UPDATE ON REMEDIATION AND COMPENSATION PROCEDURES

Compensation Task Force (CTF)

Objectives:
- To develop guidance for remediation and compensation for the potential loss of HCVs due to land clearing without prior HCV assessment
- To manage initial implementation of the guidance

Multi-stakeholder representation:
- Growers (SIPEF, Musim Mas, Sime Darby, FGV, REA Kaltim, OLAM Int., & GAR)
- ENGOs (WRI, WWF, BORA, ZSL, HUTAN & FFI)
- S NGO s (FPP & SEPA)
- Financial Inst. (IFC)
- Invited experts (SEARRP, Remark Asia, Daemeter, & etc)
Staged implementation

- Announcement of compensation procedures & staged implementation period
- Outreach programmes (KL, Jkt & Bogota)

**Deadline to submit disclosure**
- Deadline to submit LUC analysis for companies with liability
- 12th CTF meeting

- Presentation at RT22
- 13th CTF meeting

- End of staged implementation period
- 15th CTF meeting
- Revision of procedures

- 14th CTF meeting

- Start public consultation period
- Suspension of non-submitters by BoG

- PC events in Jkt, KL, Cartagena, Accra

- Endorsement by BoG, subject to 2 year review
- 17th CTF meeting
- Revision of procedures and consensus on procedures
- Endorsement by BoG??

Disclosure statistics

<table>
<thead>
<tr>
<th>Total Member</th>
<th>152</th>
</tr>
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<tbody>
<tr>
<td>Total Disclosure</td>
<td>Received</td>
</tr>
<tr>
<td></td>
<td>Liability</td>
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<tr>
<td>Total LUCA *by company level</td>
<td>Received</td>
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<td></td>
<td>Complete</td>
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<tr>
<td>Total LUCA</td>
<td>Reviewed</td>
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<td>2</td>
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- Raw Liability (ha - based on the 61 disclosures submitted) 635,482.31
- Raw Liability (ha - based on the 25 LUCA submitted)* 264,558
- Potential Social Liability 158
- Final Conservation Liability (ha - based on 25 LUCA submitted) 25,363

As of 8/11/2015
Land clearing based on vegetation coefficient

*Based on 25 submitted LUCAs

Land clearing by time period

*Based on 25 submitted LUCAs
Finalized procedures coming soon!

- Entire document reviewed and revised based on input from public consultation (online comments and events in Jakarta, KL, Cartagena and Accra)
- CTF reached consensus on updated core procedure document on November 12
  - Still in draft form. Final edits to be made by consultant.
  - Several annexes still in development
- Endorsed by BoG on 16 November, subject to two year review
  - Follow up work under mandate of BHCV

Key updates

- Structure of document and process flow chart updated
- Added section on “Cases relevant to this procedure”
- Specified time frames for disclosure of non-compliant land clearing for RSPO growers that acquire new land and growers applying for RSPO membership
- For submission of SOPs (evidence to demonstrate measures to avoid further non-compliant land clearing), option of submitting for public disclosure or verification by an accredited CB
Key updates: Land Use Change Analysis

- Definitions of vegetation coefficients expanded
- Annex with guidance updated by consultant based on input from LUC workshop with GIS experts (in development)
- Summary of LUC analysis/verification report (including associated maps) will be made public along with summary of the Compensation Plan

Vegetation coefficients

**Coefficient 1.0: Structurally complex forest with uneven or multi-layered canopy**
This category includes forest that has been subjected to low intensity selective logging and/or is at a late stage of recovery after long rotation shifting agriculture. Coefficient 1 also includes closed-canopy swamp, mangrove and peatland forests with no signs of drainage.

**Coefficient 0.7: Structurally simplified or degraded forest with even or single-layered canopy**
This category includes forest regenerating after large-scale disturbance including intensive and/or recent logging, wind and/or fire damage (or some combination of these factors). Coefficient 0.7 also includes swamp, mangrove and peatland forests regenerating after logging or other disturbance.

**Coefficient 0.4: Multi-species agroforestry**
This category includes agroforestry farms and plantations which comprise of a multi-species ‘mosaic’ largely dominated by mature tree crops and retaining some structural complexity.

**Coefficient 0: Highly modified and/or degraded areas retaining little or no natural, structurally intact vegetation**
This category includes monoculture plantations, permanent fields, pasture, open developed and/or degraded grass or shrub lands.

Notes: Natural savannahs, cerrados and grasslands are not specifically addressed by the categories above. These areas only need to be compensated for when cleared after their date of classification as HCV according to the HCV toolkit. These should be categorised as 0.4 – 1.0 according to the national and/or regional context. Interpretation of these coefficients should make reference to the HCV toolkit applicable at that time of land clearance. E.g. Wetland ecosystems including peat swamp (especially swamp that is still forested), freshwater swamp, mangrove forest, lakes, and grass swamps are identified as HCV A in Indonesia in 2008 [stated as HCV 4.1 in the Indonesian HCV Toolkit 2008].
### Updated matrix for calculating liability

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<tbody>
<tr>
<td>Land controlled by a non-member at time of clearance</td>
<td>Social remediation</td>
<td>Social remediation</td>
<td>Social remediation</td>
</tr>
<tr>
<td></td>
<td>Environmental remediation</td>
<td>Environmental remediation</td>
<td>Environmental remediation</td>
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<td></td>
<td><strong>Twice the sum</strong> of all corporate clearing without prior HCV assessment multiplied by their vegetation coefficient(s) in Nov. 2005.</td>
<td>The sum of all corporate clearing without prior HCV assessment multiplied by their vegetation coefficient(s) in Nov. 2005.</td>
<td>Social remediation</td>
</tr>
<tr>
<td></td>
<td>Expulsion from RSPO*</td>
<td>Social remediation</td>
<td>Social remediation</td>
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<td>If the areas are later acquired by another RSPO member and only if the seller was a member of RSPO before 9 May 2014, liability is as per “non-member”.</td>
<td>Environmental remediation</td>
<td>Environmental remediation</td>
</tr>
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### Key updates: Social liability

- Expanded sections on identifying social liability for the loss of HCVs 4, 5 & 6 and negotiation and agreement of social remediation plan
- Whenever non-compliant clearing has occurred, burden of responsibility on company to provide sufficient evidence that they do not have outstanding social liability –
  - Very few companies have claimed to have social liability thus far and supporting evidence not yet submitted
    - Follow-up outreach requiring growers to submit evidence specific to social liability
Key updates

- Added sections on identifying areas requiring environmental remediation and environmental remediation plan
- Developing guidelines on transfer of liability and compensation projects for sales/acquisitions
- Options for meeting conservation liability: no significant changes
  - Option 1: hectare for hectare
  - Option 2: $ for hectare (USD 2,500)

Key updates: Designing compensatory biodiversity projects

- Expanded explanations of criteria: additional, long lasting, equitable, knowledge-based
- Added guidance on prioritization of actions (highest being off-site avoided deforestation and/or avoided degradation, lowest being on-site forest/high quality habitat re-establishment)
- Encouraging joint collaborative projects
- Ongoing efforts to develop project ideas/database
Key updates

- Template developed for remediation and compensation project concept note
- Template developed for remediation and compensation plan
  - Approval of compensation plan will result in temporary suspensions to be lifted and certification to proceed.
  - Summary of approved plan will be made publically available on RSPO website
- Monitoring section expanded: annual reporting, independent evaluations, guidance regarding deviation from plan implementation.
  - Monitoring report template to be developed

THANK YOU
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