

## EXECUTIVE BOARD MEETING EB 02-12

**Date:** 9<sup>th</sup> March 2012

**Time:** 1000 (Malaysian Time)

**Venue:** Crowne Plaza Mutiara Hotel, Kuala Lumpur

Attendance		
<p><b>EB members</b></p> <p>AAK - Tim Stephenson (TS)</p> <p>Conservation Intl - Tim Killeen (TK)</p> <p>HSBC – Ong Eng Mun (OEM)</p> <p>IOI - Hidde van Kersen (HvK)</p> <p>Oxfam Intl - Johan Verburg (JV)</p> <p>Rabobank – Jose den Toom (JdT)</p> <p>Retailers' Palm Oil Group</p> <p>- Belinda Howell (BH )</p> <p>Unilever - Jan Kees Vis (JKV) – Chair</p> <p>WWF - Adam Harrison (AH)</p> <p>MPOA – Puvan Selvanathan (PS)</p> <p>SIAT – Gert Vandersmissen (GV)</p> <p><b>With Apologies</b></p> <p>Sawit Watch - Abetnego Tarigan (AT)</p> <p>Cadbury - Tony Lass (TL)</p> <p>FELDA - Mohd Nor Kailany (MNK)</p> <p>Note:</p> <p>1. DW had to leave within the first hour of the EB meeting for a family emergency. He rejoined at approximately 5 pm.</p>	<p><b>Alternates/advisor</b></p> <p>Sawit Watch - Norman Jiwan (NJ)</p> <p>NBPOL – Simon Lord (SL)</p> <p>Advisor - M R Chandran (MC)</p> <p>Professor Bungaran</p> <p><b>Secretariat Staff</b></p> <p>Darrel Webber (DW)</p> <p>Salahudin Yaacob (SY)</p> <p>Desi Kusumadewi (DK)</p> <p>Anne Gabriel (AG)</p> <p>Chong Wei Kwang (CWK)</p> <p>Oxfam Intl – Kate Geary (KG)</p> <p>MPOA –Jeremy Goon (JG)</p> <p>Agathe Grossmith (AGG)</p>	
Item	Description	Focal Point
1	<b>RSPO Antitrust laws</b>	
	There will be no discussion on any commercial aspect of the trade in palm oil on premiums, volumes, individual suppliers, individual customers, etc etc.	FYI
2	<b>RSPO EB consensus based decision making,</b>	
	The EB was reminded that they try to reach decision by consensus which is the absence of sustain opposition	FYI

		3	<p><b>Approval of Minutes of previous meeting EB 04-11 &amp; 05-11</b></p>
	<p>The last line on page 11 is to be deleted. Also to reflect in the attendance that Prof Bungaran was not present on the 25th of November 2011 and that Desi Kusumadewi was present for both meetings</p>		DW
	4		Discussion on actions identified in EB04-11 and 05-11
	<p>RSPO Business plan. DW explains that the anticipated business plan was not developed as yet due to the unexpected resources required to prepare and plan the recently held GA8.</p>		FYI
	<p>There were two schools of thought with regards to a business plan for RSPO. One was to think of establishing regional offices first and to understand markets before establishing a full blown business plan. The other was to plan for activities and incorporate budgets to establish budgetary requirements first.</p>		FYI
	<p>The Secretariat gave a status update on the recruitment efforts to fill vacant positions within the RSPO. There remain 2 further positions that need to be filled. The Greenhouse Gas Manager and the Supply Chain Manager. Shortlisted candidates have been identified and they will be recruited in the month of June.</p>		FYI
	<p>Some EB members' volunteer to assist DW to develop the business plan which should be prepared for presentation to the EB in the next meeting.</p>		SL,JK V,TS, OEM, BH, GV
	<p>EB requests the Secretariat to hasten recruitment of all vacant positions. It is crucial before we embark on further stages of expansion.</p>		DW
	5		<p><b><u>GA8 De- briefing</u></b></p> <p>Some time was spent reflecting on the many resolutions submitted by members of the EB, which would have benefitted from prior consultation with the EB. Some EB members we wondering if there was a breakdown in communication within MPOA (or between the RSPO and MPOA) and/or a lack of understanding of the procedures of the RSPO.</p> <p>It was also raised that although most of the resolutions were voted down, there were probably salient points within the resolutions that should be revisited and perhaps addressed.</p>

On another matter it was raised that there should be a better way to filter resolutions that were contravening by-laws and undermining the Principles and Criteria.

Other items raised:

- a) Voting papers needed to have better perforations
- b) Look into possibility of electronic voting at future GAs.
- c) Look into possibility of having voting done electronically for those not being able to physically attend the GA

It was decided that MPOA would be approached for a high level meeting to understand the issues that needed to be raised and to understand their position better. JKV, DW

It was decided that the RSPO lawyers would be tasked with exploring legal options to allow for electronic voting options for proxy voting. DW

It was decided to seek the advice of RSPO lawyers to suggest legal instruments to protect the RSPO Principle and Criteria from abrupt changes during the GA. DW

## 6 **Election of Office Bearers**

JKV informs all that he is available for another term i.e. until GA9. JKV urges all to consider potential candidates for the position of President prior to the next General Assembly. FYI

SL suggests some form of structured “handing over” be developed in the event of a new President being voted in by the EB. FYI

The EB has decided that the status quo remains on office bearers. Where President remains as JKV of Unilever, Treasurer is TS of AAK, Vice-President 1 is AH of WWF, Vice President 2 is ES of Indonesian Growers, Vice President 3 is PJS<sup>1</sup> of MPOA, Vice President 4 is GV of SIAT. FYI

The Secretariat will prepare a checklist of documentation that needs to be prepared and signed should there be a new President voted in after the next General Assembly CWK

## 7 **Finance and Administration**

The EB was briefed on the following: FYI

- There was a need to follow up on old debts better

<sup>1</sup> At the time of writing this minutes MPOA has communicated to the RSPO Secretariat that PJS and Jwill no longer be available to represent MPOA and further, declares that Mr. Khairudin Hashim will be substantive representative for MPOA on the RSPO Executive Board. Mr. Khairudin Hashim will therefore automatically bear the office of Vice President 3.

	<ul style="list-style-type: none"> <li>• There is a new resource in the secretariat that will potentially resolve the current gaps in financial management</li> <li>• There is a need to reconstitute the finance committee. The previous HSBC representative to the EB has left a vacancy in the committee. JKV also informs that JdT will also be leaving the EB and that this was her last meeting.</li> </ul> <p>There will forward looking budgets presented at the next meeting to show one or two year.</p> <p>A smallholder certification and support fund (specific name to be developed later) will be created. The monies for this fund will sourced, initially, from:</p> <ul style="list-style-type: none"> <li>• 10% of the trading income of CSPO, derived from donations from GreenPalm and Utz) to RSPO</li> <li>• 50% of any surplus funds in the RSPO at the end of every financial year.</li> </ul> <p>A governance structure must be built to manage this fund.</p>	<p>TS/C WK</p> <p>DW/C WK</p> <p>TS/D W/C WK</p>
8	<p><b>Communications and Claims</b></p> <ul style="list-style-type: none"> <li>• There is now an agreed communication strategy for China, India and Europe. H&amp;K have decided to re-route a portion of their fixed monthly retainer from Europe to India and China.</li> <li>• Stakeholder mapping in India &amp; China have been done and engagement will be re-started.</li> <li>• There has been a pending taskforce to be set up which is a subset of the Trade &amp; Traceability and Communications and Claims Standing Committees to look into the possibility of non-RSPO members to use the RSPO trademark; to understand whether “group certification” for the supply chain, can be used to reduce the fees/infrastructure burden of small manufacturers in the procurement and use of CSPO.</li> <li>• This taskforce will be making a proposal to the EB by the next meeting.</li> <li>• A new proposal will be made to the EB to expand the budget of H&amp;K by 25 to 50%. The Finance &amp; Administration Committee way need to measure the implications of this to the RPSO finances.</li> </ul>	<p>JkV/ HvK</p> <p>TS/C WK</p>
9	<p><b><u>Standards and Certifications</u></b></p> <ul style="list-style-type: none"> <li>• The HCV compensation taskforce met on 20<sup>th</sup> and 21<sup>st</sup> February 2012. Consensus was reached that all clearance of land, will be subject for compensation regardless of whether it was done by third party or otherwise.</li> <li>• The above compensation taskforce requests the RSPO to develop Terms of Reference to employ a consultant to gather information to populate a matrix of categories and</li> </ul>	<p>AH/S Y</p>

	<p>compensations ranges. This will assist in gauging the potential size of the issue.</p> <ul style="list-style-type: none"> <li>• AH will send out an email to request the grower members within the EB to volunteer information to assist in populating the abovementioned matrix. AH assures that all information will be confidential and not attributed to specific companies.</li> <li>• The board endorses the recommendation from the HCV compensation taskforce to request all grower members to disclose, within 6 months, how much land has been cleared without HCV assessments.</li> <li>• AH informs that the both the BHCV Working Group and the Standards and Certification Committee is requesting for members, from other sectors to join the group. It is hoped that the EB representatives can reach out to their constituents to assist.</li> <li>• AH updated that the planned RSPO P&amp;C review is proceeding as per plan thus far. The ratio of the task force membership would be 3 Grower members from Malaysia, 3 Grower members from Indonesia , 3 Grower members from the Rest of the World, 4 Environmental NGOs, 4 Social NGOs, 4 from the Supply Chain. Nominations for this taskforce close by 23<sup>rd</sup> of March 2012.</li> <li>• The EB is requested to comment on the budget request from the Standards and Certifications Standing Committee, by the next EB meeting. The budget request is for RM4.8 Million.</li> <li>• The Standards and Certification Standing Committee was requested to engage an independent body to make an objective comparison between the ISPO and RSPO schemes.</li> <li>• PJS made a recommendation hire an identified consultant to conduct a gap analysis between the current RSPO P&amp;C against the UN Principle on Human Rights. The cost is USD10,000. EB accepts the recommendation.</li> </ul>	<p>AH/EB Grower membe rs</p> <p>DW/A G/AH</p> <p>EB</p> <p>EB</p> <p>AH/S Y</p> <p>PJS/S y</p>
10	<p><b><u>Trade and Traceability (T&amp;T)</u></b></p> <ul style="list-style-type: none"> <li>• A group certification scheme, for the supply chain, is being developed by the standing committee. The intent is to lower the barriers for small and medium enterprises. They will report progress at the next EB meeting</li> <li>• The EB was briefed on the progress of migration from the UTZ system to a new platform. This is an interim measure until a more detailed requirements proposal is developed for an entirely new platform. The EB confirms that eventually there this new platform will integrate both the UTZ and GreenPalm systems.</li> <li>• The T&amp;T has started a working group to benchmark the RSPO against other well recognized food safety standards.</li> <li>• The T&amp;T Standing Committee informs that they think some companies are trading sustainable palm oil twice for the same amount of oil produced. This can be considered as double</li> </ul>	HvK

	<p>accounting as a producer trades GreenPalm certificates for the same oil that was already traded physically as ISCC certified.</p> <ul style="list-style-type: none"> <li>HvK volunteers to meet with ISCC and discuss about this issue. HvK will then circulate a memo to advice the EB on a position to take on this matter.</li> </ul>	HvK
11	<p><b><u>Grievance Panel</u></b></p> <ul style="list-style-type: none"> <li>JV briefed that the secretariat has started a monthly meeting to review all live cases and then make a recommendation to the formal Grievance Panel. This has helped move decisions along faster.</li> <li>There is now a draft procedural flow chart for the grievance processes that has been developed. This will be shared with the full EB for comments.</li> <li>JV further updated the status of all the cases grievance list. <a href="http://www.rspo.org/en/status_of_complaint">http://www.rspo.org/en/status_of_complaint</a></li> </ul>	
12	<p><b><u>Smallholders</u></b></p> <ul style="list-style-type: none"> <li>GreenPalm will create a page on their website to enable smallholders to trade Fresh Fruit Bunches produced by independent smallholders.</li> <li>DW updates that there is likely to be the first batch of certified independent smallholders from Thailand this year.</li> <li>HvK was requested to develop a proposal on how to avoid double counting between a mill and independent smallholders who have already sold their FFB.</li> <li>It is advised that the secretariat need to advice the Certification Bodies of the requirement to have 100% of a mill's supply base to be certified within 3 years.</li> </ul>	SY  HvK  SY
13	<p><b><u>Carbon</u></b></p> <p>JKV informs that both TK and him will be attending a RT RED meeting in the Netherlands the following week. In essence this RT RED initiative is to access funds that will flow (based on the REDD) from forest poor countries to forest rich countries using the various agricultural roundtables in existence. One argument that the roundtables have could be that compliance to standards help increase yields which further means that there is a reduction in pressure for deforestation.</p> <p>The secretariat is urgently requested to hire a GHG manager to manage this initiative.</p>	DW/S Y
14	<p><b>RT10</b></p> <p>DW briefed that a visit was made to Resorts World in Singapore, a potential venue for RT10. This visit included JG and SL.</p> <p>There were not many feasible options for RT10 given the numbers of the participants attending.</p> <p>DW was advised that RT10 should try to have a few more interactive</p>	

sessions instead of reverting to the typical power point style presentations. Also recommended was not to cram too many speakers in one plenary slot.

15      **RSPO and RIO +20**

It was made known that PJS had 3 speaking slots in RIO+20 to offer to RSPO.

The EB suggests that DW accepts the speaking slot if it still available and relevant to RSPO.

16      **Chairing Standing Committees**

It is proposed that each of the Standing Committees decide on the need for rotating chairs or even co-chairs.

17      **AOB**

- HvK wanted an update on the impending event in China. AG informed that the event will be in July this year. The event will be in collaboration with WWF-CHINA and CFNA.
- NJ reminds all that the first Smallholder Working Group will have its first meeting in May 2012.
- TK updates on the GHG WG. Peatland WG has produced a high quality draft manual which can be published soon. The scientific panel product will still need a lot of editing.
- The EB recommends that RSPO secretariat participates with a booth at every major palm oil forum in Malaysia/ Indonesia.

**Next meeting date: 11<sup>th</sup> and 12<sup>th</sup> of July 2012**