

## EB 04-07

### Minutes for Executive Board (Teleconference) Meeting

**Date** : Thursday 1 November 2007  
**Venue** : RSPO Secretariat, Kuala Lumpur and via Tele-Conference  
**Start time** : 1630 hrs (Malaysia),

<ol style="list-style-type: none"><li>1. Johan Verburg ( Oxfam)</li><li>2. Rikke Netterstrom ( The Body Shop)</li><li>3. Jan Kees Vis ( Unilever)</li><li>4. Simon Harris (HSBC)</li><li>5. Chew Jit Seng ( MPOA)</li><li>6. Mamat Salleh ( MPOA)</li><li>7. Tim Stephenson ( Aarhus Karlshamns)</li><li>8. Johann Zueblin (Migros)</li></ol>	<ol style="list-style-type: none"><li>9. Tony Lass ( Cadbury Schweppes)</li><li>10. Ian McIntosh ( Aarhus Karlshamns)</li><li>11. Simon Lord (NPBOL)</li><li>12. Samantha Lacey (CIS)</li><li>13. Andrew Ng ( Secretariat)</li><li>14. Desi Kusumadewi ( Indonesia Liaison Officer)</li><li>15. Aeimelia Khalid ( Secretariat)</li><li>16. Ali Baizuri (Secretariat)</li><li>17. Roslinda Sarmin ( Secretariat)</li></ol> <p>Absent:</p> <ol style="list-style-type: none"><li>1. Rudy Lumuru (Sawit Watch)</li><li>2. Mattias Diemer (WWF-Switzerland)</li><li>3. Fitriani Adrianshah (WWF-Indonesia)</li><li>4. Don Grubba (IOI)</li><li>5. Derom Bangun (GAPKI)</li><li>6. MR Chandran ( Advisor)</li><li>7. Mohd Nor Kailany ( Felda)</li></ol>
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#### Agenda:

- 1. Introduction and RSPO Antitrust laws**
- 2. Confirmation of minutes of EB 03-07**
- 3. Approval of accounts and budgets for submission to the GA**  
(To be distributed Tuesday 30 October)
- 4. Approval of revised P&C for submission to the GA**  
(Attached)
- 5. Approval/review of NI processes for feedback before final reviews**  
(Overview of processes to be distributed Tuesday 30 October)
- 6. Selection of EB subcommittee to approve NI guidance in December.**
- 7. GA4**  
(Proposal from MPOA for GA4)
- 8. AOB**

## Minutes:

### 1. Introduction and RSPO Antitrust laws

Jan-Kees Vis (JKV) welcomed all to the Executive Board meeting. RSPO Antitrust laws were also covered. After confirmation of the proposed meeting agenda, the meeting commenced.

### 2. Confirmation of minutes of EB03-07

Topic deferred to physical EB meeting on 19th November 2007.

### 3. Approval of accounts and budgets for submission to the GA

A second draft of audit report was presented to EB after all notes with regards to the changes based on the previous EB 02-07 minutes of action has been taken up. Based on the Audit report RSPO have an accumulated fund with a total of RM 858,023.

Detail forecasted monthly Overheads, Income & Expenditure as of 30th June 2008 were sent out for EB discussion. EB agreed to keep a total of one year expenditure to be as reserves roughly at RM 1 million at the end of the fiscal year 2007/08. As presented in the projected expenditure it would be roughly at RM778,000. Therefore the planned expenditure needs to be reduced by approximately RM 300,000 in order for RSPO to have a RM1,000,000 reserve for FY 08. Jan-kees Vis (JKV) also mentioned the budget need to be summarised and should not be presented in its present form with details for GA purposes.

Proposed project spending was also listed in the forecasted expenditure.

Jan-Kees Vis (JKV) suggested that we should mention which amount has been approved by the EB for spending on specific projects to the GA. For the remaining amount of money and the total spending of projects, the amount should not exceed RM 800,000, or we will not meet our reserve target. JKV also suggest we should ask the GA to give permission to the EB to spend the money in a balance way, at its discretion.

**Decision:** •All agreed to present audit report as at 30<sup>th</sup> June 2007 for GA4.

- All agreed to seek permission from GA for EB to allocate project spending in a balance way between priority areas.

**Action:** •Secretariat to include audit report as at 30<sup>th</sup> June 2007 in GA4 notices

- Aeimelia Khalid (AK) to revise the budget.
- Andrew Ng (ANG) and Aeimelia Khalid (AK) to provide more information on the list of proposed project spending.

## 4. Approval of revised P&C for submission to the GA

Revised document by CWG on RSPO P&C – Including Indicators and Guidance dated October 2007 was being presented to EB for approval and subsequent submission to GA4.

JKV suggested recommendation to EB at preamble section of the document need to be removed as it is mainly for EB in making the decision whether to accept the revised document for submission to the GA. However, Simon Lord (SL) had pointed out that there were changes in the document and there were also track changes on the original document and all inputs were in place.

JKV also raised concerned that there were no indicator for major and minor in the document. Simon Lord (SL) explained that in following with the process for the original P&C in 2005, the Criteria Working Group (CWG) did not set them, but it was done by the Verification Working Group (VWG). And ultimately they identified which criteria carry major indicators 35 out of 39 and then it was the role of the National Interpretation (NI) group to decide which indicators were to become major and minor.

**Decision:** All agreed to submit the document to GA4

**Action:** Recommendation to EB on page 2 and 3 of the document needs to be taken out.

- Secretariat to include revised P&C document in GA4 with changes as noted.

## 5. Approval/review of NI processes for feedback before final reviews

Rikke Netterstrom (RN) had submitted an overview on all National Interpretation (NI) document submitted to secretariat for EB discussion. Based on the overview Jan-Kees Vis (JKV) concluded that Indonesia, Malaysia and Papua New Guinea National Interpretation (NI) document had followed the overall guidance from the RSPO Certification Systems document, Annex1.

However, Brazil National Interpretation (NI) is currently on hold due to some important changes in Brazilian Environmental Laws, and the Brazillian Forest Code. The group has decided to postpone further work until December 2007 or January 2008.

Rikke Netterstrom (RN) also explained that Colombian National Interpretation (NI) does not specify the process based on the overview prepared by Rikke Netterstrom (RN) on all National Interpretation (NI). RN suggested that Colombian NI need to be reviewed and the document should follow all RSPO Certification System document.

SL communicated with both Brazil and Colombia NI processes to ascertain actual progress in detail for each NI. At time of EB meeting, there was no concrete feedback for EB to discuss. Issue was to be deferred to physical EB meeting.

RN sought clarification on smallholder's taskforce for Indonesia as the Indonesia smallholder P&C was not integrated in the INA-NI document. Desi Kusumadewi (DK) elaborated that in Indonesia, the Smallholder Taskforce (STF) Indonesia working group have developed national interpretation of RSPO P&C for smallholders, including developing indicators (major & minor) and guidance for smallholders based on generic P&C. The aim is to develop a set of applicable P&C for smallholders as it will be very difficult for smallholders if they have to follow indicators in generic P&C or in large growers NI document. The working group aimed to finalise the draft and submit it to Secretariat by end November 2007.

Simon Lord (SL) suggested that the smallholder P&C document as it stands is accepted as a working guideline in the NI document.

The smallholder document can only be ready after the RT5 as the smallholders need to incorporate base on the revised P&C. Meeting dates for the each NI group to incorporate and update their NI documents based on the 2007 revised RSPO P&C will be held for Papua New Guinea on 9<sup>th</sup> November 2007, Malaysia 18<sup>th</sup> November 2007 and Indonesia on 5<sup>th</sup> November 2007 for INA-NIWG and on 13<sup>th</sup> November 2007 for STF-Indonesia working group.

**Decision:** All agreed smallholder Task Force (STF) P&C for smallholders should be integrated as part of NI document

## **6. Selection of EB subcommittee to approve NI guidance in December**

Secretariat had contacted Proforest for facilitating the NI Review and the timetable of NI reviews is as follows:

5 December - Deadline for submission of NI process and content to Secretariat

5-15 December - Evaluation of NIWG's (ProForest/Secretariat)

15 December - Recommendation to EB subcommittee (ProForest/Secretariat)

20 December - EB subcommittee reviews/approves NIs (EB)

**Action:** Secretary-General to send email to EB on the details of the evaluation outcome and selection of EB subcommittee.

## **7. GA4**

A Proposal from MPOA was submitted to EB for GA4. Title of proposal : Independent Oil Palm Growers of more than 40 ha up to 499 ha to be given due consideration for easier adoption of RSPO P&C similar to that allowed for independent smallholders.

Due consideration has been given to independent smallholders in the RSPO Smallholders Task Force (STF) draft P&C for less stringency. This proposal seeks the endorsement of RSPO GA for the same to be applied to the independent growers of up to 499ha in Malaysia to be given similar consideration.

Tony Lass (TL) mentioned that everything apart of paragraph no 7 is part of Malaysia NI process and/or subject to Malaysian Laws and Regulations. But he agreed there is an issue on membership fee whether it can be reduced.

(RN) enquires whether the membership should be an EB decision. (ANG) replies that any issues with regards to membership and fees should go to the GA. (JKV) agrees and suggest that the proposal be simplified as it just refers to membership fees.

(TL) also sought clarification whether the reduced membership fee is for growers as a part of group certification or if fees were a separate issue. Simon Lord (SL) added that the present proposal from MPOA for independent growers up to 499ha was compatible with the PNG definition for outgrowers and likely to be applicable for PNG.

Several EB members felt that using the NI definitions for smallholders/outgrowers and small producers would suffice and thus the proposal could be applied across different producing regions/countries.

**Action:** CJS and ANG to re-write the proposal and have it submitted.

Secretariat to get update from SL on whether proposal could be included in PNG.

## **8. AOB**

### *8.1 Independent Growers*

Chew Jit Seng (CJS) gave an update to EB members with regards to the Independent Growers. He made asked whether Independent growers can seek RSPO certification and trade the palm oil using the Book and Claim method, while selling the fruits to a processor (mill) which does not wish to get RSPO certification or is unable to.

**Action:** JKV will discuss with Utz and Don Grubba on the situation.

### *8.2 Certification Bodies Approval*

Johan Verburg (JV) mentioned to the board that EB need to approve the submissions to be RSPO accredited certifiers by the Certification bodies SGS and Control Union. The applications of both organisations were publicised on the RSPO website. The issue was not included in EB04-07 agenda although it was crucial to RT5. EB was informed a checklist was ready for EB while (RN) suggested discussing this on the next EB meeting after the review notes from Proforest were circulated amongst EB members.

**Decision:** All agree to bring this to the next meeting.

**Action:** Secretariat to include topic in next EB meeting, prior to RT5.

### *8.3 Meeting materials*

Tony Lass (TL) suggested all document related to the meeting to be submitted earlier by email due to accommodate EB travelling time.

**Action:** Secretariat to provide all relevant documents to EB one week before meeting date.

### *8.4 UTz Contract*

Referring to the Utz Certified contract, Jan-Kees Vis (JKV) states that there is still flexibility to add into the system. RSPO has agreed with Utz for the following:

- The fee paid to Utz Certified is by the individual who buys the oil from the mill for the first time.
- The fee is US\$3 per tonne, where US\$1 per tonne will go to RSPO.
- When the total income reaches 850,000 Euros, the surplus will accrue to RSPO.

**Action:** JKV and Don Grubba will sign the document.

### *8.5 Book and Claim trading system*

Mamat Salleh (MS) informed EB that at a recent meeting with the EU, the EU policy was to only accept Track and Trace as well as the mass balance approach for, and rejecting book and claim altogether. (MS) is concerned that the implication is that members cannot use the book and claim option for any trade in sustainable palm oil.

Ian McIntosh (IM) states that this is a free trade and that anyone can use the system as it is a choice.

**Action:** MPOA will send over EU document to EB once it is ready.

**Note:** For future teleconferencing, JKV suggested to use British or Swiss Telecom.

**Action:** Noted by the Secretariat.

The meeting adjourned at 6.30 pm (Malaysia time)