

MINUTES OF MEETING
Smallholder Standing Committee #22

Time : 1930 - 2100 (MYT)
Date : Meeting #22 Wednesday, 27/03/2024
Venue : Zoom Call Meeting

Attendees:

Name	Initial	Organisation	Representative Category	Attended Yes/No
1. Lee Kuan Chun	LKC	P&G	CGM - Substantive, Co-Chair	Yes
2. Marieke Leegwater	ML	Solidaridad	Social NGO - Substantive, Co- Chair	Yes
3. Rob Nicholls	RN	PT Musim Mas	Processor & Trader - Substantive	Yes
4. Roka Lampert	RL	HOFER Kg	Retailer - Substantive	Yes
5. Ivan Novrizaldie	IN	Asian Agri	Oil Palm Grower (INA) - Substantive	No
6. Eleanor Spencer	ES	ZSL	Environmental NGO - Substantive	Yes
7. Stephanie Lim	SL	WWF-Singapore	Environmental NGO - Substantive	Yes
8. Ian Orrell (online)	IO	NBPOL-Sime Darby	Smallholder (PNG) - Substantive	Yes
9. Narno Sayoto Irontiko	NA	Asosiasi Amanah	Smallholder (INA) - Substantive	No
10. Johan Verburg	JV	Rabobank	Financial Institution - Substantive	Yes
11. Sharyn Suffian	SS	WildAsia	Smallholder (Malaysia) - Substantive	No
12. Jorge Coronel	JC	Oleopalma (Mexico)	Smallholder (LatAm) - Substantive	Yes
13. Charles Sackey (online)	CS	Twifo- Unilever	Smallholder (Africa) - Substantive	No
14. Rukaiyah Rafik	RR	Setara Jambi	Smallholder (INA) - Alternate	Yes
15. Alfred Yee	AY	LKSS	Smallholder (MY) - Alternate	No
16. Adithya Achmad	AA	Unilever	CGM - Alternate	No

Secretariat Team			
Francisco Naranjo	FN	Technical Director	
Guntur Cahyo Prabowo	GCP	SH Unit RSPO	
Kertijah Abdul Kadir	KAK	SH Unit RSPO	
Bella Sosa	BES	SH Unit RSPO (LatAm)	Absent
Nur Nazifah Rosland	NZR	SH Unit RSPO	
Edem Asimadu	EA	SH Unit RSPO (Africa)	
Wandee Krichanan	WK	SH Unit RSPO (Thailand)	
Syamimi Binti Shahri	SYA	SH Unit RSPO (KL)	
Prommul	PM	SH Unit RSPO (Thailand)	
Aprilia Trianasari	AT	SH Unit RSPO (JKT)	
Dika Dwi Darmawan	DDD	SH Unit RSPO (JKT)	Absent
Felix Among G. Prasetyo	FLX	SH Unit RSPO (JKT)	
Yen Hun Sung	YHS	RSPO Standard Dept	Invited

Agenda

Time	Topic
7.30 – 7:35 pm	1. Welcome and Introduction <ul style="list-style-type: none"> ● RSPO Antitrust laws ● RSPO Consensus based decision making ● Declaration of Conflict of Interest ● Acceptance of Meeting Agenda
7:35 – 7:40 pm	2. Adoption of Meeting minutes (Annex 1) Meeting #21
7.40 - 7.45 pm	3. SHSC Membership Update
7.45 - 8.05 pm	4. [Discussion]SH Representation Action Plan
8.05 - 8.20 pm	5. [Update based on Final Draft Report] Summary Presentation on EUDR Gap Analysis with ISH Standard 2019
8.20 – 8.40 pm	6. [Update]ISH Standard Review Progress
8.40 - 8.50 pm	7. [Update] RSSF Update
8.50 - 8.55 pm	8. Q&A Session on Secretariat Update Slide Deck: Only for critical question to be asked (Refer Annex 2) <ul style="list-style-type: none"> ● Progress Metrics/ membership certification, credit trade ● CTTS - Certification, Trade & Traceability System ● Livelihoods programme ● Regional highlights
8.55 - 9.00 pm	9. AOB

DISCUSSION:

No.	Description	Action Points (PIC)
1.0 Welcome and Introduction		
	ML welcomed members attending the meeting.	
2.0 Adoption of Meeting (Annex 1)		
	No comments or amendments were raised on the #21 final draft minutes. Minute of meeting for #21 were adopted.	
3.0 SHSC Membership Update		
	<p>KAK shared that the announcement of SHSC seat vacancies had been shared on the RSPO website since 7th March.</p> <p>There were no objections by SHSC members to having Mr Marvellous Ogala (Planting Naturals) to replace Kalindi Lorenzo representing the Grower (Row) seat.</p> <p>IO and JV update members that they are planning to retire their seats in SHSC and requested replacement. IO requested his seat in Standard Standing Committee (SSC) to be replaced by members in SHSC.</p>	Secretariat to seek volunteer among SHSC members to sit in SSC.
4.0 SH Representation Action Plan		
	<p>KAK reminded that this agenda serves as a follow up from the SHSC recommendation to increase smallholder representation in BoG and the ISH Global Group discussion held on 20 Nov 2023.</p> <p>BoG Meeting on 7th March 2024 minuted no objection from members to add two more alternate seats for sub-sector Grower(SH). Total representation is 1 (substantive) + 3 (alternate)</p> <p>Next key activities are aimed towards nominating representatives at country or regional level to fill up the seats. Secretariat will start by facilitating the 2nd ISH Global virtual meeting to enable current SH BoG members to drive the aim and raise SH interests.. Subsequently, sub-sector members' discussions (province-country-region) are expected to happen. This global</p>	

	<p>virtual meet is planned to be in April/May. Preparation details for the meet will be discussed with RR and regional managers accordingly.</p>	
<p>5.0 Summary Presentation of EUDR Gap Analysis with ISH Standard 2019 based on Final Draft Report (refer slide no 11-14)</p>		
	<p>FN presented the briefing on this study. He highlighted that the main aim of the study was to identify first, to what extent the independent local standard is aligned with the EUDR requirements, and second, to provide some insights on how the implementation of the EUDR would impact the smallholders in general, but with a particular focus on the potential impacts, on certified ISH groups. FN then elaborated on the summary of findings and recommendation from the study.</p> <p>Notes of discussion:</p> <ol style="list-style-type: none"> 1. ML enquired why analysis on the impact of EUDR to smallholders were not included in the study. FN responded that it is included but the results need to be refined and rationalised with more concrete data. 2. YHS commented that some of the recommendations are technically very challenging especially on six digits of geolocation, getting accurate maps that represent FAO definition of forest for the purpose of deforestation. ML responded that these practical challenges need to be communicated to the European Commission. YHS explained that internally Secretariat is coming up with a FAQ or Comms points on what Rspo is doing in relation to EUDR. This is taking into consideration with the development of PRISMA (ie. what can and cannot be done in short run). RSPO could not rewrite its standard only for EUDR. 3. RN raised that the biggest challenge that most mills are facing are that 10% to 95% of their sources of FFB are coming from smallholders that are not necessarily certified. As an organisation, mills cannot just ignore or leave those who are not certified or meet the EUDR regulation. We need to work on this somehow and its taking time. Good that we got these recommendations and it gives us further direction. YHS responded that for the Mass Balance model, PRISMA is going to allow for voluntary incorporation of uncertified supply bases, including smallholders, provided required data e.g. polygons or for 0-5ha sites, a point coordinate. This information can be mapped against forest layers that we create for the geospatial module. 4. FN added that the next step after this study is to explore feasibility of recommendations made. We have an approved ISEAL fund where we will field-test these recommendations to 	

	<p>support smallholders in their compliance to EUDR.</p> <ol style="list-style-type: none"> 5. LKC then enquired how this recommendation would be incorporated into the current ISH Standard revision. YHS responded he will touch on it in his update (next agenda). 6. JV complemented the effort on 'Can Do' messaging that Secretariat is working on which is better than keeping on communicating what Can't be Done. He encouraged stressing those elements that are in direct control and indeed can be delivered. He is of the opinion that EU is also still discussing a lot of feasibility (of implementation) so showing this type of proactive and constructive example is going to be helpful. 7. RR expressed her agreement to the recommendation on facilitating direct sales of certified physical volume to mills from independent smallholders. She also raised her concern on the feasibility to include intermediary parties in the supply chain, as for Indonesia, there are no regulations on them. For her, the channel is still to collaborate with government and certified mills. 	
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6.0 [Update] ISH Standard Review Progress (refer slide no 15-18)

	<p>YHS presented progress of the Standard Review work which was informed to and given guidance by SG members. Current updated version is called Revision1.0 which incorporates both P&C and ISH Standard in one document but in different parts/sections. He highlighted on the timeline for the full document to be ready for BoG endorsement and what has been the focus on finalizing for Draft 4 (ie Revision1.0) of the standards.</p> <p>Public consultation and stakeholder engagement, pilot testing and field testing for Draft 4 is scheduled to be by June/July to August. Feedback including from downstream members will be captured and incorporated to Revision 1.1 for SG and SSC endorsement.</p> <p>YHS also raised the gaps noticed, i.e. scope for certification is not very clear in particular for scheme small holders and outgrowers because under P&C most of the criteria and indicators are written from a mills perspective, which may not actually be feasible in total or only in part for a scheme small holder. We have revised the scope of the P&C, but it is still an open question about how scheme SH gets certified, and what are their level of compliance to the P&C. What framework should be looked at when the mill includes them (as supply base).</p> <p>Notes of discussion:</p> <ol style="list-style-type: none"> 1. YHS explained that it is an open question right now, and the process is to propose a renewed scope to the SSC and the ASC, and he welcomes thoughts from SHSC. 2. RR queried if it means that ISH Standard will then apply to scheme SH. ML responded due to the fact that much compliance in P&C does not apply to scheme SH as well, that 	
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	<p>could be the idea. RR shared her concern that ISH Standard has a stepwise approach to full certification which is only for independent SH. She agreed to ML that if the ISH standard is going to be applied to scheme SH, it should be without the phased approach i.e. directly going for MS B or Initial Certification.</p> <ol style="list-style-type: none"> 3. ES raised her points that these concerns relate to the reason why the study on schemed SH and RaCP applicability comes in ie an effort to understand the level of responsibilities (who has the management control) between schemed SH and the company that supports them. KAK added that the study mentioned has been initiated and expected to complete Aug/Sept which hopefully is able to feed inputs wrt to schemed SH compliance. 4. YHS added it was also proposed to SG that the current practice of having the effective date of the revised standard to start on the adoption date will be changed. There will be a 12 months transition period to be an interim period where minor revision is allowed for significant implications. 5. ES enquired what is the possible direct mechanism for SHSC members to contribute inputs on this. YHS offered that he can be contacted directly. ML suggested for ES and RR to compile/develop their recommendation on behalf of SHSC and submit to YHS. He added that there are few multiple points to channel inputs along the timeline before endorsement in Nov 2024. 6. RN encouraged members (in any relevant meeting) to foster the spirit of strategizing for a long term commitment to support certification for independent SH because in the short term ISH groups are not able to maintain their annual audits without support. 	
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6.0 [Update] RSSF (refer slide no 19-28)

	<p>FLX presented the update on RSSF. Highlights were on:</p> <p>(i) Fund performance for 2013 - 2023, whereby over the past decades, 74% of RSSF beneficiaries ie SHs were successfully certified, which is also equal to 55% of total hectares 112,000 ha were certified. Briefly in total RSPO have allocated USD5.5 million and up to FY2023, a total of USD5.7 million has been committed (partially were already disbursed to ongoing projects). This includes 16 new projects from FY23 applications which have been approved (5 Livelihood projects and 11 certification projects).</p> <p>(ii) Request for new fund allocation which need to be endorsed</p>	
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	<p>by BoG, whereby total allocation will be to cover deficit from FY24 (USD219,923), allocation for one-off audit costs (USD300,000) and for FY24 new certification projects (USD519,923).</p> <p>and on (iii) Plan on new opening for application in 2024 for certification project and audit only, subject to condition (ie new request for allocation approved). Livelihood project will be open every 2 years.</p> <p>FLX added that an IT platform to improve RSSF administration is currently being developed - similar to an online portal. It will start with receiving online application for next opening.</p> <p>Notes of discussion are as follows:</p> <ol style="list-style-type: none"> 1. ML thanked FLX for the presentation and noted that new opening for application will be announced in 2024 and expected a progress update in the next SHSC meeting. 2. FN clarified that the next immediate action to take is to prepare a Decision Paper for BoG meeting in June on the new fund to request for RSSF. 	
<p>7.0 [Update] Secretariat Update (refer Annex 2)</p>		
	<p>No questions or comments were raised wrt to summary of updates.</p>	
<p>8.0 AoB</p>		
	<ul style="list-style-type: none"> ● Update on Study on RaCP for schemed SH - a consultant (PT Hijau Daun) were appointed to execute the study and initial interviews with companies with schemed SH have started. 1st progress reporting is expected to be received in June 2024. ● Date for the next meeting in June 2024 will be decided based on doodle poll votes to be shared by Secretariat. 	

Meeting ended 2105

ABBREVIATIONS

ASA	Annual Surveillance Assessment
CSPO	Certified Sustainable Palm Oil
FFB	Fresh Fruit Bunches
FPIC	Free, Prior and Informed Consent
HCS	High Carbon Stock
HCV	High Conservation Values
ICS	Internal Control System
ISH	Independent Smallholders
MoM	Minutes of Meeting
MS	Milestone
NDTF	No Deforestation Task Force
RaCP	Remediation and Compensation Process
RISS	RSPO Independent Smallholder Standard
RSEP	RSPO Smallholder Engagement Platform
RSSF	RSPO Smallholder Support Fund
SHSC	Smallholder Standing Committee
STA	Smallholder Trainer Academy