

EB 05-07 & 06-07

Minutes of Executive Board Meeting

Date : Monday, 19 November 2007 & Friday, 23 November 2007
Venue : Room ECC1, Shangri-La Hotel, Kuala Lumpur
Start time : 8.30 am

<ol style="list-style-type: none">1. Derom Bangun (Gapki)2. Darrel Webber (WWF- Malaysia)3. Don Grubba (IOI)4. Johan Verburg (Oxfam)5. Rikke Netterstrom (Body Shop)6. Jan Kees Vis (Unilever)7. Chew Jit Seng (MPOA)8. Mamat Salleh (MPOA)9. Tim Stephenson (AAK)10. MR Chandran (RSPO EB Advisor)11. Matthias Diemer (WWF – Switzerland)12. Mohd Nor Kailany (Felda)13. Purwo Susanto (WWF- Indonesia)14. Robert Keller (Migros)15. Rudy Lumuru (Sawit Watch)16. Samantha Lacey (CIS)17. Simon Harris (HSBC Malaysia)18. Simon Lord (KULIM)19. Tony Lass (Cadburry)	<ol style="list-style-type: none">20. Andrew Ng (Secretariat)21. Desi Kusumadewi (Indonesia Liaison Officer) –22. Aimeelia Khalid (Secretariat)23. Ali Baizuri (Secretariat)24. Roslinda Sarmin (Secretariat)25. Vengeta Rao (Observer)26. Liz Crosbie (SEC) 19/11/0727. Neil Judd (Proforest) 23/11/07 <p>Absent:</p> <ol style="list-style-type: none">1. Johann Zueblin (Migros)2. Ian McIntosh (AAK)3. Fitriani Adrianshah (WWF-Indonesia)
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Agenda:

1. Introduction and RSPO Antitrust laws

2. Confirmation of minutes of EB 03-07 & EB 04-07

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3. Secretariat

3.1 Accounts & finances

3.1.1 Update on RSPO Financial Audit report for FY2007-08

3.1.2 RSPO Operating Budget 2007/2008

3.2 RSPO Indonesia Liaison Office: Update

3.3 Secretariat updates

3.3.1 New Secretary General

3.3.2 Outgoing Secretary General notes

4. Executive Board matters

4.1 EB Retailers seat

5. Membership

- 5.1 Outstanding/defaulted RSPO Members
- 5.2 Grievance procedure outcome/recommendation: Wilmar International Ltd.
- 5.3 Outstanding Membership applications
 - 5.3.1

6. National Interpretation & Implementation Process

- 6.1 Update on evaluation procedure
- 6.2 EB sub-committee – evaluation of NI documents for Indonesia, Malaysia and Papua New Guinea
- 6.3 Update on NI process for Rest of World
 - 6.3.1 Colombia
 - 6.3.2 Brazil

7. RSPO P&C, 2007 revised version

- 7.1 Update on P&C-2007
- 7.2 Setting of major and minor non-conformities

8. RSPO Certification Systems

- 8.1 Update on interim accreditation process
- 8.2 Approval of certification bodies applying for accreditation with RSPO
 - 8.2.1 Control Union
 - 8.2.2 SGS Malaysia
 - 8.2.3 BSI (to be confirmed)
- 8.3 RSPO accreditation procedure – next steps

9. RSPO supply chain for CSPO

- 9.1 Update on Utz Certified proposal to RSPO
- 9.2 Update on GreenPalm
- 9.3 Approval of RSPO Supply Chain Requirements
- 9.4 Proposal from FoodReg

10. RSPO Communications (Consumer & Branding Working Group)

- 10.1 Update on CBWG final recommendations
- 10.2 Update on RSPO European meeting, Brussels, 9 October 2007
 - 10.2.1 Discussion on recommendations and evaluation report
- 10.3 Decision on next-steps for CBWG work and recommendations
- 10.4 Proposed RSPO communications plan
- 10.5 RSPO FAQs on certification, factsheets

11. RT5

- 11.1 Update on RT5
- 11.2 Reminder of roles of EB Members (through briefing on 19 November at 1700)

12. GA4

- 12.1 Update and agenda for GA4
- 12.2 Admission of RSPO Members not in good standing.

13. AOB

RSPO

Roundtable on Sustainable Palm Oil

13.1

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 EB 02-07, EB 03-07 & EB 04-07

EB02-07 Johan Verburg (JV) will send the land issue to EB members again. Minutes confirmed.

EB03-07 Minutes confirmed.

EB04-07 Rikke Nettetstrom mentioned that since the meeting, the Colombian National Interpretation was being reviewed and is in place. Minutes confirmed.

3. Secretariat

3.1 Accounts & finances

3.1.1 Update on RSPO Financial Audit report for FY2007-08

The RSPO Financial Audit report FY2007-08 to be presented during GA-4

3.1.2 RSPO Operating Budget 2007/2008

Tim Stephenson (TS) had presented a summary of RSPO 2007/2008 budget. The presentation will be presented during the GA-4 meeting.

3.2 RSPO Indonesia Liaison Office: Update

Desi Kusumadewi (DK) briefed EB on the progress of national interpretation of RSPO P&C in Indonesia currently developed by 2 (two) dedicated working group, INA-NIWG and STF Indonesia. The latter tasked to develop interpretation of P&C for Indonesian smallholders by strongly put into consideration the smallholders' needs and their various situations with regard to the implementation of the RSPO P&C. With such development underway in Indonesia, DK was then concerned about current need to incorporate the smallholder's requirements into main national interpretation document. JKV saw there is no need to incorporate the documents. Simon Lord (SL) explained that he previously suggested to DK that the smallholders' interpretation may be put as an annex to the main document. After some discussions, EB decided that the final smallholder P&C developed by STF Indonesia can be submitted separately with INA-NIWG document to RSPO for endorsement..

Decision: STF INA Smallholder P&C can be submitted separately to RSPO for endorsement

3.3 Secretariat updates

3.3.1 New Secretary General

JKV updated the EB members that the new Secretary-General, Dr Vengeta Rao will be joining the Secretariat office on 24 December 2007. Andrew will meet-up with Rao to handover and discuss on any outstanding issue on a specific date before Andrew's last working day.

4. Executive Board matters

4.1 EB Retailers seat

Decision: All agreed to leave retailers' seat vacant since no nomination received after the deadline.

5. Membership

5.1 Outstanding/defaulted RSPO Members

JKV would like more discipline in sending the membership application for the EB to vote for approval. He added that a thorough check on the applicant's category needs to be looked into. These include full information on the company's background and if there are cases brought by RSPO members, to inform the applicants and request for more updates on their status.

Samantha Lacey (SL) suggested for more elaborate information with regards to the google search stated in the Checklist to EB members. Rikke Netterstrom mentioned that a list on how the google –search can be done was sent to Si-Siew. She will re-send the list to Linda for future search.

Action: Linda will use the list given by RN for future google search.

EB members will need to vote only on the second email sent by Linda

5.2 Grievance procedure outcome/recommendation: Wilmar International Ltd.

JKV updated the EB members of the Grievance panel meeting on the allegations and accusation against Wilmar, which was held on Saturday 18 Nov 2007. In the meeting that JKV had with Jeremy Goon in Bali, Wilmar had made the understanding that they would like to change things for the better. This would include resolving the issues in the area of conflict. They promised to share results of the improvement and to give evidence on the accusation made. JKV also mentioned that it is clear from Wilmar's response that they need to learn how to be more precise and accurate on how they communicate on issues and on NGO relationships.

Purwo Susanto (PS) mentioned that Wilmar had come to the WWF-Indonesia's office to ask for advice. He suggested to them to find for a concrete solution with the local NGO and with any stakeholder as well as the government. He also suggested for RSPO to consider fining Wilmar and suspending their membership for a year, giving them an opportunity to review their management before they could re-join RSPO as a member. As this is not a constructive resolution and practice of the RSPO, JKV suggested that we should give opportunity to members to make amends and to prove their innocence till proven guilty.

JKV updated that the Grievance panel had agreed to request a number of points from Wilmar. They will be asked to write their response to the final request of the EB in such a way that it can be published in their and our website and also be sent to Friends of the Earth. In the meeting on Wednesday 21 November 2007, JKV mentioned that the Chairman of Wilmar had confirmed that they will change the way they work. He added that on Nov 8, Wilmar had communicated they had stopped all their activities but unfortunately the work on construction of a building still continued at the work site.

Action: Secretariat will upload the website the reply from Wilmar (when available) and to send a copy to Friends of the Earth.

5.3 Outstanding Membership applications

In the issue of First Resources Ltd, Sawit Watch is requested to give a reply on the potential issue raised by AIDEnvironment about the disputed concessions in Kalimantan for the EB to make their decision. Emails were sent earlier to Sawit Watch for their explanation but to date, no reply had been received.

JKV instructed for the Bioenergy Plantations to be taken out from the website as they have not replied to Secretariat on the transfer from Ordinary to Affiliate member.

Desi updated the EB members that PT Bayer had spoke to her on RSPO request for them to upgrade as an Ordinary member. They mentioned that their activities are the same as of PT Bayer Cropscience and they would prefer to be an Affiliate member.

The EB members agreed to approve the Borneo Child Aid Society to join as Ordinary member and giving them a fee of Euro 200.

A letter will be send to the Hawaiian Electric Company with regards to their membership approval. The letter should include them joining to be RSPO member not as Producer and to move towards the RSPO compliance.

Action: Linda to get Sawit Watch reply on First Resource Ltd and forward to EB for decision.

As for PT Bayer, to wait for their email replies and agrees to approve them as Affiliate member.

Secretariat will write a letter to the Hawaiian Electric Company with regards to the membership approval.

Decision:

Bioenergy Plantations will be taken out from the website as they have not replied to Secretariat on the transfer from Ordinary to Affiliate member.

Borneo Child Aid Society will be allowed to join as Ordinary member and pay a fee of Euro 200

6. National Interpretation & Implementation Process

6.1 Update on evaluation procedure

Due to workload on RSPO activities is crucial JKV had proposed to form an EB sub-committee for NI.

The group consist of Simon Lord, Chew Jit Seng, Purwo Susanto, Rudy Lumuru, Darrel Webber and Johan Verburg.

7. RSPO P&C, 2007 revised version

7.1 Update on P&C-2007

Neil Judd from Proforest updated the EB members that he had reviewed the criteria document in October 2007. He added that the document will have changes to 7 criteria and 18 indicators. The subsequent review period will take place in 5 years.

7.2 Setting of major and minor non-conformities

Neil Judd (NJ) informed the EB was informed that major and minor non-conformities for the revised version of the P&C (P&C-2007) were not determined by the Criteria Working Group. While NI processes in Papua New Guinea, Malaysia and Indonesia have been working on integrating the additional guidance and reworked ones of P&C-2007, the generic one still does not have them.

8. RSPO Certification Systems

Neil Judd from Proforest updated the EB members on the process of the Certification Bodies. The procedure was clear and the process was accepted in mid-October. SGS and Control Union had re-submitted with some changes and their documents are satisfactory. He added that BSI and Sirim QAS have also submitted and Secretariat can announce in the website for comments and to be approved after 30 days.

9. RSPO supply chain for CSPO

9.1 Update on Utz Certified proposal to RSPO

JKV updated the EB members on his meeting with Lucas Simon from Utz and Neil of Proforest. In the first option, the discussion includes the Greenpalm certificate trading option and this made a claim that RSPO support the production of the sustainable palm oil. There is no traceability of direct claim and it is a mechanism in giving incentives to the growers and millers. On the other option is the segregated supply chain. JKV added that at the moment, there is no RSPO certified in the market.

10. RSPO Communications (Consumer & Branding Working Group)

10.1 Update on CBWG Recommendation

Liz Crosbie (LC) explains that apart from the issue of the trademark is Product Claims Recommendation. Segregation has a higher support as compared to other forms. How these claims are used depends on whether there is a unique logo to represent CSPO. The recommendation is to try and create an identity exclusively for CSPO.

LC informs that in terms of About Company Claims, there is a strong feeling in the Working Group that this is the area where there will be more concern from stakeholders in terms of this organization to control claims.

The recommendation is the ability to make claims about companies about organizations. There would be some means to controlling the use of claims, based on how extensive the members' relationship is to CSPO. The proposal is that Greenpalm certificate holders must be RSPO members in order to make claims.

LC stresses that considerable attention needs to be put in developing a trademark. – so that claims can be used in relation to the trademark. LC also informs that the issue of developing a unique identity under RSPO's intellectual property has been discussed – and how the claim is protected with the trademark.

The CBWG has advocated developing a visual trademark. Words by themselves are not readily trademarked. LC informs that CBWG has agreed that it's not just creating a logo, but creating a brand.

10.3 Decision on next-steps for CBWG work and recommendations

As the CBWG is working under constraints – LC has proposed the following as a way forward:

1. Adopt a license fee route to fund current specified project
2. To look at *pro bono* work from a contractor through open tender
3. To delay the project until RSPOs financial standing has improved.

10.4 Proposed RSPO communications plan

Rikke Netterstrom (RN) has developed, in collaboration with Secretariat a proposal for extending and enhancing RSPO communications on multiple issues and reactionary communications. The communications plan would include strategic approach, costs and activities. But due to time constraints during the meeting, this issue will be brought forward for next EB meeting.

10.5 RSPO FAQs on certification, fact sheets

The Secretariat has prepared and released FAQs on certification fact sheets including other fact sheets covering basic information on RSPO, RSPO supply chain, and on oil palm.

Andrew Ng (ANg) informed the EB members that the fact sheets were distributed during the Brussels Conference and will be distributed to members during GA4.

11. RT5

11.1 Update on RT5

Teoh Cheng Hai (TCH) updated the EB members on the RT5 Conference. He mentioned that the launch for the Certification system is in place. He would like all EB members to be a 'Table-Host' during the World-Café session. He added that there will

be a press conference at the end of the conference and would like the attendance of the EB members.

11.2 Updates on RT5 – Minister's Statement

Jan-Kees Vis (JKV) commented on the Minister's speech during the Closing Session of RT5. Some RSPO members were quite upset with the content of the speech. MR Chandran (MRC) gave feedback on the situation. He updated the Board that the Minister had extended the draft speech to MPOC for their comments. He added that MPOC seems to be in favour of Malaysia developing its own standard for branding Malaysian Palm Oil. The intention of MPOC would be to differentiate between Malaysian palm oil and Indonesian palm oil. But he also mentioned that there are different opinions on this within the MPOC Council. He concluded that the three paragraph mentioned by the Minister came from MPOC and somehow this seemed to come out as the Minister being critical of RSPO. MRC suggested for the President and the Vice-Presidents to meet the Minister and have a direct dialogue with him.

JKV mentioned that if the misperception had come from MPOC then RSPO should meet MPOC to clarify matters. Matthias (MD) said that the Minister's statement to mention the WWF in his speech could give a different perspective on WWF and by singling WWF as an example would give an idea that WWF is not an NGO community but self-supported bodies.

MRC suggested getting the message across to the people by taking an editorial in the major newspaper in Malaysia and Indonesia and not through the website as it will only catch the interested people to browse it. The message should convey the positive side of what the RSPO had achieved so far. He added that MPOC had just launched a new logo as a re-branding exercise. He also said that what RSPO is doing in branding RSPO oil is in accordance with the Malaysian palm oil basis. MRC suggested getting in contact with the Chairman of MPOC and having a dialogue with him.

JKV concluded that two issues that were raised by the Minister need to be taken up. Firstly, requesting NGO's to stop being critical is not a constructive option. Secondly, if the situation of the smallholders is bad, then RSPO and the Ministry should look together at what each can do. He also suggested engaging Teoh Cheng Hai (TCH) to draft a short letter. The letter would include the issues of the Smallholders on how we are addressing the aspects in a document in Bahasa Malaysia and Indonesia and to mention that RSPO does not want to compete with others and would be open for any discussion.

Action: JKV requested TCH to draft a short letter and to send it to EB for approval.

12. GA4

12.1 Update and agenda for GA4

Andrew Ng (ANG) updated the EB members on the procedure of the 4th General Assembly. He mentioned that there will be only one proposal for this year GA.

12.2 Admission of RSPO Members not in good standing.

Aeimelia Khalid (AK) had sent out a list of outstanding overdue payment from members to be discussed whether to allowed them to be involved in the GA -4.

Decision: Jan-Kees Vis (JKV) mentioned that this will be the last time they will be allowed to attend GA.

Action:

- Secretariat to send notice via registered mail and to send one final email informing overdue members to clear their payment. Failure to do so will result in withdrawal of membership.
- Secretariat to announce the overdue and withdrawal members on the website.

13. AOB

13.1 Report from Greenpeace on peat land conversion and RSPO.

Tony Lass (TL) has enquired during the Conference if RSPO will give any response to the Greenpeace issue or should Cadbury-Scheweppes reply. JKV updated the EB members that on RSPO mandate, we do not have any comment to Greenpeace. He added that we should stick to the draft from the Minister in a short version on the 3 points and upload in RSPO website.

13.2 Work plan of EB Members in the RSPO

JKV mentioned to the EB members of his disappointment with the way the EB are working in answering to emails which takes at least six weeks to reply. He suggested changing and creating a new work plan on the way the EB are working as he felt that too much of his time has been put towards the decision making. He added that he would like to suggest dividing the EB members into sectors of responsibility, such as;

1. Certification & Standards including NI will be coordinated by Simon Lord as the Leader. The others involved are Chew Jit Seng, Rudy Ready Lumuru, Purwo Susanto and Darrel Webber.
2. Trade & Traceability including Supply Chain will be lead by Tony Lass. The others involved are Don Grubba, Derom Bangun, Tim Stephenson, Johan Verburg and Matthias Diemer.
3. Communication & Claims will be lead by Jan Kees Vis. The others involved are Robert Keller, Don Grubba, Johan Verburg, Derom Bangun and Samantha Lacey.
4. Projects will be handled by Vengeta Rao.

Action: Ali will be responsible for the RSPO website and newsletter in the event of communication.

13.2 Smallholders Task Force Meeting

Johan Verburg (JV) updated the EB members as requested by attendees of the STF meeting on Monday 19 November 2007 to endorse a working group to develop a facility for a conflict resolution and to come up with an established mechanism.

Matthias (MD) suggested for a TOR to be sent to the EB for decision-making.

Decision: JKV support and JV to provide TOR.

13.3 Paraquat project

Matthias Diemer (MD) urge secretariat to proceed with paraquat project. Simon Lord (SL) informed that he has contacted Tenaganita / CABI but due to business in RT5 update will be provided later. (SL) also suggested those who not use paraquat in their plantation to be introduced to (SL) for resolution and suggestion.

13.4 Issues of climate change and Green House Gas

Darrel Webber (DW) will prepare a TOR. The RSPO Greenhouse Gas Working Group (GWG) is envisaged to be a short-term, multi-stakeholder expert group to review the current P&C in relation to GHG in relation to Palm Oil Production and to advise the RSPO Executive Board on options for adjustment of the P&C

13.5 RT6

Next RT6 will be held in Indonesia week of 17th November 2008. (JKV) suggested to limit the registration of participants per company except for Sawit Watch since they will register smallholders under the Sawit Watch name.

Options to be kept open between Bali and Jakarta as venue.

13.6 RSPO Colombia Meeting

RT6 would not be held in Colombia as requested by the Vice Minister of Environment of Colombia, as it is not practical for smallholders to travel to Colombia. However, a conference will be held in early 2009 in Colombia – discussing oil palm development in Colombia.

13.7 Next EB Meeting (February 2008)

Action: Rao to get a suitable date for EB 01-08 meeting in Kuala Lumpur