

SUMMARY of the DECISION-MAKING PROCESS on COMMUNITY OIL PALM and PRODUCTION PROTECTION AGREEMENTS

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Overview illustration

This brief summarizes the community level decision-making process for community participation in the Community Oil Palm (COP) outgrower scheme and the Production Protection Agreement (PPA). For an in depth understanding of this process, please refer to the full document.

Summary step by step description:

Stage 0. Pre community engagement:

Use existing data to develop land use map, and develop a list of potential COP PPA communities.

Stage 1. Community entry:

Information sessions to share information about the COP outgrower scheme in potential communities, covering the broad elements of the scheme.

Documents: *Copies of materials used during the event, attendance list, etc..*

Community decision point no. 1: If participants are interested, they request more information and an assessment to determine whether project is feasible in the area.

Documents: *Copy of letter from participants.*

Stage 2. Feasibility and awareness raising

The IWG commissions a feasibility study to develop a community profile and to scope whether there is sufficient land in the area to accommodate COP, forest conservation and other land uses for food security and income diversification. The report has an accompanying map showing towns that would like to participate as a community and those that would not.

While feasibility is ongoing, activities to deepen understanding of the program continue.

IWG Decision point 1: Based on the conclusion of the feasibility report community is informed whether or not COP PPA is feasible.

Community decision point no.2: Is there interest in the scheme? If

NO: Then NO further action is necessary.

YES: the delegates endorse the feasibility report and form a representative body

Documents: *Feasibility report, community resolutions confirming community identity and interest.*

Stage 3: Develop and implement a three-part COMMUNITY CAPACITY BUILDING program

Part 1: The IWG contracts a Service Provider to develop **Forest Protection Plan** with the community outlining how the PPA will be implemented.

Documents: *A map depicting the extent of the forest, and the Forest Protection and Monitoring Plan.*

Part 2: The IWG contracts a Service Provider to strengthen **local governance and set up Community Legal Entity (CLE)**.

Documents: *Governance assessment report, capacity building plan, documentations of the process leading to formation of CLE, and a consolidated report of the activities.*

Part 3: IWG contracts a **Community Legal Advisor (CLA)** to support formation of CLE and developing Articles of Incorporation, drafting community by-laws and constitution and, facilitating legal education focusing on the loan agreement, management contract and PPA.

Documents: *Legal education materials, reports of workshops, and minutes of the meeting where community made decision to move forward with signing agreements.*

Community decision point no.3: The CLE formally informs the IWG that the community is or is not ready to sign the various agreements; a ready notice triggers an external verification process.

Stage 4. Independent third party verification

IWG contracts a consultant to independently verify that the community has made an informed and broad based decision. The consultant prepares and presents a verification report and presents to the IWG, the Investors and the Steering Committee.

IWG decision point no.2: If the consultant response to the overarching question is:
YES: the community, FDA, MOA and the Concession Holder sign the agreements as appropriate.
CONDITIONAL YES: IWG develops a plan to address the gaps or areas of concern.
NO: IWG review the situation together with the community. If they decide to pursue the project, develop a plan to address the issues that were identified. In such case, a second independent review will be commissioned.

Documents: *External verifier assessment report.*

Stage 5: Signing of the Agreements

The IWG members and the CLE process to final signing of the agreements.

