

**MINUTES OF MEETING**  
**Biodiversity and High Conservation Value Working Group (BHCVWG) – 49<sup>th</sup>**  
**Meeting (Hybrid)**

Date : 17 November 2023 (Friday)  
 Time : 1400 to 1800 (JKT)  
 Venue : The Harris Suites FX Sudirman Hotel – Jakarta, Indonesia

**Attendance:**

<p><b><u>Members and Alternates</u></b></p> <ol style="list-style-type: none"> <li>1. Harjinder Kler (HUTAN)</li> <li>2. Lee Swee Yin (SDP)</li> <li>3. Hendi Hidayat (GAR)</li> <li>4. Ambang Wijaya (GAR)</li> <li>5. Martin Mach (Bumitama)</li> <li>6. Lim Sian Choo (Bumitama)</li> <li>7. Quentin Meunier (OLAM)</li> <li>8. Paola Desprez (OLAM)</li> <li>9. Ahmad Furqon (WWF)</li> <li>10. Eleanor Spencer (ZSL)</li> <li>11. Michelle Desilets (OLT)</li> <li>12. Mahendra Primajati (FFI)</li> <li>13. Lanash Thanda (BCI)</li> <li>14. Marcus Colchester (FPP)</li> <li>15. Chin Sing Yun (Wilmar)</li> <li>16. Dita Galina (Musim Mas)</li> <li>17. Athirah Insani (Musim Mas)</li> <li>18. Olivier Tichit (Musim Mas)</li> <li>19. Yunita Widiastuti (Cargill)</li> <li>20. Anne Rosenbarger (WRI)</li> </ol> <p><b><u>Absent with apologies</u></b></p> <ol style="list-style-type: none"> <li>1. Arnina Hussin (SDP)</li> <li>2. Angga Prathama Putra (WWF)</li> <li>3. Cahyo Nugroho (FFI)</li> <li>4. Sally Chen Sieng Yin (SEPA)</li> <li>5. Syahrial Anhar (Wilmar)</li> <li>6. Sander Van den Ende (SIPEF)</li> <li>7. Bukti Bagja (WRI)</li> <li>8. Dayang Norwana (BCI)</li> <li>9. Patrick Anderson (FPP)</li> <li>10. David Wong Su Yung (SEPA)</li> </ol>	<p><b><u>RSPO Secretariat</u></b></p> <ol style="list-style-type: none"> <li>1. Aloysius Suratin</li> <li>2. Lee Jin Min</li> <li>3. Durgha Periasamy</li> <li>4. Mohd Zaidee Mohd Tahir</li> <li>5. Cheryl Ong</li> </ol> <p><b><u>Invited Guest</u></b></p> <ol style="list-style-type: none"> <li>1. Adrian Choo (HCSA)</li> <li>2. Daneetha Muniandy (HCSA)</li> <li>3. Jennifer Lucey (SEARRP)</li> <li>4. Sarah Scriven (SEARRP)</li> <li>5. Kalindi Lorenzo (Planting Naturals)</li> <li>6. Ruth Silva (HCVN)</li> </ol>
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**Meeting Agenda:**

Agenda	PIC
1. Opening Remarks	RSPO Secretariat/ Co-Chairs
2. Updates of BHCWG Matters	RSPO Secretariat/ Co-Chairs
3. Confirmation of the previous meeting minutes	RSPO Secretariat
4. Presentation by SEARRP on HCV management and monitoring	SEARRP
5. Revisitation of previous unclosed topics	RSPO Secretariat/ Co-Chairs
6. Any other business (AOB)	RSPO Secretariat/ Co-Chairs
7. End of Meeting	RSPO Secretariat/ Co-Chairs

No.	Agenda	Action
1.	<p><b><u>Opening remarks</u></b></p> <ul style="list-style-type: none"> <li>• All members and invited guests were welcomed by the co-chair and the RSPO Secretariat to the 49<sup>th</sup> BHCVWG hybrid meeting.</li> <li>• The co-chair introduced the addition of 6 new members to the BHCVWG: <ul style="list-style-type: none"> <li>○ Hendi Hidayat (GAR)</li> <li>○ Paola Despretz (OLAM)</li> <li>○ Angga Prathama Putra (WWF)</li> <li>○ Dita Galina (Musim Mas)</li> <li>○ Athirah Insani (Musim Mas)</li> <li>○ Yunita Widiastuti (Cargill)</li> </ul> </li> <li>• The co-chair also welcomed the invited guests for the BHCVWG meeting: <ul style="list-style-type: none"> <li>○ Adrian and Daneetha from HCSA</li> <li>○ Jennifer and Sarah from SEARRP</li> <li>○ Kalindi from Planting Naturals</li> <li>○ Ruth from HCVN</li> </ul> </li> <li>• The co-chair welcomed 2 new team members to the RSPO Biodiversity unit: <ul style="list-style-type: none"> <li>○ Aloysius Suratin</li> <li>○ Durgha Periasamy</li> </ul> </li> <li>• The Secretariat and co-chair went through the meeting's housekeeping details and read out the RSPO antitrust policy statement, consensus-based decision-making, and conflict of interest declaration, if any. No conflict of interest was raised by the members.</li> <li>• The Secretariat provided an overview of the meeting's agenda.</li> </ul>	
2.	<p><b><u>Updates of BHCWG Matters</u></b></p> <p><i>a. Current BHCVWG composition</i></p>	

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	<ul style="list-style-type: none"> <li>• The current composition of the BHCV working group was presented. <ul style="list-style-type: none"> <li>○ The seat for the LATAM grower, consumer goods manufacturers and financial institutions seats are currently vacant.</li> <li>○ Members of the working group were encouraged to reach out to their contacts for anyone who might be interested in filling the seat.</li> </ul> </li> <li>• An announcement for the call for applications to fill the seat vacancies in all the working groups will be posted on the RSPO website in due time.</li> </ul> <p><i>b. Update on BHCVWG ToR (15<sup>th</sup> ASC Meeting, June 2023)</i></p> <ul style="list-style-type: none"> <li>• Previously, there was a request from the Assurance Standing Committee (ASC) to review/update the BHCVWG's Terms of Reference (ToR) for relevancy. However, currently, there is an intention from the Board of Governance (BoG) to restructure the governance structure.</li> <li>• Two options were presented to the BHCVWG members to decide on how to proceed regarding the above matter: (1) To postpone the ToR review or (2) to proceed to review it in the next meeting.</li> <li>• It was commented that the governance restructuring is in the early stages. The board is currently guided by a consultant to have it drafted by early next year, it will undergo assessment and approval by the board. If substantial changes are proposed, approval from the General Assembly (GA) is required. If there are matters that interfere with the operations between now and next year, ToR can be reviewed now. Otherwise, the ToR can be reviewed later in the broader context of the BHCVWG's plans, taking into consideration the long term.</li> <li>• A consensus was reached by the members to postpone the ToR review until the final decision of the BoG regarding the governance restructuring is known.</li> </ul> <p><i>c. Nomination of New Co-Chairs</i></p> <ul style="list-style-type: none"> <li>• Two new co-chairs have been nominated without objections from the BHCVWG members: <ul style="list-style-type: none"> <li>○ Grower: Hendi Hidayat (GAR)</li> <li>○ NGO: Eleanor Spencer (ZSL)</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>• The BHCVWG members expressed their appreciation to the previous co-chairs, Harjinder and Swee Yin for their contributions.</li> <li>• Harjinder also expressed her appreciation on behalf of her and Swee Yin to everyone in the working group for their help, and to Jin Min who has been managing the working group on his own for some time.</li> <li>• The previous co-chairs, Harjinder and Swee Yin will be guiding both the new co-chairs during the transition period till February 2024.</li> </ul>	
3.	<p><b><u>Review and confirmation of the previous meeting minutes</u></b></p> <ul style="list-style-type: none"> <li>• The minutes (MoM) of the 48<sup>th</sup> meeting (25 July 2023) was presented to the members by the RSPO Secretariat. The minutes from the 9<sup>th</sup> of August 2023 (BHCV meeting to endorse RaCP 2) was also presented. The minutes were accepted with no amendments and/or objections.</li> <li>• The Secretariat opened the floor for the members to raise any issues and a couple of issues were raised for further consideration by the WG: <ul style="list-style-type: none"> <li>I. There is a need to recognize that many communities' lands overlap set-aside HCV areas. Fieldwork indicated that communities are not being consulted and there were instances where companies have taken set aside land without providing compensation, causing a loss of livelihood for the locals. These communities do not get any benefits, and there's a historical pattern of exclusion from protected areas and areas labelled as protection forests. It is a red flag for the people, signalling a loss of their livelihood. This has contradicted the intention of the HCV system, which is designed to ensure the land meets the community's basic needs and preserves its culture. This indicated that the application of the HCV concept is not effectively getting through the communities and there is a problem in the implementation of the HCV concept as far as it pertains to community concerns.</li> <li>II. Regarding HCV assessment, much focus has been mainly on the assessment, and not on the management and monitoring. The meeting was reminded that such a study was called for and sent out for tenders several years ago but was never contracted and undertaken. Such a study is still needed to understand how to responsibly involve communities in setting aside areas so that they have a co-management or direct management role in monitoring. With such involvement, rejections of HCVs and clearance issues might occur. Despite the importance of the need for this study, nothing has been done yet, and the recurring problem persists.</li> </ul> </li> </ul>	

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	<p>III. Regarding the ongoing clearance activities, it was queried whether cases had ever been passed to the Complaint Panels to be addressed as there has not been any clear answer or information on what actions the Integrity Unit has taken with the findings.</p> <p>IV. A comment was raised regarding the clause on the HCS approach requirement, and the progress made in the current RaCP revision. In the past 5 years, it has been identified that HCS should not be cleared and if breaches occur, RaCP is needed. Regardless of the current status of the P&amp;C revision, there should not be a sudden stop in the progress to include this in the RaCP version 2. The Secretariat clarified that this has taken into consideration of the RaCP v2 and the current pending works are to confirm the final wording regarding HCS in the new P&amp;C 2024 and to align it with the HCS-related text in RaCP v2 to ensure consistency.</p>	
4.	<p><b><u>Presentation by SEARRP on HCV management and monitoring</u></b></p> <ul style="list-style-type: none"> <li>• SEARRP gave a presentation on the SEnSOR Project’s research focused on managing and monitoring (M &amp; M) biodiversity in the oil palm landscape. Two case studies related to the SEnSOR Program were presented. The studies aimed to assist RSPO in developing and improving the M&amp;M guidance, including the training materials and resources. <ul style="list-style-type: none"> <li>○ The first case study presented was the Sensor M&amp;M questionnaires, which were designed for the RSPO members to complete. This builds on the previous works, including studies by Joss Lyons-White and the work of Eric Meijaard. The anonymous results were shared with the RSPO.</li> <li>○ The second case study involves a collaboration between Musim Mas with SEARRP and the University of Oxford back in 2021. Sarah's team analyzed an extensive set of biodiversity monitoring datasets from the Musim Mas (MM) Plantation. The dataset comprises 10 years of data from 14 concessions across the country. In collaboration with the MM team, they developed key messages to improve biodiversity monitoring in oil palm landscapes.</li> </ul> </li> <li>• With the two case studies, SEARRP formulated three main recommendations. <ol style="list-style-type: none"> <li>1. Metrics and Monitoring <p>Standardized guidance is required to design a long-term monitoring program, to ensure that all companies use the same methods for monitoring. Long-term monitoring should focus on indicator species of HCV 1 to 4 and forest conditions. Additionally, any natural changes in HCVs need to be recognized and reported transparently. A clear baseline and standardised approach to data collection are crucial.</p> </li> </ol> </li> </ul>	

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	<p>2. Resources and Training There is a need for training and capacity building in forest ecology and the principles of effective biodiversity monitoring. This ensures that conservation staff can make evidence-based decisions surrounding M&amp;M and analyze and interpret their biodiversity data. Additionally, there is a need to establish and facilitate the sharing of best practices for biodiversity M&amp;M and identify priority areas for new research. SEARRP's work also highlighted the necessity for more research in social aspects, human-wildlife conflict, etc., and the importance of promoting knowledge exchange among members and scientists.</p> <p>3. Processes and Landscape The recommendations from the HCV-HCSA assessments need to be translated into actionable practices by improving the links between assessment and M&amp;M. Additionally, there is a need for better guidance on building multi-stakeholder communities that support landscape-level conservation, and there should be open, transparent, and standardised processes and templates for regular reporting on M&amp;M.</p> <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> <li>• Feedback was raised on why the interviews of the study were only conducted with the companies and why the assumption is that companies are the only actors in managing HCV while other actors such as local communities should have a role in it. It was suggested that in the second phase, the roles of various stakeholders on the ground should be considered. Furthermore, it seems that SenSOR had interpreted HCVs are being only about biodiversity, but in reality, HCV encompasses more than just biodiversity (i.e. social aspects of HCV 4, 5 and 6). SEARRP explained that the focus on biodiversity was influenced by her follow-up work with the RSPO and SEnSOR. The study questionnaire also followed the MM project, which inquired about other factors and social challenges. It is more to the limitations in scope and funding rather than a lack of interest in the aspects. Nevertheless, SEARRP agreed that moving forward, there should be more focus on the social aspects (HCV 5 and 6).</li> <li>• Another member also emphasized that communities have a significant role in other HCVs. Communities can be a part of the dynamic of HCV 1 to 4, especially in landscapes like Africa, where HCV 3 and 5 are rarely found, communities play a big role in maintaining biodiversity within those HCVs. The commenter asked the following questions: <ul style="list-style-type: none"> <li>I. Whether the study would be extended to a larger landscape with more companies and different landscapes. SEARRP replied that with more time and resources, it would be great to include a greater range of companies in terms of size in the study.</li> <li>II. Considerations for the long-term M&amp;M of HCV areas. Specifically, how could RSPO support, push, or encourage companies? Any specific recommendations for RSPO P&amp;C? SEARRP answered that</li> </ul> </li> </ul>	

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	<p>the top recommendation would be the need for more guidance and training in designing such programs. It was emphasized that it is important to have a standardized and consistent approach to monitoring along with having individuals with the skills to understand how to interpret and analyse the data.</p> <p>III. The dynamics of HCV management. Specifically, on the understanding of the time scale between management making decisions and observing the impact on populations, and how the researcher proposed to address these time gaps. SEARRP responded that even if a company is doing everything that is needed to conserve and restore an HCV area, there could be external factors in the landscape, such as forest clearance, that might lead to population decline. This might not be the company's fault and acknowledged that ecological factors do play a role. It was suggested that monitoring the structural changes or species that respond quickly to changes, like birds or butterflies, could be a good way to monitor population changes. SEARRP also shared the importance of recognizing and transparently reporting natural changes in HCVs and that companies should investigate why these changes are happening and report them.</p> <ul style="list-style-type: none"> <li>• The percentage of allocation for M&amp;M in relation to all the company's annual budgets was inquired. This was because many challenges could be resolved if sufficient resources were allocated. The commenter questioned whether the cost could be estimated, especially for the recommendations from this study. SEARRP replied that the participants were only asked about the annual allocation for M&amp;M and whether they felt it was sufficient. Some participants responded with yes while others said no. Nevertheless, SEARRP agreed with the commenter's sentiment about the need for more resources to be allocated.</li> <li>• Regarding the quality and consistency of data, it was questioned (i) whether the quality of data could be a serious factor, especially with multiple years of data and different teams involved in monitoring; (ii) whether companies should approach it statically or seek ways to ensure and identify inconsistencies within the data and understand how it may impact the results. SEARRP replied by emphasizing the importance of certain factors in ensuring the accuracy of data patterns. This includes keeping the sampling plots in the right place, ensuring accurate location recording, and maintaining consistent recording methods are important aspects. While details like species identification are good to know, regularity is key - using the same field guide and ensuring species naming is the same all the time. Occasionally getting a species wrong or a time point might also be missed, for example, is acceptable, as they tend to even out when collecting a huge amount of data and consistently visiting the same plots at regular intervals. A good understanding of data collection and management is important, emphasizing that the team on the ground needs to understand what aspects require consistency and where it is acceptable to adapt and change in operational practicality.</li> </ul>	

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	<ul style="list-style-type: none"> <li data-bbox="280 271 1182 763">• A suggestion was provided for the next study - more prescriptive recommendations that are tangible, actionable, and directly applicable on the ground. For example, the number of people needed for patrolling in a given size of an HCV area and having specific guidance on data collection and management, including recommended software to use. SEARRP responded that the recommendation document that was put together with MM includes more prescriptive guidance such as the types of species to monitor and how to monitor them in the document. It also explains the use of long data formatting and how to analyse data in Excel to observe changes over time. During training with MM, a lot of guidance on data analysis in Excel was provided. They have only used Excel and have not looked into other software. Regarding the number of people per hectare for patrolling, it hasn't been explored yet, as it depends on the resources of the company.</li> <li data-bbox="280 808 1182 1547">• It was commented that the challenge in Africa is not just about money but also the lack of expertise. There are not many who understand how to describe and analyse population trends and having reliable expertise is important. It was questioned whether there should be a system to ensure that monitoring is carried out properly. SEARRP stated the importance of recording the name of the surveyor during each survey to account for variations. By having standardized training for surveyors, reliability testing can be done to understand the differences in observations. This knowledge of potential variations could be accounted for in statistical modelling or addressed through additional training for specific observers. SEARRP also agreed that population trends are not always positive, and suggested focusing on specific indicators, such as forest birds, for example, to assess diversity. An increase in diversity could indicate a positive trend. Having experienced individuals are important and collaborating with local experts and universities was reported to have a positive conservation impact. To help even out the differences in observations, the company could have more than one person conduct the recording independently. This approach involves having more than one individual provide independent data, and the results can then be pooled to enhance reliability.</li> <li data-bbox="280 1592 1182 1984">• A question was raised about what the BHCVWG could do to move forward on the broader recommendations around the need for baseline statistics and the use of baseline to measure the impact. SEARRP replied that the RSPO should ideally create an entry-level monitoring protocol, including a baseline monitoring requirement, that is achievable for every company, regardless of their size or resources. Additionally, SEARRP believes that the minimum baseline should focus on habitat conditions, as this would provide a simple metric that could be compared over time and between different members, and identification expertise may not be necessary for the monitoring process. More detailed monitoring could be built on top of this.</li> </ul>	



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	<ul style="list-style-type: none"> <li>• Another comment was raised on the baseline comparison using HCV assessment. SEARRP opined that the HCV assessment is not a useful baseline to compare with the company's M&amp;M unless it was conducted exactly as the M&amp;M. Instead, the first M&amp;M survey can be used as part of the M&amp;M protocol as the baseline and for future comparison. HCV assessment is not designed to be part of a monitoring program because it is a rapid assessment, a snapshot of what is likely to be there. Focus should be placed on designing a simple, achievable, repeatable, and easily comparable protocol that suits the available capacity and resources for M&amp;M.</li> <li>• A need was raised to allow the revision of HCV assessments without the need to redo it. This is to take into account that HCV condition changes over time and some HCV assessments can be old (e.g. 15 years) where at that time there is no proper guidance. The landscape approach assessment was suggested to be a possible solution.</li> <li>• The co-chairs suggested that the Secretariat to take note of the points made when coming up with the guidance, as well as taking into consideration the P&amp;C requirements, particularly the incorporation of a wider landscape level where an integrated management plan is required. The Secretariat took note of the recommendation in this study in terms of developing guidance for the members on the M&amp;M by taking into account of other factors too such as regional variations and HCV changes over time. The SEnSOR project report will be shared with the BHCVWG once it is finalised.</li> </ul>	<p>Secretariat to i) take notes of the comments when developing an HCV-HCS M&amp;M guideline; ii) share the SEnSOR project report to BHCVWG.</p>
5.	<p><b><u>Revisitation of previous unclosed topics</u></b></p> <p><i>5.1 Update on Timeline for RaCP v2</i></p> <ul style="list-style-type: none"> <li>• Due to pending issues with the P&amp;C 2023, the endorsement of P&amp;C 2023 will not take place in the upcoming GA 2023 and will be postponed to the following year. There is a strong desire from the BoG to adopt the new P&amp;C in June 2024 and aims to have relevant guidance, including the RaCP, ready concurrently. Thus, the RaCP timeline needs to be revised.</li> <li>• Two timeline options were presented to the WG for consideration: 1.) Option 1 aligns with the BoG's desire to endorse the document in June 2024. To meet this timeline, the RaCP v2 document would need finalization by the end of February 2024. Followed by public consultation in March 2024, endorsement by the BHCWG in April, and SSC approval in May. However, this timeline is tight and may not allow for a comprehensive RaCP revision due to the identified</li> </ul>	

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	<p>outstanding issues yet to be discussed and the pending scheme smallholder study.</p> <p>2.) Option 2 aims for the RaCP to be endorsed by November 2024 during the RT 2024. Timeline 2 maintains the general structure as the previous timeline but allows 3 to 4 months for sub-group discussions between February and June. By June, the final text would be approved by the CTF2/BHCVWG, with public consultation in July, endorsement by the WG in August, and SSC approval in September. With option 2, the results of the smallholder scheme study can be included in the revision.</p> <ul style="list-style-type: none"> <li>• The outstanding issues that require discussion in various sub-groups were further presented: <ul style="list-style-type: none"> <li>○ GIS/Disclosure: Concerns about the identification of young generating forest (YGF) in the LUCA guidance; the old guidance does not contain guidance for growers to identify YGF.</li> <li>○ Exceptional Cases: To address the identification of thresholds allowed for self-disclosure cases and related considerations. Various options have been proposed previously and need further refinement.</li> <li>○ Grassland: To discuss the vegetation coefficient for grassland.</li> <li>○ Smallholder Liability: Discuss several options related to the smallholder liability, with further discussion scheduled later in this meeting.</li> <li>○ Cases with complaints: Alignment on the resolution of scenarios of self-disclosure that does not fall into the exceptional cases (e.g. complaint cases) and the language for inclusion into RaCP (Section 3.2)</li> <li>○ Alignment on divestment: Determining what happens with the environmental and social remediations when assets are divested, and also in relation to Resolution 6D (Section 6 v).</li> <li>○ Social aspect: Determining the verification process for the social liability and self-assessment matrix, which there is no current process for it.</li> </ul> </li> <li>• It was inquired whether the timeline of P&amp;C endorsement has been discussed with the P&amp;C task force even though it has been retired. From the last P&amp;C task force meeting, the Secretariat and a group of individuals were supposed to review the P&amp;C, anticipating changes and how the changes would be adapted, and whether this has been addressed within the proposed timeline. The Secretariat clarified that the P&amp;C 2023 is currently undergoing revision by the Secretariat and the results are anticipated by early next year. The BoG aims to resolve it by June 2024, and the Secretariat is working in that direction. For the RaCP, due to the complexity and outstanding issues, two different timeline options are presented for consideration by the WG before discussing with the relevant Secretariat.</li> <li>• A question was raised whether the smallholder liability discussion covers both independent and scheme holders or only scheme</li> </ul>	

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	<p>smallholders. The Secretariat stated that it is their ambition to cover both, and further discussion on this matter will take place later in the meeting.</p> <ul style="list-style-type: none"> <li>• A consensus was reached by the WG to proceed with option 2 of the timeline, as it is considered more realistic.</li> <li>• However, it was emphasized that while the option 2 timeline is chosen, it is crucial to consider the outcome of P&amp;C 2023 and the group needs to be mindful of this. If the P&amp;C goes through another public consultation and finalization, the RaCP might need to address any changes from the outcome. It is important to anticipate if any changes need further discussion or consideration in the RaCP.</li> <li>• The meeting was reminded of the previous assessment of the RaCP done by Helen Newing which had made a series of recommendations notably with respect to social liability. It was noted that the WG had even agreed to go ahead with recommended steps to improve the way social liability was addressed but this had never been acted on.</li> </ul> <p><i>5.2 Update on scheme smallholder study (Resolution GA18-2d) (BHCVWG, July 2023)</i></p> <ul style="list-style-type: none"> <li>• The scheme smallholder study is currently open for tender, and the Secretariat has not received any applications to date. The tender will end on the 30<sup>th</sup> of November 2023*.</li> <li>• Members are requested to reach out to organizations they believe might be suitable to carry out the study.</li> </ul> <p>(*Note: The tender deadline has since been extended to January 23, 2024.)</p> <p><i>5.3 Update on the evaluation of remediation and compensation plans (ToR) (CTF2, April 2023)</i></p> <ul style="list-style-type: none"> <li>• The objectives of the study are (i) to review the approved remediation plan that has been implemented for five years or more, as mandated by the RaCP; and (ii) to evaluate the impact and lessons learned from the project process.</li> <li>• The ToR for this study has been previously prepared by a consultant (Ginny Ng). However, the study will be postponed to the next RSPO financial year (July 2024) due to financial and resource constraints.</li> </ul> <p><i>5.4 Update on HCV-HCSA management and monitoring (M&amp;M) (ToR) (BHCVWG, April 2023)</i></p>	

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	<ul style="list-style-type: none"> <li>• The Secretariat will develop a manual based on information from SEARPP.</li> <li>• The manual will encompass the baseline required for the M&amp;M, case studies of successful M&amp;M approaches, and provide recommendations of key measures of success for the M&amp;M.</li> <li>• Due to resource limitations within the RSPO and ongoing P&amp;C development, the development and execution of the ToR will be postponed to the next RSPO financial year (July 2024).</li> <li>• It was requested that the Secretariat ensure the ToR includes the social aspect of the M&amp;M.</li> </ul> <p><i>5.5 Update and discussion on remediation for steep terrain (BHCVWG July 2021)</i></p> <ul style="list-style-type: none"> <li>• A draft document on the remediation of steep slopes was presented. It was written some time ago and was discussed by the WG. However, it was not followed up on since then.</li> <li>• Recently, the Secretariat shared the document with the WG members and requested additional feedback before endorsement. Some comments were raised: <ul style="list-style-type: none"> <li>○ There were several comments in the document about changing the term "restoration" to "remediation," but upon reviewing the draft, the Secretariat concluded that "restoration" was more applicable in the context of the draft. The Secretariat would review it again to decide which term to use based on the context of the document.</li> <li>○ Another comment suggested adding a scope to better define what restoration is and how the guide applies to the context of the slope.</li> <li>○ Regarding the statement "restoration of degraded areas... should, if possible, be started several years prior to plantation activities such as replanting oil palm", a concern was raised on the contradiction of the need for replanting oil palm in an area which is designated for restoration.</li> <li>○ A concern was raised about the recommendation of using a vigorous vine as a cover crop on steep slopes, especially when the goal is to restore the area into a forest. For example, planting <i>Mucuna</i> or <i>Calopogonium</i> could make it extremely hard for the establishment of seedlings and the cover crops are difficult to get rid of later on. <i>Mucuna</i> is known to be problematic in some HCV areas managed by the growers. Therefore, it was suggested that using grass or something less vigorous might be a better choice for cover crops on steep slopes.</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ A member echoed the statement as experience indicated that cover crops like vertical grass are used for steep slope control and it will become challenging during restoration. This type of vegetation is likely to be more intended for stabilizing the soil. For example, a Malaysian university promotes growing Resam fern on the slope for slope stabilisation and once it grows, nothing else can grow.</li> <li>○ It was suggested that the draft needs to be reviewed by experts as the WG lacks expertise in this field. Based on the current feedback, it seems that the guidance needs further revision, considering both the soil stability and ecological restoration.</li> <li>● The draft was not endorsed as further discussions and clarifications are needed. A consensus agreement was reached to have the Secretariat (Aloysius) take the lead on the project, seek experts on the subject, and come back to the working group with a better draft.</li> </ul> <p><i>5.6 Update and discussion on HCVN: Updating information over time (draft) (BHCVWG Feb 2022)</i></p> <ul style="list-style-type: none"> <li>● The Secretariat updated that the working paper/draft on developing a process for changing HCV values, created by Ellen Watson of HCVN, has been published as a discussion paper in 2022. The discussion paper is not intended to serve as guidance; a more definitive guidance document is expected in early 2024 which will undergo the HCVN iterative consultative process.</li> <li>● The Secretariat will take note of the progress and involve the WG members to provide feedback on the document.</li> <li>● It was commented that while the HCVN might provide a document with thoughts on handling changes in HCV, WG members should note the various other types of changes and scenarios discussed during the session. Thorough consideration is needed for how RSPO's system incorporates results/resources and the processes and procedures for remediation and compensation. It was emphasized that whatever document is produced next year won't be tailored to RSPO, requiring guidance to be taken and tailored to what RSPO already has developed. A clear and transparent linkage between existing elements in the process and new procedures documenting changes in HCVs is crucial.</li> <li>● It was inquired if there are any benchmarks in the implementation of HCV changes in other sectors, such as forestry. HCVN stated that further checking on this matter would be needed. However, it is noted that the Forest Stewardship Council (FSC) system operates differently from the RSPO, and many operations under the FSC have mechanisms to prevent the destruction of HCV, generally aiming for low-impact</li> </ul>	<p>Aloysius to lead the project.</p>

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	<p>logging, as an example. Clear clearance is not a common practice within the FSC system. While there may be something to learn from their process, HCVN emphasized that the nature of oil palm development is different, and specific characteristics need to be considered.</p> <p><i>5.7 Discussion on undisclosed land clearing issue (BHCVWG meeting, July 2023)</i></p> <ul style="list-style-type: none"> <li>• The session was presented by Mohd Zaidee, Acting Head of the RSPO Integrity Unit, on the undisclosed land-clearing issues with the following objectives: <ul style="list-style-type: none"> <li>○ Seek BHCVWG's opinion on how the Secretariat should manage cases of self-disclosed and undisclosed land clearance, particularly the latter that is done by local communities.</li> <li>○ Discuss the implementation of an interim measure to decide the way forward when dealing with such cases.</li> <li>○ Explore improvements to the show cause form based on the list of evaluation criteria.</li> </ul> </li> <li>• In the previous WG meeting (July 2023), the Secretariat informed that around 88.29% of undisclosed land clearance cases were carried out by the local community. Recognizing the significance of this issue, the WG acknowledged the need for a specific discussion because it related to the HCV M&amp;M. The Integrity Unit finds that an interim measure needs to be taken to determine the next steps while awaiting further discussion with the WG.</li> <li>• Zaidee provided information about the current procedure. The Integrity team receives shapefiles from various sources, including RSPO Membership, ACOP submissions, NPP submissions, and the Firewatch system. Subsequently, the team alerts members or the Secretariat about any non-corporate or non-compliant land clearance using the GLAD database. Verification is then carried out by internal Secretariat staff through satellite imagery. Upon confirmation of non-compliant land clearing, a report is prepared, approved by the Integrity Head, and then sent to the Risk Unit in the Secretariat for evaluation.</li> <li>• After the detection of land clearing, a show cause form needs to be submitted by the member within 7 days. Along with the form, members are required to submit 4 geotagged photographs and an overlaid map with the concession boundary along with the extent of the land clearance as an attachment. If there is no response, a reminder is sent for the next 7 days. Upon receiving the form with the attachments, it is then evaluated. If the report is found to be satisfactory and confirms that the land clearing was done by the local community, the case can be closed. However, if there are discrepancies or doubts, it will be evaluated further, and it may go to the RSPO Assurance Director for a recommendation to the RSPO CEO. However, Zaidee noted in the current RSPO system, there are no criteria for</li> </ul>	

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	<p>which should need to be evaluated when recommending to the assurance director.</p> <ul style="list-style-type: none"> <li>• The submitted show cause form for the certified unit is then verified by the Certification Body (CB) during the annual surveillance audit. If confirmed land clearance is found, a major Non-Conformity (NC) will be raised, and the case will be closed if corrective actions are taken by the member. For uncertified units, the process is more complex, as there are no criteria for evaluation and to provide recommendations to the Assurance Director. If the uncertified unit is found to have clearance, it needs to be determined whether the concession has an approved NPP or not. According to RSPO requirements, if the concession has land clearance and an approved NPP, it will go directly to the complaint process, which could result in expulsion or suspension. If the concession lacks an NPP, then it will be subject to a three-year sanction from the date of the first certification based on the current NPP document.</li> <li>• Zaidee raised a question about whether self-disclosed or undisclosed land-clearing cases should be treated differently as some members voluntarily disclose information about land clearing within their concession, while others do not, and the detection occurs through GLAD alerts. The consideration is whether there should be different treatment for these two scenarios.</li> <li>• Feedback and questions raised by the members: <ul style="list-style-type: none"> <li>○ A concern was raised that attributing land clearing to a community should not imply that the company has no responsibilities, and the case can be closed; the situation might be more complex. It was suggested that the community might not have been effectively communicated with, not provided a role in M&amp;M, or may have rejected certain arrangements. The company may have played a role in provoking the community through negligence or other means.</li> <li>○ It was suggested to reference the previous discussion on the applicability of the RaCP and the specific thresholds for self-disclosure; using that information as a starting point rather than redoing everything from scratch. The Secretariat acknowledged that this issue is one of the outstanding issues to be discussed in a RaCP subgroup.</li> <li>○ It was noted that in some cases, even if an area is set aside and not purchased by the company, these lands could still belong to the community. In such cases, the community has the right to clear the land if they want, even if it is within an HCV area. Zaidee added that it is a problem/concern his team is facing. They try to avoid cases where the local community is allowed to clear the land first and compensate for oil palm development later. It was suggested</li> </ul> </li> </ul>	

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	<p>that conducting an appropriate analysis can assess how the land was cleared.</p> <ul style="list-style-type: none"> <li>○ It was inquired about how the Secretariat determines if it was the local community that cleared the area. Zaidee explained that when they receive the show cause form from the members, there is a field that asks for the cause of land clearance. If it is reported as being due to the local community, the Secretariat conducts further investigation based on the four geotagged photographs and the map submitted by the member to confirm that the land clearance is a result of the community's actions.</li> <li>○ A question was raised whether there has been a case where a clearance has been found, and it is then passed on to the complaint procedure. Zaidee stated that in the past, there have been cases where they detected non-compliant land clearing by members, and it was passed on to the complaint panel for their decision. However, recently, there have not been any cases.</li> <li>○ An inquiry was raised on who would be the complainant if this kind of case goes through the complaints panel process. Zaidee stated that the complainant would be the CEO.</li> <li>○ A member sought Zaidee's opinion on whether for these cases, the company should do differently rather than through the RaCP process. In Zaidee's opinion, if a member clears an HCV area with an HCV assessment, it will go straight to expulsion based on the current RaCP document. However, there are cases where the complaint panel recommends conducting a RaCP process.</li> <li>○ It was raised that during the quality assurance of the HCV-HCS assessments, clearance incidents have been found on some occasions, occurring either during or right after the assessment. Therefore, it is not just about having or not having an assessment but also the process between those stages. It was added that when such cases occur, assessors are required to identify HCV and HCSA forest areas as if they had not been cleared based on the earliest available data for that assessment. However, a concern was raised that the assessments published on their website may still list HCV and HCSA areas that no longer exist, and it is unclear what actions are taken in such cases.</li> </ul> <ul style="list-style-type: none"> <li>● The proposed next course of action: <ul style="list-style-type: none"> <li>○ The co-chair suggested that Zaidee and the Secretariat work together to consolidate all discussed points for consideration. The outstanding questions that need to be addressed, should incorporate the agreed points that the CTF2 have discussed together with a decision from the BHCVWG from the meeting.</li> </ul> </li> </ul>	<p>The Secretariat to work on the proposed action points.</p>



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	<p data-bbox="328 230 1189 371">○ Zaidee to prepare a draft proposed interim measure based on the agreed points and key areas identified during the discussions, before the next WG meeting for the next step. This interim measure will serve as an action plan while working on a proper mechanism.</p> <p data-bbox="277 416 1150 490"><i>5.8 Discussion on a system to update existing HCV assessment (BHCVWG, April 2023)</i></p> <ul data-bbox="277 539 1182 1720" style="list-style-type: none"> <li>● In the last WG meeting, an issue was raised that the RSPO requires a system/mechanism to allow for updates into the preexisting/initial HCV assessments in response to HCV loss or increase in the management unit areas. The WG requested the Secretariat to examine the existing system and present it to the SSC.</li> <li>● Integrity confirmed that no such system is currently in place. Thus, the BHCVWG needs to decide on the course of action and determine whether HCVN, as the custodian of HCV, should lead, or if it should be the responsibility of the RSPO.</li> <li>● HCVN opined that it is not solely HCVN or RSPO's responsibility, but both should work together on it. It was also highlighted that the RSPO needs a transparent process to explain changes in HCV, requiring collaboration to align with various existing systems and processes that exist in the RSPO. It was suggested collaborating to make more public-accessible information on identified HCVs and the changes they undergo in the future. Currently, there is no public map showing old HCV areas, and the public cannot see which HCV areas are protected by RSPO members.</li> <li>● SEARRP shared that the current global consensus is to aim for biodiversity net gain, and merely minimizing and avoiding degradation is not enough. If RSPO wants to maintain its status as a leader in sustainability, this shift in focus from minimizing and avoiding to actively restoring and increasing biodiversity should be proactively discussed. A member echoed SEARRP's points and suggested that this evaluation should not just be a micro-process but also be part of a more forward-looking, broader context.</li> <li>● A unanimous decision was reached by the members to initiate a review process led by the Secretariat with HCVN and to bring it to the BHCVWG.</li> </ul> <p data-bbox="277 1765 1035 1839"><i>5.9 Discussion on the options for independent smallholder Final Conservation Liability (FCL)</i></p> <ul data-bbox="277 1888 1182 2029" style="list-style-type: none"> <li>● Currently, the compensation for the growers to meet FCL is set, which is the "Ha to Ha" option and the "Ha to dollar" option; both options can be used in combination. However, for independent smallholders, there is currently no established mechanism for compensation. Scheme</li> </ul>	

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	<p>smallholders used to employ similar methods as growers, but the adoption of resolution GA18-2D relieves them from the process, and thus the members of the WG are required to develop a new mechanism for scheme smallholders.</p> <ul style="list-style-type: none"> <li>The FCL for scheme smallholders is currently unknown, while for independent smallholders is known. As of March 2023, for ISH, four out of five countries have reported a total FCL of 2562.21 Ha and if converted to monetary, it amounts to 6.6 billion USD. The FCL is suggested to be managed based on the country and at the group level due to the limited resources of the smallholders.</li> <li>The CTF2 smallholder subgroup presented 3 options for the ISH, but there was no further discussion. The Secretariat is now raising the issue to decide the way forward.</li> <li>The 3 options that were put forth by the subgroup: <table border="1" data-bbox="344 875 1118 1346"> <thead> <tr> <th>No.</th> <th>Option</th> <th>Advantages</th> <th>Disadvantages</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Shared Responsibility model along the supply chain</td> <td>1.No financial burden on smallholder 2.Adhere to the Shared Responsibility commitment by RSPO members</td> <td>1. Less involvement of smallholders in contributing to compensating liability (i.e. no ownership of responsibility from the independent smallholders) 2. Currently no mechanism in place</td> </tr> <tr> <td>2</td> <td>Adding on to the already ongoing conservation project in their countries/region (in-kind contribution)</td> <td>1. Useful in addressing the liability in the different countries/ regions 2. Smallholders are highly involved in compensating liability (e.g. contributing time and materials for projects)</td> <td>1. Issue with the evaluation of the contribution/ value of time spend by the smallholders and the type of projects 2. Need to consider the balance between minimum value/ha that goes into conservation cost or to the administrative cost</td> </tr> <tr> <td>3</td> <td>Small percentage of the credits earned by the smallholder (e.g. 1 %) goes into payment for donation/charity or channelled into funds that support smallholder programmes</td> <td>1. Monetary payment by smallholder in the form of credit 2. Support fund is in place (i.e RSPO Smallholder Support Fund, RSSF)</td> <td>1. Need to consider the suitable credit amount so that it would not be burdening to smallholders</td> </tr> </tbody> </table> </li> <li>An example of RSPO credit (option 3) utilisation is the Orangutans Release Project on Salat Island. The project involves 3 independent smallholder groups, 4 RSPO members, and an ENGO. The funds from the credits are used by the smallholder to provide support to the orangutan's survival. However, the Secretariat has concerns about measuring/ monitoring the progress of such programs, highlighting a need for consideration.</li> <li>The subgroup had also suggested a two-year transition plan for smallholders to align with the RaCP process of the growers. Additionally, The Secretariat requested the members to consider the five items listed below before choosing the most appropriate option(s): <ol style="list-style-type: none"> <li>The option must be auditable.</li> <li>The option must be implementable for future liability; the presented FCL is only up to March 2023 and the option must be workable for future liabilities incurred by smallholders.</li> </ol> </li> </ul>	No.	Option	Advantages	Disadvantages	1	Shared Responsibility model along the supply chain	1.No financial burden on smallholder 2.Adhere to the Shared Responsibility commitment by RSPO members	1. Less involvement of smallholders in contributing to compensating liability (i.e. no ownership of responsibility from the independent smallholders) 2. Currently no mechanism in place	2	Adding on to the already ongoing conservation project in their countries/region (in-kind contribution)	1. Useful in addressing the liability in the different countries/ regions 2. Smallholders are highly involved in compensating liability (e.g. contributing time and materials for projects)	1. Issue with the evaluation of the contribution/ value of time spend by the smallholders and the type of projects 2. Need to consider the balance between minimum value/ha that goes into conservation cost or to the administrative cost	3	Small percentage of the credits earned by the smallholder (e.g. 1 %) goes into payment for donation/charity or channelled into funds that support smallholder programmes	1. Monetary payment by smallholder in the form of credit 2. Support fund is in place (i.e RSPO Smallholder Support Fund, RSSF)	1. Need to consider the suitable credit amount so that it would not be burdening to smallholders	
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	<p>3. To address liability at the group level, possibility to have only 1 best option (sole option or in combination).</p> <p>4. Possibility of a similar option for scheme smallholder (Resolution GA18-2d, scheme smallholder would not be supported by growers).</p> <p>5. The need to consult relevant WG (i.e., Shared Responsibility) and SC (i.e., Smallholder SC).</p> <ul style="list-style-type: none"> <li>• A member agreed with the Secretariat's point about consulting with other working groups, such as the JA WG. There is a need for a system that works well with the jurisdictional approach in the future. The jurisdictional approach would aid in the inclusion of smallholders into landscape systems and a larger-scale compensation project through the RaCP at the jurisdictional level could be materialised. It was suggested to include this consideration in the work plan to be proactive in addressing the matter rather than waiting.</li> <li>• Feedback was provided regarding the importance of determining the goal or the desired outcome of the decision when selecting the best option. For example, is it to discourage smallholders from participating in land clearance and would that option discourage smallholders from joining RSPO? Other goals worth considering are whether we want the smallholders to restore degraded areas, promote conservation, or enhance biodiversity – would the size of the clearing be significant enough that worth restoring, and can the compensation process achieve that? Another point of consideration is whether the primary objective is to uphold the reputation and credibility of RSPO, ensuring adherence to standards. If so, it might involve RSPO taking responsibility away from the smallholders and addressing it differently. Therefore, the decision on the preferable option depends on the specific outcome that the group wants to achieve.</li> <li>• On the remediation part of the ISH, a comment was raised on particularly how smallholders can demonstrate compliance to remediations in locations interpreted as HCV, such as riparian areas, steep terrain, or peatland areas. Several comments regarding the compensation part in the FCL were raised as well: <ul style="list-style-type: none"> <li>○ The compensation mechanism for growers is well established. In terms of the mechanism for the smallholder, there is a need to consider the smallholder's capacity and also the financial aspect of the smallholder to spend and implement the remediation and compensation project. Thus, the mechanism for smallholders should be revised differently from the grower's mechanism.</li> <li>○ The 25-year timeline for the duration of the compensation project might be too long for the smallholders and would need revision.</li> <li>○ To consider reducing the liability compensation, such as for the Ha to Ha options, from the original 1 to 1 perhaps amend it as 1 to 0.1. Similarly for the Ha to dollar, consider revising the USD 2,500.</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>• An emphasis was made to concurrently pursue what the BHCVWG envision the compensation for smallholders to be. There is also a need to recognize that the new P&amp;C might have its own ideas, and hence there should be a tighter correlation between them.</li> <li>• Several concerns/questions were raised on the FCL presentation: <ul style="list-style-type: none"> <li>○ Whether the WG is aiming for a single, definitive answer among the three options or if there is a need for a more conclusive agreement during the current discussion. The Secretariat stated that the primary objective is to determine a way forward on this matter. The next step involves refining the 3 options further, either through the CTF2 subgroup on smallholders, the larger CTF2 group or with other working groups to get feedback.</li> <li>○ Clarification on the dates and thresholds for the ISH, about what gets calculated, if it is similar to how growers are treated (not allowed for certification) and who would be responsible for the liability costs. The Secretariat explained that currently, based on the RaCP for the ISH, they need to proceed until the LUCA stage, and the remediation and compensation part is put on hold due to a lack of mechanisms to address it. Thus, there is a need to develop a mechanism to address this issue.</li> <li>○ It was also inquired whether the same liability table used for growers should be applied to smallholders, specifically in a scenario where a smallholder clears a land this year and seeks certification the following year, or if they would be deemed ineligible. The Secretariat stated that the smallholders use the same liability table as the growers because there is no existing separate mechanism for them. The liability calculation follows the method used for the growers. However, the compensation method and whether to use the same table as the grower for the smallholder requires further discussion.</li> </ul> </li> <li>• A member inquired about the ToR for the Resolution GA 18-2d study, specifically whether the study outcomes will address the concerns raised by the other members. However, it was clarified that the ToR is only for the scheme's smallholders.</li> <li>• The BHCVWG agreed to have the CTF2 smallholder subgroup to further discuss and refine the RaCP process and mechanism for smallholders.</li> </ul>	
6.	<p><b><u>AOB</u></b></p> <ul style="list-style-type: none"> <li>• The dates for the next CTF2 and BHCVWG meetings for 2024 (2 and 1 day respectively) were presented to the members for selection via a Doodle poll after the meeting:</li> </ul>	The Secretariat to send out a

No.	Agenda	Action
	<ul style="list-style-type: none"> <li>○ First meeting of the year: 20 to 22 Feb or 27 to 29 Feb 024</li> <li>○ Meeting before the RaCP v2 public consultation: 25 to 27 June or 2 to 4 July</li> <li>○ Meeting for the RaCP endorsement: 27 to 29 August or 3 to 5 September</li> <li>● A 1-hour online CTF2 meeting will be set up to establish the subgroups as discussed. [Note: It was changed to via email]</li> <li>● A grower from REA Kaltim expressed interest in joining the WG, but due to full membership, it was suggested to invite the grower as an invited expert. Similarly, Kalindi from Planting Naturals, interested in joining, was invited as an expert due to full membership.</li> <li>● There is a need to consider the knowledge gap and identify suitable smallholder experts to invite for meetings where decisions about smallholders are made. The importance of inclusivity was emphasized.</li> </ul>	doodle for the selection of the meeting dates.
7.	<p><b>End of meeting</b></p> <p>The co-chairs and the RSPO Secretariat thanked all the members for their participation in the meeting, and the meeting was adjourned.</p>	