### 22nd Meeting of RSPO BHCV Working Group

**Date**: 19 October 2013  
**Venue**: Istana Hotel, Kuala Lumpur

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<td>Societe Internationale de Plantations et de Finance (SIPEF)</td>
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<td>John Payne (JP)</td>
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<td>Sime Darby Plantation (SDP)</td>
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<td>Sophie Chao</td>
<td>Forest People Programme</td>
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<td>Michal Zrust (MZ)</td>
<td>Zoological Society of London (ZSL)</td>
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<td>Tan Hao Jin (THJ)</td>
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<td>Melissa Yeoh (MY)</td>
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Absent with apologies:  
Kate Bottriel of International Finance Corporation (IFC)  
Sophie Persey of REA Kaltim  
Dr. Reza Azmi of Wild Asia  
Dwi R. Muhtaman (Jaringan NKT Indonesia)  

**Agenda**  
1. Welcoming remarks  
2. Review of previous meeting  
3. Discussion on BHCV revised TOR  
4. GAR remediation plan proposal and Q&A  
5. Threats monitoring protocol presentation by MZ (ZSL) and SC (FPP)  
6. Discussion on Simplified HCV Toolkit for Smallholders  
7. Update on HCV licensing scheme and common guidelines on HCV management & monitoring  
8. Update on INA HCV Taskforce  
9. Update on HCV toolkit for oil palm sector  
10. Update on riparian management guidelines  
11. AOB and date & time of next meeting
1. Welcoming remarks

1.1 The co-chair (OT) opened the meeting by welcoming all BHCV members. He then presented the agenda for the BHCV WG meeting and requested participants to introduce themselves. OT informed members that GAR will present their remediation proposal and update members on SIPEF’s HCV compensation. He informed members that progress has been slow due to the time taken to review satellite images based on the new coefficients. He apologised for not being able to complete it on time.

2. Review of previous meeting

2.1 OT asked members to approve minutes of previous meeting. RK commented that some of the discussions were not captured in the minutes. He has included Anders’ comment into the minutes. AR requested to edit the text of the minutes particularly her comments on GAR’s remediation proposal inserted by RK. OT asked members to check the minutes quoted by RK.

2.2 SiS informed members that he is representing MPOA.

2.3 OT requested two changes to be done as there were two items missing in the minutes. First was the liability calculation done by SIPEF using the old coefficients for the land use cover change analysis. Second was the panel, which has been formed to address SIPEF’s case. OT wanted both items to be included in the previous minutes.

Action:  
OT to provide text for the missing items.

2.4 OT suggested to work on the minutes during tea break as there were not much time left to discuss other important issues. BHCVWG members agreed.

2.5 AL suggested that minutes be circulated earlier so that members can read and respond in a timely manner. PH asked OSC on RSPO’s Service Level Agreement (SLA) for preparation of minutes. OSC replied that she had consulted Audrey Lee and was informed that the SLA for preparation of minutes was three weeks. PH commented that three weeks was too long and he was not aware of the resources within RSPO.

2.6 AR suggested that after the minutes were circulated, all comments on the minutes must be sent to all members and approved at the next meeting. AR advised members to use track changes when editing or inserting comment. PH asked if the format was meeting notes or meeting minutes. If it was meeting minutes, all discussions should be recorded and if it was meeting notes only important points be recorded. PH suggested that after
receiving the meeting notes/minutes, all members should submit their comments within two weeks with track changes. PH proposed that minutes be discussed at the next meeting for approval.

2.7 AR suggested that all comments should be sent to OSC so that all changes or comments can be compiled into a single document. GLT agreed to the suggestion and stressed that the proceeding of the meeting should be recorded accordingly. GLT also commented that it was important to give the members sufficient time to comment on the minutes.

2.8 PH asked OSC on the format of minutes for other RSPO working groups. OSC replied that the format is different for each working group. OSC asked PH if he was unhappy with the format of BHCV minutes and suggested if he had any recommendation on which format to use. PH explained that the issue of the minutes was not the format but the time frame of the minutes received by members for comments.

2.9 OT informed members that the minutes will be circulated three weeks after the meeting and for consistency purposes, and the meeting will be recorded as meeting minutes.

2.10 PH commented that he was not suggesting that the meeting notes be verbatim but to only a record of decisions made.

2.11 AH informed members that TMK’s (Tang Meng Kon) attendance was not recorded in the previous minutes. Members confirmed that TMK was present at the previous meeting. AH also reminded members that at the previous meeting, Sime Darby concluded that they will not proceed with their compensation based on their remediation study, but to follow the RSPO’s compensation procedure. Members confirmed this and requested it to be recorded in the previous meeting minutes. LSY commented that the information can be added into the minutes and she will get TMK to review the additional text. OT explained that the additional text was mainly on discussion of previous minutes which were not captured in the minutes.

Note: The detailed notes in sections above shows the decision made for format of the BHCV working group minutes. From section 3 onward, only actions, important comments and decisions made were recorded.
3. Discussion on BHCV revised TOR

3.1 OSC asked members to provide comments for the revised TOR sent earlier. Members have revised the TOR with track changes to show the changes. Please refer to Annex 1.

Action:
PH to send suggested text for termination of members to be used in the BHCVWG TOR.

4. GAR’s remediation proposal and questions and answers

4.1 PH presented GAR’s remediation proposal to BHCVWG members. Questions and answers (Q&A) session took place during and after the presentation. GAR’s presentation is found in Annex 2.

Q&A

4.1.1 SiS reminded members that there were two initiatives related to conservation of riparian areas. The first being the RSPO initiative and the second was the legal compliance. According to the RSPO, all natural waterways were to be protected. However, the Indonesian legal requirement is only rivers recorded in AMDAL or water bodies with continuous flow of water throughout the year were protected. He concluded that the discussion on riparian remediation was on legal compliance.

4.1.2 GLT informed the BHCVWG that the Indonesian legal requirement on riparian reserve was a recent condition introduced in the agrarian law. Before this, the requirement was only for forest areas under the forestry law. Thus, oil palm trees were planted up to the riverbanks in old oil palm estates. GLT reminded BHCVWG that growers were encouraged to progressively maintain and manage the river buffer as stipulated in the RSPO P&C 2007. He informed members that their Group holding estates had continued with harvesting of palms in riparian areas. He added that oil palms are planted in a triangular system and without agrochemical inputs the crown will eventually become smaller. This will allow light to reach the ground and the undergrowth will take over. GLT commented that the growers should be allowed to continue harvesting palms in the riparian areas.

4.1.3 MZ commented that there was a big difference between harvesting in riparian areas of existing palms and replanting. GLT commented that current harvesting activity was only for existing planting and the area will be maintained as riparian buffer during replanting. GLT also added that given time, the riparian buffer will be progressively widen. He informed members that previously they had cut down palm trees at the river buffer and worked with the forestry department to restore the area with local species, however it was found to be impractical.
4.1.4 AH commented that the important issue for the session was to find out GAR’s plan for riparian areas. AH commented that the results or outcome from not harvesting in riparian areas will not be known if GAR continues harvesting in those areas.

4.1.5 Members discussed the social and encroachment criteria proposed by GAR for discontinuation of harvesting. Members felt that zero encroachment in an oil palm estate was impossible. The standard set for zero encroachment was seen to be impossible to accomplish.

4.1.6 AH reminded members that the objective of the exercise was to evaluate the results of discontinuation of harvesting in riparian areas and not evaluating/deciding whether or not to discontinue harvesting. AH commented that the proposed criteria were inappropriate to decide discontinuation of harvesting.

4.1.7 AR suggested GAR to have an experimental area for discontinuing harvesting. Results from the experiment could be used to compare with areas where harvesting was allowed.

4.1.8 PH commented that if the condition of discontinuing harvesting was applied to GAR, this must be the same for all growers participating in remediation process.

4.1.9 GR commented that the proposal could be specific for GAR as the scenario and ground situation could be different for other growers.

4.1.10 PH summarised the presentation and Q&A session.
   - There is no outright rejection of GAR’s evaluation criteria for stopping harvesting FFB after 5 years.
   - The WG accepted that social issues like encroachment and conflict need to be addressed.
   - The WG recognised that the local government must support to ensure legality of river riparian even though the company does not harvest the FFB.

In order to establish a level playing field, the RSPO Secretariat will gather and analyse data of planted riparian areas within current certified estate.

The WG would like GAR to:

- Consider an experiment to find out if there are social conflicts and encroachment because without stopping the harvesting of FFB it is not known if the problems will arise.
- Consider contextualising the "no" conflict and "no encroachment". No is absolute.
Action:

i. GAR to remove the text “No” in item 1 and 2 in slide 5 pertaining to the Evaluation criteria to decide on discontinuation of harvesting in the attached GAR’s preso.

ii. To revert on the WG’s suggestion to consider an experiment area for discontinuing harvesting.

iii. GAR to proceed with the landscape assessment review with SEARRP and ZSL as proposed by the BHCV WG earlier.

4.1.11 AH suggested that all certified growers with planted riparian reserve from 2005 to enter remediation process within the trial period.

4.1.12 MZ suggested Sime Darby should join the remediation process during the trial period.

4.1.13 GAR suggested certified growers to report on non-compliance of riparian reserve in ACOP.

Action:
Suggestion to Secretariat to go through audit reports to determine non-compliance of riparian reserve.

5. Threats monitoring protocol presentation by MZ (ZSL) and SC (FPP)

5.1 MZ presented HCV (only for HCV 1-4) threats monitoring protocol for oil palm landscape, which was developed by ZSL. SC presented social HCV (HCV 5&6) threats monitoring protocol for oil palm estate. See Annex 3 the presentation. MZ expressed their interest in working with companies to test the monitoring protocols. He asked grower members whether they were interested or if they knew of any companies that would be keen to participate. It was important to find companies from different regions to participate.

5.2 OT asked what were the benefits of participating in the threat monitoring exercise? SC replied that the trial would allow companies to identify and mitigate social conflicts in their oil palm holdings. AR asked about the timeline for this trial and MZ replied that it would take a year.

5.3 OT acknowledged the need of the monitoring protocol however; he questioned the practicality of implementing the monitoring protocol. MZ suggested to members that ZSL and FPP work together to develop a concept note and work plan. The proposal will be presented at the next BHCVWG meeting to seek acceptance or at least a positive statement. AL suggested that the monitoring exercise be linked to all existing HCV work.

Action:
MZ to present the proposal at the next BHCVWG meeting.
6. Simplified HCV Toolkit for Smallholders

6.1 Note: The Simplified HCV Toolkit for Smallholders was developed by the Smallholders Working Group (SHWG) to assist independent smallholders to undertake HCV assessment in their existing cultivation as required by RSPO Criteria 5.2 and the new planting 7.3. This document is designed as a generic guidance for countries without national interpretations and/or country specific guidance for independent smallholders.

6.2 The SHWG requested guidance on certain issues raised in the document. The BHCVWG went through the issues raised and provide the following recommendations.

i. The BHCVWG acknowledged issues and concerns raised in the document. However, the members suggested an invitation be extended to SHWG representatives to join the next BHCV meeting to discuss the issues raised. The objective is to ensure a constructive discussion take place.

Action:
OSC to invite SHWG representatives to join the next BHCVWG meeting.

7. Update on HCV licensing scheme and common guidelines on HCV management & monitoring

7.1 AL requested members to acknowledge and accept him as a member of the BHCVWG representing HCV RN, which the WG did.

7.2 He presented an update on ongoing activities undertaken by the HCV RN, namely HCV licensing scheme and HCV management and monitoring guidance document. See Annex 4 for presentation.

7.3 Note: OSC informed members that the HCV licensing scheme and HCV assessment protocol is under the responsibility of HCV RN. Members did not discuss the HCV Lead Assessor template prepared by Dr. Reza further as the HCV assessor application’s responsibility will be fully transferred to HCV RN after 2014.

7.4 GR presented a simple approach to estimate forests’ value for biodiversity applicable to both larger forests and forest fragments in oil palm plantation. See Annex 4 for presentation.
8. Update on INA HCV Task Force

8.1 PH gave an update on the progress of INA HCV Task Force. See Annex 5 for presentation. OT commented that there were a few universities in Indonesia which have great influence in certain ministries. OT suggested PH to identify and approach these universities.

Action:
PH to get in touch with OT separately to strategise on lobbying the subject.

9. HCV toolkit for oil palm sector

9.1 OSC informed members that the RSPO is looking to develop a HCV toolkit for oil palm sector. Members did not discuss the subject further as they needed more time to discuss it in detail. Members proposed to discuss this subject again at the next BHCV meeting.

9.2 SiS commented that grower’s main concern about the current HCVF toolkit was that it prevents planting on peat areas which have been designated for agriculture. It was also seen as a tool, which would block development. According to the Indonesian HCV toolkit (2008), all forest fragments were considered HCV areas due to the dwindling forest cover in Sumatera. The growers were concerned with the notion that they would have to enrich the forested patches in their concession, which they have no expertise in. He added that growers would view it as a burden. He explained that HCVs in a Forest Management Unit (FMU) were easier to manage compared to oil palm estates. The reason was HCV in oil palm concessions involved land use change, which was different from a FMU. It was due to this that the HCV toolkit (2008) was developed. SiS commented that the HCV toolkit 2008 could be improved or enhanced.

9.3 AL commented that maintaining the identified HCVs depended greatly on the surrounding landscape.

9.4 THJ announced that WWF Malaysia was in the process of facilitating the revision of HCVF toolkit for Malaysia. The toolkit will include identification, management and monitoring elements. The management and monitoring component would include oil palm and any other sectors. THJ mentioned that at the moment, the WWF was looking into setting up a technical working group to develop the toolkit. THJ recognised the urgency for developing a HCV toolkit for the oil palm sector. However she was not sure when the management and monitoring HCVs for oil palm sector revision process would take place.

9.5 SiS commented that the HCV toolkit revision exercise should be held in Sabah and Sarawak as it was the last frontier for oil palm development.

Action:
Secretariat to include the subject in the next BHCV meeting.
10. Update on riparian management guidelines

10.1 OSC informed members on the riparian management guidelines project. OSC also distributed the proposed Table of Contents to members and requested them to send in their comments.

**Action:**
OSC to invite the appointed consultant to attend the next BHCV meeting and present the first draft of riparian management guidelines.

11. Any other business

11.1 The next Compensation Task Force and BHCV meeting will be held from 20th to 22nd January 2014 in Kuala Lumpur.
### Attendance sheet

#### 22nd Meeting of BHCV WG
**18th October 2013**
**Hotel Istana, KL**

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ANNEX 1

STRATEGY TERMS OF REFERENCE FOR THE BIODIVERSITY & HIGH CONSERVATION VALUE WORKING GROUP (BHCV WG) 2011 – 2015

Introduction

The Biodiversity and High Conservation Value Working Group (BHCV WG) has been formed to provide strategic and technical support to the Round Table for Sustainable Palm Oil (RSPO). RSPO members require support in applying the RSPO Principals & Criteria (P&C), particularly those related to the commitment to conserve biodiversity (Criteria 5.1, 5.2), preserve essential ecosystem services (Criteria 4.3, 4.4) and respect cultural landmarks or community access to natural resources (Criterion 6.1). This can best be achieved by minimizing or mitigating the negative impacts of plantations on the environment, while enhancing the positive impacts that palm oil bring to communities (Criteria 5.3, 5.4, 5.5, 5.6). These commitments are particularly important at the time of plantation establishment, which led the RSPO to adopt the High Conservation Value (HCV) methodology as a tool for these critically important periods in the palm oil production cycle (Criteria 7.1, 7.3), as well as provide explicit guidelines regarding the need to maintain ecosystem services and protect cultural landmarks or traditional uses enjoyed by communities (Criteria 7.2, 7.4, 7.5, 7.6).

The BHCV WG succeeds the Biodiversity Technical Committee (BTC), which was approved in 2006 by the third General Assembly (GA) of the RSPO with the specific goal of supporting RSPO members in issues related to biodiversity and the application of the HCV methodology for biodiversity related concerns. At the same time, or subsequent to that determination, other working groups and task forces have been established to address other aspects of the HCV methodology and its practical application on palm oil plantations. The BTC became operational in April 2009, shortly after the first Biodiversity Coordinator was hired in the RSPO Secretariat, (both with co-funding from BACP).

In November 2010, the Executive Board (EB) of the RSPO recognized that improved coordination was required among the many overlapping efforts related to environmental and social issues. The EB charged the BTC to assume this role, but requested that it reevaluate its mission, strategic outlook and internal composition so that it could effectively assume this role and, in the process, provide more effective support to RSPO members. The BHCV WG is the product of that evaluation.

BHCV WG established two task forces i.e. Compensation Task Force to develop a Compensation Guidance and Indonesia HCV Task Force to develop a Compensation Guidance and to explore means of effectively securing HCV areas in palm oil development areas in Indonesia.

Vision

The RSPO’s vision statement seeks to “transform the market for sustainable palm oil and the BHCV WG supports that goal by assisting the palm oil sector in their efforts to conserve biodiversity, maintain key ecosystem services and respect significant cultural landmarks.”
Mission

The BHCV WG will support the RSPO in the production, procurement and use of sustainable palm oil products through the identification, application and dissemination of recognised biodiversity science and standards, HCV methodologies and other best practices related to environmental and social issues. The BHCV WG will advise the RSPO Secretariat to develop monitoring and evaluation (M&E) and knowledge management systems (KMS) so that lessons learned from the application of the HCV methodology can inform the implementation and improvement of RSPO standards and guidelines.

Objectives

The BHCV WG will oversee efforts to reach the following overarching objectives or strategically important tasks:

- Identify biodiversity and ecosystem services, including related social and cultural values impacted by the production, processing, procurement and use of sustainable palm oil products.
- Support the development of new or revised “practical sustainability standards” that address biodiversity, ecosystem services and social and cultural values on plantation landscapes.
- Provide technical input for the elaboration of pragmatic guidelines to support the application of the above “practical sustainability standards,” particularly at critical stages in the development of new plantations.
- Support the RSPO in the application of the HCV framework by screening, reviewing and improving the assessment process.
- Provide technical advice to the RSPO Secretariat upon request.

The BHCV WG will support the Secretariat to undertake the following Tasks and Activities working with others where appropriate:

- Develop an annual workplan and budget.
- Facilitate the development of information resources and toolkits for HCV assessors, managers and auditors to support the work of HCV assessors.
- Develop a monitoring and evaluation (M&E) system that measures the impact of certification on the conservation of biodiversity, ecosystem services and social and cultural values of the HCV framework.
- Commission and review studies which evaluate the efficacy of the HCV methodology, its application on plantation landscapes and its ability to resolve, alleviate, mitigate or otherwise manage environmental and social challenges related to the palm oil sector.
- Acquire, organize and share knowledge related to biodiversity, ecosystem services and the social and cultural values of the HCV framework via a “knowledge management system” (KMS).
- Review M&E reports and other information gleaned from the KMS, in order to make recommendations for improving the PsCS related to HCV and biodiversity.
- Organize and synthesize information in order to improve guidance for the application of the HCV framework methodology.
- Ensure review and approval of HCV assessors.
- Adjudicate conflicts related to the application of the HCV framework on plantation landscapes.
• Disseminate information on biodiversity and HCV in appropriate formats and media outlets so that it is accessible to all RSPO stakeholders, and other important constituencies, such as governments and multilateral organizations.

Targets

In order to fulfill these tasks and meet RSPO objectives, it will be necessary to establish a yearly work program including a series of targets or deliverables (Annex 1).

Roles and Responsibilities

The BHCV WG supports the RSPO Secretariat and will report its findings to the RSPO EB and the General Assembly via the Standing Committee on Standards and Certification (S&C), which is coordinated by the Technical Director (TD) of the RSPO Secretariat. The BHCV WG will be assisted by the Biodiversity Coordinator (BC) who will report to the TD.

The BHCV WG will be the central advisory body for biodiversity and HCV issues. It is not the intent of the EB that the BHCV WG replace other ongoing efforts addressing HCV issues (Annex 2); much to the contrary, the goal is to capture the outputs from those groups and channel that information to the Standards & Certification Standing Committee. In order to be effective, the members of the BHCV WG must understand and incorporate the lessons of many other groups that have been leading similar and parallel efforts over the last several years. The ultimate goal is to ensure that the RSPO P&C -- and all associated supporting documents -- are pragmatic and effective. To ensure effective coordination, the TD will be the principal conduit of communication among these groups and key individuals of these other bodies (typically the Chair) will be invited to attend BHCV WG meetings when appropriate.

Resources

The RSPO Secretariat will provide the financial, human and logistical support that the BHCV WG requires to meet, conduct business and achieve its objectives: The Biodiversity Coordinator (BC) will be the primary source of assistance and support to the BHCV WG. The BC will provide the BHCV WG members with technical reports from in-house and outsourced studies, terms of reference for consultancies, and other information that is required by the BHCV WG to fulfill its objectives. When the Technical Director (TD) may need technical assistance from the committee, this will be channeled through the BC who would be the primary contact person of the committee in the secretariat.

Participation & Governance

The BHCV WG will rely on the experience of the technical staff of RSPO members; other institutions or experts may be invited to participate if they bring specific expertise in practical aspects of conservation, environmental management, regulatory frameworks, or certification services.

The BHCV WG will comprise 14 members, with representation that broadly reflects the sectorial and geographical composition and balance of RSPO, but which reflects the specialized technical nature of this group: retailers, consumer products manufactures and financial institutions (1) and processors and traders (1), growers (4), environmental organizations (2) and social organizations (2). Two independent members will be
appointed to represent certification bodies (1) and a representative from the HCV resource network technical panel (1). Other participants may be invited as necessary. The membership of the BHCVWGEB will designate two co-chairs from the nominated members: one selected to represent the interest of the growers and the other the pooled interests of the social and environmental organizations.

All members should have technical skills in one of the following disciplines: biodiversity, ecosystem ecology, plantation management, community and smallholder development or corporate social responsibility. Nominations will be presented to the Secretariat and approved by the Executive Board, both of which will ensure that the BHCV WG fulfills its mission as a technical advisory panel, as well as maintain collective competence and a balance among the various stakeholder groups. Candidates must be nominated by an RSPO member and approved by the BHCVWG EB after a due diligence process conducted by the RSPO Secretariat. Terms for participants will be for three years with elections staggered so no more than 30% of the membership is renewed in any one year. Membership in the BHCV WG is “institutional” rather than personal; change in employment status should be reflected in the composition of the committee. Participation is voluntary and non remunerative, but reimbursement for travel expenses will be allowed to facilitate participation of all stakeholder groups. Decisions will be reached by consensus by nominated members and must be made when a quorum, which is defined as 2/3 of the nominated members, are attending a meeting.

The current members of the BTC will be invited to serve for between one and two years, with 1/3 retiring each year to be replaced according to the guidelines detailed in the previous paragraph. Moving forward, members will serve three years may be invited to serve consecutive terms.

Members are expected to participate actively to the proceedings or to ensure they are represented by an alternate if they are unable to do so.

Termination of WG members

BHCV WG can consider to terminate WG/TF membership of a member who are absence continuously for 3 meetings.

Termination of a BHCVWG member is decided by consensus of the other members. WG/TF will invite relevant constituent to nominate a new representative.

Annex 1. See BTC Strategy Framework.xls
Annex 2. Mapping RSPO EG.doc
GAR HCV Remediation Proposal

Presented by
Peter Heng and Haskarlianus Pasang
18 October 2013
1. Background

- GAR and SMART acknowledge that 41,165 ha of land was developed without HCV assessment between 1 Dec 2005 and 1 Dec 2007; and between 1 Dec 2007 and 1 Dec 2010.

- A historic HCV assessment (HHA) was conducted by Faculty of Forestry, Bogor Agricultural University (the HHA team) between Nov 2010 to April 2011.

- The HHA team found an additional 3,467 ha of peat lands opened without HCV assessment.
## 2. Recap status of GAR remediation proposal

### Chronology of GAR remediation proposal in 2012 (Extract)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Feb 2012</td>
<td>The RSPO meeting was held in KL, Malaysia to discuss feedback on HCV compensation and peat mitigation proposal.</td>
</tr>
<tr>
<td></td>
<td>• A pragmatic approach to maintain the oil palm trees and harvest the FFB using agronomical practices that minimises the impact on the riparian and peat. When the oil palm trees complete their productive lifecycle, the oil palm trees are gradually replaced by planting indigenous vegetation.</td>
</tr>
<tr>
<td></td>
<td>• The RSPO agreed to implement the HCV compensation and peat mitigation in 2 pilot estates over 8 phases.</td>
</tr>
<tr>
<td>14 Jun 2012</td>
<td>The revised HCV remediation and peat mitigation proposal was submitted to RSPO.</td>
</tr>
<tr>
<td></td>
<td>• The RSPO agreed to a test plan to implement the HCV compensation and peat mitigation in 2 pilot estates.</td>
</tr>
</tbody>
</table>
### 2. Recap status of GAR remediation proposal

#### Chronology of GAR remediation proposal in 2013 (Extract)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Mar 2013</td>
<td>GAR submitted a remediation proposal to the RSPO.</td>
</tr>
<tr>
<td></td>
<td>• The BHCV WG has assigned Glen Reynolds, SEARRP and Michal Zurst, ZSL to give input and</td>
</tr>
<tr>
<td></td>
<td>assist GAR to fine tune the test plan to be submitted to the BHCV WG in June 2013 for</td>
</tr>
<tr>
<td></td>
<td>final approval.</td>
</tr>
<tr>
<td>3 May 2013</td>
<td>The meeting with Glen Reynolds, SEARRP, Laura Darcy, ZSL and GAR/Smart was held in</td>
</tr>
<tr>
<td></td>
<td>Singapore.</td>
</tr>
<tr>
<td></td>
<td>• GAR to update the HCV assessment of the affected areas and its surrounding areas to</td>
</tr>
<tr>
<td></td>
<td>update the list of fauna and flora species currently onsite.</td>
</tr>
<tr>
<td></td>
<td>• Benchmarks to be defined for four functions:</td>
</tr>
<tr>
<td></td>
<td>- Flora and fauna, Erosion (riparian, slopes), Quality of water in river and Peat.</td>
</tr>
<tr>
<td></td>
<td>This includes determining the relevant methodology for each of the four functions.</td>
</tr>
<tr>
<td>19 Jun 2013</td>
<td>GAR submitted and presented the updated remediation proposal to the RSPO at the 21st</td>
</tr>
<tr>
<td></td>
<td>BHCV WG meeting.</td>
</tr>
<tr>
<td></td>
<td>• BHCV WG agreed to GAR’s remediation proposal with SEARRP and ZSL to continue to work</td>
</tr>
<tr>
<td></td>
<td>with GAR in the remediation process.</td>
</tr>
<tr>
<td></td>
<td>• GAR to prepare a comprehensive summary of the remediation plan to include the monetary</td>
</tr>
<tr>
<td></td>
<td>liability to facilitate discussion at the next BHCV WG.</td>
</tr>
</tbody>
</table>
3. Remediation implementation review

Evaluation criteria to decide on discontinuation of harvesting FFB after five years of remediation on river riparian:

1. No encroachment of river riparian
2. No social conflict
3. Commitment from local communities not to encroach the river riparian
4. Commitment from local government to ensure the river riparian is legally a part of company’s HGU property
5. Level playing field:
   5.1 All growers to implement river riparian remediation
   5.2 Apply the same evaluation criteria on harvesting of FFB
4. Remediation objective

• GAR is committed to a full remediation to:
  - Restore ecological functions of the river riparian
  - Restore ecological functions of the peatland
  - Restore ecological functions of the hilly area
5. Remediation methods

1. River riparian remediation:
   - Zone river riparian
     - Zone an area of 50 m from the river bank.
   - Stabilise the river banks
     - Prevent river banks collapse.
   - Remediate riparian as buffer:
     - Ensure water source quality and prevent flood.
   - Rehabilitate wildlife habitat and corridor:
     - Plant indigenous species between the first and the fifth rows in river riparian
     - Implement dedicated agronomic practices and minimise activities on the ground.
   - At the end of the fifth year, an independent team to evaluate the remediation process.

1. Planting indigenous species between the first and fifth rows in the river riparian.

2. Forecast of the progress of remediation in the fifth year.
5. Remediation methods

3. Peat remediation:
   - Enhance water management to minimise the risk of peat degradation:
     - Build water weirs.
     - Install piezometer to monitor water level in peat.
   - Improve land cover management:
     - Control the growth of vegetation to prevent peat from drying up.
   - Enrich with tree species suitable in peatland
5. Remediation methods

4. Remediation in hilly areas:

- Build infrastructure on slopes to conserve water and soil.
- Plant vegetation to prevent erosion (land cover crops etc).
- Build ditches and sumps divert to water run-off on the road so as to further reduce erosion.
6. Reporting

- **Team structure:**
  - HCV Compensation Task Force – Head office
  - Operation team – Agronomy team
7. Recap of next steps presented on 19 Jun 2013

1. Upon approval from RSPO BHCV WG, GAR will collaborate with ZSL and SEARRP to update the HCV assessment of the current landscape and its surrounding, define the monitoring methodology to track the implementation progress and capacity building through training.

2. GAR would develop a time-bound plan at five year interval on the implementation of manual upkeep of the oil palms to continue harvest of the palms trees. At agreed intervals, there will be a review on the landscape condition i.e. the progress of natural vegetation growth, the accessibility to harvest the oil palms.

3. At the end of each agreed interval, a third party, for example a CB to review the implementation will be included for this test plan. As agreed earlier (ref: Interim report to RSPO GP dated 17 Jan 2011 in section 4, item 5.3), we will seek RSPO guidance on the appointment of this third party.

4. The pilot is expected to take 18 months and the final roll out to take 36 months for the remaining eight concessions. We expect the remediation plan to be completed by 2017.

   • The above steps need to be aligned with the proposed staged implementation.
Thank you
KAWASAN BERNILAI KONSERVASI TINGGI (KBKT) 1 - 4

• (i) Keanekaragaman Hayati – NKT 1, 2 dan 3
  – Bertujuan untuk memberikan perhatian khusus kepada berbagai aspek dari keanekaragaman hayati (kehati) yang berada dalam sebuah lanskap (bentang alam) atau luasan yang lebih kecil, misalnya areal produksi sebuah konsesi hutan.

• (ii) Jasa Lingkungan – NKT 4
  – Bertujuan untuk menjamin kelangsungan penyediaan berbagai jasa lingkungan alami yang sangat penting (key environmental services) yang secara logis dapat dipengaruhi oleh pemanfaatan lahan dalam sebuah lanskap.
Step 1 - HCV Threat Monitoring

Background

• 2012 developed with consultation with various stakeholders for companies to monitor how HCV 1-4 are protected and managed
  • Patrol monitoring low cost efficient activity with high output
  • Tested in the field with two RSPO companies
• Supporting software to record and analyse data from field development in partnership adapted Spatial Monitoring And Reporting Tool (SMART)
• Development of training course for company field team
HCV Monitoring

The purpose

• Set of RSPO endorsed standardised protocols for all companies to use
  • Ability to store, analyse, and report data in one place
  • Easy visualisation for reporting to management and auditors
  • Transparency for data monitoring and reporting for RSPO verification
• Facilitates ‘real time’ dynamic feedback to allow for effective HCV management
HCV MONITORING TOOL

HCV 1-6 MONITORING

Background
- Development of HCV 1-4 monitoring protocol during 2012
- Field testing at two company sites
- Consultation with BHCV WG, experts and IoZ
- Development of training modules and company field team training
- Software development by partnership
- Spatial Monitoring And Reporting Tool (SMART)
HCV 1-6 Monitoring

The purpose

- Practical ready-to-use monitoring systems
- Companies use standardised protocols
- Low input – high output
- Ability to store, analyse, and report data in one place
- Easy visualisation for management and audits
- Specific to the palm oil sector
- Provide feedback for resolution of HCV conflicts

HCV 5-6 Monitoring

The next stage

- Integrate HCV 5&6 monitoring
- Field trial
- Develop training
- Develop standard-wide reporting formats
Structure and Governance (1)

- Shift to membership based structure
- Annual fees related to size of organisation, income-level of country and for-profit vs. non-profit character:
  - For profit members: $625 - 5000
  - Non-profit members: $200 - 2000
  - Supporters: $50 - 300
Structure and Governance (2)

- Members elect Management Committee
- Proposed composition:
  - 2 for profit
  - 2 non-profit
  - 2 reps from Roundtables/FSC Secretariats
- MC will guide and oversee RN workplans and activities
- WG for national/regional HCV interpretations
- Technical Panel: peer review and quality control

Hosting and Support

- Hosted by Proforest Initiative (non-profit)
- Some sharing allows effective use of staff / resources
- Support with fundraising, office logistics etc
Mission

- Promote consistent, high-quality identification, management and monitoring of HCVs
- Training
- Guidelines
- Licensing of assessors

Common HCV Guidelines (part I)

- Part I: Common Guidelines on Identification of HCVs just finished
- Developed with RSPO and FSC but supported by all Roundtables (first ever!)
- Guide assessors and national interpretations
- Translations to Spanish (FSC) ands Bahasa (HCV ID) underway
- Planned translations into French, Portugese, Russiion and Chinese
Common HCV Guidelines (part II)

- Part II: Common Guidelines on HCV management and monitoring will be ready 2014
- More generic – aim to help and complement more detailed management guidance by schemes and link to ZSL monitoring methods

Licensing of HCV assessors - outline

- Likely applicants EIA/SIA auditors etc
- RN will support (but not do) training
- Focus on regions of oil palm expansion
- Trained people that match the RN competence profile will accepted as Candidates
- Mentored candidates can do HCV assessments
Licensing and quality control

• Once qualified, candidates will be licensed
• Licensed assessors will file all their HCV reports with the RN (confidentiality)
• The RN Secretariat will survey the performance of licensed assessors based on the quality of their reports
• A separate Quality Control Panel with members of the TP will be set up to handle complaints on (and from) assessors

Funding

• Funding for Common Guidance part II secured
• Half of the budget for setting up the licensing scheme secured
• No funding as yet for phasing in/trial period
• Core funding for next year depend on membership revenue but hardly more than 50%
• Continued reliance on additional funding through projects and from donors for the next 2-3 years
• Licensing scheme need to cover costs + associated overhead in the long term
Point for discussion:

• The costs for the licensing scheme must be borne by growers (and ultimately their customers retailers and consumers)

• But how? Options include that licensed assessors pay a fee per assessments or corresponding to a proportion of the assessment costs.

• Another option is that clients (companies) pay a fee directly to the RN in connection with the assessment.

• Other options?

Thank you
Introduction

- Ecologists can assess and monitor ‘real’ biodiversity through species inventories
- However, this approach is time-consuming, expensive and not always feasible due to lack of resources
- Non-biologists (small/medium growers, communities) need a simple, alternative tool
• We have developed a tool to assess and monitor the ‘biodiversity potential’ of forests and fragments
• This is based on forest structure and habitats as proxies for species
• The tool is a complement to – not a substitute – for species inventories where such are feasible

History
• Roots go back to late 1980s
• Version for Swedish forests widely used in FSC certification (to prioritise set asides and to assess values prior to operations)
• Adaptation to African miombo forest 2005
• Versions for US NW and SE with FSC 2012
• Adaptation to Sabah dipterocarp forests 2013
• Version for Laos with WWF Nov 2013
• Adaptations for Chile and Panama scheduled Jan-March 2014 with WWF and FSC
Outline

- Standardisation of ‘the ecologists’ eye’
- Checklist of forest elements / habitats important for plants and animals that can be assessed by laymen
- Tailored to one or several different forests types (disturbance regimes)
- Nested questions to give increased weight to most important elements
- Simple quantification: some – many

Uses

- Participatory evaluation of forest status for conservation and as baseline
- Education and training – what forest elements are important for biodiversity?
- Management guidance – what to do (or not do) to score higher in 20 years?
- Participatory monitoring of forest status – repeating assessment to detect change
- Participatory monitoring of HCV 1-3 (if same forest status and no threats)
Thank you

www.hcvnetwork.org
# Forest Ecosystem Value Assessment for lowland dipterocarp forest

To agree with a statement, tick:

To disagree with a statement, leave blank:

## LANDSCAPE (1ha = approximately 1.5 football pitches)
1. Site is itself, or is part of, a continuous forested area **larger than 100 ha**
2. Site is part of, or **closer than 500 m** to, a continuous forested area **larger than 100 ha**
3. Site is part of, or **closer than 500 m** to, a continuous forested area **larger than 10 ha**
4. Site is **larger than 1 ha**
5. Site is mostly bordered by natural forest and/or water (river or lake)

## TOPOGRAPHY
6. Site generally steeply sloping (greater than 1:2 gradient - 45 degrees) or is of generally **very rough, steep terrain**
7. One or more prominent gorges or ravines
8. One or more prominent rocky outcrops
9. One or more caves or prominent rocky overhangs

## WATER
10. One or more seasonal/ephemeral streams or ponds
11. One or more permanent swamps, ponds or wallows (or an oxbow lake)
12. One or more permanent streams or rivers
13. Any rivers of streams present have section(s) of riffles or cascades
14. One or more waterfalls

## TREES
15. Many saplings or trees **1-10 cm DBH** (Diameter at Breast Height)
16. Many saplings or trees **1-10 cm DBH** growing beneath a **high intact or partially intact canopy** (of 50+ metres)
17. Some trees **10-40 cm DBH**
18. Many trees **10-40 cm DBH**
19. Some trees **larger than 40 cm DAB** (Diameter Above Butress)
20. Many trees larger than **40 cm DAB**
21. Some trees larger than **80 cm DAB**
22. Many trees larger than **80 cm DAB**
23. Some/many standing dead trees larger than 40 cm diameter
24. Some/many fallen dead trees or logs larger than 40 cm diameter

## FLORA
25. Some woody flowering plants - including woody vines or lianas (can be indicated by fallen flowers)
26. Many woody flowering plants - including woody vines or lianas (can be indicated by fallen flowers)
27. Some woody plants with fleshy fruits, berries or nuts - including woody vines or lianas (can be indicated by fallen fruit etc)
28. Many woody plants, with fleshy fruits, berries or nuts - including woody vines or lianas (can be indicated by fallen fruit etc)
29. Some large vines or lianas with **stem(s) larger than 10 cm diameter**
<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.</td>
<td>Many large vines or lianas with <strong>stem(s) larger than 10 cm diameter</strong></td>
</tr>
<tr>
<td>31.</td>
<td>Some trees with ferns, orchids or other epiphytic plants present in their crowns/branches</td>
</tr>
<tr>
<td>32.</td>
<td>Many trees with ferns, orchids or other epiphytic plants present in their crowns/branches</td>
</tr>
<tr>
<td>33.</td>
<td>Many trees with mosses and/or lichens on stems or in branches</td>
</tr>
<tr>
<td>34.</td>
<td>Many conglomerations of leaf-trapping thread-like fungal strands in the understory</td>
</tr>
<tr>
<td></td>
<td><strong>FAUNA</strong></td>
</tr>
<tr>
<td>35.</td>
<td>Signs of nests, nesting holes or burrows of mammals, birds, reptiles or amphibians</td>
</tr>
<tr>
<td>36.</td>
<td>Signs of foraging, feeding or other clear activity by mammals, birds, reptiles or amphibians</td>
</tr>
<tr>
<td>37.</td>
<td>Sightings or signs of <strong>two or more</strong> mammal species (can include presence of dung)</td>
</tr>
<tr>
<td>38.</td>
<td>Many leeches present</td>
</tr>
<tr>
<td>39.</td>
<td>Soil surface has at least some earthworm casts or cicada chimneys</td>
</tr>
<tr>
<td>40.</td>
<td>Soil surface has many earthworm casts or cicada chimneys</td>
</tr>
<tr>
<td></td>
<td><strong>DISTURBANCE</strong></td>
</tr>
<tr>
<td>41.</td>
<td><strong>None or very few</strong> tangled masses, curtains or 'towers' of dense, <strong>narrow-stemmed climbers or vines</strong> (including climbing bamboo)</td>
</tr>
<tr>
<td>42.</td>
<td><strong>None or very few</strong> open grassy areas</td>
</tr>
<tr>
<td>43.</td>
<td>Average visibility within forest <strong>more than 10 m</strong> (off trail)</td>
</tr>
<tr>
<td>44.</td>
<td>Average visibility within forest <strong>more than 20 m</strong> (off trail)</td>
</tr>
<tr>
<td>45.</td>
<td><strong>No</strong> obvious man-made clearings (roads, skid tracks, log landings etc)</td>
</tr>
<tr>
<td>46.</td>
<td><strong>No</strong> signs of recent logging</td>
</tr>
<tr>
<td>47.</td>
<td><strong>No</strong> obvious signs of hunting (shotgun cartridges/bullet cases, traps, campsites etc)</td>
</tr>
<tr>
<td></td>
<td><strong>SCORE</strong></td>
</tr>
<tr>
<td></td>
<td>Date:</td>
</tr>
<tr>
<td></td>
<td>Site: Assessor(s):</td>
</tr>
<tr>
<td></td>
<td>© Lindhe, Payne, Reynolds, Drakenberg 2013</td>
</tr>
</tbody>
</table>
RSPO INA HCV Taskforce(TF) Update

Prepared by Peter Heng
on behalf of RSPO INA HCV TF
18 Oct 2013
Agenda

1. Recap of INA HCV TF’s work

2. Update of TF work in progress.

- Rollout action plan to key stakeholders

- Review of the draft legal review document to consider high conservation values (HCV) to be included in the legal framework in Indonesia

- Update of the meeting with Pak Kurnia from the National Land Agency to discuss regulatory reform to accommodate identification and maintenance of HCVs was held on 8 July in Jkt.
  - Attended by Patrick (FPP), Pak Andiko (HUMA) and Pak Ronald (SawitWatch)
Recap of INA HCV TF’s work

1. The Executive Board (EB) agreed to the 16 categories of protected areas under ISPO and that HCV assessment need not be conducted within the 16 categories.

2. RSPO, RILO and HCV RN to prepare an analysis on 16 areas against HCV 1-6 by June 2013.

3. The TF agreed that since the palm oil industry is under the purview of the Ministry of Agriculture (MoA), the TF should prioritise their first engagement with MoA regarding the Presidential Decree No.32/1990 on Management of Protected Areas in relation to the six HCV values.
   - After engaging the MoA, the TF agreed to engage the Ministry of Environment (MoE) on AMDAL.
Rollout action plan to key stakeholders

**Development of action plan**
- Developing suggested text from the Presidential Decree 32/1990 that will ensure HCV is recognised in the Abandoned Land Policy PP no.11/2010.
- Review of the suggested text draft.
- Confirmation of the suggested text draft.

**Rollout socialisation plan I**
- Informal dialogue with stakeholders (the Government of Indonesia (BPN, MoA, MoE, ISPO), growers (including GAPKI, GPPI) and communities.
- Review feedback.

**Rollout socialisation plan II**
- Technical meetings to streamline proposed text involving subject matter experts (in forestry, land tenure, legal etc) to finalise document.

**Engaging key stakeholders**
- Get Buy-in (Ministry of Agriculture)
- Get Buy-in (Ministry of Environment)
- Get Buy-in (National Land Agency (BPN)

**Legal Framework revised**
- Revision of legal regulatory on HCV under Indonesian law.

**Face to Face Meeting**
### Action plan progress

<table>
<thead>
<tr>
<th>S/N</th>
<th>Objectives</th>
<th>Action by</th>
<th>Completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>• The Executive Board (EB) agreed to the 16 categories of protected areas under ISPO and that HCV assessment need not be conducted within the 16 categories.</td>
<td>Co-Chairs Pak Bondani / Peter</td>
<td>Mar 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pak Andiko / Patrick A / TF</td>
<td>31 July 2013</td>
</tr>
</tbody>
</table>
| 2   | • Developing suggested text from the Presidential Decree 32/1990 that will ensure HCV is recognised in the Abandoned Land Policy PP no.11/2010.  
• Review of the suggested text draft.  
• Confirmation of the suggested text draft.                                      | Co-Chairs Pak Bondan/Peter / TF  | Aug - Sep 2013   |
| 3   | • To identify a facilitator who has access to the MoA who will “soft-sound” the agenda before the formal meeting.  
• To get guidance from MoA on its approach during “soft sounding”.                        | Co-Chairs Pak Bondan/Peter / TF  | Nov - Dec 2013   |
| 4.  | • To engage the Ministry of Agriculture (MoA) (who oversees the palm oil sector) to recognise that securing HCV for palm oil sector strengthens both ISPO and RSPO. The basis of recognising HCV is the Presidential Decree 32/1990.  
• To suggest the amendments to the Presidential Decree 32/1990 to the MoA to recognise HCV.                                                 | Co-Chairs Pak Bondan/Peter / TF  | TBA             |
| 5   | • To engage the Ministry of Environment (MoE) on protected areas and HCV using AMDAL as the basis.  
• To develop the basis of AMDAL for recognising HCV.  
Note: The engagement with the Ministry of Environment will commence after engaging the MoA.                                                       | TBC                              | TBA             |
| 6   | • The RSPO EB to recognise that the engagement and challenging process is long and intensive and would go beyond the “life” of the current TF, hence should consider succession planning.                           | RSPO EB                          | N/A             |
Review of the draft legal review document to consider high conservation values (HCV) to be included in the legal framework in Indonesia

Incorporating High Conservation Values (HCV) into Indonesian Regulations pertinent to Oil Palm Plantations

Prepared by Andiko and Sibilia (HUMA) for ISA HCV Taskforce (TF)
31 July 2013
### Review of the draft legal review document

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Law</th>
<th>HCV 1</th>
<th>HCV 2</th>
<th>HCV 3</th>
<th>HCV 4</th>
<th>HCV 5</th>
<th>HCV 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1945</td>
<td>National Constitution of 1945, Article 18 b</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1960</td>
<td>Law No. 5 Year 1960 on Basic Agrarian Law</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1978</td>
<td>Presidential Decree No. 43 Year 1978 on Ratification of the</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Convention on International Trade in Endangered Species (CITES) of</td>
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<tr>
<td></td>
<td></td>
<td>Wild Fauna and Flora</td>
<td></td>
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Update of the meeting with Pak Kurnia from the National Land Agency held on 8 July in Jkt.

- Pak Kurnia Toha is the head of Legal Bureau in the National Land Agency.

- Pak Kurnia and his Bureaucracy Reform Team agreed to organise another discussion particularly to discuss possibility in revising Government Regulation on Abandoned Land and incorporated HCV in regulation on location permit.

- Pak Kurnia guided that the TF needs to engage the Ministry of Forestry. He also gave information on legal opportunity for HCV in Land Bill Draft which is now still in legal drafting process.

- The meeting provided a clearer view in enhancing the draft legal review document.
Thank you