

**Assurance Standing Committee  
3rd Meeting (via Zoom)  
Minutes of Meeting**

Venue: Zoom Meeting (<https://zoom.us/j/92369501222>)  
Date and time: 1 September 2020 at 4.00 pm – 6.00 pm KL time

**Members Attendance:**

<b>Growers</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Agus Purnomo (AP) (Co-chair)	Golden Agri Resources (GAR)	Indonesian Growers (IGC)
Lee Kuan Yee (LKY)	Kuala Lumpur Kepong (KLK) Berhad	Malaysian Growers (MPOA)
Laszlo Mathé (LM)	New Britain Palm Oil Limited (NBPOL)	Growers RoW
Vacant	n/a	Smallholders Group
<b>NGOs</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Michael Guindon (MG) (Co-chair)	WWF Singapore	E-NGO
Paula den Hartog (PH)	Rainforest Alliance	E-NGO
Paul Wolvekamp (PW)	Both ENDS	S-NGO
Marcus Colchester (MC)	Forest Peoples Programme	S-NGO
<b>Supply Chain Sector / Downstream / Others</b>		
<b>Name</b>	<b>Organisation</b>	<b>Group Representation</b>
Kuan-Chun Lee (KCL)	P&G	CGM
Hugo Byrnes (HB)	Royal Ahold Delhaize N.V	Retailers
Olivier Tichit (OT) <i>(absent with apology)</i>	Musim Mas Holdings	P&T
Michael Zrust (MZ)	Lestari Capital	Financial

**RSPO Secretariat Attendance:**

Name	Position
Beverley Postma (BP)	CEO
Bakhtiar Talhah (BT)	COO
Aminah Ang (AA)	Interim Assurance Director
Wan Muqtadir Wan Abdul Fatah (WM)	Sr. Manager, Assurance Integrity Unit
Aizat Affendi (AMA)	Sr. Executive, Assurance Integrity Unit
Luqman Mohamed (LMO)	GIS Manager
Tiur Rumondang (TR)	Indonesia Director of Operations
Citra Hartati (CH)	

**Other Attendance:**

Name	Organisation	Role
Neil Judd (NJ)	Proforest	Lead Facilitator
Shinta Puspitasari (SP)	Proforest	Facilitation support

Item	Description	Action Points
1.0	<p><b>Introduction</b></p> <p>AP opened the meeting and welcomed MG as the new Co-chair replacing Liz Clarke. MG introduced himself. BP introduced herself and thanked Co-chairs, ASC members and lead facilitator. She also mentioned that SCs are important assets for RSPO and one of her priorities to support RSPO in upholding its duties. NJ shared and highlighted several items on the agenda.</p>	
1.1	<p><b>RSPO Antitrust Guidelines</b></p> <p>NJ reminded the members of the RSPO Antitrust Guidelines.</p>	

Item	Description	Action Points
1.2	<p><b>RSPO consensus-based decision making</b></p> <p>NJ stated that the ASC follows the RSPO consensus-based decision-making process, as noted in the draft ASC ToR. NJ also highlighted that the draft ASC ToR, which needs approval in this meeting, includes a proposed adjustment to the decision making process: <i>‘Decisions can only be taken if at least two members are present from each sector (Growers, NGOs and Supply Chain).’</i></p>	
1.3	<p><b>Declaration of Conflict of Interest (Col)</b></p> <p>NJ highlighted the ASC Col obligations; such that the draft ToR states that if ASC members feel a conflict of interest under any agenda items, they should excuse themselves in order to enable an objective discussion. No Col was declared at this meeting.</p>	
1.4	<p><b>Changes to ASC membership – WWF co-chair and alternate member for Nestlé</b></p> <p>NJ welcomed MG as the new Co-Chair to replace EC and introduced KCL as an alternate ASC member under supply chain sector while Emily Kunen (Nestlé) is on maternity leaves. KCL briefly introduced himself.</p>	
1.5	<p><b>Acceptance of Previous Meeting Minutes</b></p> <p>NJ presented the minutes of the previous virtual meeting held on 17th June 2020. Following an opportunity for comment, NJ confirmed that the minutes of the previous meeting had been accepted, and then allowed some discussion on items arising.</p> <p>PW commented on point 5.4 Proposal Paper: Assuring the competence and independence of assessors and auditors, and reported that there wasn’t enough time to address this issue in the last BoG meeting. Assuming this issue will be brought again to BoG in the next meeting on Thursday 10 Sep 2020, PW asked other ASC members and Co-Chairs to help to ensure this item is considered by the Board.</p> <p>BP mentioned that this issue is not part of the next BoG meeting agenda.</p> <p>PW again suggested to address this issue as it was an unfinished business in the last meeting.</p> <p>AP suggested that the Secretariat could look at the questions raised by MC and PW related to this study and conduct the study internally. PW commented that this study was brought forward after 2 ATF discussions and should be undertaken by external experts. He also mentioned that IUCN is interested to contribute to this work and to help find suitable experts but is also keen to team up with the RSPO. But BoG endorsement</p>	<p>PW to address the study on decoupling at the BoG meeting on 10<sup>th</sup> Sep 2020.</p>

Item	Description	Action Points
	<p>is needed. PW also reminded the ASC that RSPO is a platform of innovation, and the study is to explore and to put forward recommendations but not a decision-making study.</p> <p>PH commented on how the subject of the proposed study is aligned with the draft ToRs and the recommendations of the ATF review. ASC should consider how the study fits within the overall ToRs and workplan in order to determine the next steps. PH continued that this study is looking for some of the solutions to assurance issues but also needs to identify root causes.</p> <p>NJ suggested to continue this discussion in the agenda items on ToRs and ATF recommendations.</p>	
1.6	<p><b>Action Tracker</b></p> <p>LM asked about the Certification Systems document update and reminded all that this needs to be shared with ASC members before taking it forward to the BoG.</p> <p>AA responded that the Certification Systems document is now at the final stage of proof reading. AA planned to share the final draft with ASC members in w/c 7<sup>th</sup> Sep 2020.</p> <p>NJ noted that the Certification Systems document is indeed one of the outstanding items on the action tracker.</p> <p>NJ updated on the other key outstanding items including the review of the Labour Auditing Guidance that has been postponed because of lack of recent fieldwork to test the document. The Wage Indicator process is now being taken over by the Social and Human Rights Unit.</p> <p>NJ reassured the members that all items remain in the tracker until dealt with.</p>	<p>The Secretariat will share the final draft of Certification Systems Document in w/c 7<sup>th</sup> Sep 2020.</p>
2.0	<b>ASC Management</b>	
2.1	<p><b>ASC ToRs, 2020 Workplan overview</b></p> <p>NJ explained that this section aims to ensure that ASC members are clear on the mandates and scope of work, in order to enable a clear foundation for ASC discussions.</p> <p>NJ shared the proposed 2020 workplan to cover signing off the ASC ToRs, consideration of ATF review recommendations and agreement on actions, moving forward with root cause analysis in relation to poor assessment quality, develop KPIs to monitor performance (across ASC scope of work), Secretariat briefings on the status of workstreams outside the ATF review, and to consider any topical issues.</p>	



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	<p>NJ continued with the draft ToRs and the proposed main changes including: adjustment on considerable overlaps in sections on Objectives, Mandates and Annex 1, and clarity that the ASC has oversight role in relation to day-to-day delivery by Secretariat; the main proposed edit is to more clearly define ASC’s scope of work (new section 4). There are also minor changes in sections 5 and 9 – composition and decision-making.</p> <p>AP commented that the ASC scope should include not only relationships with ASI and HCVRN, but also with HCSA.</p> <p>PH suggested to make the ASC scope clearer to explain what ASC wants to achieve. For example: relationship with ASI and HCVRN is to align ASC works with them. PH will look at the draft and provide feedback in writing on the alignment of ASC objectives (section 2) and scope of works (section 4).</p> <p>NJ responded that the objectives of ASC is included in section 2 in the ToRs. The ASC scope section to complement this. However, rewording of the document will be done to provide more clarity.</p> <p>HB suggested whether ‘accreditation’ should be clearly included in ASC objectives.</p> <p>PW added that ‘capacity’ needs to be included in the ToR. This is not only capacity for the Secretariat, CBs, but also to recognise that the RSPO is a platform for shared learning and outreach for greater capacity building for growers.</p> <p>NJ and Co-chairs agreed that a revised final draft ToR incorporating all feedback from this meeting will be distributed via email to sign off.</p> <p>BP raised a point on whether this document has resourcing plan attached to it and will seek approval from the finance committee. Additionally, any documents will need to be ratified by CEO before proceeding for approval. BP continued by sharing the current status of secretariat capacity, such that there are 5 vacancies available under the Assurance Unit.</p> <p>NJ agreed with the point raised by BP and pointed out that discussion on Secretariat capacity is included in the next meeting agenda.</p> <p>BP further explained the approval process for any work unit under RSPO. The CEO and the relevant manager will propose the budget to the members involved. BP concluded that ToRs, workplan and resourcing plan need to go through checks and balances before sign off, including the finance committee and CEO before approval.</p> <p>AP suggested to allocate time soon to discuss resourcing matters with BP and other ASC members and asked if the Secretariat can take the lead on this process.</p>	<p>PH will provide feedback in writing on the alignment of ASC objectives with scope of works.</p> <p>NJ to add ‘relationship with HCSA’ included in scope of work in draft ToR.</p> <p>NJ to review feedback from ASC members on the draft ToR.</p> <p>NJ will distribute final draft of ToR to ASC members via email to sign off.</p>



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	<p>BP responded that ASC aspiration and mandates will be supported. However, a budget is already signed off for 2020-2021, and proposed activities (including ToRs and workplan) are not necessarily captured in the budget. BP again highlighted the under resourced Assurance Unit team at the moment.</p> <p>LM asked for clarity on the budget and resources for ASC works. He recalled from a previous meeting that the Secretariat had assured that resources are available.</p> <p>BP further explained that budget and resources have been agreed by BoG for this financial year. However, available human resources have changed since that time and this now needs to be reflected in any ASC workplan. All SCs have the responsibility to identify and manage their resourcing plan. The plan should be a combination of resources that already allocated through membership fees as part of budget for this financial year, plus additional work can be conducted if additional resources are found either by changing the resourcing plan or raising funds.</p> <p>NJ also confirmed that the role as Independent Facilitator is to facilitate the meetings and provide related support on the technical side, but has not involved any visibility of the budget for ASC for this financial year.</p> <p>AA updated that budget has been allocated for some activities that will be undertaken this year. Wan will provide details of the budget and what activities included in the plan.</p> <p>MC suggested that Co-chairs, AA and NJ to meet soon to review the current budget and compare what we are planning, see where the gaps are and report back in the next meeting.</p> <p>AP agreed to look at the approved budget allocation for ASC this financial year, but noted that he doesn't have estimated budgets for additional activities, such as the proposal by MC and PW for the decoupling study.</p> <p>NJ also reminded that many items in the workplan do not necessarily involve new expenditure, but are essentially making clear the scope and oversight role of ASC, for example on topics such as 'Remediation and Compensation'. NJ continued that however taking a step back to review the budget and resourcing plan is needed, taking into account BP, AP and MC points.</p>	<p>The Secretariat (WM) will share ASC budget plan and activities for financial year 2020-2021.</p> <p>The Secretariat will set up a call with Co-Chairs and NJ to review the approved budget and identify any gaps on the resourcing plan for 2020-2021.</p>
<b>3.0</b>	<b>ATF Review Follow-up</b>	
<b>3.1</b>	<p><b>Key Outstanding Recommendations</b></p> <p>NJ reminded the ASC on the ATF review and key summary recommendations from the report:</p> <ol style="list-style-type: none"> <li>1. Understanding the root causes of poor audit and assessment</li> </ol>	

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	<p>quality, and ASC needs to build better understanding on this. NJ also mentioned that AA will be presenting on proposed CB performance KPIs under item 3.2, which will give relevant insights.</p> <ol style="list-style-type: none"> <li>2. Oversight of RSPO Secretariat skills, capacity and resources to plan and carry out activities, that was already discussed under item 2.1.</li> <li>3. The ASC needs to have strategic oversight and input into the relationships between the RSPO and ASI and HCVRN – ALS.</li> <li>4. Develop a strategic, comprehensive training and capacity building programme based on a thorough needs assessment</li> </ol> <p>AP reminded to add HCSA in point 3 on key recommendations.</p> <p>On point no 1, MC suggested that this should also be an opportunity to learn from other schemes (FSC, etc). This will give more generic view, through wider lenses and offer benefit from considering other schemes that have been operational for longer.</p> <p>LM responded that it is not easy to compare RSPO with other schemes. For example, FSC doesn't have NPP, RaCP, HCS assessment before development etc. We can look at other schemes but there's specific requirement under RSPO. We shouldn't lose focus of those aspects.</p> <p>MC highlighted that there should be a mechanism for common learning from others, e.g. ISEAL, so we don't need to reinvent wheels. In which LM agreed and confirmed that ISEAL was looking at how to enhance learning between different standards.</p> <p>Due to time constraints, NJ suggested to postpone discussion on detailed ATF recommendations (red and yellow issues) until the next meeting in November and to go straight to AA's session on CB Performance KPIs.</p>	
<p><b>3.2</b></p>	<p><b>CB Performance KPIs</b></p> <p>AA explained that RSPO secretariat and ASI have combined feedback on the proposed CBs performance assessment. The rating system was outlined based on a number of indicators that will be used to score each CB. The indicators will be combined into an overall scoring level for performance. The Secretariat will publish the performance level for each CB. The Secretariat will start this assessment this year and intending to have the first set of results early next year. Scoring will also reflect level of engagement with Secretariat and compliance with PalmTrace.</p> <p>MC commented that the proposed approach is very helpful but also stated that it should be taken into account that more complaints arise in countries where there are more NGOs conducting independent monitoring (e.g. in Indonesia). For some countries where civil society is weak, even absent, how can we have equivalence given that this will be reflected in fewer complaints, where potentially poor certification process and performance is not detected.</p>	



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	<p>AA responded that there is a requirement for CBs to have a Complaint Handling Procedure which is assessed by ASI. Another option is to lodge complaints directly by companies who are not satisfied with a CB's performance.</p> <p>LM shared that growers have been requesting this for a while, to be able to use a tool like this in decisions to hire or not hire a CB. However, it must be recognised that this assessment will have potential commercial impacts on CBs. So it has to be thoroughly objective otherwise RSPO and ASI will have issues on liability. LM continued by asking that for the 'seriousness of complaints' indicator, how would this be measured? We can identify how many RSPO indicators have been breached, but RSPO needs to be ready if CBs challenge scoring as this will impact them commercially.</p> <p>Another point that LM also highlighted relates to the 'number of complaints' indicator. CBs that issue more certificates are likely to receive more complaints, and this needs to be weighted accordingly.</p> <p>As a final point, LM also noted a previous comment relating to a need for appropriate recommendations if a CB is scoring 3 (for Below Average Performance) or 4 (for Unacceptable Performance). Are we going to allow a CB scoring unacceptable performance to accept new clients? Or for a score of 4, should their accreditation be terminated? So we need clear information on what actions arise for CBs in terms of scoring.</p> <p>PW added that previously ASI undertook a 'shadow audit', which was useful but also revealing in terms of major and minor non-compliances not being otherwise detected. PW asked to what extent ASI is being encouraged to continue shadow audits. PW also asked whether performance scoring would be publicly available such that potential clients can compare? PH finally asked about next steps (including consequences) once we have this assessment in place.</p> <p>AA responded by highlighting 2 points: (i) for those who are under performing, there will be close monitoring for a certain period of time. If no improvement, then there will be another drastic point will be taken by ASI against CBs. (ii) On the compliance audit and shadow audit, AA mentioned that it's still being done continuously by ASI and will be part of the input under ASI rating.</p> <p>AA continued that details of each indicator is covered in other documents developed with ASI. The Secretariat will trial the scoring as a first step, and are aware of the consequences if results were published without due process and consideration, leading to challenges by CBs as well.</p> <p>AP highlighted on complaints that these should only be counted where they are confirmed as acceptable complaints, as there are cases where complaints are rejected after attempts to get clarification. AP also added that there should be supporting information where all scoring is objective and linked to specific criteria and indicators, as KPIs may need to be</p>	<p>AA will discuss all feedback received from ASC members on CBs Performance Assessment</p>





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	<p>adjusted over time and we need to be able to compare CBs' performance scores.</p> <p>In terms of next steps, AA will review with ASI whether this feedback is already taken into account in the scoring approach, or if not, whether it can be incorporated. AA will share a further update in the next ASC meeting.</p>	<p>document with ASI and share the updates at the next ASC Meeting.</p>
<b>4.0</b>	<b>Assurance Systems and Procedures (Updates)</b>	
<b>4.1</b>	<p><b>RSPO Hotspot Hub</b></p> <p>LMO started by sharing highlights from previous observations: in 2019, 463,952 hotspots were detected but only 1403 (0.3%) were within RSPO members' concessions. This shows that in general, RSPO members are proactive and have good fire management and prevention systems in place.</p> <p>The overall objectives of the proposed Hub are to provide near real time info on hotspots &amp; fire within RSPO members' concessions, and as a platform to publicize RSPO growers' commitment and hard work in fighting and mitigating wildfires.</p> <p>LMO further explained the proposed layout of the Hotspot Hub. LMO then shared the live view, and sought views from ASC members on what type of information should be shared transparently on the Hub. At the moment, the Hub will show fire hotspot distribution worldwide. Data can be viewed based on regions or dates. Each hotspot will be linked with a RSPO database and will provide information including names of plantations, names of growers, when the hotspot was detected, what was the cause of the hotspot, and a summary of what has been reported by the grower member. In the proposed Hub, the public can also potentially see pictures showing what is happening on the ground and what the members have been doing to combat any fire.</p> <p>LMO further explained that the IMU is seeking ASC members' review and feedback on the Hub and the type of information to be shared publicly. The system is still work in progress.</p> <p>NJ also asked for clarification as to whether this will be a real time data sharing situation or whether members are allowed to verify the data before it is posted.</p> <p>LMO responded that all information will be 'near real time' platform and the verification will be done by RSPO growers. The notification will be sent to growers and they will need to repost back to RSPO on any identified hotspot incidents.</p> <p>MC asked a further question on the data verification: the procedure at the moment relies on the grower's response. But what independent verification</p>	

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	<p>could be considered? Is there IMU capacity to check on the validity of the report? And even deeper to find out why a community, for example, is burning land?</p> <p>LMO responded that at the moment there's no capacity to validate and check the data one by one. But if there is persistent fire within the area, then the IMU will have capacity to verify these incidents using high resolution satellite image. For smaller and not persistent hotspots, there is insufficient resource to verify at the moment.</p> <p>CH added that the nature of internal hotspot monitoring has been passive. The Secretariat detected hotspots and send the alerts to the members and we expected them to report back to us on the cause of fire and the actions taken. Last year's experience showed that members were already very responsive towards this issue, which is one of the reasons for publishing this Hub. The Gov. of Indonesia, for example, also acted quickly on this issue through police reports and other investigations and RSPO will acknowledge those processes through the Hub.</p> <p>KCL sought clarification on the large number on unclassified fires and whether we are sure these are not coming from the RSPO members.</p> <p>LMO clarified that 'unclassified' means that the land use is not classified as oil palm. It could be forested areas or urban areas. So, the possibility of RSPO concessions within these unclassified areas is very minimal.</p> <p>LM updated that Sime Darby has been sharing information on fire since 2013. He's hoping the Secretariat is not simply making a different system for growers that have already made this information publicly available. On MC's point on hotspot responses not being verified, LM stated that this is not fully correct: the CBs check this information during surveillance audits, grievance handling is also verified. In the new P&amp;C, there is also a new indicator to engage with surrounding communities on fire management, which will be checked by the CBs.</p> <p>LM continued that in terms of the requirement on growers to respond to detected fires, where is that requirement defined? Growers have to comply to RSPO P&amp;C, and the membership requirements - where in these systems is fire hotspot reporting required?</p> <p>LMO referred to the Code of Conduct as the key reference.</p> <p>CH added that fire management requirements are stated in the P&amp;C 2018 criterion 7.11. The member's transparency requirement is under the CoC. RSPO has been monitoring fire management for the last 3 years and found that overall members are doing really well. By launching the Fire Hub, we would like the public to recognise this good work. But the Secretariat will walk it through with grower members and the ASC first.</p> <p>AP stated that showing the members are part of the solution is positive.</p>	

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	<p>Perhaps, persistent hotspots and non-persistent hotspots can be differentiated. So, the public can then see that many non-persistent hotspots within RSPO concessions were effectively managed by the respective member. AP continued on the need to show the sequence and historical development of hotspots in order to give a better picture and better understanding on the root causes.</p> <p>AP also appealed to the NGO members, because although the Gov. of Indonesia prohibits use of fire, in one example the Governor of West Kalimantan issued a decree to allow indigenous groups to use fires after public pressure. We need to come up with thoughtful ideas and opinions in many media. We need to take this as a shared responsibility where everyone takes part to find permanent and long-term solutions for the fire issue.</p> <p>NJ wrapped up by restating LMO's point on key objectives, being greater transparency but also to demonstrate the good performance and track records of RSPO members.</p> <p>LMO highlighted that the IMU needs feedback and endorsement from ASC on this platform. In terms of timeline, IMU is now finalising the layout. The target is to launch by end of Sep 2020.</p> <p>LM further highlighted on the expectations from grower members. If the Secretariat expects something from growers, it needs to be written clearly either via RSPO P&amp;C and/or membership requirements. The Fire Hub is a good platform to show our good work but needs to be embedded very clearly in the RSPO frameworks and various documents.</p> <p>NJ asked Co-chairs' views on whether feedback and review from ASC members are needed urgently or whether further discussion is planned in the next meeting.</p> <p>AP responded that discussions with growers and other members have been conducted on this matter and feedback and input have been shared. However, if the Secretariat is ready to launch, then perhaps it can start with limited access so comments can still be submitted. After that full access can be given for public.</p>	<p>The Secretariat will launch Fire Hub by end of Sep 2020 on limited access during a trial period before full access starts.</p>
<p>4.2 4.3 4.4</p>	<p><b>RSPO Remote Audit NPP Revision Subgroup Re-formation of Labour Subgroup</b></p> <p>These sessions above were omitted due to time limitation.</p>	
<p>5.0</p>	<p><b>Other ASC matters</b></p>	
<p>5.1</p>	<p><b>Paper discussion: Sustainable palm may not be so sustainable (Gatti, 2019)</b></p>	

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5.2	<p><b>RT2020</b></p> <p>These sessions were omitted due to time limitation.</p>	
5.3	<p><b>Joint meeting with CP</b></p> <p>NJ asked the ASC members to share priority issues that will be discussed during the planned joint meeting with the Complaints Panel on 10<sup>th</sup> Sep 2020. NJ mentioned one relevant issue is the recommendations from the Select Committee on the increase in complaints for Indonesia.</p> <p>MC agreed that the Indonesia study is relevant. It shows that different forms of complaint are typically resolved at different speeds and in different ways. It might be useful to have similar information prior to the meeting from the rest of the world quickly compiled by the CP/Secretariat: how many complaints have been resolved and what is meant by 'resolved' and to what extent this translates into remedy for communities on the ground. We need more understanding of the decision-making process from the CP when it is determined that a complaint has been addressed sufficiently.</p> <p>MC added that there is no apparent oversight on CP works, except for the COO, and the fact that the CP feeds back to the General Assembly. Further discussion is needed about this.</p>	<p>Co-chairs of the ASC and CP will work together to identify issues for the agenda for the ASC/CP joint meeting.</p>
6.0 6.1 6.2 6.3	<p><b>Any Other Business</b></p> <p><b>Select committee for Indonesia Recommendations</b></p> <p><b>Shared Responsibility Working Group</b></p> <p><b>RaCP updates</b></p> <p>All issues under point 6 were omitted due to time limitation.</p>	
7.0	<p><b>End of meeting</b></p> <p>Co-chairs and NJ thanked everyone including all the ASC members and specifically BP who attended the meeting.</p> <p>The meeting adjourned at 6.01 pm.</p>	