

RSPO COMPENSATION TASK FORCE

Established in August 2011 by RSPO EB, under the WG-BHCV.

Members : all WG-BHCV members + invited experts and stakeholders.

Chairs: WWF-RI (ENGO) & SIPEF (grower).

Currently 18 members: 7 ENGO, 1 SNGO, 6 growers.



WHAT IS THE NEED?

P&C 7.3: "New plantings since **November 2005** should not have replaced primary forest or any area required to maintain or enhance one or more HCV areas."

MY&RI NI: "P&C initial pilot implementation period" from November 2005 to November 2007.



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RSPO Compensation Mechanism

WHAT IS THE **REAL** NEED?

RSPO is not a niche.

RSPO must have provisions for :

- ✓ new producing countries
- ✓ new members
- √ members taking over (non-)members.



EARLIER CONSENSUS

The 8 Fundamentals of Compensation:

F1: Global consistency

F2: Economically viable for growers

F3: No "clear and pay"

F4: Incentives for transparency



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RSPO Compensation Mechanism

EARLIER CONSENSUS - FOLL.

The 8 Fundamentals of Compensation :

F5: "fixed goalposts"

F6: ex-situ possible for HCV1-3

F7: in-situ priority for HCV4-6

F8: revisions with P&C revisions.



- 1. Liability definition
 - in time / in space / in numbers
 - the Matrix
- 2. Implementing Compensation
 - remediation / compensation
 - how to compensate ?



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RSPO Compensation Mechanism

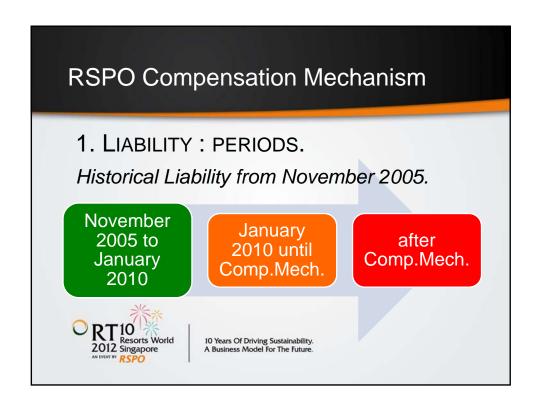
1. LIABILITY: WHEN DOES IT START?

RSPO baseline: end November 2005.



"HISTORICAL LIABILITY"





1. LIABILITY: COEFFICIENTS/MULTIPLIERS

Coefficients: reflect the status of the land.

Multipliers: a dis-(incentive) system.



1. LIABILITY: LIMITATIONS

Non-commercial land-clearing: Carried out by members of local communities, acting individually to support their livelihood, and with no funding by any institution and organization.

Also government projects (with caveats).



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RSPO Compensation Mechanism

1. LIABILITY: METHODOLOGY

Option 1: Historical HCV assessment

Option 2 : satellite imagery analysis (use four classes of forest density)

Both options: SIA.



1. LIABILITY: THE MATRIX

Integrates status of the area at the baseline, time periods, coefficients, multipliers, limitations, and certification status of the RSPO member.



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RSPO Compensation Mechanism COMPENSATION RSPO MEMBER NON-CERTIFIED RSPO MEMBER NON-MEMBER NOV.2005 UNTIL JAN.2010 JAN.2010 UNTIL COMP.MECH. ESCALATION?

2. IMPLEMENTING COMPENSATION

Compensation Management Plan, based on liability assessment.

On-site and off-site: "compensation"?



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RSPO Compensation Mechanism

REMEDIATION

Demonstrable measures taken to restore one or more potential HCVs within a plantation management unit where those HCVs have been lost. Remediation should be considered before compensation.



COMPENSATION

Demonstrable measures taken and/or funds made available to offset (usually outside the plantation management unit) potential loss of HCV areas resulting from land clearing without prior HCV assessment.

2. IMPLEMENTING COMPENSATION

Common attributes: - Additionality

Equitability

- Scientific base

- Long-term

- Flexibility



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RSPO Compensation Mechanism

2. IMPLEMENTING COMPENSATION

How to implement a Compensation Management Plan?

- internally : remediation

- internally : compensation ?

- externally : both ?





