

EB 03-06: Minutes of Executive Board Meeting

Date : Monday, 20 November 2006

Venue : Suite 836, 8th floor South Tower, Meritus Mandarin, Singapore

Time : 1800-2000

Participants:

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| 1. Derom Bangun (GAPKI) | 16. Johan Verburg (Oxfam) |
| 2. Tony Lass (Cadbury Schweppes) | 17. Tim Stephenson (Aarhus Karlshamns) |
| 3. Rikke Netterstrom (The Body Shop) | 18. Ian McIntosh (Aarhus Karlshamns) |
| 4. Dian Kosasih (WWF-Indonesia) | 19. S Palaniappan (Felda) |
| 5. Fitriani Ardiansyah (WWF-Indonesia) | 20. Ian Gray (ProForest) |
| 6. Rudy Lumuru (Sawit Watch) | 21. MR Chandran (Advisor) |
| 7. Alan Southworth (PT Musim Mas) | 22. Andrew Ng (RSPO Secretariat) |
| 8. Matthias Diemer (WWF Switzerland) | 23. Si Siew Lim (RSPO Secretariat) |
| 9. Jan Kees Vis (Unilever) | |
| 10. Simon Harris (HSBC Bank Malaysia Bhd) | Absent (substantive EB members): |
| 11. Chew Jit Seng (MPOA) | |
| 12. Mamat Salleh (MPOA) | 1. Lea Borkenhagen (Oxfam) |
| 13. Jens Mesa-Dishington (Fedepalma) | 2. Bachtiar Karim (PT Musim Mas) |
| 14. Umberto Villars (Migros) | 3. Mohd Nor Kailany (Felda) |
| 15. Samantha Lacey (CIS) | |

Minutes:

Jan Kees Vis (JKV) welcomed Ian Gray of ProForest and Samantha Lacey of CIS to the EB meeting. In view of timing, JKV proposed that EB discuss items on the GA3 agenda that require attention. All agreed.

Antitrust law

Finance

Ian McIntosh (IM), RSPO Treasurer, stated that RSPO is unable to present audited accounts at GA3. Independent auditors are currently working on auditing RSPO's accounts. IM added that there are still problems to resolve. However, there are no serious problems. Tim Stephenson (TS) added that RSPO's cash position is healthy but warns against presenting un-audited accounts.

DECISION: All agree that the Secretariat have audited accounts ready by 20 January 2007 with provision for bad debts.

JKV provided a brief explanation of RSPO's latest staffing arrangements including the newly set-up Indonesia Liaison Office in Jakarta.

MR Chandran (MRC) reminded EB that the RSPO Secretariat's budget also needs to be submitted and approved by the General Assembly. Alan Southworth (AS) stressed the importance of giving assurance to RSPO members with regards to RSPO's finances. IM proposed to provide members with an update

on Secretariat staffing (accounts) and also explain that Parker Randall is handling the majority of RSPO's accounts and audits.

With regards to RT sponsorships, JKV reminded all to begin the process of finding sponsors in a timely manner to enable EB members to decide in advance. JKV added that there needs to be a safety measure to prevent future misunderstandings between EB and Secretariat. In future, whenever there is instruction to the Secretariat, JKV will send clear instructions and request receipt from the Secretariat. Simon Harris (SH) offered to provide advice on procedures for sponsorship matters.

ACTION:

- Whenever there is instruction to the Secretariat, JKV to send clear instructions to the Secretariat and request receipt
- Andrew Ng and Simon Harris to discuss RT5 sponsorship

Code of Conduct

Mamat Salleh (MS) pointed out that Items 4.2 (Antitrust laws) and 5.3 (Grievance Procedure) in the current working draft of the Code of Conduct has not been previously approved. This would make approval of the Code of Conduct during GA3 complicated. In response, JKV proposed that the Code of Conduct be tabled at GA3 as planned but will make note that the Antitrust Laws and Grievance Procedure has not been approved formally. Matthias Diemer (MD) and JKV reminded EB that delays of this kind should be avoided in the future and that it is the responsibility of EB members to get prior agreement from their constituents before agreeing to proposals.

Verification Working Group (VWG)

Ian Gray (IG) provided EB with a brief explanation of the VWG meeting held earlier today. Stakeholders requested the VWG to revisit the composition of the group to reflect that of the CWG. There was also dissent on the methods of which the latest verification procedure was arrived at. When asked for suggestions of ways forward, IG proposed that a period of time be allowed for stakeholders to complete the VWG work. ProForest also needs time to prepare certain items in the VWG document. It was proposed that a move be made to incorporate some of the concerns raised that were not already being address in some form by the present VWG process. In particular, the issue of representation and ensuring that stakeholders are included in such meetings should be addressed in the next-steps.

IG further proposed that a period for public comments be allowed. This should be followed by a physical workshop in February or March 2007 to finalize the document.

JKV enquired if there is sufficient verification expertise within the VWG. IM suggested that it will be faster to resurrect the CWG than to assemble a new group of experts. CJS pointed out that funding could be an issue. MR Chandran (MRC) stated that the CWG is composed of researchers while verification may be an unfamiliar subject to some. JKV suggested resurrecting the CWG with the addition of 4-5 verification experts. MD opted for resurrecting the CWG as they have a culture of working together. MD warned that the verification work will not be finished if we re-start the process.

Johan Verburg (JV) stated that despite the shortcomings, there has been a lot of progress this morning. JV suggested hiring a consultative expert and using the CWG as a model. JV also suggested inviting additional people from verification backgrounds , if necessary hiring such consultative experts, as well as government representatives. Finally JV stated that translations of key documents into *Bahasa* would be useful and required as well as efforts to reach out to social stakeholders.

RN and IM both stressed the importance of determining a timeline for the remainder of the VWG work as well as having RSPO verification procedures in place by 2007.

JKV suggested the following as a way forward for the VWG:

- Create a list of who is formally involved in VWG, divided by sector
- If composition is not balanced, fill the void following the CWG nomination model
- Invite additional verification experts
- ProForest to send revised documents to new VWG
- Translate key documents to Bahasa and Spanish
- ProForest to revise current budget and submit to EB for funding
- Conduct physical VWG meeting in early 2007
- Verification procedure to be finalized by June 2007

Dian Kosasih suggested inviting the Indonesian standardization association to be a part of the new VWG.

Grievance Procedure

Derom Bangun (DB) proposed to postpone endorsement of the grievance procedure by the General Assembly. AS agreed for a review period as wording in the current Code of Conduct is not satisfactory.

DECISION: All agree to withdraw item 10.1 (Grievance Procedure) from GA3 agenda.

<Meeting ended at 2000>

RSPO Secretariat
4 December 2006

Jan Kees Vis, President
Roundtable on Sustainable Palm Oil (RSPO)