

## Minutes for BOARD OF GOVERNORS Meeting 07-18

**Date:** 16<sup>th</sup> November 2018

**Start Time:** 8.30am-5.00pm MYT

**Venue:** Magellan Sutera Harbour, Sabah.

Attendance																																							
<b>BoG Members and Alternates</b>																																							
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Lim Sian Choo (LSC) - Co-Chair, Complaints Panel																																							
Adi Pratama (ADP) – Oxfam Indonesia																																							
Matthias Diemer (MD) – WWF Switzerland (attended in his capacity as Management Committee member of HCVRN)																																							

Item	Description	Focal Point															
1.0	<p><b>Introduction</b></p> <p>1.1 RSPO Antitrust Laws There will be no discussion on any commercial aspect of the trade in palm oil on premiums, volumes, individual suppliers, individual customers, etc.</p> <p>1.2 RSPO BoG consensus based decision making The BoG was reminded that they try to reach/make decision by consensus which is the absence of sustained objection.</p> <p>1.3 TS was asked to chair the meeting in the absence of the Co-Chairpersons.</p> <p>1.4 Approval of Minutes - BoG 05-18 and BoG 06-18 Minutes have been approved.</p> <p>1.5 TS proposed that action points from previous BoG meetings should follow the approval of minutes.</p> <p>1.6 <b>New Board Member</b></p> <table border="1" data-bbox="256 969 1193 1193"> <tr> <td data-bbox="256 969 325 1077">1)</td> <td data-bbox="325 969 619 1077">Lee Kuan-Chun - P&amp;G</td> <td data-bbox="619 969 1193 1077">Substantive Member – Consumer Goods Manufacturers</td> </tr> <tr> <td data-bbox="256 1077 325 1193">2)</td> <td data-bbox="325 1077 619 1193">Dato’ Dr Othman Hj Omar - FELDA</td> <td data-bbox="619 1077 1193 1193">Substantive Member – Growers [Smallholders Sector]</td> </tr> </table> <p>1.7 The election results of office bearers are as follows:</p> <p><b>New Co-Chairs</b></p> <table border="1" data-bbox="256 1339 1193 1525"> <tr> <td data-bbox="256 1339 325 1447">1)</td> <td data-bbox="325 1339 619 1447">Dato’ Carl Bek - Nielsen MPOA</td> <td data-bbox="619 1339 1193 1447">Substantive Member – Growers</td> </tr> <tr> <td data-bbox="256 1447 325 1525">2)</td> <td data-bbox="325 1447 619 1525">Anne Rosenbarger - WRI</td> <td data-bbox="619 1447 1193 1525">Substantive Member – eNGO</td> </tr> </table> <p>1.8 <b>Treasurer</b></p> <table border="1" data-bbox="256 1599 1193 1711"> <tr> <td data-bbox="256 1599 325 1711">1)</td> <td data-bbox="325 1599 619 1711">Tim Stephenson</td> <td data-bbox="619 1599 1193 1711">Substantive Member – Processors and Traders</td> </tr> </table> <p>1.9 <b>Vice-Chairs (VC)</b> The election of VCs is deferred to the next physical meeting.</p>	1)	Lee Kuan-Chun - P&G	Substantive Member – Consumer Goods Manufacturers	2)	Dato’ Dr Othman Hj Omar - FELDA	Substantive Member – Growers [Smallholders Sector]	1)	Dato’ Carl Bek - Nielsen MPOA	Substantive Member – Growers	2)	Anne Rosenbarger - WRI	Substantive Member – eNGO	1)	Tim Stephenson	Substantive Member – Processors and Traders	
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2.0	<p><b>CEO’s Report</b></p> <p>2.1 The BoG requested that the Secretariat present a plan to further engage the downstream sector at the next physical meeting.</p>																

2.2	The BoG noted that the Shared Responsibility Task Force, which will be formed in 2019, is tasked to analyse CSPO supply/demand data and performance of members via ACOP. This analysis will be reported back to the BoG accordingly.	
3.0	<b>Honorary Membership</b>	
3.1	The BoG endorsed the nomination of Dato' Henry Sackville-Barlow for an Honorary Membership in the RSPO. Dato' Henry has been an extremely supportive affiliate member of the RSPO for many years, and currently serves as the co-Chair of the Complaints Panel.	
4.0	<b>Finance Update</b>	
4.1	<b>Financial update for period ended 30 September 2018</b> TS presented the financial update for Q1 FY2019. Income is in line with the budgeted amount, with a surplus for the quarter. However, the actual surplus should be lower than reported as there are some understated costs.  TS requested the Secretariat to review the FY2019 budget in anticipation of costs that may arise, particularly relating to P&C 2018 and from resolutions approved at the GA. The BoG noted that clarity of the expenditure is vital, in order to make decisions on income revisions and cost optimisation.	
4.2	<b>RSPO Smallholder Support Fund (RSSF)</b> With regard to the RSSF, TS reiterated that the BoG had clearly made a decision that no further allocation will be made to the fund and channelled it to Smallholder Strategy development. However, the BoG noted that this decision was not properly communicated to the RSSF Panel, resulting in continued submission of applications to the RSSF.  TS proposed that the BoG allow for these latest applications to be considered and depending on the outcome of the applications, take an overview of the fund at that stage. The BoG agreed to this proposal, with JV suggesting that projects run concurrently to achieve the objectives of the Smallholder Strategy. The BoG also agreed for the soon to be established Smallholder Standing Committee to look into this issue.	
4.3	<b>European Roundtable (EURT)</b> The BoG requested the Secretariat to review the budget allocation for the EURT in 2019, and consider ways to optimise costs.	
5.0	<b>Session with Complaints Panel</b>	
5.1	HB and LSC provided an update on the recent developments within the RSPO Complaints system, with proposed amendments to the Complaints & Appeals Procedures (CAP) 2017:  1) Establish a committee to review causes and consider actions to address the increase in Complaints from Indonesia.	

	<p>2) Insertion of new Clauses 7.1.20 and 7.1.21.</p> <p>7.1.20 to direct cost during the investigation phase under Clause 11 CAP;</p> <p>7.1.21 to issue other directives as deemed necessary and reasonable in the course of complaints resolution provided always that directives issued under this sub-clause corresponds with the Complaint Panel’s powers under Clause 7.1.1 to 7.1.20.</p> <p><b>Decision:</b> The BoG endorsed both proposals, and requested the Complaints Panel to be transparent on members who do not comply to the cost directive.</p>	
6.0	<b>Updates on Past Resolutions</b>	
6.1	<p><b>Resolution 6f GA12 – Smallholder strategy and action plan</b></p> <p>JV presented the progress update on the Smallholder Strategy, and highlighted that under Objective 3, the Smallholder Standing Committee may work closely with the (soon to be established) Market Development Standing Committee to ensure a viable business model and market outreach for smallholders.</p>	
6.2	<p><b>Resolution 6g GA12 - Improve the Annual Communication of Progress (“ACOP”) reporting process</b></p> <p>OSC presented an overview of improvements made to the ACOP, and informed the BoG that new guidelines and questions are expected to be completed in December 2018 and shared with BoG and other relevant stakeholders for review.</p>	
6.3	<p><b>Resolution 6h GA12 – Ensuring quality, oversight and credibility of RSPO assessments</b></p> <p>PW provided a progress update of activities related to the Assurance Task Force (ATF). Some of key points highlighted include labour and social issues, and capacity of the Certification Bodies (CBs).</p>	
6.4	<p><b>Resolution 6f GA14 – Balanced representation in the GA</b></p> <p>DW informed the BoG that the Secretariat has engaged Kedge Business School to undertake a study on the adopted resolution. They will produce a draft of their findings in 2019.</p> <p>BoG noted that draft findings would need to be presented to BoG in H1 of 2019 in order to provide sufficient time for a suitable resolution to be formulated, agreed by BoG and presented to GA16 (if necessary).</p>	
7.0	<p><b>Performance dashboard</b></p> <p><b>Organisational KPIs and Risk Register</b></p>	

7.1	BT briefed the BoG on the RSPO organisational risk register, which incorporated input from the BoG and sub-committees.	
7.2	The BoG requested for an action plan to mitigate the risks and for the Risk Register to be prioritised in subsequent BoG meetings.	
8.0	<b>Proposal on additional funding for HCVRN (Endorsement)</b>	
8.1	BT explained to the BoG recent developments with regard to the HCVRN and its financial ties to the RSPO.	
8.2	The BoG requested the Secretariat to have a 1-2 day workshop with the HCVRN Secretariat to resolve current issues and find ways moving forward.	
8.3	It was also highlighted that RSPO requires clarity from HCVRN on its financial viability in the medium term, and that the RSPO retains the option to in-source the Assessor Licensing Scheme (ALS).	
9.0	<b>CSPO production and uptake – trends and analysis</b>	
9.1	DH presented an update of the production and uptake data, and the analysis to the BoG.	
9.2	OT requested that the Trade & Traceability Standing Committee (T&T SC) review its decision that only Crushers are allowed to sell their Palm Kernel (PK) certificates as it is the mill that produces certified PK.	
9.3	DH noted that the T&T SC will deliberate on this matter and the BoG will be updated on the decision.	
9.4	The BoG requested the T&T SC and the Secretariat to work on an official position on CSPO uptake, and share it with the BoG by the following week.	
10.0	<b>P&amp;C 2018</b>	
10.1	<p><b>Terms of Reference (ToR) for No Deforestation Joint Steering Group (NDJSG) (Endorsement)</b></p> <p>JV highlighted potential areas in which the Smallholders Standing Committee and the NDJSG may overlap, hence emphasised the need for clarity of roles.</p> <p>The BoG agreed that the NDJSG will be reporting to the Standards Standing Committee.</p> <p><b>Decision:</b> Terms of Reference (ToR) for the No Deforestation Joint Steering Group (NDJSG) was endorsed by the BoG.</p>	

10.2	<p><b>Way Forward post-GA15</b></p> <p>JM updated the BoG key activities pertaining to P&amp;C 2018, involving revision of normative and informative documents, and activation of Working Groups among others. EC, who was Chair of the P&amp;C Review Standing Committee, recorded a note of thanks to JM and the Secretariat team for their work during the P&amp;C review process.</p>	
11.0	<p><b>Governance Review</b></p> <p>11.1 BH updated the BoG on recent developments on the work undertaken by the Governance Review committee. The aim of this work is as follows:</p> <ul style="list-style-type: none"> <li>● To allow governance oversight and direction on specific areas of areas of work that the BoG does not do</li> <li>● Separate strategic and governance functions from role of advising the Secretariat</li> <li>● Strengthen committee links to the BoG</li> <li>● Clearer and faster decision making</li> <li>● Clearer reporting of Working Groups and Task Forces</li> </ul>	
12.0	<p><b>AOB</b></p> <p>12.1 DW brought to the attention of the BoG that there is still a vacant seat for the Retailers sector and proposed that the BoG recruit a member to occupy this seat and possibly an Asian representative.</p> <p>12.2 All Board members are requested to budget for attending the GA and RT although there are exceptions given to members from NGO sectors.</p> <p>12.3 EC requested for an update in the next Board Meeting on Resolution GA13 6d (Compensation Mechanism) Assuring Effectively Planned, Implemented and Monitored Compensation Projects In “Remediation and Compensation Procedure” of the RSPO.</p> <p>12.4 The Secretariat will be sending out the RSPO BoG meeting dates for 2019 in December 2018.</p> <p>12.5 The BoG noted that there will be a strategy meeting in March 2019, to be held the day after the BoG physical meeting.</p> <p>12.6 EC requested for local NGOs to be given due consideration with regard to membership and conference fees, etc.</p> <p>12.7 The BoG recorded a heartfelt note of appreciation to BW for his services as Co-Chair of the BoG. In addition, the BoG acknowledged the resignation of JV and his services to the Board and contribution to the RSPO. Similarly, the BoG would also like to thank SS for his services to RSPO Secretariat.</p>	
	Meeting adjourned at 5.00pm.	