

**MINUTES OF EXECUTIVE BOARD MEETING
EB 01-10**

Date : 24-25 February, 2010
Venue : Grand Hyatt Bali, Indonesia.
Starting Time: 09.00 a.m.

Attendees	
<u>EB Members</u>	<u>Staff (Secretariat & RILO)</u>
1. Adam Harrison-WWF (AH)	28. Vengeta Rao (VR)
2. Johan Verburg-Oxfam Intl (JV)	29. Jutta Poetz (JP)
3. Tim Killeen-Conservation Intl (TK)	30. Sarala Aikanathan (SA)
4. Norman Jiwan-Sawit Watch (NJ)	31. Asril Darussamin
5. John Buchanan-Conservation Intl (JBc)	32. Rahayu Siti Harjanthi
6. Cherie Tan Li Jie-WWF (CT)	
7. Faisal Firdaus-Carrefour (FF)	
8. Derom Bangun-GAPKI (DB)	
9. Marcello Britto-Agropalma (MB)	
10. Jeremy Goon-MPOA (JG)	
11. Olivier Tichit-GAPKI (OT)	
12. Chew Jit Seng-MPOA (CJS)	
13. Patrick Corbussen-IOI (PC)	
14. Ian McIntosh-AAK (IM)	
15. Marieke Leegwater-MVO (ML)	
16. Tim Stephenson-AAK (TS)	
17. Jan Kees Vis-Unilever (JKV) - Chair	
18. Tony Lass-Cadbury plc (TL)	
19. Neil La Croix-Cadbury pld (NLC)	
20. Christophe Liebon-Intertek (CL)	
21. Fahmuddin Agus-GAPKI (FA)	
22. Paul Norton-HSBC (PN)	
23. Jose den Toom-Rabobank (JdT)	
24. John Baker-Rabobank (JB)	
25. Chong Wei Kwang-HSBC (CWK)	
26. M R Chandran (MRC)	
27. Mohd Nor Kailany -Felda (MNK)	
Invited: Marcus Colchester (MC)	

AGENDA EB01-10 (Grand Hyatt Bali, 24-25 February, 2010)

1. Introduction, RSPO Antitrust Laws, EB changes (if any)

2. Minutes of previous meeting and Matters arising

To confirm and approve the minutes of the 4th and 5th Executive Board meetings of 2009 (EB 04&05-09) held on the eve and the day after RT7.

3. Accounts

3.1 Accounts – RSPO & RSPOSSB

For period October – December 2009

Revised 2009/20 budget

3.2 Long Outstanding Membership dues

2nd Name and Shame list

4. Secretariat Matters

4.1 Staffing- current position and proposal to engage HR consultancy (to meet operational and members needs)

4.2 RT7 - closing matters (accounts and proceedings)

4.3 GA6 – closing matters including follow-up actions on GA6 resolutions

4.4 RT8 & GA7 preparations

4.5 Complaints against RSPO members – status and follow-up actions and review of procedures

4.6 Members Annual Reporting and progress of the new reporting requirements (including proposal for more transparent tracking of member performance on rspo website).

5. Standards and Certification Subgroup Report

5.1 IWM Project – update

5.2 NPWG progress with rollout/implementation

5.3 GHGWG2 – update

5.4 Biodiversity Coordinator report

5.5 Smallholders:

Smallholder (Scheme) NI and trial audits – update

Smallholder (Independent) generic P&C and NI - update

Group Certification Scheme (GCS) - update

5.6 Producer Certification:

3rd Party Accreditation of CB (P&C and SC)

Progress of current certifications (including apparent delays, potential conflict of interest of reviewers, delay in ASA of NBPOL, Sime Darby suspension, etc.)

Progress with Thai, SI (including allegations of delay in approval), and Ghana NI and Local Indicators for SA

Engagement of independent reviewers

Review of RSPO P&C Certifications System including Clause 4.2.4

5.7 'White paper' on proposed Working Group for securing HCV areas in Indonesia

6. Trade and Traceability Subgroup Report

- 6.1 Supply Chain Certification – update
- 6.2 Utz and Green Palm matters
- 6.3 RSPO Submission to EU

7 Communications and Claims Subgroup Report

- 7.1 C&C report including use of RSPO logo on products
- 7.2 European Communications
- 7.3 Secretariat Communications
(including and Communications capacity in China and India)
- 7.4 “Simplification of communications materials”

8. AOB

- 8.1 Request for Support by Borneo Child Aid Society
- 8.2 ISCC certification and RSPO
- 8.3 Communications announcement by CL (Retailers)

1. Introduction, RSPO Antitrust Laws and EB changes (if any)

The Chairman read out the anti-trust laws to which the RSPO Board is beholden

2. Minutes of previous meeting and Matters arising

The minutes of EB04-09 and EB-0509 were read and approved, the latter subject to amendments. IM noted that the draft minutes did not include GreenPalm's offer to Utz Certified to absorb the costs for the Utz software modification.

Action: Secretariat to post EB05-09 minutes on website

2.1 Matters Arising (from EB 0509):

1. EB changes: *Secretariat to post EB changes on the website.- done*
2. Minutes : *Secretariat to post EB03-09, 04-09 and 05-09 minutes on website – done*
- 3.1 Accounts: *Secretariat to obtained signed audited accounts and prepare revised budget.- done*
- 3.2 Long Outstanding Membership dues: 2nd 'Name and Shame' list – *in progress.*
- 4.1 Staffing: to progress recruitments for Certifications Manager, Policy Officer, Accountant cum Administrator, Membership Manager and Website manager and IT support. *SG to progress the above recruitments.- Stalled and minimal recruitment following EB change of plans.*
- 4.2 RILO regularisation: *Secretariat to engage Parker Randall to advise RSPO- in progress.*
- 4.3 RT7 - EB feedback - *Secretariat to take note of these deficiencies – noted.*
- 4.4 GA6: *Secretariat to note deficiencies – noted*
Secretariat to organise and pursue for annual reports – *in progress*
- 4.5 Website development: *done*
- 5.2 NPWG Output: *To announce commencement: done*
- 5.3 GHGWG2: *-in progress*
- 5.4 Biodiversity Coordinator' report: *JP to progress HCV assessors approvals – done and in progress*
- 5.6 Producer Certification: *T&T WG and Secretariat to progress with ASI GmbH- in progress*
Sime Darby case: *Secretariat to follow-up with Sime Darby – done and in progress.*
- 6.2 ASI accreditation (see above)
- 7.1 C&C report: *S&P to be engaged for a further one year. - contracted*
- 8.1 IPOB request for funding - *done*

3. Accounts

TS presented the accounts on behalf of the Treasurer. He noted that the financial reporting was not satisfactory and must be improved and recommended the recruitment of a professional accountant as soon as possible.

Based on information from previous reports he made the following points:

- Project spending was far below budgeted.

- Cash reserves continue to accumulate resulting in 'an embarrassment of riches' for a not-for-profit organisation. This was compounded by project underspend.
- Unpaid fees at 60% of annual income are abnormally high and need to be addressed. Long outstanding amounts should be collected and non-paying members be terminated. Relatedly the matter of ZSL being in arrears for 3 years was raised. The Chairman was informed by ZSL that their membership has been rejected. VR thought they meant their application for reduced fees was rejected as ZSL have indeed cited RSPO membership in their BACP application. The Secretariat will follow-up with ZSL.
- That financial reporting was non-existing for RILO and the transition / regularisation must be expedited.

Going forward he suggested measures be taken for reliable and timely financial reporting and financial controls be reviewed as the organisation gets larger.

- That the Secretariat commence work on the 2010/11 budget from April.
- That RILO regularisation be expedited.
- That RSPO statutes and by-laws be reviewed with the help of legal counsel. DB suggested that the recommendations arising from such a review be brought to GA7. MRC could help suggest law firms experienced with Associations from his experience with MPOA.

The meeting spent some time discussing the Utz/GP income. CL wanted the income to be transparently communicated as quanta increased. TS requested for views on what to do with the income. JKV asked if membership fees are necessary if the donation income is USD 1 m per year as this will cover the organisation's running costs. IM and TL preferred that membership fees stay since it reflects commitment and the donation income used for Projects. AH asked if the Utz donation should be done away with to encourage all trading to be reported. AH also suggested that Working Groups need to feel less restricted in terms of the resources available for the work of the W Gs. CT suggested a discussion on the priority projects for 2010.

Decision: The meeting agreed that Parker Randall be engaged to help with accounting work at the Secretariat and at RILO (after regularisation) while expediting the recruitment of a senior accountant.

Action: *Secretariat to progress all the above Treasurer's requirements and suggestions.*

4. Secretariat Matters

4.1 Staffing

The EB were briefed on the current staffing at the Secretariat and RILO. Ms Poon Chi Sum recruited from December 2009 (admin asst./bookkeeper), Ms Pei Erl Siew recruited from January 2010 (temp engagement for membership mgmt), Mr Marko Hermawan

(Accountant/ part time engagement to support RILO accounts), Parker Randall contracted for monthly oversighting of preparation of accounts.

CWK presented the HSBC initiated proposal to engage a consultant to review the role of the Secretariat and provide recommendations to improve the overall effectiveness, efficiency and accountability of the Secretariat. A couple of potential consultancies were mentioned and the likely costs involved based on a quotation CWK had received from EZI. While some members opined that the costs were high for what required doing, it was agreed that involving large multi-national HR consultant companies – as proposed – would be costly anyway but the review was necessary. JdT supported the proposal while JKV required a Secretariat that could support a global commodity market through certification and trade of CSPO. DB emphasised that the right TOR need to be drawn up and reputable consultancies invited for the task. CT suggested that the work be opened to other consultancies while JB required that more quotations be obtained for the proposed consultancy.

Decision: The meeting agreed for the proposal to be taken forward by a Committee group comprising HSBC, AAK, WWF and Oxfam with the first taking the lead.

Action: HSBC to lead the Committee to draw up TOR and a select consultancy to prepare a Secretariat review report for the next EB meeting. Phase 1 of the consultancy will cover the EB wish list for an effective Secretariat and the required talent and associated compensation packages. Phase 2 would cover job descriptions, reporting structures, etc.

Decision: The meeting also agreed that in view of the current acute need the Secretariat may proceed with the recruitment of an Accountant (for admin and finance), as a step-up replacement of the accounts staff who had resigned, and a Certifications manager to deal with the backlog of certifications. VR briefed the meeting on previous unsuccessful attempts at recruiting a Certifications Manager but agreed to try again.

Action: Secretariat to proceed with above recruitments.

RILO (regularisation)

As recommended at the last EB meeting, Parker Randall Indonesia had been engaged to advise on the feasibility of setting up RSPO Indonesia as a Foundation. Their recommendations agreed with Sawit Watch's suggested that RSPO Indonesia could function as a Foundation with RSPO EB members from Indonesia acting as the main office bearers of the Foundation.

Decision: The meeting agreed that RSPO in Indonesia be set up as a Foundation. It was also agreed that Parker Randall will assist with the regularisation and RILO accounts.

Action: *Secretariat to progress the regularisation of RILO as a Foundation rather than as a limited company as previously decided.*

4.2 RT 7 Closing Matters

The meeting was briefed that the final registration payments were received on 17/2/10 and pending a couple of payments out, the RT7 accounts could be closed by end February or March 2010.

JV offered to list the recommendations arising from the 'open sessions' for the EB to take on board during the course of the year.

Action: Secretariat to finalise and close the RT7 accounts. JV to circulate summary of recommendations from 'open sessions'.

4.3 GA6 Closing Matters

The meeting recommended that once the minutes are in, all GA6 matters including the audited accounts should be put up on the website.

Action: To upload all relevant GA6 documents on the website

4. 4 RT8

VR briefed the meeting on plans for RT8 which is proposed to be held in Jogjakarta in Indonesia from November 8-11, but alerted the meeting that venues in Jogjakarta were small against expected attendance. The meeting recommended that congestion should be avoided and suggested the venue be changed to Jakarta. Suggestions for guest speakers included Alan Oxley and Olivier Schutter.

4.5 Complaints against RSPO members

4.5.1 Status and follow-up actions (current cases)

Sime Darby:

The matter for discussion was Sime Darby's non-compliance with the requirements for partial certification as raised by a CB. The meeting discussed Sime Darby's further elaboration of its response to RSPO's proposed 5-point plan. The Board appreciated Sime Darby's act of good faith in unconditionally providing detailed and accurate information on its new plantings as well as a raft of its sustainability initiatives. After a lengthy discussion, the meeting recommended the following:

- (a) The crux of the infringement being post November 2007 plantings without HCV assessments the most appropriate response would be to leave land undeveloped/unplanted into posterity, in particular lands with potential HCV . In this respect most of Sime Darby's offers for restitution, such as financial contributions and related activities to support Biodiversity, while commendable were not the solution RSPO was seeking.
- (b) It was noted that Sime Darby has indeed set aside land from oil palm development but what was required was 'additionality' to what would have been set aside, in any case, in the course of land development.
- (c) These additional lands should be near or close to those lands developed for oil palm cultivation from a location or landscape perspective.

- (d) The Secretariat to discuss with Sime Darby the details of these additional set asides and to report to the Board.
- (e) If Sime Darby indicate that they are agreeable in principle to the above, the current freeze on certification will be lifted – while details are being worked out – and that compliance on the above will be evaluated after one year. Failure to adequately comply will invite a re-freeze of certifications.

Action: The Secretariat to progress matter with Sime Darby and keep the Board informed accordingly and touch base with the NGO members of the Board for advice and direction.

Sinar Mas:

The complainant is Greenpeace - by letter dated 23rd February, 2010 (the first day of the EB meeting). The complain, detailed in the report “*Illegal Forest Clearance and RSPO Greenwash: case studies of Sinar Mas*”, accuses Sinar Mas of unacceptable environmental and social practices and requests immediate suspension of RSPO membership of all Sinar Mas companies.

Action: The Secretariat to formally request Sinar Mas's response to the GreenPeace complaint and Secretariat to update the EB accordingly

Dutapalma

The complainants were a group of local NGOs and the complain was that Dutapalma practices open burning, deforestation and planting on native lands. The complain was referred to the member concerned, in December, but there has been no reply to date. A recent BBC 'Panorama' programme also highlighted the companies alleged wrong-doings.

Action: The meeting urged the Secretariat to commence communications with the highest levels of the company and a failure to respond quickly will invite publication of the complaint and the company's unresponsiveness on the RSPO website. This should then be followed-up by removal from membership if the company continues to remain silent.

AH to ask BBC on details of their allegation of open burning by Dutapalma.

IOI

Like the Sime Darby case this matter was raised during the course of certification and relates to Clause 4.2.4 and also appeared in the BBC news. The complainant was a local NGO in Sarawak and was about oil palm development by IOI on local lands. The BBC news report also was about extensive jungle clearing and loss of native lands.

Action: The EB meeting agreed that the audit review panel review the matter and if unresolved refer it to the EB as spelt out in the Grievance Procedure below.

FoEI and RSPO members in MPOC

The complaint related to the ASA in UK faulting an MPOC advertisement for which FOE held RSPO members in MPOC liable. The EB meeting noted that MPOC themselves are

not a RSPO member and that members of RSPO have committed to sustainable palm oil through their signing up to the code of conduct, certification and the annual sustainability reporting. The meeting agreed that FOEI should seek clarification directly from MPOC.

Action: The President to respond to FOEI and convey the EB views.

CUC

The complaints against CUC to be addressed by requiring CUC to be in the ASI accreditation pilot as the pilot will revisit CUC's methods, competencies, etc.

United Plantations

This relates to the CUC certification of UP. The meeting agreed that while the main complaint is against CUC, UP should nevertheless be kept informed.

4.5.2 Review of Grievance Procedures

VR clarified that the procedures as they stand do not require the Secretariat to follow-up until and unless a formal complaint is received; which is sometimes the case though the grievance is in the public domain. PC and PN proposed that even if no formal complaint is received, as long as the source is legitimate then the case should go through the Grievance Procedures.

Decision: The meeting agreed to the proposal that besides complaints that are formally communicated to the RSPO, where complaints are in the public domain then the RSPO must also take this on board, though no formal complaint has been raised.

Decision: The meeting agreed that the existing Grievance Procedure must be resurrected and strictly adhered to and the next E B meeting will review the procedures.

Decision: It was also agreed that only cases which the Grievance Panel or Audit Review Panel (for certification related matters) cannot resolve be referred to the full Board for resolution.

Action: The meeting recommended that the Secretary General recruit a consultant immediately to assist with the backlog of complaints to be dealt with.

4.6 Membership

Progress Reports

JV presented a brief analysis of 2009 annual reports (attached). The analysis was to illustrate the problems relating to progress reports and to serve as a guide to members, EB and Secretariat for 2010 reports.

Action: Secretariat to use the analysis as a guide in dealing with 2010 reports.

5. Standards and Certification Workgroup Report

Notes on agenda, item 5. At the start of the meeting (Day 2) Derom Bangun informs that Olivier Tichit (Sipef Group) will represent GAPKI as his alternate on day 2 of the meeting.

Items 5.5 & 5.7 were brought forward to start Item 5 on the agenda to allow Marcus Colchester to brief the Board on TFS activities and HCV A white paper. However the minutes below follow the agenda.

5.1 IWM Project

VR updated the board on progress of IWM project in particular the draft survey report, oil palm herbicides review and request for extension. The meeting was critical on whether the project was truly completed within the prescribed time frame and the lack of clarity on definition of pest or weed management, for example confusion on the use of hormones, and that there are enough case studies (CJS), and the credibility of methodology applied in the questionnaire section of the project (TK). VR suggested to either adopt any valuable findings or design a new project, and clarified that the survey took longer than originally anticipated. JKV suggested that VR touch base with CABI on how to take the project forward towards completion. This included possible training on use of PPE and a workshop on the outcomes of the Cabi report.

Action: Secretariat to engage with Cabi to bring the project to a proper conclusion.

5.2 New Planting Procedures

VR briefed on the key points of the implementation process of the NPP which came into effect from 1st January 2010. It was noted that the core documents plus additional guidance and reporting templates will be provided to grower members as well as be put up on the website.

Action: To draw members attention and put up on the website again the NPP, guidance and reporting templates.

On the GAPKI and MPOA resolution for support with compliance with NPP the meeting recommended that both parties engage a consultant to assess the costs involved and identify mechanisms for sharing the costs.

Action: GAPKI/MPOA to engage a consultant to work on NPP compliance support

5.3 GHG WG2

TK briefed the meeting on progress noting that the membership was selected by EB consensus and the TOR developed, by TK and JG, the co-chairs of the WG and refined at the first meeting..

The first meeting was held on 9-10 February, characterised by cordiality, was an opportunity for an airing of various stakeholder positions and to emphasise that the focus

should be on voluntary processes and best practices rather than quantitative baselines (and hence changes to P&C not deemed necessary). It was agreed that the WG needs to work closely with Peatlands WG (set up under another GA resolution) and for the work to succeed, all RSPO members need to commit to GHG reductions and not just growers.

Going forward the work will be progressed along the following workstreams:

1. Technical WG - report with options/solutions, move forward through voluntary contribution from relevant RSPO members
2. Coordination with PLWG- liaise with PLWG on findings of technical WG have 'common framework'
3. Scientific panel (to address issues related to LU/LUC) - Should be chaired by eminent scientist in field; Lit review and recommendations to main WG on existing gaps and Regional EB members invited to contribute relevant data/papers/research
4. Policy panel - Investigate legal and regulatory constraints and suggest solutions and look into access to international carbon markets (or internal carbon trading scheme for RSPO).
5. Corporate engagement to document GHG reduction efforts. Encourage RSPO members to experiment on additional GHG reductions. Work to be initially managed by Proforest but going forward to form part of the core work of the GHG Coordinator.
6. Collect information/data from RSPO members on GHG reductions already carried out and include these in WGs work.

A GHG coordinator will be engaged to coordinate the work between the various streams as well as take the outputs from the workstreams for communications or outreach.

Action: Appointment of GHG Coordinator (TK/Secretariat).

During discussion, JV suggested that GHG reporting be part of annual report requirements for RSPO members while AH emphasised that the work be linked to the biodiversity work in RSPO. CJS suggested that members practising GHG reductions be supported and that reporting should be on a common framework and not through Annual Reports. DB argued that change from 'business as usual' should be upon all RSPO members and not just growers. He also emphasised that case studies (corporate engagement) of GHG reduction should not be limited to growers only. The meeting agreed that the accumulated findings as the work progressed should be published including scientific papers. AH recommended linking the work of the WG2 with that of the HCV WG where ever appropriate. JV noted that financial incentives tended only to consider carbon markets whereas there may be opportunity for incentives from within the supply chain. AH agreed about the latter and TK concurred with, for example, GreenPalm Plus.

SA briefed on the role of the UK FCO in the GHG project including the amount of funding available. TK will follow up with a full budget for the work of the WG2, noting that the expertise engaged will be expected to be paid. CJS recommended that RSPO

members helping in the WG2 or in the workstreams should also be paid as they too bring experience and expertise.

Action: To develop the full GHG WG2 budget (TK).

5.4 Biodiversity report

JP briefed the board on progress made in HCV assessor approval (as required by the NPP) and informed that to date about 40 applications are being evaluated. To a query from CJS if the HCV assessors will be limited to the 2005-07 window JP clarified that the list is for broad use including 2005-07, NPP, etc.

To progress the biodiversity mandate JP proposed three projects and asked the board to consider the relevant budgets for approval.

- Development of a generic set-aside guide for grower members (external consultant)
- HCV training and capacity-building workshops for managers, CBs and HCV assessors in collaboration with HCV-RN
- Exploration and development of a compensation/offset scheme in collaboration with external partners (e.g. BBOP and New Forests Asia) and through the BTC.

JP reiterated to JKV the main deliverables under the RSPO-BACP project, namely BMPs, review of biodiversity related P&C, indicators and guidance, HCV assessments and smallholder biodiversity matters. She clarified that the last may not be achievable in the project time frame because the work on smallholder P&C had been considerably delayed. AH suggested that the HCV training included government officials. NJ disagreed on biodiversity offsets and JP clarified that offsets are sometimes the only resort but will remain last of options. Jbc suggested that the work with the offsets be used as learnings rather than options.

JP confirmed that all current projects are in line with the BACP project objectives while at the same time meeting the needs of RSPO members. PN asked about the working relationships between the BC and the Chair of the BTC. VR clarified that any misunderstandings between the BTC Chair and the Secretariat/JP on the role and deliverables from the BTC and BC are being resolved.

Action: To resolve misunderstandings between the Chair of the BTC and the BC on their respective roles and deliverables.

5.5 Smallholder Certification

Smallholder (Independent) generic P&C and NI - update

MC briefed on progress since RT7 and informed that the draft P&C, for independent smallholders, would be ready for public consultation by end Feb. 2010. This would mean the final draft would be ready for EB approval at its next proposed meeting in late

June and, consequently, existing draft NI can be harmonised against the generic, approved, and be used for smallholder certification. It was noted that work on the NI for Indonesian SH is progressing closely on the heels of the generic with regular harmonisation between the generic and the NI.

Key issues that assessors will need to weigh on would be the extent of documentation to expect from growers who often do not keep written records and what percentage of compliance within the Group would qualify the Group for certification.

Matters that required further attention include simplification of HCV/SEIA requirements for SH certification without losing credibility.

Given the above, public consultation is considered a crucial element in SH certification.

Group Certification Scheme (GCS)

The Group certification scheme is also being finalised for public consultation following Bio-Cert's engagement of ProForest to assist with the drafting. The meeting approved an additional allocation of € 6.900 to Proforest for their contribution to the document.

It was noted that Group Certification is for certification of the crop (FFB) which would mean that the issue of “chain of custody of FFB from smallholder group to Mill” needs to be addressed. The use of the Book & Claim system to certify FFB could minimise CoC problems.

It was observed the group scheme could be used for medium sized growers (i.e. larger than smallholders but only so) but it is not clear which P&C would be applicable.

Financing Smallholder Certification

The meeting agreed that financing of SH certification needs to be addressed and a WG to address assistance for smallholder certification has to be set up following the GA resolution. Among the suggestions at the meeting were the setting up of a Escrow or Trust Fund for smallholders (from money from GP and Utz for example).

Action: EB members (HSBC,GAPKI, SW, Oxfam) invited to spearhead work in this direction and invite IFC as well as they are interested in collaboration.

Ensuing discussion pointed out the importance of NIs in smallholder certification (CJS), the need to clarify on position of FFB against CPO in smallholder P&C (MC), Individual or collective sales for certified groups (no consensus on this in WG-MC), Book & Claim option to developed (OT) should the smallholder supply chain also be certified (JV) and more work has to be done on land tenure & trading issues involving smallholders. IM emphasised that Book& Claim were prepared to develop certificates for FFB and that there were buyers who prefer certificates awarded to sustainable smallholder production. DB pointed out that at some point independent millers need to get into the debate and will involve issues like the price to smallholders for their crop.

Given that a great deal more work has to be done, JV offered that Oxfam can help in sourcing external funding if RSPO commits to spearheading the project.

It was asked if involving the RI Ministry of Agriculture is an option considering the MOU with RSPO. VR clarified that the MoU was largely to covering training of smallholders on RSPO P&C. It was opined that the work has to be done primarily by working groups. The Chair put forth that perhaps a new mandate/extension for TFS is necessary after June 2010. It was agreed that NISW should be a part of this TFS2. DB clarified that such a new mandate may need approval of the GA as the first mandate was given by the GA.

Action: Oxfam (JV) to develop proposals for a new mandate for TFS (TFS2) covering TOR and proposed workplans.

5.6 Grower certification

VR presented evidence that the primary bottle-neck with certification was insufficient capacity at CBs more so now that review of reports was expedited using external, independent reviewers instead of EB members.

The meeting was updated on progress with Thai, SI, Ghana NI and Colombia NI and were informed of ongoing work on Clause 4.2.4 of the RSPO Certification System. To a query on the long-delayed Colombian NI VR expanded on the current status and clarified that the key impasse on social issues, raised by NGOS, appears to have been resolved. Meanwhile one grower in Colombia and one in Brazil have engaged CBs to progress Local Interpretation (Indicators) as provided for in the RSPO P&C Certification system.

The meeting noted of ongoing discussions with ASI for the latter to eventually take over accreditation of RSPO CBs (see 6.1). The meeting agreed that the current independent review of P&C audit reports be continued during the pilot period.

VR briefed the meeting on the review of Clause 4.2.4 which was being done with JV. The draft revision will be sent out for internal consultation among producer EB members starting with MPOA.

Action: to commence consultations on the revised Clause 4.2.4

5.7 Working Group on Securing RSPO HCVA

MC presented on progress with the HCVA “White paper”. During the ensuing discussion DB pointed out that a major contributor to the problem could be land status discrepancies while TK suggested a structured approach for the WG. It was noted that there was no justification for the wide discrepancy in fees for NJ and MC nor as to why the coordinator has to be an outsider and perhaps someone from IOPRI/IPOB may be better placed to deal with the matter. MC requested that the decision be left to WG at their first meeting. MC clarified to IM that it was not a lobbying (of government) exercise as such will be costly and time-consuming. DB asked of government's receptivity to the 'fact finding' mission led by MC and was informed that the Indonesian government was

looking into deforestation at government, parliament and local level. AH and JKV opined that it was a good project to look into an unintended consequence of RSPO P&C.

Decision: Agreed for the formation of the working group to be led by MC and funding of Euros 64,240 to FPP for the work of this WG.

6. Trade and Traceability Workgroup Report

6.1 Supply Chain Certification

T&T are working with BM Trada (UK) for initial approval as supply chain certifiers. Control Union are being considered but the complaint against them was noted and concentration has been on BM Trada. EB members expressed concern that only two companies were undertaking the certification creating a potential bottleneck for SCC.

Going forward, ASI will commence pilot accreditation with RSPO on SCC. The accreditation pilot was described in a paper circulated earlier to EB members. Of the two options for working with ASI during the pilot the meeting favoured Option 1 where ASI accredits CBs during the pilot and the contract automatically extended to beyond the pilot period. Noted and the meeting agreed that RSPO will contribute 15,000 Euros to this project while other costs will be borne by CBs (E 13,000 for P&C and E 6,000 for SC).

As self assessment ends on 31 March 2010, the meeting desired that ASI should start by end of March 2010. Pilot CBs to be used by companies that want to get certified.

Action: RSPO (Secretariat) to proceed with drawing up the agreement with ASI for the above to be affected.

The EB requested for communications on the SCC such as an article in the next RSPO Newsletter issue and postings on the website informing on what is happening for SCC and how individual companies can be engaged.

Action: To step up communications on SCC.

6.2 Utz and Green Palm matters

As certificates are awarded at the company level whereas the oil is tracked from the mill level it creates the difference between Utz & Green Palm systems. Green Palm doesn't want it to be difficult for millers and has opted for a simple system. Utz have advised that millers will log volumes into both GP and Utz certified.

The meeting recommended that volume traded as certificates be appropriately registered with Utz and that both GP and Utz continue close discussions.

6.3 RSPO Submission to EU (RED)

PC briefed the meeting on the first meeting between RSPO (represented by PC & ML) with EC DG TREN and his team.

He noted that the EC were positive towards voluntary schemes but such schemes must meet all criteria in the RED. If deficient, partial recognition is an option thus facilitating the use of the 'RSPO infrastructure' to ensure a sort of RSPO plus system.

It was noted that the current RSPO scheme may cover RED biodiversity criterion, but not carbon stock land use criteria. It was also not clear if RSPO Mass Balance can be recognised as equivalent with the RED Mass Balance scheme.

Action: The meeting agreed for TTWG to form a Task Force for RSPO Scheme submission to EU/Germany.

7. Communications and Claims Workgroup Report

7.1 Communications Capacity in China and India

CT emphasised that WWF would like to see more RSPO communication efforts towards India and China. In particular WWF, on behalf of Teoh Cheng Hai wanted financial support for work with the Chinese stakeholders such as the Chinese Chambers of Commerce. CT and TCH will look into organising events in China and other next steps.

Action: CT and TCH to provide suggestions on events in which RSPO can be involved.

For India it was suggested that a good starting point may be Mr Dorab Mistry of Godrej India and a long-term supporter of the RSPO.

Action: SA to follow-up with Dorab

The meeting decided that an immediate practical option would be to let RSPO multinational member companies with a presence in India & China promote RSPO. RSPO could contribute directly through participation in Trade Fairs.

The meeting recognised the need for communications materials – such as specific factsheets in appropriate languages for distribution in China and India and other countries with different lingua franca.

7.2 European Communications

Logo & Trademark

S& P have developed the TOR for bids to develop the RSPO trademark. The C&C recommend that design companies prepare the logo design and the successful company be paid Euros 15,000 while companies will be contracted to help register the trademark.

EB representatives of producers indicated they would like to see the RSPO trademark also registered in countries of production (besides in consuming countries), based on where there are NII or where NI are being developed, in particular the following: Malaysia, Indonesia, Papua New Guinea, Ghana, Colombia, Brazil, Thailand and Solomon Islands.

7.3 Secretariat Communications

The Communications Officer presented the proposed 2010 communication activities and projects with budgets for each item.

In the interest of time and as some items needed more details, the meeting approved, in principle, all projects that cost below Euro10,000 namely standardizing RSPO stationery, production of newsletters, publications (factsheets/leaflets), presentation packs, outreach events (banks, embassies, etc.), picture bank and Comms Officer attendance at C&C meeting in Europe.

Action: SA may proceed with projects costing less than Euros 10,000

On the proposal to produce a RSPO segment for cable/TV such as Discovery or BBC, the meeting agreed in principle subject to securing suitable sponsorship.

Noted that RT8 and GA7 related communications will be part of the RT8/GA7 budgets and approving authority.

For website improvement, media monitoring and use of social media the EB requested that more details be available include detailed budgeting before presenting to the Board.

8.0 AOB

8.1 Donation request from Borneo Child Aid Society

BCAS operates schools for primary education of stateless children with support from plantations. While the plantations help out with infrastructure and maintenance fund are needed for paying teachers and for educational materials.

The meeting agreed to an annual donation of MYR 100, 000 subject to information from BCAS on their accounts and where and how the RSPO donation will be used.

Action: Secretariat to inform BCAS accordingly

8.2 Oxfam Brainstorming on 'pushing the market'

JV alerted the meeting of communications from Oxfam to some RSPO members on pushing the CSPO market.

8.3 CL resignation from EB

CL informed the meeting of his transfer to Hong Kong and that he will no longer be representing the (EU) retailer group on the Board.

8.4 Next Meeting

The EB members agreed to the next meeting to be in late June or early July .