

EB 02-08

Minutes of Executive Board Meeting

Date : 27 May 2008
Venue : Teleconference
Start time : 0800 (UK), 0900 (NI), 1400 (Ina), 1500(My)

Attendees:

1. Derom Bangun (GAPKI)
2. Paul Norton (HSBC Malaysia)
3. Ian McIntosh (AAK)
4. Christophe Liebon (Intertek)
5. Don Grubba (IOI)
6. Johan Verburg (Oxfam)
7. Jan Kees Vis (Unilever) – Chair
8. Chew Jit Seng (MPOA)
9. Mamat Salleh (MPOA)
10. MR Chandran (RSPO EB Advisor)
11. Thomas Barano (WWF- Indonesia)
12. Robert Keller (MIGROS)
13. Rudy Lumuru (Sawit Watch)
14. Chong Wei Kwang (HSBC Malaysia)
15. Vengeta Rao (VR, Secretariat)
16. Desi Kusumadewi (RILO)

Apologies:

1. Johann Zueblin (Migros)
2. Tim Stephenson (AAK)
3. Simon Lord (Kulim Malaysia Bhd)
4. Tony Lass (Cadbury Schweppes)
5. Fitriani Adrianshah (WWF- Indonesia)
6. Matthias Diemer (WWF – Switzerland)
7. Mohd Nor Kailany (Felda)
8. Samantha Lacey (CIS)
9. Darrel Webber (WWF- Malaysia)
10. Didiek Hajar Gunadi (GAPKI)

AGENDA

1. Introduction and RSPO Antitrust laws

2. Confirmation of minutes of EB 01-08

3. Secretariat

3.1 Accounts & finances

3.1.1 Update on RSPO Accounts to end March 2008

3.1.2 Update on RSPO Sdn Bhd Accounts to end March 2008

3.2 Secretariat updates

3.2.1 Update from Secretary General including RILO matters

4. Membership

4.1 Outstanding/defaulting RSPO Members

4.2 Grievances

4.3 Outstanding Membership applications

4.4 Revised membership application procedures and flowchart

5. Executive Board matters

5.1 Welcome New Members / Alternates / Changes

5.2 EB Retailers seat

5.3 Approval of Ina – NI

5.4 Approval of CBs – PT Mutu Agung (Ina), PT TUV Nord (Ina)

5.5 RT6 theme, delegates fees, exhibition rentals and sponsorships

5.6 RSPO FAQ on C7.3 – cut off date

6. Standards & Certification

6.1 P&C

6.2 NI

6.3 Certification bodies – updates on interim accreditation

6.4 Audits (including IO) – Peer review and Audit Panel

6.5 RSPO endorsed training

6.6 Projects

6.6.1 FPIC

6.6.2 TFS (including MYSWG and INASWG)

6.6.3 IWM (integrated weed management)

6.6.4 BACP (Biodiversity in Agricultural Commodities Programme)

7. Trade & Traceability

7.1 Working Group report

8. Communications & Claims

8.1 Working Group report

9. AOB

9.1 The action plan of company that they has registered as a RSPO member for enabling condition toward certification

Minutes:

1. Introduction and RSPO Antitrust laws

President welcomed all to the meeting in particular new members – Christophe Liebon (Intertek) for retailers chair and Thomas Barano (WWF-Ina) replacing Purwo Susanto.

RSPO Antitrust laws were read and the proposed meeting agenda confirmed.

2. Confirmation of minutes of EB 01-08

3.1 Regularisation of RSPO Secretariat Sdn Bhd completed. Medical insurance – contract to be signed. Separate bank account for Sdn Bhd and SI in place. Tier 1 contract terminated. Webhosting contract expires in June and quotations received. Newsletter link for outsiders removed. Disbursement of DOEN funding under discussion. Recruitment of communicator to be confirmed pending final budgets.

3.2 Foreign exchange losses – quantum does not justify costs of avoidance. Debtors – secretariat acting to reduce list and quantum

3.3 RiLO - Ms Rahayu Siti Harjantihi recruited to assist Desi.

4.2 Retailer's seat – Christophe Liebon elected.

4.3 Working groups in place with respective TORs

5.1 Individual files and documentation for each member in place for concerted recovery.

5.2 Awaiting IFC-CAO documents and EIA information from Wilmar

5.3 Awaiting reply from ZSL

5.4 To be progressed following receipt of minutes of GA4.

6.1 S&C to use VWG majors and minors when scrutinising NI

6.2 Cut-off date: EB recommendations informed to NIWG and Q&A in preparation.

6.3 Secretariat now does documentation checks, visits CB premises and invites public comments prior to seeking EB's endorsement. SIRIM- Proforest's comments secured and recommended EB approval. Audit announcements – Streamlined and to include essential details as a minimum as informed to CBs at forum of 16/5/08. Independent Observers – Secretariat have developed the proposal, received EB approval and is in implementation. Training courses – Secretariat has prepared the framework and criteria for RSPO endorsement of training courses.

6.4 FPIC and TFS (LNV and DOEN funding). FPIC contract awarded to FPP. TFS contracts pending in light of funder pre-requisites and proposals from FPP, INA and My Working Groups and EB's recommendations for inclusiveness and close collaboration amongst all parties. First para of draft minutes repetitive and to be deleted.

6.5 In progress.

6.8 Tenaganita's comments received mid-May and revised TOR with S&CWG for finalisation on call for project 'contractees'.

6.9 GHG WG TOR – in progress

6.10 RSPO-BACP – draft agreement being progressed including BTC etc.

7.1 Supply chain players to be members of RSPO – to communicate (website and newsletter)

8.1 C&C WG to meet on 29/5 to discuss, among others, communications support in Brussels and KL.

8.2 FAQ on certification – Secretariat advised to separate out Q&A where further clarity may be required for EB input and upload rest on the website.

9.1 RT5 – Accounts closed following payment of last outstanding bills.

9.2 GA4 minutes – Received from free-lance writer in April. Secretariat advised to circulate to EB and members.

10. RT6 and GA 5 – Composition of organising committee, venue hotel, event organiser secured and organisation of even progressing.

3. Secretariat

3.1 SG overview

SG presented on behalf of RSPO at Planters conference (KL), Peat Symposium (KL), WPOSE (Jakarta) and TIBLI (Bangkok) conferences. Presented write-up on RSPO to SFL newsletter.

Attended POC, NRE climate change conf, MPOC – IPOSC and Proforest and IPOB-KAN training courses (as observer).

Meetings (some with presentations) with Nestle, BP, Wilmar, Tenaganita, Asiatic, KLK, SGS, Control Union, BSI (S), SIRIM QAS, Syngenta, Bayer, Moodys, Borneo Conservation Trust, Eric Waker, Dutch embassy (Jakarta), British High Commission event (KL), RaboBank and HSBC (Jakarta).

Meetings / interviews with media persons – Star (Malaysia), Reuters (Jakarta), New York Public Radio.

Discussions with BACP -PMU on RSPO-BACP collaboration. (agenda item this meeting)
CB forum on 16/5 – Separate report to EB.

Interviews and recruitment of new staff for RILO office

3.2 Accounts & finances

RSPO Accounts to May 2007 presented based on monthly accounts to March.

IM noted that the accounts and their presentation had steadily improved but there will still room for further improvement. Examples of wrong posting and lack of clear explanations were cited.

From the accounts presented to him IM concluded that there was a surplus of about RM600K (about RM 450K after deducting IO costs) that could be transferred to reserves in line with policy to build up reserves to one year of operating costs.

Action: One problem that required more clarity was projects income and expenditure as there were delays, payments and receipts straddling across fiscal years etc.

Action: VR informed the meeting on steps being taken to strengthen the accounts management capacity at the Secretariat.

3.3 RSPO Indonesia Liaison Office:

As recommended at the last EB meeting and required by the DOEN funding an assistant has been recruited to support RILO's work. Following an interview of two short listed candidates, Ms Rahayu Siti Harjanthi was recruited. She has had experience in wood certification.

Action: CV of candidate to be emailed to EB members.

4. Membership

4.1 Outstanding/defaulting RSPO Members

Action: JKV required that work on the large and long debtor members list be the number one priority for the Secretariat in June.

4.2 Grievances

Wilmar – The Secretariat have communicated with both Kontak Rakyat Borneo (KRB) and Wilmar on three matters i) land rights KRB see the process of resolution as slow; Wilmar have promised that the RSPO will be able to sight under respected confidentiality the IFC-CAO documents which are addressing the issue. ii) the need for a proper EIA instead of an AMDAL – Wilmar confirm an EIA has been done and will provide the required details to Secretariat iii) Extraction of timber without necessary permits – Wilmar deny this.

Action: Secretariat to continue to seek a resolution between both parties.

Daabon Organic Japan Co. Ltd – The Company's website (<http://www.daabonorganic.com/eng/palmoil.htm>) mentions that the Company produces certified sustainable palm oil produced to RSPO P&C. The statement could give the impression that the Company produces RSPO certified sustainable palm oil. No response has been received to an email requiring clarification.

Action: The meeting advised the Secretariat to follow-up the matter vigorously.

4.3 Outstanding Membership applications

Action: Secretariat to remind ZSL's of the required information i.e. their financial standing.

4.4 Revised membership application procedures and flowchart

Action: The revised version on the website to be further revised to include the lower subscription fees for small growers.

5. Executive Board matters

5.1 Welcome New Members / Alternates / Changes

The following new members/alternates were welcomed to the EB and meeting by the Chairman/President of RSPO: Christophe Liebon (Intertek) for retailers chair and Thomas Barano (WWF-Ina) replacing Purwo Susanto.

Action: to update on website

5.2 EB Retailers seat

Christophe Liebon from Intertek has been nominated for the retailers chair. His resume was circulated earlier.

5.3 Approval of Ina – NI

Secretariat recommendations circulated.

Action: JV required that the (summary) capture of public comments and the NIWG responses be improved in future. JKV noted that with NI processes many of the comments may be in local languages.

Decision: The meeting endorsed the Indonesia National Indicators and Guidance for RSPO Principles and Criteria.

5.4 Approval of CBs – PT MUTU AGUNG (INA), PT TUV NORD (INA)

Secretariat recommendations circulated.

Decision: The meeting endorsed the Secretariat's recommendations that PT MUTUAGUNG LESTARI (Indonesia) and TUV NORD (Indonesia) be recognised as RSPO accredited certification bodies for an initial period of one year for RSPO P&C assessments.

5.5 RT6 theme, delegates fees, exhibition rentals and sponsorships

The meeting recapped that RT6 will be held from 18-20 November, 2008 at Grand Hyatt Bali. GA5 will be held on the afternoon of 20th November, 2008. The day before and after the RT6 will be available for pre and post meetings and for EB meetings. The Secretariat clarified the structure and composition of the Organising committee with chairmanship from GAPKI and joint vice chairmanship from Sawit Watch and WWF Indonesia . Membership is drawn from a range of stakeholders and each member assigned a particular area to provide advice and guidance to the Event organiser, Hotel and Secretariat. A separate Technical committee would advise, vet and, if necessary edit, all papers and presentations.

Decision: The theme for RT 6 would be “ RSPO Certified Palm Oil – Gaining Momentum”

Decision: The meeting agreed to the Secretariat's recommendations for delegates fees at members - early : USD 350, regular : USD 450; non-members – early : USD 450, regular: USD 575 and rental of Exhibition booths at USD 2,000 (incl 1 conference ticket). However it was suggested that sponsorship be maintained as at last year i.e. USD 15, 000 but the number of sponsors need not be limited.

5.6 RSPO FAQ on C7.3 – cut off date

Secretariat had prepared a draft FAQ which has been circulated to EB for comments.

Comments were received for DG, DW and DB.

Action: Secretariat to collate comments and amend Q&A accordingly and update on the website.

6. Standards & Certification

6.1 Colombia NI and Latin America event

Work on Colombia NI in progress. Fedepalma, with support from Secretariat, are planning for a 1st Latin American Meeting of the RSPO, in Cartagena de Indias, Colombia, on October 16-17th 2008 as suggested at RT5. The President and SG will attend the event. Some funding support from Secretariat is being discussed.

Action: Secretariat to work closely with Fedepalma in support of the event.

6.3 Certification bodies – updates on interim accreditation

IBD and SAI Global in public comment period. Sucofindo in document check phase. Moodys International have submitted documents in pursuit of accreditation. Expressions of interest from Guardian International and BRS

6.4 Audits (including IO, Peer review and Audit Panel)

Separate report circulated on current audits with details on company, mill, CB and IO.

Action: Secretariat to collate all IO reports and summarise for discussions by the S&C WG as part of process to improve RSPO certification system.

The Proforest review has proposed a peer review process and a audit review panel for initial audits. These need to be developed and more EB members are required for the review panel (JKV has volunteered, more names required).

Action: Secretariat to progress both with support from EB.

6.5 RSPO endorsed training

To date three training courses have been held - Proforest : March 10-14 (Port Dickson, Malaysia); IPOB-KAN : 31/3 – 4/4 (Jakarta and Riau, Indonesia); Proforest : 5-9/5 (Sandakan, Sabah, Malaysia) and the fourth proposed by Proforest : 7-11/7 (Sumatra)

The Secretariat has developed the framework and criteria for RSPO endorsement of training courses. This will be applied for all future training courses.

The Secretariat flagged the need for more training to build capacity as more and more audits are scheduled.

6.3 Projects

6.3.1 FPIC

Contract awarded to FPP in March, work in progress, awaiting reports.

Action: Secretariat to follow-up with contractee.

6.3.2 TFS (including MYSWG and INASWG)

JKV wished clarification on the Secretariat's hesitancy to release all the (DOEN and LNV) funding for TFS project to the FPP proposal. SG clarified that the overall responsibility for the project and, especially ensuring the involvement of governments, has been placed on the Secretariat and has been reminded so recently. From the Secretariat's viewpoint involvement of the INA and My Smallholder Working Groups would secure government involvement. Hence the Secretariat's proposal that the three proposals be coordinated. MRC recommended that FPP coordinate the project while the Secretariat manages the funds.

Action: To continue discussion by email and arrive at a decision.

6.3.3 IWM (integrated weed management)

Tenaganita reverted with their comments and recommendations on the proposed TOR. While accepting in principal they suggested some additions and changes in orientation. Comments and recommendations circulated to S&C WG for a revised TOR followed by identification and award of contract to potential contractees for this project.

Action: S&C WG to progress this project.

6.3.4 BACP (Biodiversity in Agricultural Commodities Programme)

Draft memorandum on proposed collaboration between BACP and RSPO circulated before meeting.

Action: EB to give agreement in principal for firming up around the draft memorandum.

7. Trade & Traceability

7.1 Working Group report

Long and protracted discussion on the Book and Claim (Green Palm) system and UTZ mass balance mechanism and the interface, if any between them. The issues included accounting of the certified sustainable palm oil in derived products from CPO and how to avoid double counting and misleading claims.

Action: Discussion to be continued by email to clarify the mechanisms in view of imminent availability of RSPO certified palm oil.

8. Communications & Claims

8.1 Working Group report

Action: Group to meet at Schipol on 29/5. Among matters to be discussed include proposals for communications support in Brussels and a communications manager in Secretariat.

9. AOB

9.1 TB suggested that RSPO producer companies should plan, prepare and work towards compliance with RSPO P&C, setting up an enabling environment in the process for eventual certification. VR clarified that member companies signing up to RSPO would be aware that the membership requires a commitment in that direction.

Member companies will also, on their accord, conduct gap analysis, pre-audits etc. as these will help ensure they obtain certification. Secretariat was of the view that existing guidelines were sufficient and there may be no need to develop additional guidance.