated management plan (IMP) was followed. WM brought back an issue discussed earlier where if the NPP was not followed, the company will just provide corrective actions and if found satisfactory, certification will be granted. The member responded no, because if the plan was not followed through, it will lead to major NC which will result in no issuance of initial certificate.</p> <p>A member pointed out how we should be mindful of what needs to be checked because quite often auditors only check if there is an IMP, has it been updated, which does not exactly answer the question of whether HCVs have been protected in the last 5 years. Threats faced by many of the HCVs may have intensified by the development itself, so simply not clearing the no-go zones is not enough to maintain the HCVs. At the time of certification, if the auditor is checking whether the company has delivered its commitment, it will have to be an exhaustive assessment to see whether the values are the same as at the time of the assessment and the member is unsure whether this can be done through a simple audit.</p> <p>WM asked if the meeting can be extended by 5 minutes and this was agreed. WM continued that the Secretariat plans to make the checklist a complementary document for CBs where the approval is only at the</p>	
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	<p>Secretariat's level and asked the members if the document should be upgraded and get higher approval to achieve consistency in the NPP verification. A member responded that standardisation is the best scenario and will ease the review process so the member is in favour of making it a compulsory document. Another member agreed because if the document is made voluntary, it will not make a big difference. The member reminded the Secretariat to make the document clear and easy to follow, instead of a generic guidance which growers may not know what to do with. Another member also voiced her agreement and stated that the document should be properly communicated to growers.</p>	
	<p>End of meeting</p> <p>WM thanked all participants and informed that the Secretariat will summarise the discussion points to find the best way forward. The meeting adjourned at 6.30 pm.</p>	