

Minutes of Meeting **DRAFT**

3rd FFB Legality and Traceability Task Force (FLTTF) Meeting

Date: 23rd June 2015

Time: 9:00 am – 13:30 pm

Venue: Ramada Plaza Hotel 8 Jalan Tun Sambanthan. 50470 Kuala Lumpur-Malaysia.

No	Name	Initial	Constituency	Organisation
1	Perpetua George	PG	Processor	Wilmar Group
2	Sabarinah Marzuky	SM	Grower (MY)	Sime Darby
3	Chong Wei Kwang	CWK	Grower (INA)	First Resources
4	Joko Arif	JA	NGO (Env)	EII
5	Steni Bernadinus	SB	NGO (Env)	EII
6	Desi Kusumadewi	DK	Observer	IDH
7	Ian Orrell	IO	Grower (RoW)	NBPOL
8	Herman Tandinata	HT	Grower (INA)	Musim Mas
9	Reuben Blackie	RB	Observer	IDH
10	Lee Kuan Yee	LKY	Grower (MY)	KLK
11	Rizkiasari Yudawinata	RJ	NGO (Env)	WWF-Indonesia
12	Samsul Komar	SK	NGO (Env)	WWF-Indonesia
13	Jennifer Lai	JL	Bank	HSBC
14	Narno	N	SH	Amanah Group Smallholders
15	Asri Jon Tanjung	AJT	NGO (Soc)	Yayasan Setara Jambi
16	Salahudin Yaacob	SY	Secretariat	RSPO
17	Djaka Riksanto	DR	Secretariat	RSPO/ RILO
18	Julia Majail	JM	Secretariat	RSPO

Absent with Apology

No	Name	Initial	Constituency	Organisation
1	Yulia Kurniawan	YK	Manufacturer	Unilever
2	Kai Xiang	KX	SH	Wild ASia

Agenda	Discussion Notes
1	<p>Welcome and Introduction</p> <p>SM welcome all.</p> <p>PG briefed all the objective of the meeting.</p> <p>Introduction of all task force members. New members: Narno from Amanah Group Smallholders representing SH Indonesia and Ian Orrell from NBPOL representing Grower RoW.</p>
2	<p>Confirmation Minutes of Meeting</p> <p>Proposed by Herman Tandinata and seconded by Chong Wei Kwang.</p>
3	<p>Update from BoG Meeting</p> <p>SY updated the members on matters from BoG meeting recently in Amsterdam.</p> <ul style="list-style-type: none"> Budget – RSPO Technical to rework on a more realistic budget. SY suggested the budget submitted by FLTTF must be clear in terms of cost and expenses. FLTTF can proceed with the current proposed budget but not to go beyond it. New IT trading platform – the attempt to combine the current 2 platform (Green Palm and UTZ) did not work. UTZ given 18 months to come out with the new platform covering both physical and certificate trading. RSPO + - should not undermine the conventional RSPO. BoG to endorse it in the next RT (Nov 2015) and to be up & running starting 1 January 2016. Re-organisation of RSPO Secretariat – to double number of staffs in 2 to 3 years, worldwide NI Endorsement - Approval of NI for Honduras and PNG. Indonesia NI has not been endorsed but issues been resolved. Compensation procedures – members been suspended due to non-submission of liability disclosure

- NPP - BoG has agreed that the NPP document to be updated. Draft document to be submitted to Grower BoG members for review prior to public consultation.
- Jurisdictional Certification approach – Sabah and Kalimantan Tengah is moving towards Jurisdictional Certification.

Discussion:

- Due to the new trading platform development, Green Palm will no longer be in the picture. However, certificate trading will still be a feature in RSPO certification and Green Palm may remain as RSPO logo, depending on how the new platform and Green Palm will work through.

4 **Agenda 1: RoW Consultancy Work**

PG presented the matrix comparing the 2 proposals received from FoodReg and Daemeter et. al. (consortium), followed by SWOT discussion of each proposal. Members later requested to choose.

Majority of the members agreed to go for Daemeters but with provision on the budget. Hence, which consultant to be appointed could only be decided upon getting clarity on the matter (provision on the budget).

5 **Agenda 2:**

(a) PowerPoint presentation on “Defining Legality” by EII (Joko Arif)

- Will define Legality from 3 category:
 1. Location and land clearing
 2. Product processing
 3. Marketing and transportation
- Will do legal review and case studies from 2 sites in Indonesia: Kalimantan and Sumatera.
- Through peer review/workshop with other stake holders, EII will formulate and suggest definition of Legal FFB and recommend solution to solve illegality of FFB.

Example of solutions:

- By using the current 4 Ministers Joint Decree on acknowledgement of community right.
- Legality issue will be easier to be solved by using jurisdictional approach (eg: IP4T for village)

Discussion:

- EII will involve mills and smallholders especially in case studies. For Kalimantan, the study will be focusing in Kotawaringin Barat, Central Kalimantan where EII have already started some works and have resources on the ground. Some mills have already been identified. As for Sumatera, EII will ask for guidance from the task force.
- For one site (mill and its supply base) the study will take around 15 days.

Decision:

- Task force approved the proposal; EII to proceed with the study
- Output from this study as input for RoW study for consistency
- Output for Indonesia and generic application on definition of legality.
- There must be explicit collaboration with Government
- There may be a need to bring this up to NI level at later stage

(b) PowerPoint presentation on “Detailing the Process Traceability in Indonesia” by WWF Indonesia (Rizkiasari Joedawinata)

- To safeguard credibility issue especially in mass balance system whereas there is leakage issue of illegal FFB coming into the supply chain
- To be built from existing traceability system, one strong inclusive traceability system that is workable by RSPO members

- As per Indonesia regulations, mills are required to have a minimum of 20% of their supply from their own plantation whereas the 80% can come from outgrowers, posing risk of illegal FFB to enter the supply chain.
- Leakage can also come from scheme smallholder, outgrowers might supply to mills through scheme smallholders.
- Deliverables:
 - Identification of existing Traceability System,
 - Analyse the strength and weaknesses of the existing system to develop a comprehensive Traceability System
 - Test the propose traceability system to mills. Pilot is planned to be conducted in Riau.

Discussion:

- As the study is to improve RSPO mass balance system, the study will focus only on RSPO member's mills; there will be no connection/linkage to RSPO trading platform
- The output of the study should not be in the form of a system, but as per previous meeting's aspiration, the study was intended to produce guidance to feed into RSPO Criteria 4.1.4.
- To identify components to be strengthened in the existing traceability system

Decision:

- WWF-Indonesia to strengthen the proposal. Take into consideration points from the discussion during this meeting. Need to provide clear scope. Comments/inputs from the members within 1 week (by 30/6/2015) and finalize the concept within 3 weeks to submit back to RSPO (14/7/2015).

6	<p>Agenda 3: Presentation RT 2015</p> <p>The Taskforce agreed to have two presentation at the RT2015 i.e.:</p> <ol style="list-style-type: none"> a. EII study b. WWF-Indonesia study
7	<p>AOB</p> <p><u>FLTTF Meeting Schedule for 2015</u></p> <p>Next Taskforce meeting is tentatively scheduled to be around the RT 2015 in Bangkok. Date to be determine soon.</p> <p>Action Point: Secretariat</p>
8	<p>Closing/ Adjournment of Meeting</p>

Annexes: PPT Presentations
 Annex 1 *EII Legality Study Presentation*