

**MINUTES OF EXECUTIVE BOARD MEETING  
EB 05-09**

**Date** : 5<sup>th</sup> November 2009  
**Venue** : Hotel Istana, Kuala Lumpur.  
**Starting Time:** 09.00 a.m.

<p><b>Attendees (by representation):</b></p> <p><b><u>NGOs</u></b></p> <ol style="list-style-type: none"><li>1. Adam Harrison (WWF)</li><li>2. Cherie Tan Li Jie (WWF alternate)</li><li>3. Abet Nego Tarigan (Sawit Watch)</li><li>4. Norman Jiwan (Sawit Watch alternate)</li><li>5. Johan Verburg (Oxfam Intl)</li><li>6. Tim Killeen (Conservation Intl)</li><li>7. John Buchanan (alternative CI)</li></ol> <p><b><u>Growers</u></b></p> <ol style="list-style-type: none"><li>8. Derom Bangun (GAPKI)</li><li>9. Purboyo Guritno (GAPKI)</li><li>10. Jeremy Goon (MPOA)</li><li>11. Chew Jit Seng (alternate MPOA)</li><li>12. Marcello Britto (Agropalma)</li></ol> <p><b><u>Processors &amp; Traders</u></b></p> <ol style="list-style-type: none"><li>13. Patrick Cobussen (IOI)</li><li>14. Marc-den Hartog (alternate IOI)</li><li>15. Ian McIntosh (AAK)</li><li>16. Tim Stephenson (alternate AAK)</li><li>17. Marieke Leegwater (TTWG)</li></ol> <p><b><u>Consumer Goods Manufacturer</u></b></p> <ol style="list-style-type: none"><li>18. Jan Kees Vis (Unilever) - <b>Chair</b></li><li>19. Tony Lass (Cadbury plc)</li></ol> <p><b><u>Retailer</u></b></p> <ol style="list-style-type: none"><li>20. Irawan Kadarman (Carrefour)</li><li>21. Paul Rowsome (alternate Carrerfour)</li><li>22. Christophe Liebon ( Intertek )</li></ol>	<p><b><u>Banks &amp; Investors</u></b></p> <ol style="list-style-type: none"><li>23. Paul Norton (HSBC)</li><li>24. Chong Wei Kwang ( alternate HSBC)</li><li>25. Jose Den Toom (Rabobank)</li></ol> <p><b><u>Secretary General</u></b></p> <ol style="list-style-type: none"><li>26. Vengeta Rao (Secretariat)</li></ol> <p><b><u>Secretariat &amp; RILO</u></b></p> <ol style="list-style-type: none"><li>27. Yap Seng Chai (Secretariat)</li><li>28. Jutta Poetz (Secretariat)</li><li>29. Seow Yoke May (Secretariat)</li><li>30. Asril Darussamin (RILO)</li><li>31. Rahayu Siti Harjanthi (RILO)</li></ol> <p><b><u>EB Advisor</u></b></p> <ol style="list-style-type: none"><li>32. M R Chandran</li></ol> <p><b>Absent with Apology:</b> nil</p> <p><b>Absent:</b></p> <ol style="list-style-type: none"><li>33. Mohd Nor Kailany (Felda)</li></ol>
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## **AGENDA -EB0509**

- 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 3<sup>rd</sup> Executive Board meeting of 2009 (EB 03-09) held by teleconference on 28<sup>th</sup> September 2009, and the 4<sup>th</sup> Executive Board Meeting of 2009 (EB0409) held on 1<sup>st</sup> November, 2009
- 3. Accounts**
  - 3.1 Accounts – RSPO & RSPOSSB
    - RSPO Annual report (audited accounts)
    - RSPO Secretariat Sdn Bhd Annual report
  - 3.2 Long Outstanding Membership dues
- 4. Secretariat Matters**
  - 4.1 Staffing
  - 4.2 RT7 & GA6 – postmortem
  - 4.3 Website development – call for final comments
- 5. Standards and Certification Subgroup Report**
  - 5.1 IWM Project – update
  - 5.2 NPWG Output – follow-up from EB0309 and GA6
  - 5.3 GHGWG – update and follow-up from GA6
  - 5.4 BTC report – Offsets and HCV documents for EB consideration
  - 5.5 Smallholders:
    - Smallholder (Scheme) NI and trial audits – NI for Indonesia to be approved
    - Smallholder (Independent) generic P&C - update
    - Group Certification Scheme (GCS) - update
  - 5.6 Producer Certification:
    - 3<sup>rd</sup> Party Accreditation of CB (P&C and SC): update on ASI
    - Review of RSPO P&C Certifications System including Clause 4.2.4
    - Sime Darby update
    - Colombia NI
- 6. Trade and Traceability Subgroup Report**
  - 6.1 Supply Chain Certification - update
  - 6.2 Utz and Green Palm matters – Central database problem
- 7. Communications and Claims Subgroup Report**
  - 7.1 C&C report
  - 7.3 European Communications
- 8. AOB**
  - 8.1 Follow-up on GA6 resolutions
  - 8.2 Request for financial support to IPOB for RSPO work in Indonesia
  - 8.3 POPSI Proposal from Solidaridad
  - 8.3 RT 8, Jogjarkarta Indonesia, November 23-25, 2010

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

The Chairman welcomed the newly-elected EB which saw GAPKI (represented by Derom Bangun / alternate Purboyo) – Indonesian growers, MPOA (represented by Jeremy Goon replacing Datuk Mamat Salleh/ alternate Chew Jit Seng) – Malaysian growers, IOI (represented by Patrick Corbussen) - Processors & Traders, Unilever (represented by Jan Kees Vis) - Consumer Goods Manufacturers, HSBC (represented by Paul Norton/alternate Chong Wei Kwang) – Banks & Investors, Oxfam International (represented by Johan Verbug/ alternate John Bailey) – Social NGOs were all re-elected to their respective chairs.

Following GA6 endorsement, the meeting welcomed Carrefour (represented by Irawan Kadarman / alternate Paul Rowsome) – Retailers who had earlier accepted the invitation to take up the hitherto vacant retailer seat.

The meeting also agreed that WWF/CI will stagger their membership so that WWF goes for re-election in 2010 and Conservation International the following year.

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

**Action:** *Secretariat to post EB changes on the website.*

## **2. Minutes of previous meeting and Matters arising**

The minutes of EB-0309 were read and approved subject to correction where Tony Lass of Cadbury Plc and Marcello Brito of Agropalma were listed as absent whereas they had tendered apologies.

There were no minutes of EB04-09 which was devoted to discussing about GHG and the RSPO, facilitated by Prof Mick Blowfield from Smith School of Environmental Economics at Oxford University.

**Action:** *Secretariat to post EB03-09 minutes on website*

### **Matters Arising (from EB 0309, 0409 and 0509):**

1. EB changes – Besides election to seats which are up for election, Carrefour's nomination to the retailer's seat to be formalised - **Done**
- 3.1 Audited Accounts – Noted that audited accounts provided to GA 6 did not have the necessary signatures. This to be rectified. **Done.**
- 3.2 RILO Regularisation - To request Parker Randall to advise on regularising RILO either as a PT (private limited company) or as a foundation (as suggested by Sawit Watch) – **Parker Randall's advice to be tabled by Treasurer at EB 01-10**
- 3.3 Long Outstanding Membership Dues - To proceed with a 2<sup>nd</sup> round of delisting. **In progress.**
- 4.1 Staffing - Secretariat to engage independent reviewers to review P&C assessment

reports: Done. RHV Corley, Pat Baskett and R Ganapathy engaged and all have done one review each. To be continued to be engaged.

Secretary General to organise for a quantum leap in numbers and capacity of staff. Key positions include Policy Officer, Certifications Manager, Accountant cum Office Administrator and Membership Manager. Job descriptions completed but put on hold following EB's advice that an HR consultancy company be engaged.

4.2 GA6- Secretariat to ensure smooth elections to all EB seats due for election: EB critical of conduct of elections and a number of other GA 6 matters. To rectify for GA7.

4.3 Website Development - Secretariat to launch revamped website at RT7: Done late January – delay due to changing of website hosting provider .

5.3 NPWG Output – Secretariat to announce on website commencement from 1<sup>st</sup> January 2010. Done.

5.4 GHG WG2 – In view of stalemate on a number of key issues at GHG WG, EB04-09 recommended a new approach emphasising stakeholder engagement at a higher level. EB05-09 elected TK and JG to progress. TK/JG to table at EB01-10

5.6 Producer Certification - Review of RSPO P&C Certifications System including Clause 4.2.4 -Secretariat to progress and to engage RL or PS for further development of Clause 4.2.4 –Both persons heavily committed to other work. Matter being progressed by JV and SG.

6.1 Supply Chain (and P&C) Certification/Accreditation Update - T & T to progress with ASI: In progress. ML to table at EB01-10.

### **3. Accounts**

#### **3.1 Accounts – RSPO & RSPOSSB**

Noted that audited accounts provided to GA 6 did not have the necessary signatures. This to be rectified. In view of the proposed major stepping up of the Secretariat's HR capacity and the launch of new projects – such as GHG WG2, the Secretariat was requested to revise the 09/10 budget.

**Action:** *Secretariat to obtain signed audited accounts and prepare revised budget.*

#### **3.2 Long Outstanding Membership dues**

The meeting recommended that there be no let up in the pursuit of members with long outstanding dues.

**Action:** *Secretariat to prepare a 2<sup>nd</sup> 'Name and Shame' list for EB's sighting and further action as previously.*

### **4. Secretariat Matters**

#### **4.1 Staffing**

The EB, following a closed door meeting advised the SG to progress a quantum leap in HR capacity at the Secretariat and advised a rapid recruitment of senior persons to the following positions as a minimum: Certifications Manager, Policy Officer, Accountant cum Administrator, Membership Manager and Website manager and IT support.

**Action:** *SG to progress the above recruitments.*

#### **4.2 RILO regularisation**

Following advice from Sawit Watch, the meeting agreed to re-look the most appropriate structure for RILO regularisation – in particular to compare the pros and cons of RILO as a Foundation versus as a private limited company (PT).

**Action:** *Secretariat to engage Parker Randall to advise RSPO on the above.*

#### 4.3 RT7 - EB feedback

RT7: The EB commended the RT7 organisation overall noting the significant increase in delegates and a very positive opening ceremony. However the following shortcomings were also noted with a view to even better organisation of RT8: a) delegates list should have been available to all participants, b) the pre-meeting sessions were still relatively poorly organised with insufficient information leading to these meetings c) registration was overall satisfactory but online payment by credit card must be made available d) more attention be devoted to sponsors e) exhibitors also to be provided free passes but with increased exhibition fees.

**Action:** *Secretariat to take note of these deficiencies with a view to avoiding same at RT8.*

4.4 GA6: The EB were quite critical of the inefficient handling of GA6, in particular the following: a) the minutes of GA5 were not in the report b) the accounts were not signed off by the auditors e) there was no explanation for the apparent increase in directors' remuneration, when in fact directors are not paid any remuneration f) the expected income from Utz Certified was not shown g) the vote counting was poorly organised and could lead to questions on the integrity of the process. A better system of voting and vote counting was necessary. Besides the above it was also suggested that at future GA each resolution should be beamed up on the screen prior to members proceeding to take the vote. Members proposing resolutions should be provided assistance by the Secretariat to craft the resolution so that it is not vague or ambiguous and can be clearly understood by the assembly for voting purposes.

**Action:** *Secretariat to note of these deficiencies with a view to avoiding same and bringing in improvements at GA7. Summary of steps to improve resolution submission process:*

- 60 days before AGM send announcement and call for resolutions
- 30 days closing date for resolutions.
- 21 days before AGM papers need to be sent out
- Create guidelines for resolutions, establish EB review process,
- Improve voting procedure

A related matter was the poor record of progress reports from inadequate chasing by the Secretariat to poor quality of reports. It was agreed that, going forward, the reporting period will be aligned with RSPO's financial year, i.e. reports to be submitted by June each year. New members joining before January are to submit reports within the year while those joining thereafter have to submit in the following RSPO-year (July-June).

**Action:** *Secretariat to organise and pursue for annual reports around these time frames.*

#### 4.3 Website development

The new website generally received good feedback and the Secretariat was required to hasten the changeover from the present to the new website.

**Action:** *Website to go live at an early date.*

### 5. Standards and Certification Subgroup Report

#### 5.1 IWM Project

Noted that the questionnaire survey was in progress and there was a special pre-meeting on Agrochemicals and the Community' on the eve of RT7 plus a presentation by Dr Mike Rutherford of CABI at RT7.

#### 5.2 NPWG Output

The meeting agreed that the recommendations of the NPWG are to come into effect from 1<sup>st</sup> January 2010 with the understanding that the first year of implementation will largely be a trial year as the application of the procedures has to be tested widely and an RSPO list of accredited HCV assessors is still work in progress. Furthermore, while there were requests for extended periods of public consultation, the meeting agreed to limit the period to 30 days in view of stakeholder consultations in the course of assessments and reports (HCV, SEIA, etc.) and in particular the FPIC process being part of the procedures.

**Action:** *To announce 1<sup>st</sup> January 2010 commencement date of new planting procedures on website.*

#### 5.3 GHG WG2

Following the impasse and difficulties faced by GHG WG1 the meeting agreed for the formation of a high level GHG WG2, to include EB members, and to look at the business case around some of the issues concerning GHG and palm oil production in the first instance rather than the limited scope of recommending changes to the P&C as tasked to WG1. The meeting chose for TK to lead this renewed initiative.

**Action:** *TK to progress the formation of GHG WG2 including its TOR in consultation with other EB members. The following EB members volunteered to be part of GHG WG2 – JG, JKV, JV, MRC, AH, DB and AH.*

#### 5.4 Biodiversity Coordinator' report

JP updated the meeting on discussions with HCV Resource Network on HCV accreditation and discussions with BBOP on Biodiversity compensation mechanisms. She expected the first list of RSPO accredited HCV assessors to be ready by Q1 2010.

**Action:** *JP to continue the work on accredited HCV assessors as the New Planting Procedure requires that they be engaged for HCV assessments of new plantings.*

#### 5.5 Smallholders:

P&C for independent smallholders

FPP, who have been contracted this work expect to have the 1<sup>st</sup> draft ready in the first quarter of 2010.

#### Smallholder (Scheme) Indonesian NI

The meeting approved the adoption of the Indonesia National Interpretation of the RSPO P&C for scheme smallholders. It was recorded that, though the working group had completed the draft earlier, the final approval was delayed by delays in the finalisation of the generic P&C for scheme smallholders.

**Decision:** *Indonesia NI for scheme smallholders approved.*

#### Group Certification Scheme (GCS)

Following discussions at RT7 FPP have proposed that Biocert engage Proforest to assist them with development of documents relating to Group Certification.

5.6 Producer Certification:

3<sup>rd</sup> Party Accreditation of CBs (for P&C and SC certification):

Noted that the T&T WG were in discussions with ASI GmbH for both SC and P&C CB accreditation for RSPO.

**Action:** *T&T WG to continue progressing RSPO accreditation with ASI GmbH.*

#### Review of RSPO P&C Certifications System

The SG, as chair of the S&C WG, informed the meeting that a draft Version 1.0 was near-completed except for further work on Clause 4.2.4 which requires further elaboration.

**Action** *JV and SG to fine tune Clause 4.2.4*

#### Sime Darby's possible non-compliance with Clause 4.2.4.

The SG briefed the meeting that RSPO was awaiting response from Sime Darby on RSPO's 5 point plan. A number of Board members expressed concern over the delay. The meeting agreed to the Chairman's suggestion that if no response was forthcoming in the next 3 weeks, a strict letter of disappointment be issued.

**Action:** *Secretariat to follow-up with Sime Darby if response not forthcoming within 3 weeks.*

#### Colombia NI

The SG updated the meeting on progress with Colombia NI where further stakeholder consultations were to be organised, with the help of a consultant facilitator. The Secretariat can then expect to receive the final NI in early 2010.

## **6. Trade and Traceability Subgroup Report**

### 6.1 Supply Chain Certification

The EB meeting adopted the revised supply chain certification systems, that was prepared by the RSPO T & T group. The new revised version includes:

- the procedure for supply chain certification that follows the period of self-declarations that ends 31 March 2010
- a template for self-declarations
- a revised and clearer definition of the unit of supply chain certification - para 3.1
- a revised and clearer definition of who should report to the Utz system - para 3.2
- a clearer definition of the end-product manufacturer (annex 11)
- some text corrections to improve readability

*Note: A tidied up version and a brief announcement have been placed on the RSPO website.*

### 6.2 ASI accreditation of RSPO CBs

The EB meeting agreed to reserve a budget of 15,000 Euros for a pilot project with Accreditation Services International GmbH of Germany. The pilot is to establish if ASI could be the appropriate accreditation body for Certification Bodies interested to do assessments against the RSPO supply chain certification systems as well as assessments of producers against the RSPO Principles & Criteria for sustainable palm oil production. The meeting agreed for the T & T group to further progress the matter with ASI GmbH.

**Action:** *T&T WG to progress matter with ASI*

### 6.3 Supply Chain Options

The EB were briefed that during the World Café session on Market Uptake at RT 7 concerns were raised regarding the different supply chain options. The meeting agreed that they would welcome an evaluation of the three supply chain options by the RSPO T & T group in 2010.

**Action:** *T&T WG to evaluate the three supply chain options in the course of 2010.*

### 6.4 Green Palm / Utz certified harmonisation

The meeting was briefed on the potential gap arising from GP trading at the Company/Group/Holding level while Utz computerised tracking commences at the individual mill level which is the unit of certification. GP offered to absorb the costs, if reasonable, associated with modifying the tracking software to ensure harmonisation between GP and Utz unit of logging.

**Action:** *GP to engage and offer above-mentioned support to Utz.*

## **7. Communications and Claims Subgroup Report**

### 7.1 C&C report

Following the approval by the C&C WG and at the request of its Chairman, the EB meeting approved the engagement of Schutelaar & Partners for Communications work in Europe for a further one year.

**Decision:** *The meeting approved for S&P to be engaged for a further one year.*

#### 7.2 Trade Mark

CL broached the matter of trade mark protection for RSPO. The meeting agreed that the matter be taken up by the C&C WG.

**Action:** *C&C WG to discuss and recommend on trademark registration.*

### **8.0 AOB**

#### 8.1 IPOB request for funding support

DB presented a request by IPOB for funding support for their RSPO work in Indonesia.

**Decision:** *The meeting approved an allocation of Euros 15,000.*

**Action:** *Secretariat and IPOB to ink a contract for the provision and use of above fund.*

#### 8.3 POPSI Proposal from Solidaridad

The meeting approved for RSPO to be involved in the POPSI project.

#### 8.4 RT 8 & GA7

Proposed to be held in Jogjarkarta Indonesia from 8-12 November 2010 subject to a suitable venue at the proposed location.

#### 8.5 Poor attendance and participation by a particular EB member

A Board member brought the attention of the meeting to the frequent absence and general lack of participation by the member representing smallholders interests. This was seen as an important seat and the continued diminished role detrimental to RSPO's work with smallholders and their interests.

**Action:** *MPOA will remind the organisation and person concerned in the first instance following which, if required, the RSPO Secretariat will follow-up with the member and his organisation accordingly.*

#### 8.6 Loss of RSPO members' HCV areas

JV brought to the attention of the meeting concerns by MC of FPP that, based on preliminary investigations, areas not developed to oil palms due to HCV considerations were, in some instances, returned to or recovered by the authorities to be given to others to be developed as originally intended. MC recommended that RSPO set up a task force, to be headed by him, to go deeper into the matter to find ways to avoid this unintended consequence. The meeting requested for MC to put forward a paper detailing the issue, the proposed task force and the funding support requested from the RSPO.

**Action:** *MC to draft a paper for EB circulation and discussion.*

#### 8.7 Next Meeting

The EB members agreed to the next meeting to be from 24-25 February 2010 in Bali to take advantage of some members presence at ICOPE 2010.