

EB 01-08

Minutes of Executive Board Meeting

Date : 28-29 February 2008
Venue : Alhambra 3, Level M1, Melia Hotel, Kuala Lumpur
Start time : 9.00 am

<p>Attendees:</p> <ol style="list-style-type: none">1. Derom Bangun (GAPKI)2. Didiek Hajar Gunadi (GAPKI)3. Darrel Webber (WWF- Malaysia)4. Don Grubba (IOI) – <u>Chair (Day 2)</u>5. Johan Verburg (Oxfam)6. Jan Kees Vis (Unilever) – <u>Chair (Day 1)</u>7. Chew Jit Seng (MPOA)8. Mamat Salleh (MPOA)9. Tim Stephenson (AAK)10. MR Chandran (RSPO EB Advisor)11. Purwo Susanto (WWF- Indonesia)12. Robert Keller (MIGROS)13. Rudy Lumuru (Sawit Watch)14. Chong Wei Kwang (HSBC Malaysia)15. Simon Lord (Kulim Malaysia Bhd)16. Tony Lass (Cadbury Schweppes)17. Vengeta Rao (VR, Secretariat)18. Desi Kusumadewi (RILO - Secretariat)19. Aeimelia Khalid (Secretariat)20. Ali Baizuri (Secretariat)21. Roslinda Sarmin (Secretariat)	<p>Apologies:</p> <ol style="list-style-type: none">1. Johann Zueblin (Migros)2. Ian McIntosh (AAK)3. Fitriani Adrianshah (WWF- Indonesia)4. Matthias Diemer (WWF – Switzerland)5. Mohd Nor Kailany (Felda)6. Samantha Lacey (CIS)7. Paul Norton (HSBC Malaysia) <p>Observers:</p> <ol style="list-style-type: none">1. Rikke Netterstrom (CSR consultant, ex EB) <p>Invitees:</p> <ol style="list-style-type: none">1. Marcus Colchester (FPP) session on STF/FPIC
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AGENDA

1. Introduction and RSPO Antitrust laws

2. Confirmation of minutes of EB 05-07 & EB 06-07

3. Secretariat

3.1 Accounts & finances

3.1.1 Update on RSPO Accounts to end January 2008

3.1.2 Update on RSPO Sdn Bhd Accounts to mid February

3.2 RSPO Indonesia Liaison Office

3.2.1 Update (December'07 – mid February'08)

3.3 Secretariat updates

3.3.1 Overview from Secretary General

4. Executive Board matters

4.1 Welcome New Members / Alternates

4.2 EB Retailers seat

4.3 EB lead Work Groups

4.3.1 Groups and members

4.3.2 TOR

5. Membership

5.1 Outstanding/defaulted RSPO Members

5.2 Grievance procedure outcome/recommendation: Wilmar International Ltd.

5.3 Outstanding Membership applications

5.4 Revised membership application procedures and flowchart

6. Principles & Criteria

6.1 TFS next steps and 2008 programme

6.2 Dispute Resolution Facilitation (working group)

6.3 Worker issues in the P&C

6.4 RSPO Position on land issues and the role of governments

6.5 Integrated Weed Management (IWM) project

6.6 Biodiversity Technical Committee (BTC)

7. National Interpretation & Implementation Process

7.1 EB sub-group – evaluation of NI documents for Indonesia, Malaysia and PNG

6.2 Update on NI process for Rest of World

6.2.1 Colombia

6.2.2 Brazil

8. Certification & Standards

8.1 Update on interim accreditation process

8.2 Approval of certification bodies applying for accreditation with RSPO

8.2.1 SIRIM QAS Malaysia

8.2.2 PT Mutuagung Lestari Indonesia

8.2.3 Agrovet Pty Ltd Australia

8.2.4 Instituto Biodinâmico Certification Association (IBD) Brazil

8.2.5 PT TUV NORD Indonesia

8.3 RSPO accreditation procedure – next steps

8.4 RSPO certification – auditor training

9. Trade & Traceability

9.1 Update on Utz Certified proposal to RSPO

9.2 Update on GreenPalm

9.3 Approval of RSPO Supply Chain Requirements

10. Communications & Claims

10.1 Update on CBWG final recommendations

10.2 Recommendations of the RSPO European meeting, Brussels, 9 October 2007

10.3 Decision on next-steps for CBWG work and recommendations

10.4 Proposed RSPO communications plan

10.5 RSPO FAQ on certification

11. RT5

11.1 Closing matters including follow-up on Minister's speech.

12. GA4

12.1 Closing matters (if any)

13. RT 6

13.1 Venue – Jakarta vs Bali

13.2 Event organiser

13.3 Organising Committee and Technical Committee

14. AOB

14.1 RSPO Event in Colombia

14.2 Issues of climate change and Green House Gases

14.3 Letter to Dutch Economics Minister

14.4 Secretariat responses to some articles concerning sustainable palm oil and RSPO

Minutes:

1. Introduction and RSPO Antitrust laws

The President welcomed all to the meeting in particular new members/alternates. RSPO Antitrust laws were read and the proposed meeting agenda confirmed.

2. Confirmation of minutes of EB 05-07 & EB 06-07

- EB05&06-07 5.3 Membership
Information on First Resources Ltd received and membership approved.
7.2 Setting of major and minor non-conformities.
Noted that though the CWG review of Generic P&C did not identify major and minor indicators, this was addressed by the VWG
9.0 Supply Chain
Should players in the Green Palm certificates scheme be members of RSPO. To be decided.
11.2 Minister's Statement and 13.1 Greenpeace issue
SG and EB Advisor to rewrite the minutes of these sections.
- EB04-07 Colombian National Interpretation
RN suggest that the methodology used be reviewed.
Minutes confirmed.
- EB03-07 Minutes confirmed.

3. Secretariat

3.1 SG overview

Regularisation of RSPO Secretariat Sdn Bhd near completed with the last item, IRD compliance being progressed.

Action: In progress with PR

Quotations for medical insurance for staff being studied.

Action: Secretariat to progress.

Separate bank account for RSPO Secretariat Sdn Bhd with SI for monthly transfer of RM60K from RSPO account to Sdn Bhd account.

Decision: Agreed

Tier 1 contract propose to be terminated as software provided by them not functional from day 1.

Decision: Agreed

Website 'contract' expired and seeking new contractors for maintenance.

Action: Secretariat to progress

Newsletter – website link for outsiders to read in removed as it is for members only.

Decision: Agreed

Meeting informed of DOEN approval for funding of E85,000 and BACP proposed funding for RSPO Biodiversity work.

Action: Details to be worked out.

Noted that an outside editing expert has been engaged to help with content of communications from Secretariat.

Action: Proposed that a Communicator be recruited in view of heavy workload on Ali (currently Communicator/Projects Coordinator), new projects start-up and RSPO progress into auditing and certification.

3.2 Accounts & finances

RSPO Accounts to December 2007 were presented as notes to the meeting and the main items in the RSPO Secretariat Sdn Bhd monthly accounts, which started from January 2008, were mentioned.

TS noted that RSPO Accounts till end December 2007 were generally in order except for a few items which he would take up with the Secretariat. He briefed the meeting on the previous days meeting with Parker Randall. Notes from the latter meeting are attached as Annex 1 to this minutes.

VR informed that the RM2.6m of RM2.8m in the RSPO current account has been placed in terms deposits (RM200K x 3 x 12 months, RM200K x10 x 1 month. The distribution is the best combination for interest income and ready financing for projects.

CWK advised that it should be possible to reduce the foreign exchange losses and organise for receipts and expenses in euros where advantageous.

Action: CWK to take it up with the Secretariat.

The meeting was concerned about the long list of debtors and the quantum involved.

Action: Secretariat to get on top of this long standing problem.

3.3 RSPO Indonesia Liaison Office:

The RILO report was presented as part of the notes to the meeting. DOEN funding of E 16,450 for capacity building to support P&C implementation, especially in the smallholder sector, was noted. While donation funding for RILO was adequate for now the Secretariat recommended internal support for the long term. JKV supported this proposal.

Action: PS recommended the recruitment of a junior assistant to Desi (provided for in the DOEN funding) in view of the anticipated increased workload.

4. Executive Board matters

4.1 New Members/Alternates

The following new members/alternates were welcomed to the EB and meeting by the Chairman/President of RSPO: Paul Norton / Chong Wei Kwang (replacing Simon Harris of HSBC), Didiek Hajar Gunadi (alternate to DB of GAPKI), Darrel Weber (WFF in place of DM).

4.2 EB Retailers seat

Action: TL to look into the option of a professional representing a RSPO member or a grouping involving RSPO members (such as British Retail Consortium)

4.3 EB led Working Groups

Draft TOR prepared by Secretariat for Standards & Certification (S&C), Trade and Traceability (T&T) and Communications and Claims (C&C) working groups were circulated for respective EB working group members to comment upon. Names of prospective members of the various groups were listed. The meeting was concerned that the structure of the WG was not very clear and it was agreed that the core leadership and decision making sub-group within the Working Group should comprise of EB members only.

Action: Secretariat to include any suggested amendments from EB members and develop the structure of each Working Group.

5. Membership

5.1 Outstanding/defaulted RSPO Members

Meeting was concerned with the large number of debtor members and required the Secretariat to step up efforts to reduce both the list and the quantum owing.

Action: Secretariat to take appropriate action

5.2 Grievance

Wilmar International Ltd.

Wilmar's response of 25/1/08 accepted by Grievance Panel on 31/1/08 with caveats. Both response and GP acceptance provided to parties and posted on websites on 1/2/08. Caveats are follow-up confirmation by Secretariat of a) Wil-02: Land clearing in relation to land rights. (*Follow-up in progress*); Wil-03: Land clearing with poor EIA. Need to check on the new independent third party (*Follow-up in progress*). Wil-03 Claim to have collaboration with WWF Indonesia in Central Kalimantan and partnerships have been formed with SOS Rhino Borneo and Borneo Child Aid Society. (*Confirmed WWF and PPB a subsidiary of Wilmar, BCAS confirm, no response from SOS Rhino*). In addition Wilmar have mentioned SOPs in the above mentioned areas. (*Copies of SOPs have been obtained*).

Action: Secretariat to continue follow-up

5.3 Outstanding Membership applications

First Resources Ltd, Sawit Watch described their follow-up and withdrew reservations. The meeting accepted the application.

Hawaiian Electric Company. Letter sent out by previous SG.

Zoological Society of London application to be an Ordinary member at a reduced fee of E300.

Action: Secretariat to ask ZSL for a set of their audited accounts to verify if they should be considered.

5.4 Revised Admission procedures

Revisions produced by SmL, with input from other EB members, now in place and applicable.

Action: CJS highlighted that GA4 had agreed for a smaller fee for smallholders and requested that this be incorporated into the admissions procedure once GA4 minutes are confirmed.

6. Standards & Certification Working Group

6.1 P&C

SL clarified that while the 2007 revised P&C did not have major and minor non-conformities the VWG did produce a set which could be considered applicable.

Decision: To use these when NI are examined.

6.2 National Interpretations

Sub-group deliberations and recommendations of NIs, including Proforest comments, tabled. The (EB) meeting vetted Sub-Group recommendations and arrived at the EB recommendations (attached in Annex1 to this minutes).

Long discussion on INA-NIWG recommendation for a change of cut-off date from November 2005 to November 2007, the end of the piloting phase, i.e. special consideration for land developed between November 2005-November 2007.

The basis for the recommendation was that while the P&C were agreed implementation (at a level clear to all parties) required clear indicators and guidance to be developed through ground testing and trials. This was the very reason a two-year pilot trialling period was agreed to by the GA. Now that the P&C have been completed, field tested and NI being finalised November 2007 should be the definitive cut-off date. It was also elaborated that the requirement of HCVF assessment, as part of EIA, was not well-known then nor well communicated for some time thereafter.

Decision: After long debate, the RSPO EB decided on the following:

- There will be no change in the cut off date in the Criteria. Any changes will only be in the guidance.
- The Criteria and guidance will apply to all countries, not just Indonesia.
- For land developed between November 2005 and November 2007:
 - New plantings / developments between Nov 05 and Nov 07 must have the complete licences including, e.g., AMDAL, and also comply with legal land spatial planning.
 - Where it can be proven that the land is not HCV in Nov 2005, it can forthwith enter the RSPO certification programme.
 - Where the HCV status of the land was unknown then and/or disputed, it will not be allowed to enter the programme until suitable HCV compensation is worked out.
 - Companies owning such land can enter their other estates or an estate with such land can enter its remaining area in the programme.
 - This arrangement is valid only for land developed between Nov 05 and Nov 07, the RSPO P&C pilot implementation period.

6.3 Certification

Certification Bodies. SG updated the meeting on current status with CBs – 3 were approved by the EB at its last meeting, SIRIM QAS was pending disposal of a public comment, and paper check is in progress on another four applicants.

Decision: The meeting agreed for the Secretariat to continue with the paper check, as Proforest have withdrawn from continuing such work.

Action: Secretariat was advised to refer the public comment on SIRIM to Proforest, as they had done the initial evaluation of SIRIM, and to advise the EB by email accordingly.

Audits. JKV enquired of audit announcements noting that information was incomplete. AB informed that because of delays with the Nis, the announcements were circumscribed and lacked details.

Action: Agreed that future announcements will be detailed as required by the certification documents. The Secretariat looking into revamping website, particularly the subpage seeking comments from the public.

Independent observers. SG suggested the use of independent observers to help the Secretariat observe the process (auditing) and quality (training).

Action: The meeting agreed that the suggestion had merits but cautioned and required that the proposal had to be better developed for EB consideration.

Training. The meeting was informed of the RSPO-DOEN funded forthcoming auditor training by Proforest (Kuala Lumpur, Indonesia and Sabah) and IPOB/KAN proposal for training in Jakarta.

Action: The meeting asked that the Secretariat organise itself to vet training courses seeking RSPO endorsement and act accordingly.

6.4 FPIC and TFS

~~MC of FPP presented updates on the TFS and FPIC work in particular a recent workshop at Riau. Brief reports were presented on both as handouts to the EB meeting and are attached as Annexes to these minutes.~~

~~The EB agreed to a continuation of the work using the funds provided by DOEN and LNV. Secretariat to work out the details with FPP.~~

MC of FPP presented updates on the TFS and FPIC work in particular a recent workshop at Riau. Brief reports and work plans were presented to the EB meeting and are attached as Annexes to these minutes. It emerged during the meeting that the LNV funding had been received, the initial confusion as no documents were received at the Secretariat when the funds were deposited in the RSPO account in December 2007. It was noted that it was urgent that the FPIC and TFS work be advanced, in line with the work plan presented by FPP. Board members also emphasised that the TFS must work in an inclusive way and should ensure close collaboration with the leaders of the national working groups in PNG, Malaysia and Indonesia, as well as close liaison with the RSPO Secretariat. The Chairman suggested that the work on Group Certification should also involve Utz certified. For the FPIC project, three further FPIC training workshops were proposed for Central Kalimantan in April-May and then for Papua and Sabah in June-August.

Decision: Subject to these additions, the EB agreed to a continuation of the work as outlined by FPP using the funds provided by LNV.

Action: Secretariat to work out the details with FPP. Secretariat was also asked to clarify to the Board and Task Force leaders what funds had been made available by Stichting Doen, including for the work of the Task Force.

6.5 Conflict resolution Working Group

JV circulated draft TOR and clarified some of the contents.

Action: It was agreed that JV will circulate and seek comments, over 2 weeks, before developing the proposal further.

6.6 Worker issues in the P&C

JV circulated text from Oxfam Novib substantiating input at GA4 for consideration during future P&C review and for NI's.

6.7 RSPO Position on land issues and the role of governments

Draft circulated and discussed. Final feedback required for EB to adopt and post on website.

6.8 Integrated Weed Management project

SL presented the TOR (attached as Annex to these minutes) for a proposed revised project. The meeting required that EB members revert with any comments, if they had, to the S&C group/ Secretariat within a week.

Action : Secretariat will then seek the views of Tenaganita.

6.9 Issues of climate change and Green House Gases

DW confirmed work in progress and would be circulating the draft TOR by email for a 2-week feedback period from S&C EB members.

6.10 BACP-RSPO Biodiversity Technical Committee (BTC)

SG updated the meeting on the IFC-BACP initiative. The fund would support the formation of the BTC, comprising Biodiversity experts and other stakeholders, who would advise the RSPO on projects that could meet RSPO needs in this area.

Action: The SG would be in communication with the BACP Steering Committee and the implementation local focal point (Shemsi Sdn Bhd).

7. Trade and Traceability Working Group

7.1 Supply Chain Options

Report from TL on the options discussed by the Group and the ongoing issues that are being deliberated by the Group. Reiterated that the administrative cost would be USD4/mt and in the UTZ system costs will go down as volume increases. Currency will be USD.

Decision: Agreed that all members of the supply chain, including the unit of certification and its supply base, must be members of RSPO for the integrity of the CoC.

Action: Decision that needs to be communicated!

TL to circulate to members of working group a modified version of document presented at the meeting. Also to circulate a modified version of the UTZ document and the draft TOR prepared by the Secretariat, with slight modifications. Will report back when the ongoing work by T&T WG is completed.

JV expressed concern that short term technical solutions to supply chain options need to be accompanied by a long term strategy leading to RSPO's vision of a new commodity grade.

8. RSPO Communications and Claims Working Group

8.1 Proposal for a communications strategy promoting sustainable palm oil.

JKV circulated the above report commissioned from Schuttelaar & Partners.

Action: [JKV to circulate Schuttelaar & Partners proposal to members of the C&C WG.](#)

8.2 FAQ on certification and audits

Secretariat had prepared a 30 point Q&A on the above topic.

Action: After receiving feedback from EB members the FAQ will be uploaded on the website and included in the next issue of the newsletter.

9 RT5 and GA4

9.1 Update on RT5

Explained by AK (Secretariat) that the surplus of about RM300K indicated by TCH was not accurate and would more likely be half of that as some outstanding payments had not been resolved. Collection of participation fees (by Ground Breakers) was still in progress.

Action: The meeting required that the RT5 accounts be progressed to a proper closure.

9.2 GA4 Minutes

Pending from the freelance writer contracted to provide the minutes

Action: [4 Months now since GA4. Not acceptable, not to be repeated.](#)

10 RT6 and GA5

The Secretariat provided the pros and cons of Bali and Jakarta as possible venues. The meeting decided upon Bali, the event to be held at the Grand Hyatt (once confirmed) from the 17-19th of November 2008 followed by GA5. Board meetings will be held immediately before and after the RT6 and GA5. The Secretariat recommended and the meeting accepted Pacto Convex to be the main Event Organiser. The Secretariat also put up the tentative list of RT6 organising committee members.

Action : [Secretariat and RT6OC to progress RT6 and GA5 at Grand Hyatt Bali with Pacto as the event organiser](#)

11. AOB

11.1 RSPO Colombia Meeting

RT6 would not be held in Colombia as it has been decided to hold RT6 in Bali.

Action: Secretariat would look for an opportunity to host another event in Colombia later this year such when the NI process there is completed.

12 Next EB Meeting

Will probably be by teleconference roundabouts the middle of the year. Secretariat to organise.