ROUND TABLE MEETING ON SUSTAINABLE PALM OIL

UPDATE ON THE STAGED IMPLEMENTATION OF RSPO REMEDIATION AND COMPENSATION PROCEDURES

SUSTAINABILITY WHAT'S NEXT?

AN EVENT BY RSPO
Objectives of the CTF

- To develop an acceptable compensation mechanism for land clearance without prior HCV assessment or where subsequent HCV assessments have determined that HCV were lost.

- To set up a pilot process to implement the guidance and test the compensation process with RSPO members.
# Current Members of CTF

<table>
<thead>
<tr>
<th>Organization</th>
<th>RSPO membership category</th>
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<td>1 Sipef</td>
<td>Growers</td>
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<td>2 Musim Mas</td>
<td>ENGO</td>
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<td>3 GAR</td>
<td>SNGO</td>
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<td>4 REA Kaltim</td>
<td>Processor and Trader</td>
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<td>5 Olam</td>
<td>Financial institution</td>
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<tr>
<td>6 Sime Darby</td>
<td>Independent</td>
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<td>7 Felda</td>
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<tr>
<td>8 ZSL</td>
<td>Senior Advisor</td>
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<td>9 WWF International</td>
<td>Invited Expert</td>
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<td>10 WRI</td>
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<td>11 BORA</td>
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<td>12 WWFM</td>
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<td>13 HUTAN</td>
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<td>14 FFI</td>
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<td>15 FPP/Sawit Watch</td>
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<td>16 SEPA</td>
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<td>17 Wilmar</td>
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<td>18 IFC</td>
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<td>19 HCV RN</td>
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<td>20 Remark Asia</td>
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<td>21 Independent</td>
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<td>22 SEARRP</td>
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Chronology of Events

Aug 2011: Establishment of CTF & 1st CTF meeting

Sept 2011: 2 Public Stakeholder Consultations to develop fundamentals & framework for Compensation Procedures

Oct 2011: 2nd CTF meeting

Nov 2011: Position statement outlining fundamentals & framework submitted to Board of Governors (BoG)

Feb 2012 – Jun 2013: 3rd to 8th CTF meetings

Aug 2013: Compensation procedures presented at RT 10 (Oct 2012)

Oct 2013 – Jan 2014: Draft Compensation Procedures ready for Public consultation (60 working days)

Mar 2014: 9th to 10th CTF meetings. Finalisation of Compensation Procedures

Apr 2014: Endorsement & Approval by BoG. 11th CTF Meeting.

May 2014: Announcement
The staged implementation is designed to gather additional information and experiences in order further refine the finalized procedures.
Required sections during the staged implementation

4. Disclosure of non-complaint land clearance
5. Approved changes of SOPs
6. Land Use Change analysis
7. Calculating conservation liability
Voluntary sections during the staged implementation

- Compensation panel
- Remediation & compensation for the social impacts of the loss of HCVs 4,5 & 6
- Options for implementation of compensation
- Designing compensatory biodiversity projects
- Approval of remediation & compensation plans
- Monitoring of implementation
2014 Milestones

- **March 6th**: Board of Governors approves staged implementation of Remediation and Compensation Procedures
- **May 9th**: Effective start date of staged implementation. Announcement sent to members and supporting documents posted on RSPO website.
- **June - July**: “Compensation Roadshow” outreach events in Jakarta, Kuala Lumpur, and Bogota
- **31 July**: Deadline for all member companies to disclose any non-compliant land clearance
- **30 September**: Deadline for all companies in control of areas with non-compliant land clearance to submit a Land Use Change (LUC) analysis (with supporting templates, maps, and data)
Current activities and next steps

- Historic LUC analyses reviewed by independent expert
- Additional studies on:
  - Financial costs of compensation projects and implications of compensation
  - Best practice guidance for remediation approaches (riparian areas, etc)
  - Improving methodology for historic LUC analysis
  - Legality of compensation requirements
  - Vegetation coefficient studies for Latin America & Africa
  - Prioritization of compensation projects
- Data and studies from staged implementation period incorporated into revision of Remediation and Compensation Procedures (revision complete by *March 2015*)
- *April – May 2015*: Public consultation on revised draft
- *August 2015*: Finalized draft sent to BoG for approval
Update on Disclosure results

- Total companies reporting non-compliant clearance: 35
- Total hectares of non-compliant clearance (raw liability) reported: 283,741 ha
Disclosure submissions by region

Percent of companies submitting disclosure templates, by region of operation

<table>
<thead>
<tr>
<th>Region of Operation</th>
<th>Total Grower companies</th>
<th>Total Submission</th>
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<tbody>
<tr>
<td>Africa</td>
<td>11</td>
<td>7</td>
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<tr>
<td>Cambodia</td>
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<td>1</td>
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<tr>
<td>Indonesia</td>
<td>69</td>
<td>43</td>
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<td>Latin America</td>
<td>26</td>
<td>14</td>
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<td>Malaysia</td>
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<td>18</td>
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<tr>
<td>Papua New Guinea</td>
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<tr>
<td>Thailand</td>
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<tr>
<td>TOTAL</td>
<td>140</td>
<td>86</td>
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Area of non-compliant clearance reported by country

- Malaysia, 22,289 ha
- Indonesia, 252,946 ha
- Nigeria, 925 ha
- Ecuador, 841 ha
- Ghana, 1,225 ha
- Colombia, 5,515 ha
Calculating conservation liability

- When did the clearing occur?
- What was the land cover in November 2005?
- Who controlled the area when the clearing occurred?
- Was the clearing commercial or non-commercial?
When did the reported non-compliant clearance occur?

- **Nov. 2005 – 30 Nov 2007**: 1,155 ha (0%)
- **1 Dec. 2007 - 31 Dec. 2009**: 54,701 ha (19%)
- **1 Jan. 2010 - 9 May 2014**: 101,810 ha (36%)
- **After 9 May 2014**: 126,075 ha (45%)

Total: 283,741 ha
Historic LUC Analysis Submissions

- Companies reporting zero liability (No LUC analysis required): 53
- Companies with reported liability (LUC analysis required): 35
  - Submitted LUC: 19
    - Complete: 7
    - Incomplete: 12
  - Not yet submitted LUC: 16
- Companies non-compliant with disclosure requirement (LUC may or may not be required): 52
We need your participation

- Grower members, if you haven’t done so already:
  - Submit disclosure templates (even if you don’t have any non-compliant clearance)
  - Submit historic LUC analyses and supporting docs for areas with non-compliant clearance

- Provide input:
  - To refine methods for identifying and remediating and compensating for potential loss of social HCVs
  - Ideas and case studies for viable compensation projects
  - Feedback on draft procedures and guidance documents
Thanks for your attention

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