DRAFT Minutes of Meeting 11th Smallholder Working Group (SHWG) Meeting

Date: 6th November 2016 **Time**: 9.00 am – 5.00 pm

Venue: Silom Room, Centre Point Bangkok

No	Name	Initial		SHWG	Organisation
1	Perpetua George	PEP	Processor	Member/ Co- Chair	Wilmar International
2	Elise Mujzert (alternate)	EM	Social NGO	Member	Solidaridad Network
3	Dr. Petra Meekers	PM	Grower (INA)	Member	PT. Musim Mas
4	K Ilangovan	KI	Grower (MY)	Member	Felda Global Ventures
5	Chuan Eng Sin	CES	Grower (MY)	Member	Kuala Lumpur Kepong
6	Lee Kuan Yee	LKY	Grower (MY)	Member	Kuala Lumpur Kepong
7	Ian Orrell	Ю	Grower RoW (RoW)	Member	NBPOL
8	Rukaiyah Rafiq	RR	Social NGO	Member	Yayasan Setara Jambi
9	M Suffian M Muhuli (alternate)	LK	Manufacturer	Member	Procter & Gamble
10	Triyanto Fitriyandi	TF	Bank	Member	IFC
11	Sheila Shenarajath	SS	SH	Member	WAGS
12	Joko Ariff	JA	Env NGO	Member	INOBU
13	Stephen Krecik	SK	Env NGO	Member	Rainforest Alliance
14	Rauf Prasodjo	RP	Manufacturer	Member	Unilever
15	Jan Pierre Jardin	JP	Latin America rep	Member	Oleana
16	Aaina Karina M Senawi	AKMS	Secretariat	Member	RSPO KL
17	Julia Majail	JM	Secretariat	Member	RSPO KL
18	Yohanes Ryan	YR	Secretariat	Observer	RSPO KL
19	Salahudin Yaacob	SY	Secretariat	Member	RSPO KL
20	Thitinai Pongpiriyakot	TP	Secretariat	Member	RSPO Thailand Liaison
21	Yasmina Neustadtl	YN	Secretariat	Observer	RSPO LATAM
22	Ashwin Selvaraj	AS	Secretariat	Observer	RSPO EU
23	Sri Gayathri Velayutham	GV	Secretariat	Observer	RSPO KL
24	Veronique Bovee	VB	Presenter	Observer	Proforest
25	Meri Persch	MP	Presenter	Presenter	Aid Environment
26	Paula den Hartog	PH	Presenter	Presenter	UTZ

No	Discussion Notes	Action Points/ By:
1	Welcome and Introduction by Co-Leader	
1.1	PG expressed appreciation for the attendance of the members in this SHWG meeting and thank YR to be able to come and	

present on the Smallholder Strategy to the SHWG members. And started off the meeting by going through the agenda of meeting. **Confirmation of last MoM** [Annex 01: Minutes of Meeting 10th SHWG Meeting] Correction on the spelling of names for K. Ilangovan (KI) and 2.1 Ian Orrell (IO). 2.2 **Signing of the Code of Conduct document** PG asked on the follow up on the signing for CoC. PG also highlighted that experts and observers will need to sign the CoC as well. Action point 1: Action point by Triyanto 3 organisations have yet to sign a copy of the CoC. AP:1 (IFC), Asrini (Asian Agro) 1. IFC and Darto (SPKS). 2. Asian Agri 3. SPKS 2.3 **Update on SHWG membership** • JM update on all current members. • PG highlighted ALDI as an on-trial member, why was she not able to attend. AS clarified that they have other prior engagement so they won't be available to attend the Action point 2: event. Secretariat to communicate to ALDI on the expectation ALDI need to have representation to attend the meeting. If as member of SHWG. ALDI cannot make it to the SHWG they may risk to be Action by Secretariat. removed from being member of SHWG. AP: 2. • PM highlighted the importance to have active and committed retailers and it would be more meaningful to have their presence physically. Retailers may need to look at other ways of making it work as a SHWG member. PM commented that it is good to have some form of active commitment to contribute to the meeting even if they are not able to attend the meeting physically. **Action Point 3:** • Asian Agri have not provided any feedback on whether Asian Agri to be contacted they want to be part of SHWG. PM have tried to contact on their membership. Asian Agri about their membership as part of SHWG. Action by Secretariat.

- This is the 3rd time they are not present and SHWG will need to inform Asian Agri officially on their inactive participation which will affect their membership in SHWG.
 AP:3.
- Marieke Leegwaters is currently on maternity leave. Her role as Co-Leader will not be replaced in this meeting and PG will lead the WG during her absence. Similarly, no nomination received to replace her as Panel of RSSF.
 Therefore, she will remain as is in the RSSF Panel until she returns from maternity leave.
- 2.4 **On Point 4.1** IO suggested correction to be made to the sentence "smallholders may <u>refuse</u> change to <u>resist</u> to be made to follow RSPO rules". Remove "<u>already been advised by..</u>". Remove "<u>used to</u>".
- 2.5 The 10th SHWG Minutes of Meeting was approved by IO (proposer) and PG (seconder) accepted by the members.

3.0 Membership Update

- SHWG would need to have a representative for Africa. JM
 have been talking to organisations in Africa during the
 conference in Africa on the importance to have a body
 that could represent the view of smallholders in Africa as a
 continent. RSPO is currently planning to setup an office in
 Africa and will follow up on this matter as soon as RSPO
 staff been recruited for Africa.
- Currently, JM have asked Rosemary Addicco as the Africa representative.

4.0 UPDATES AND DISCUSSION ON SH STRATEGY PROGRESS: Overall progress and outcome from SH Strategy Workshops [Annex 02: Update and Discussion on SH Strategy]

- YR updated the members on the development progress of the SH Strategy and explained on the process and timeline that was done in identifying the key strategy for SH strategy.
- Based on the 3 areas where the SH Strategy workshop was done:
 - South East Asia identified key challenges are technical assistance, capacity, incentive & productivity, legality, market and cost (technical support).

- Latin America low productivity, financial support, social (organisation), legality and adaptability to RSPO standard.
- Africa land tenure (legality), resources (financial), training & technical support, market access, support and infrastructure, organisation and representative in RSPO.
- Once BoG endorses the strategy and the respective body will need to proceed with the relevant action plans and implement it accordingly.
- PM asked clarification on the identified responsibility of roles in the strategic target.
- PG highlighted that T&T Standing Committee will not want to pay on the incentives. PM also says that T&T does not want to be part of this. For BoG assigning on roles and tasks to relevant working group should be something to be reconsidered before proposing it to working group and that the working group should be consulted.
- YR is open for suggestions on who will be the key person in RSPO. SH Strategy will go to SHWG and this will be mainstreamed into the RSPO.
- PG says SHWG would have more knowledge on SH as compared to other WG. But SHWG disagree that they should have a bigger responsibility in managing this.
- SY explains that it is a setup to be mainstreamed throughout RSPO and not only within WG. SY seeks comments from the SHWG today to further improve the idea that was presented and this is a new path that is being developed, so it would be beneficial for all that are involved.
- Context on SH Strategy must be looked as a whole.
- PG mentioned that SHWG is supportive of the SH Strategy but it requires clearer presentation on the roles as it should be consultative for smallholders and not a top down approach.

- PM suggest to have a side meeting on what is to be presented during the BoG on SH strategy from SHWG.
- SY suggested to take out the proposed responsibilities from the SH Strategy presentation and seek the advice from the BoG.
- JP commented on the process as what was highlighted throughout the process is more on producer side. What about beyond T&T and consumer side? JP gave an example in Latin America when they were trying to engage with P&G/Nestle/Unilever in the Latin America office. There is no Sustainability contact person that are approachable when it comes to getting in contact for the Jurisdictional certification involvement.
- YN agrees with JP, and she has seen the same thing throughout the other side of Latin America apart from Ecuador e.g. Peru and Columbia. But there is commitment from Mexico due to demand from the USA market.
- YR clarifies that discussion on step-wise approach is more from the market side.
- JM explains that through the consultations, it was noted that the buyer side are cautious on the step-wise approach as they want to avoid criticism and this is where the gap is.
- SK says that in order to see changes and adaptation of RSPO standards, RSPO should demonstrate clear communications and measurements as a simple perspective of this.
- JM acknowledges SK's comment and that was the essence of all the strategy workshop that was done.
- RP highlights that Unilever has been talking a lot about it.
 Right now, looking at palm oil that are being sourced from Indonesia, Unilever would have higher chance to exclude smallholders. It is a high priority to understand on how the strategy can include the smallholders in their 2020 goal.
- SHWG is supportive of the outcome the SH Strategy but will need more time to consultatively feedback.
- IO raised the issue on Legal Compliance by smallholders and this is only half of the problem. It goes beyond

simplifying this to make it easier for them. NBPOL struggle with Land Titles related issues in PNG and that is just one example and when the CB goes auditing and questioned about that without further investigating or understanding the other scenarios that contributes to the problem and says it is non-compliance. What about other contributing problem in the dysfunction systems? i.e. literal interpretation of the CB's when auditing on the ground.

- PG recap that there are key recommendations to be brought to YR before he shares the SH Strategy with the BoG.
 - Who has overall roles in relation to the SH Strategy.
 - FFB pricing and not necessarily linked to CSPO and down.
 - A lot more inputs from smallholders directly consultatively.

5.0 UPDATES ON SH CERTIFICATION COMPLIANCE & GUIDANCE

- 5.1 Status of PalmTrace for Group Manager, presentation by Paula H, UTZ [Annex 03: Status of Palm Trace for Group Manager]
 - RR asked for clarification if there are still additional credits from GreenPalm. How can it be converted? PH said that the credits will need to be manually added into the system.
 - PalmTrace is a ONE platform for all trading traceability and it allows accurate tracking of the trading.
 - More webinars will be done after the implementation date 1 Jan 2017 on PalmTrace.
 - When registering APP how will they be notified on it? The registered Group Manager will have an account and will receive email updates on it.
 - What are the basis of the license? It is from the CB.
 - RR asked about the pricing? The prices of CPO/CPKO are based on the market or negotiation with the market. PH says the historical prices may help the independent smallholders to give an idea of the amount.
- 5.2 **HCV 7.3 Guidance for Smallholders** [Annex 04: HCV 7.3 Guidance for Smallholders]
 - The procedures are a 3-step procedure. 1st step: Introduction on HCV

2nd step: Risk Analysis Manual 7.3

3rd step: low, medium and high risk level.

- Low level risk can be done by the Group Manager.
- Medium and High level will need a registered assessor.
- Proforest and AidEnv have aligned the threshold sizes of land.
- SS asked if this is accounted as segmented land. VB says the size of land threshold is for the expansion area only. It is accumulative size of expansion of the group.
- YN asked will the Group Managers be trained. JM says it is in the BHCVWG plans to provide the guidance document and training materials.
 PG says the guidance should be developed by the BHCVWG.
- LKY asked do they need to submit the report to HCVRN for peer review. No. Not if it is low risk.
- JA asked how the level of risk is defined. PG clarifies the level of risks was defined based the local context and CB will audit the document.
- IO emphasise that we need to breakdown when it is to differentiate with independent and associated smallholders? VB says at current it is for the independent smallholders. JM clarifies with assumption scheme smallholders will be supported by the mills. IO highlights that this is not a binary system with the scheme smallholders. (AP4)
- Proforest needs recommendations for Thailand on mapping data. (AP5)
- Land Use Change (forest cover) Maps will be finalised end of Nov 2016.
- Who will be the person in charge on communication for HCV 5.2 procedure Q&A? Is it only the Group Manager that can do this and don't need to go through assessor?
 JM will work on this with Proforest. (AP6)

Action Point 4: To differentiate between associated and scheme smallholders (refer PNG case) Action by Proforest / Taskforce / Secretariat

Action Point 5: To recommend data mapping for Thailand.

Action by SHWG / Secretariat

Action Point 6: Identify person in charge for the HCV 5.2.

Action by Secretariat / Proforest

YN asked about the probability maps as it is different from one country to another in Latin America. JM will need to get back on this. (AP7)

Action Point 7: Customised probability mapping across all countries. Action by Secretariat

JP said Ecuador asked how to develop or who is going to develop tools for probability maps? YN said Conservation International has offered to develop a tool (temporary probability map) for Ecuador. VB says Proforest will finalise the probability maps and discuss further during the taskforce meeting.

5.3. **SEIA Guidance and Tool Development for Smallholders**

[Annex 05: SEIA Guidance and Tool Development for Smallholders]

MP updates the members on the development of the SEIA Apps. She explains on how to use the APP online (https://enketo.ona.io/x/#YZ2u) and how it has further developed from the last meeting. The APP will be hosted from RSPO website once it has fully developed. At current, it is still on trial. The Apps will give different pop-up response depending on types of answers given. Once all has been filled in, the APP can provide different output report and with different languages customised for the smallholder. At the bottom of the report will show the scoring (based on the colour indicators). By end of the month the APP should already be completed.

The APP can be accessed on iPhone and Android. It is an APP from website access which is RSPO website.

- SS asked how the maps are being based on for the Group Managers. MP says this is with assumption they have a map and all basic information.
- PG asked about other languages. MP says this would be up to RSPO to decide what languages.
- RR asked if this can be accessed only via online. MP said yes but what you do is you can save it offline and come back to it later. But this is still work in progress.
- MP have 2 questions to ask SHWG:

1. Do you still want to have a background document on this and make it public?

Background documents are useful for SHWG. Suggest to remain as an APP for external use. Background document to be limited to the SHWG/ RSPO Secretariat and APP for public use.

2. Do you want the APP to be password protected to protect data for the Group Manager?
Yes. (AP9)

- IO commented to reword from plantation to farms to avoid confusion with big plantations as a generic word to be used within the APP. (AP10)
- IO asked how CB can assess this document. It needs to be clear because there are different scenarios in local context. To have notes and then background document as proof. (AP11)
- Field test of the Guidance/Apps –the guidance would be field tested first prior it being accepted. PG advise to take on within SHWG with Yayasan Setara Jambi, WAGS and Thai Group Managers.
- SS asked will there be a Management Plan? MP says building a Management Plan will not be output of this report but it will be an idea and timeframe of implementation based on the output of the report as it is not a final document instead it is a recommendation on the next steps.
- Pilot Project with 4 organisations Yayasan Setara Jambi, INOBU, WAGS and Thailand. By January 2017. Results will NOT be published as this a piloting. (AP12)

Action Point 9: APP to have password protection.

Action by AidEnvironment

Action Point 10: Reword plantation to farm within the SEIA Guidance.

Action by AidEnvironment

Action Point 11: To include note section for CB at the end of the background document.

Action by AidEnvironment

Action Point 12: To identify SH Group to do piloting. *Action by Secretariat.*

- **5.4 Updates on RaCP and Compensation**[Annex 06: Status of Compensation and RaCP for Smallholders]
 - JM and PG updated the members on the proposed statements/ decision paper submitted to BoG for endorsement with regards to the proposed way forward for the formulation of RaCP for smallholders. This will be discussed at the BoG meeting on Monday.
 - SY added that by doing this does not mean we are moving the cut-off date to now. But when the smallholders are ready to be certified, must be compensated.

5.5 Update on 5.6 GHG guidance[Annex 07: Guidance for smallholder GHG Reporting]

- PG updated the members on the status of compliance for C5.6 for smallholders. As discussed with ERWG Co-Leader, Group Managers will need to demonstrate the main sources of GHG in area concerned.
- The approach for SH will need to be field tested. Areas of piloting identified are: Africa, Latin America and Thailand.
- SS asked if there is sufficient training provided to the CBs?
 As this is something that WAGS can observe based on 2
 CBs they have engaged for their groups being audited.
 Yes, training will be provided for CB and Group Manager.

6.0 UPDATES ON RSSF [Annex 08: RSSF Update]

	RM'000	USD '000
At 1 Jul 2015	13,100	
Project Disbursements:		
SH Certification Projects	(1,009)	
SH One-Off	(24)	
SH Impacts Projects	(1,259)	
Allocation of fund (10% of		
CSPO Income)	2,952	
At 30 Jun 2016	13,761	3,419
Contracted	(1,480)	
Approved but not contracted	(5,598)	
Total Commitments	(7,078)	
Funds available as at 1 Jul 2016	6,683	1,660

- PG updated that RSSF Panel have been having on-going discussion with Treasurer to ensure to include presenting on the impact we have done.
- Special Project now known as Smallholder Impact Project.
- JA asked how frequent is the meeting with the Panel being done? PG clarifies that there are 2 times a year in receiving proposal submissions.

7.0 FORWARD PLANNING FOR 2017

- Objectives and setting the scene for satellite approach (Latin America and Africa)
 - PG explained the objective for this session which is to explore how SHWG or RSPO can further assist in providing the necessary support to smallholders in these 2 continent.

- The session will be started with presentations from both region as to provide the members the current context and scenario of smallholders in the regions.
- Presentation on Latin America update & planning, by Jan Pierre [refer to Annex 09: Latin America Update & Planning]
 - LatAm National Interpretation are moving forward to getting approved or work in progress.
 - Ecuador is the largest CPO producer in LATAM.
 - Guatemala are interested in get RSPO certified as they are getting pressure from Walmart.
 - Lack of understanding of RSPO context which is a challenge in getting their buy-in in LatAm.
 - LatAm have different scenarios in different countries
 - PG highlights the concern that there is a dire outreach needed at Africa and Latin America.
 - YN commented that there is always confusion in defining the support of companies with the independent smallholders in LatAm. How do we work on this sort of situations?
 - PG also says that this is an on-going challenge faced by LatAm and RSPO has not been able to further draw the line as well as other organisations involved in defining the difference between scheme and independent smallholders.
 - PG says to be fair RSPO has been using the official term would be Associated and not Scheme but it has not further defined as it was developed specifically for Malaysia and Indonesia context. Perhaps the definition will need to be further looked into at Pacific Islands, PNG and LatAm context. PG would like to propose recommendation to have a more refine definition in lieu of the revision of the upcoming P&C to ensure definitions would be more relevant without having everyone agreeing to it.
- Africa planning, by Julia Majail / Rosemary Addicco [refer to Annex 10: Africa Planning]
 - Africa does not have a satellite WG but have asked to have one looking at smallholders projects over there.
 - Rosemary Addicco was asked to overlook on this and has prepared the updates for Africa.
 - Producing countries are in West Africa and Central Africa.

- In terms of challenges in Africa would be:
 - Land tenure systems
 - Limited Resources to produce sustainably
 - Limited extension support leading to low productivity
 - Weak business case and market access
 - Limited stakeholder support (Government, Mills, NGO's, Banks) and poor infrastructure
 - Weak farmer organization and or national Associations
 - Lack of a strong representation of the African Smallholder within RSPO governance

Open discussion on activities in 2017 incl. satellite WGs & tentative planning

- Concerns over Africa is NGO centric and may have challenges to get buy in of Growers. While LATAM is grower centric which is beneficial in getting the working group participation there.
- In Africa, task assisted by Solidaridad and supported by JM in the Secretariat. Need to get an idea of cost for activities / plans for Africa. RSPO is planning in setting up an office in Africa before March 2017. AP13.
- JP to get an idea of cost for activities in LATAM and assisted by YN. AP14.
- Can there be regional representative from buyers
 (Unilever and P&G) to look into the companies in LATAM.
 RP (Unilever) and SM (Procter and Gamble) will contact
 their respective counterpart in this region. AP15.
- PG asking IO if something similar (on satellite WG) to be done for PNG and Pacific Islands? IO says there are only 2 companies there and weak NGO presence. Next step for PNG is to look into PNG & Pacific Islands National Interpretation setup. AP16.
- JP suggests RSPO Secretariat to contact IDB to see if they could get involved with RSPO.
- Process for Satellite WG Every year, 2 times report July to physically meet to update on progress.

Action Point 13: Secretariat to work together with RA (Solidaridad) to get an idea of cost for activities in Africa by March 2017.

Action by RA and JM

Action Point 14: JP to get an idea of cost LatAm and to be supported by Secretariat. Action by JP and YN

Action Point 15: Unilever and P&G members of SHWG to identify potential regional representative from the companies itself in LatAm.

Action by RP and SM

Action Point 16: To look into the setup for PNG and Pacific Islands National Interpretation.

Action by IO

8.0 AOB 8.1 **Identifying roles of SHWG for SH Strategy** Comments by the member on the SH Strategy: o that SHWG is a platform for all relevant members to have a discussion on topics related to Smallholders based on priority areas and not executing. An impression that the strategy is too wide and unclear on SHWG's role. o does not see the realistic elements of inclusion. o what is the board expecting from the SH Strategy presentation. In relation to the SH Strategy presented by YR, it is unclear on the role fitted in the execution of the targets. Action Point 18: JM to YR asked if it would it be helpful in providing a matrix check on what is SHWG's where it clearly categorises roles of SHWG members. role in the SH Strategy and PM asked to make it clear and specific on what is the role its process. of SHWG members in the SH Strategy. Action by Secretariat • RP highlights that these are priority areas rather than strategy plan itself. Action Point 19: YR to share SHWG did not plan for the SH Strategy and at current this the draft f SH Strategy with was based on Resolution. Should SHWG plan a SH SHWG for comments. Outreach? AP18. Action by Secretariat YR to share the draft f SH Strategy with SHWG for comments. AP19. 8.2 **Audit cost for Smallholder Group Certification** RR asked if the certification cost can be standardised by **Action Point 20:** To budget on Auditor Training for RSPO. JM says this is in the pipeline for discussion. Group Certification under • JM says we have allocated budget under SH until next June SHWG. 2017 for the CB training. AP20. Action by Secretariat 8.3 Grievance related to SH NPP: PNG's Provincial smallholder farmers' associations. In this year GA's resolution, there are 2 resolutions proposing smallholders be exempted from NPP until clear guidance are made available. This has link to that grievance voiced by SH in PNG. 8.4 **Communication strategy for Smallholders** RSPO propose to have 2/3 volunteers to form a team to support the communication strategy for smallholders. 8.5 Next meeting SHWG: 20th February 2016.

Meeting ends at 4.30 pm.

Minutes taken by Aaina Karina Mohamed Senawi / Julia Majail.