

MINUTES OF MEETING

Smallholder Standing Committee #10

Time : 1930- 2130 (MYT)
Date : Tuesday, 31/08/2021
Venue : Zoom Room 2 / Conference Call

Attendees:

Name	Initial	Organisation	Representative Category
Lee Kuan Chun	LKC	P&G	CGM - Substantive, Co-Chair
Marika Leegwater	ML	Solidaridad	Social NGO - Substantive, CO- Chair
Rob Nicholls	RN	PT Musim Mas	P&T - Substantive
Marie Antoinette	MA	HOFER Kg	Retailer - Substantive
Philippa Walker	PW	WWF	Environmental NGO - Substantive
Maria Carmen Lopez	MCL	Oleopalma	Smallholder (LatAm) - Substantive
Eleanor Spencer	ES	ZSL	Environmental NGO - Substantive
Ian Orrell	IO	NBPOL	Smallholder (PNG) - Substantive
Kalindi Lorenzo	KL	Planting Naturals	Grower (RoW) - Substantive
Rukaiyah Rafik	RR	Setara Jambi	Smallholder (INA) - Alternate
Narno	N	Asosiasi Amanah	Smallholder (INA) - Substantive
Ivan Novrizaldie	IN	Asian Agri	Oil Palm Grower (INA) - Substantive
Johan Verburg	JV	Rabobank	Financial Institution - Substantive
Yunita Widiastuti	YW	Cargill	P&T - Alternate
Charles Sackey	CS	TOPP	Smallholder (Africa) - Alternate
Dr. Gan Lian Tiong	GLT	RSPO Secretariat	
Neil Judd	NJ	RSPO Secretariat	
Guntur Cahyo Prabowo	GCP	RSPO Secretariat	
Aaina Karina	KS	RSPO Secretariat	
Krishnabalan Jeyabalan	KJ	RSPO Secretariat	
Kertijah Abdul Kadir	KAK	RSPO Secretariat	
Nizar Wickasono	NW	RSPO Secretariat	
Yeoh Zhi Lin	YZL	RSPO Secretariat	

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
7:35 – 7:40 pm	2. Adoption of Meeting minutes(Annex 1) and Update on Action Points

7:40 – 7:45 pm	3. Update on Secretariat staff developments
7.45 – 8:15 pm	4. <i>[Q&A Session]</i> based on Updates from Secretariat (refer Annex 2) <ul style="list-style-type: none"> ● Livelihoods programme ● Membership, certification and market uptake data ● BoG endorsement of RISS internal audit requirements (<i>Annex 3</i>) ● Progress update on the development Simplified FPIC approach (<i>Annex 4</i>) ● SH Programme in Indonesia
8.15 – 8:30 pm	5. <i>[Progress update]</i> RSSF progress <ul style="list-style-type: none"> ● Financial Assistance and Hardship Fund for ISH ● Timeline for RSSF Governance Policy Review
8:30 – 8:50 pm	6. <i>[Decision/Progress update]</i> Independent review on RISS 2019 Implementation (Resolution 6f GA16) <ul style="list-style-type: none"> ● Background ● Draft ToR ● Timeline
8:50 – 9:15 pm	7. <i>[Discussion and direction]</i> Development of the Simplified Combined HCV-HCS for ISH <ul style="list-style-type: none"> ● Progress update, discussion on challenges and direction required
9:15 – 9:30 pm	8. AOB <ul style="list-style-type: none"> ● Queries from PNG smallholders ● Update on Human Rights Strategy ● RT dates and topics ● Next Meetings date

DISCUSSION:

No.	Description	Action Points (PIC)
1.0	Welcome and Introduction	
	<p>The Chair welcomed everyone and presented the agenda. No comments were made and the agenda was accepted.</p> <p>The RSPO Antitrust Guidelines were read out to the members of SHSC. The Chair also reminded everyone that the Committee uses consensus-based decision making, and any Conflicts of Interest (CoI) should be declared.</p>	
2.0	Adoption of Meeting (Annex 1) and Update on Action Points	

	<p>No comment was raised on the finalised Minute of Meeting of the 9th SHSC meeting held on 2nd March 2021.</p> <p>Action Tracker was presented with a few points raised: Action Point no.6 - an update on the Smallholder Programme for Africa has been recruited and will start by 1st September 2021.</p> <p>Action Point no. 11 - KC suggested that GLT, Adam Harrison and NJ to be involved for the topic on the smallholder representative in the BoG.</p>	
3.0 Update on Secretariat staff developments		
	<p>NJ updated the members about Dr. Gan Lian Tiong being appointed as the Interim Coordinator for RSPO Secretariat which focuses on operational activities. NJ also informed members on his position as an Interim Technical Division Coordinator that includes the Smallholder Unit. He further explained that one of his top priorities is the recruiting of the Head of Smallholder Programme, which interviews will be in September.</p>	
4.0 (Q&A Session) Updates from Secretariat based on Annex 2		
<p>4a</p> <p>4b</p> <p>4c</p> <p>4d</p> <p>4e</p> <p>4f</p> <p>4g</p>	<p>Updates on SH Livelihood Programme No comments raised.</p> <p>SH Membership RR raised an issue on membership requirement for ISH Group which she will share via direct email to Secretariat.</p> <p>Smallholder Certification NJ highlighted the recently certified ISH group in Sierra Leone. RR requested data on the number of ISH groups certified segmented following the milestone phases in the ISH Standard 2019.</p> <p>Updates on ISH Peat BMP No comments raised.</p> <p>Update on Market Uptake ML highlighted the increased price of IS-CPKO which is good news.</p> <p>Update on internal audit requirements (Annex 3) Based on a query by RR on the status of the standard requirement, it was clarified that the existing requirement (100% internal audit in Ms B) in the RSPO ISH Standard will remain pending the endorsement by the BOG.</p> <p>Updates on the Simplified FPIC (Annex 4)</p>	<p>Secretariat to include requested data in next meeting update slides</p>

4h	<p>No major comment raised. NJ highlighted that the timeline may be revised again since the SSC meeting scheduled on xx will be postponed.</p> <p>Updates on SH Program for Indonesia No comments were raised.</p>	
5.0 [Progress update] RSSF progress		
5a	<p>Financial Assistance to Independent Smallholder Groups</p> <p>KS shared the updates of the fund assistance provided to the independent smallholder groups and the breakdown of the financial assistance given to respective countries. It was reiterated that the BoG approved the interim solution on 23rd July 2021. The fund assistance is divided into two fund assistance namely membership fee waiver and hardship allowance.</p> <p>KAK shared that the hardship allowance will be distributed based on the size of certified area of the ISH group with the cap of USD 300,000. NJ also clarifies that there is no cap for the membership fee waiver.</p> <p>ML, RN and MA agreed that the on-going RSSF fund recipients will not be excluded from the hardship allowance to ensure fair distribution of the fund.</p> <p>RN suggests that if there are a large number of recipients of the hardship allowance, then prioritise those that are financially struggling.</p> <p>NJ acknowledged that the eligibility will be revised in order to finalise the numbers following today's meeting.</p> <p>KAK briefly presented the identified allocations.</p> <ul style="list-style-type: none"> ● For Membership Fee waiver as of August 2021, there are 82 active ISH group members and 62 upcoming new members. An approximate fee amount of 58,750 Euros will be waived for membership between the period 23 July 2021 to 22 July 2022. ● For Hardship Allowance, as of August 2021, the Secretariat have identified 65 certified ISH groups comprising the three countries - Indonesia, Malaysia and Thailand. <p>KS presented the next 6 months work plan in order to get the Financial Assistance mobilised. No further comments from the SHSC.</p> <p>Timeline for RSSF Governance Policy Review</p>	
5b	<p>KS and NJ explained that given the resources will be focusing on the priority implementation on the Financial Assistance, the Governance</p>	

Policy will be reviewed internally. The review will look into the mechanisms of the new fund focus and target to get the fund reactivated by June 2022. Secretariat will share with SHSC in October 2021 during the next SHSC meeting before submitting for BoG approval in November 2021.

No further comments on the work plan by SHSC.

6.0 [Decision/Progress update] Independent Review on RISS 2019 Implementation (Resolution 6f GA16)

KJ shared the background, progress update, timelines and discussion points of the Independent Review on RISS 2019 Implementation.

RR raised that there are difficulties for smallholders to apply to be members and also the issue of Palm Trace. RR agreed that the review is necessary for the mandate of the resolution but does not feel that it is the right time to review the document since guidance documents/ tools such as listed below are not made available yet.

- Simplified Combined HCV-HCS Approach
- Simplified FPIC for ISH
- Peat BMP for ISH
- RaCP Mechanism for ISH

RR highlighted that the pandemic is affecting the certification process for the smallholders, hence there are not many smallholders enroute for certification. RR suggested that the resolution should only be completed once the pandemic is over and when the guidance documents are made available.

RR raised that the current review is not only limited to reviewing the risk but review of all the documents related to smallholders in areas such as membership requirements, certification system that impacted the cost of the audit process and palm trace system. LKC agreed with the points raised by RR on having the documents ready prior to the review but also shared that the current difficulties with the RISS 2019 should still be reviewed in parts.

RR mentioned that there are no mechanisms for compliance in the Palm Trace.

ML shared that the Smallholder Standard is being reviewed along with the P&C 2018.

NJ mentioned that it is only currently at the preliminary discussion at the moment for the P&C review. The process will kick off in Q1 2022 with the formation of a task force. One of the processes is to review the challenges and strengths. NJ highlighted that there is an issue with

<p>timing and scope when it comes to the independent review of the RISS 2019.</p> <p>ML suggested reviewing the issues on membership and traceability followed by implementation of documents in Q1 2022, parallel to the review of P&C 2018.</p> <p>PW agreed with RR point on the relevancy of the current pandemic situation since the terms of reference mentioned the difficulty in having the reviews and interviews taking place in every country. PW suggested taking a pause and to consider a desk-based review as a preliminary review. PW agreed to having the review done once all the documents are in place and made available.</p> <p>KJ mentioned that issues regarding membership will be categorised under challenges section but issues regarding Palm Trace are not specifically addressed yet in the scope of the terms of reference.</p> <p>Majority of the SHSC agrees with the phased approach of the Independent Review. Phase 1 on desk based review on issues/challenges on membership, traceability, certification system and PT, and Phase 2 on assessment of implementation which involve field interviews.</p> <p>ES pointed out that the current scope does not cover the current social and environmental impact in the review of the standards.</p>	<p>AP: Secretariat to revise on ToR into two phases and share with SHSC for comments via email</p>
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7.0 [Discussion and direction] Development of the Simplified Combined HCV-HCS for ISH

<p>KJ provided an overview of the phases (three (3) phases) involved in the development of the additional components to identify the HCS elements within the Simplified Combined HCV-HCS approach.</p> <p>Further elaboration was provided on the timeline and how the pandemic as well as government restrictions have prevented field works which resulted in the completion date being delayed which was initially targeted for the 10th of September 2021. Field works have not begun pending allowance from the authorities.</p> <p>Further information was provided on the work plan for activities required once the additional components to identify the HCS elements within the Simplified Combined HCV-HCS approach has been completed. Field calibrations will be required for LATAM and Africa as priority regions. This will be carried out simultaneously with the field trials in Indonesia followed by field trials in LATAM and Africa (Note: Field Calibration precedes Field Trials)</p>	
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The challenges faced by the secretariat apart from the pandemic were highlighted. This includes the multiple push backs from the HCSA on the development. It was detailed that during the 10th IS-NDTF meeting, 2 major points were agreed upon by the IS-NDTF and HCSA:

- Agreement on the RSPO developing the Simplified Combined HCV-HCS Approach more collaboratively with the HCSA as per the mention in the RSPO ISH Standard. The element of decision making will be reviewed.
- Development of the additional components within Simplified Combined HCV-HCS Approach will proceed. The results of the development (i.e., Checklist and supporting documents) will be shared for further input from members of the IS-NDTF and technical experts (HCVN and HCSA [inclusive of feedback from the HCSA Smallholder Working Group]).

It was mentioned that the SPKS has rejected a request for collaboration and involvement in the field calibration to be carried out by PT Ekologika (Consultant engaged by RSPO). Further clarification in the form of an official response letter is currently expected from the HCSA.

7.0 AoB

- Queries from PNG smallholders
NJ shared emerging issues around the status of smallholders who sit somewhere in the middle of the scheme and independent status and expansion scenarios that had the implications of HFCC. This has affected the certification process for them. The Secretariat have had a conversation with the smallholder representative, plus the two companies involved, and so we are essentially moving forward to try and develop shared understanding on those issues. KJ added that similar issues have been arising in other countries where smallholder groups are facing a challenge on certification because of how the system is structured. SHSC needs to discuss this in detail for providing guidance or direction.

- Update on Human Rights Strategy
Slides briefing update on the Human Rights Strategy were shared in Annex 2 for reading. Should there be any required follow up Q&A, SHSC members inform the Secretariat so a HRWG rep can be invited to the next meeting.

- RT dates and topics
Ideas around organising a global smallholder session (similar to Linking & Learning event) during RT were discussed in length. RR suggested this idea to enable discussion on issues and challenges faced with ISH

Secretariat will discuss these options internally before

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
SCPOPP	Sustainable and Climate-Friendly Palm Oil Production and Procurement
SHSC	Smallholder Standing Committee
STA	Smallholder Trainer Academy