



Roundtable on Sustainable Palm Oil

RSPO Secretariat
Mont Kiara Business Centre
Suite D-03-01, Plaza Mont Kiara
2, Jalan Kiara, 50480 Kuala Lumpur
Malaysia

Telephone : +603-6411 8803
Fax : +603-6411 8828
Website : www.sustainable-palmoil.org

EB-07: Minutes of Executive Board Meeting

By Phone Conference on 9 December 2004 at 1200 GMT

Participants

1. Jan Kees Vis (Unilever)
2. Fausta Borsani (Migros)
3. Ian McIntosh (Aarhus)
4. Tim Stephenson (Aarhus)
5. Bella Roscher (WWF Switzerland)
6. MR Chandran (MPOA)
7. Vengeta Rao (MPOA)
8. Chew Jit Seng (MPOA)
9. Amintha Perera (MPOA)
10. Stuart Small (BodyShop)
11. Dian Kosasih (WWF-Indonesia)
12. Lea Borkenhagen (Oxfam GB)
13. Derom Bangun (GAPKI)
14. Jens Mesa-Dishington (Fedepalma)
15. Teoh Cheng Hai (RSPO Secretariat)
16. Si-Siew Lim (RSPO Secretariat)

Absent with apologies

1. Rikke Netterstrom (BodyShop)
2. Matthias Diemer (WWF Switzerland)
3. Tony Lass (Cadbury Schweppes)
4. Bachtiar Karim (PT Musim Mas)

Absent due to technical difficulties

1. Rudy Lumuru (Sawit Watch)

AGENDA

Agenda:

1. Introduction
2. Confirmation of Minutes of Executive Board meeting EB-05/04 and EB-06/04 held on 6 and 7 October 2004 respectively and Matters Arising
3. Secretariat
 - 3.1 Appointment of new Secretary-General
 - 3.2 Proposal for the establishment of a RSPO satellite office in Jakarta
 - 3.3 Proposal for electronic banking arrangement for RSPO Secretariat's account
4. Membership
 - 4.1 Update on admission of members
 - 4.2 Review of process for admission of members
 - 4.3 Proposal for periodic reporting by members
5. Projects
 - 5.1 Update on progress of CWG on criteria development
 - 5.2 Update on progress of implementation of projects from RT2
6. Communications
 - 6.1 Revised RSPO Factsheet – production of multilingual versions
 - 6.2 Proposed public forum/briefing sessions
7. Any other matters
 - 7.1 Date of next EB meeting (19 February 2005)
 - 7.2 Strategic directions/plan for RSPO for the next 2 years

MINUTES

1. Introduction

Teoh Cheng Hai (TCH) gave his opening remarks and welcomed members to the meeting.

Apologies were received from Rikke Netterstrom (BodyShop), Matthias Diemer (WWF Switzerland), Tony Lass (Cadbury Schweppes) and Bachtiar Karim (PT Musim Mas) prior to the meeting. TCH also informed the Board that Stuart Small and Bella Roscher will represent BodyShop and WWF Switzerland respectively during the meeting.

Bella Roscher, Stuart Small and Lea Borkenhagen (Oxfam GB) gave a quick round of introductions as it was their first time attending the RSPO Executive Board (EB) meeting. TCH then proceeded to give a quick introduction of 'ground rules' for participation in EB meetings.

2. Confirmation of Minutes of Executive Board meeting EB-05/04 and EB-06/04 held on 6 and 7 October 2004 respectively and Matters Arising

DECISION: All agreed to the confirmation of Minutes of Executive Board meetings EB-05/04 and EB-06/04.

2.1 RT2 follow-up actions

Migros: Fausta Borsani (FB) requested clarification regarding profits from RT2.

RSPO Secretariat: TCH explained that surplus from RT2 was approximately US\$ 9,000 and RSPO's share will amount to 50% of that total, about US\$ 4,500. TCH also mentioned that the final accounts will be finalized by 13 January 2005.

DECISION: All agreed that RSPO's share of RT2 profits will be 50% of total surplus, i.e. US\$ 4,500.

2.2 FY2004/2005 Budget for RSPO Secretariat

DECISION: All approved the revised FY2004/2005 Budget for RSPO Secretariat

2.3 African Smallholder Associations

ACTION: Migros, Fedepalma, Unilever & Oxfam GB to provide details (by email to RSPO Secretariat) of organizations to contact

2.4 Informing governments regarding RSPO developments

GAPKI: Derom Bangun (DB) stated that he would soon provide a list of government officials who should be contacted by RSPO regarding developments in RSPO and criteria for sustainable palm oil. The delay in preparing this list was due to the recent change in Indonesian government. He also stated that these officials should be invited to the RSPO Public Forum in Jakarta on 12th January, 2005.

Oxfam GB: Lea Borkenhagen (LB) stressed the importance of getting governments involved in the process. In the long run, the RSPO should work on encouraging governments to facilitate discussions as well as to enact the Criteria. Governments should be engaged in a transparent manner and cited the involvement of government officials in the RSPO Public Forums as a step in the right direction.

Aarhus: Ian McIntosh (IM) reminded members that the RSPO began as a business-to-business initiative and cautioned that getting involved in the government legislative process would consume too much time.

Fedepalma & GAPKI: Jens Mesa-Dishington (JMD) suggested that the RSPO clearly defines what is expected of governments in the RSPO process and engage them accordingly as they are important stakeholders. These expectations should also be posted on the RSPO website. BD agreed JMD's view and both of them suggested that a working paper on how to proceed on this issue should be prepared.

Unilever: Jan Kees Vis (JKV) agreed with both IM and LB. The RSPO started as a business initiative and should continue growing with the momentum gained so far. However, he also said that governments need to be involved because of policy framework, particularly in areas related to land use policies. Once the Criteria become clearer, we should encourage governments to take on suitable elements of the Criteria in legislation.

MPOA: MR Chandran (MRC) added that nearly 40% of Malaysian plantations companies are owned by the Malaysian government. Thus indirectly, the Malaysian government is already involved in the RSPO.

Unilever: JKV mentioned the relevance of the inter-governmental Tripartite Group (Indonesia, Malaysia and The Netherlands) which has been working as a WSSD partnership initiative on food safety. He suggested that the RSPO Secretary-General should make a presentation at the next meeting and MRC (who is a member of the Tripartite Group) was requested to include this briefing in the agenda of the next meeting..

RSPO Secretariat: TCH said that one of the conclusions from RT2 was the need for government involvement in the process, particularly in providing resources and support in production and use of sustainable palm oil. Considering that there was no common understanding or position among members at present, TCH suggested that the EB has an in-depth discussion on this issue during the next physical EB meeting in February 2005. Meanwhile, governments should be kept informed of developments.

ACTION: RSPO Secretariat to prepare working paper on how to proceed with engaging governments

ACTION: GAPKI to provide the RSPO Secretariat with a list of Indonesian government contacts.

ACTION: MPOA to facilitate RSPO's involvement in the next Tripartite Group meeting.

Retailer representation in CWG

Migros: Fausta informed the meeting that she has the complete list of retailers from the Swiss Retailers Association but it is necessary to identify a small number of significant players to be part of the informal consultative group for CWG.

Unilever: JKV added that Carrefour is an important player and that they are willing to be involved.

ACTION: Migros to provide the RSPO Secretariat with a list of the ten most important retailers to form an informal consultative group for CWG.

Registering RSPO under WSSD

DECISION: All agree that registering RSPO as a Type II Partnership under WSSD is not urgent and that the issue should be kept in view until the need/usefulness becomes more important

3. Secretariat

3.1 Appointment of new Secretary-General

RSPO Secretariat: TCH briefed EB on the effort regarding recruitment of the new Secretary-General and responses received to-date. The advertisement for the position was posted in the RSPO website from late October. It was also announced in some newsletters and magazines but unfortunately these publications came out later than expected and there might have been sufficient time for prospective candidates to apply. At the closing date of 30th November, 2004, only seven applications have been received. In view of this, he enquired if the EB would like to extend the deadline for applications for the Secretary-General's position to 31 December 2004. He also suggested appointing a sub-committee tasked to shortlist applicants and to carry out interviews via telephone conference. .

Unilever: JKV suggested that the sub-committee should consist of the President and 4 Vice-Presidents of RSPO. He also suggested producing a list of names of people to approach as an alternative way of overcoming the lack of response received so far. All EB members should submit a list of names to TCH and explain why these people would be appropriate candidates for the Secretary-General's job. He also asked if TCH could extend his current commitment to RSPO due to the anticipated delay in hiring a new Secretary-General.

WWF Switzerland: Bella Roscher (BR) highlighted the need to inform current applicants on this new development and suggested the need for the RSPO to be more flexible in the location of its Secretariat office to encourage more people to apply.

RSPO Secretariat: TCH clarified that the Secretariat intends to inform current applicants of latest developments immediately. He also highlighted the fact that the applications received so far have a wide geographical spread meaning the location of the RSPO Secretariat is a minor decision-making factor. With regard to JKV's suggestion on approaching potential candidates, TCH stated that to be transparent, these candidates should send in their applications before the new deadline undergo the agreed selection process.

MPOA: MRC stated that interviews via telephone conferences are ineffective and suggested that the mandate to select the new Secretary-General should be given to 2-3 people. He also asked if TCH is willing to work on present terms until the end of April to ensure continuity.

RSPO Secretariat: TCH agreed to work on current terms till February 2005 and commit to 10 days per month in March and April 2005. Meanwhile, he mentioned that Si-Siew Lim can take on additional tasks and responsibilities (with appropriate revision in his remuneration package).

Oxfam GB: LB thanked TCH for agreeing to extend his current term with RSPO and suggested the deadline for Secretary-General applications be extended to 7 January 2005. She also suggested that the physical interview be held in February 2005 since most EB members are attending the meetings in Carey Island, Malaysia.

DECISION: All agree to extend the deadline for Secretary-General applications to 7 January 2005. Five people will comprise the interview sub-committee (i.e. GAPKI, MPOA, Oxfam, WWF and Unilever) and interviews will take place in Kuala Lumpur on 14 February 2005 prior to the meetings on Carey Island, Malaysia.

3.2 Proposal for the establishment of a RSPO satellite office in Jakarta

RSPO Secretariat: TCH briefed EB members on recent developments regarding the proposal for the establishment of a RSPO satellite office in Jakarta. He mentioned that the proposal was supposed to be kept in view but in view of recent funding opportunities from the Dutch Embassy in Indonesia, the item has been included for review by EB..

GAPKI: DB suggested for Medan to be an alternative location for the RSPO satellite office.

Aarhus: IM agreed with the proposal providing that funding is available.

WWF Switzerland: BR suggested that the proposal be deferred by 6 months due to the anticipated delays in appointing a new Secretary-General.

Unilever: JKV stated that the potential funding from the Dutch Embassy may not be available in 6 months' time. He requested TCH to contact Frans Classen of the Dutch Embassy in Indonesia regarding this matter.

RSPO Secretariat: TCH enquired if other co-organizers of RT2 are willing to commit their share of RT2 profits to the setting up of the RSPO satellite office since RSPO and IPOC have already agreed.

GAPKI: DB agreed to commit their share of RT2 profits.

WWF-Indonesia: Dian Kosasih (DK) needed to have an internal discussion before committing funds.

MPOA: MRC was concerned that the budgeted amount for the satellite office was insufficient.

DECISION: All agree to increase the proposed budget to US\$ 45,000 for two years and also to revisit the issue in February 2005. Meanwhile, all agree that TCH should contact the Dutch Embassy regarding funding for setting up the RSPO satellite office in Jakarta.

ACTION: TCH to modify the proposed budget to reflect the changes discussed and to contact Frans Classen, Dutch Embassy in Indonesia.

3.3 Proposal for electronic banking arrangement for RSPO Secretariat's account

DECISION: All agreed to pass the following resolution to enable the RSPO Secretariat to proceed with electronic banking arrangements for the RSPO account at HSBC Bank Malaysia Berhad (Damansara Heights Branch, Kuala Lumpur).

We, the members of the Executive Board of the Roundtable on Sustainable Palm Oil hereinafter referred to as "RSPO", by virtue of the Authority conferred upon us under the provision of Article 6.1.2 of RSPO's By-laws, do hereby resolve:-

1. *That RSPO shall subscribe for the HSBC's Internet Banking service (hereinafter referred to as the "the services" offered by HSBC Bank Malaysia Berhad (hereinafter referred to as "the Bank) in relation to the account(s) of RSPO as specified in the HSBC's Internet Banking Application Form and in the latest HSBC's Internet Banking – Amendment Request Form (hereinafter referred to as the "IB Services Accounts")*
2. *That the terms set out and particulars completed in the HSBC's Internet Banking Application Form and HSBC's Terms and Conditions for Internet Banking are approved, accepted and adopted in all aspects.*
3. *That any one of the persons whose names appear below (hereinafter referred to as the "Authorised Signatories") to be authorised, on behalf of RSPO to:-*
 - i. *sign HSBC's Internet Banking Application Form*
 - ii. *sign the HSBC's Internet Banking-Amendment Request Form; and*
 - iii. *sign the HSBC's Internet Banking - Authorised Delegates Attachment Form.*

We propose that the authorised delegates be Teoh Cheng Hai and Lim Si Siew. The proposed delegation authority is as follows:

Teoh Cheng Hai:

- i. Enquiry only
- ii. Bill payment, up to the limit of RM 25,000 per transaction
- iii. Third party transfer up to a limit of RM 25,000 per transaction. .

Lim Si Siew:

- i. Enquiry only

4. Membership

4.1 Update on admission of members

RSPO Secretariat: TCH reported that as of 9th December, RSPO has 65 members, of which 50 are Ordinary members. He stated that currently, RSPO membership is dominated by producers and processor and effort should be made to have better representation of the other sectors. Among applications pending approval, TCH stated that ICA AB's and NASH's applications for RSPO Ordinary Membership are long overdue. Although both have undergone the due process and qualify for membership, they have yet to confirm their acceptance. Should the organizations be removed from the RSPO website if they do not confirm their membership by 31st December, 2004?

MPOA: MRC recently held discussions with NASH and was informed that NASH is still not in the position to release its financial data to outsiders.

Unilever: JKV stated that for RSPO to be financially sustainable, RPSO should have 60 Ordinary members and EB would have to make the effort to recruit 10 additional members.

ACTION: RSPO Secretariat to write letters to ICA AB and NASH to inform them that their earlier application will be removed from the RSPO website if they do not respond with feedback by 31 December 2004. Subsequent applications, if any, will be treated as new applications.

ACTION: All to make effort to recruit at least 10 new members; priority should be given to applications by retailers, NGOs and banks.

4.2 Review of process for admission of members

RSPO Secretariat: TCH requested for comments on the proposed flow chart for admitting RSPO members and suggested the need for the establishment of an arbitration board.

DECISION: All agreed with the flow chart and recommended time lines for each process step.

DECISION: All agreed that a 2 week-period for EB members to decide on RSPO membership applications is sufficient. The minimum time for approval of an application for Ordinary membership would be 33 days.

ACTION: All agreed to submit names of alternates to the RSPO Secretariat so that they can be officially included in EB email correspondences. This is to prevent delays in case EB members are unavailable to vote on membership acceptance.

ACTION: RSPO Secretariat to send a copy of the flowchart to GAPKI as DB is unable to access the flowchart file.

Unilever: JKV suggested that the Arbitration Board should consist of the following RSPO members: MPOA, Oxfam, WWF Switzerland, Unilever and one Affiliate Member.

MPOA: MRC proposed Henry Barlow to be the Affiliate Member on the Arbitration Board.

DECISION: All agreed that the Arbitration Board will consist of a representative each from MPOA, Oxfam, WWF Switzerland, Unilever as well as Henry Barlow.

What are the kinds of applicants that we should admit? Leaders only or leaders and laggards?

DECISION: All agreed to admit applicants who fit the minimum requirements laid out by RSPO Statutes and By-laws. These organizations must fulfill their financial obligations and participate actively and contribute to RSPO's principles and objectives.

What action should be taken against members, who after admission, do not live up to the expectations of RSPO?

DECISION: All agreed that the newly-formed Arbitration Board should come up with recommendations. In particular, they should consider what constitutes "serious grounds" for disciplinary action.

What appeal procedure should be put in place, for applicants or members to pursue in the event of a rejection of its application or if action is being taken against a member?

DECISION: All agreed to adopt the procedure below:

- *The appeals procedure should apply to rejected applications, suspension and termination of membership*
- *The right to appeal exists so long as notification of appeal is given to the Secretariat General within 7 days, and an Appeals Form is completed and returned with supporting facts within 14 days*
- *Appeals, and evidence in support of the decision to reject, suspend or terminate membership, should be forwarded by the Secretariat General to an appointed Arbitration Board. The Board should be independent and its composition approved by the RSPO Executive Board*
- *The Arbitration Board's decision is binding, and no claims can be made against RSPO*

4.3 Proposal for periodic reporting by members

RSPO Secretariat: TCH presented the proposed format for six-monthly reporting by members.

Aarhus: IM proposed that RSPO members need only submit progress reports once a year instead of twice a year as proposed by the RSPO Secretariat.

WWF Switzerland: BR agreed with IM's suggestion stating that little progress can be anticipated in half a year. She also suggested additional items to be included in the draft format for reporting progress.

ACTION: WWF Switzerland and other EB members to send comments/amendments to the draft reporting format to the RSPO Secretariat by 31st December, 2004.

Oxfam: LB enquired about the need to verify reports and action plans submitted by RSPO members.

Unilever: JKV responded by saying that since progress reports will be made publicly available on the RSPO website, they will not have to be verified. He also added that it is very difficult to implement strict reporting guidelines due to the wide geographical spread of stakeholders. He suggested that two months before the General Assembly would be a good time to receive members' progress reports.

DECISION: All agreed to postpone decisions pertaining to the progress report, particularly regarding implementation, until EB Members meet physically during the upcoming EB meeting in February 2005. Meanwhile, members should submit comments on the draft format to the Secretariat by 31st December, 2004.

5. Projects

5.1 Update on progress of CWG on criteria development

RSPO Secretariat: TCH requested for EB Members to confirm their attendance during meetings on Carey Island in February 2005.

DECISION: Unilever, Aarhus, MPOA, Cadbury Schweppes, WWF Switzerland, WWF-Indonesia, Oxfam, GAPKI and Migros have confirmed their attendance of meetings to be held in February 2005.

ACTION: Sawit Watch, BodyShop and Fedepalma to confirm their attendance with the RSPO Secretariat.

ACTION: TCH to forward ProForest's request for additional names of CWG consultees and other other action required to EB Members via email.

6. Communications

6.1 Revised RSPO Factsheet – production of multilingual versions

RSPO Secretariat: TCH reported that Migros has produced the German and French versions of the Factsheet. He enquired if other EB members would like to offer to translate the RSPO Factsheet.

ACTION: Fedepalma agreed to translate the RSPO Factsheet to Spanish, while GAPKI would translate it into Bahasa Indonesia.

Owing to time constraints, EB Members agreed to discuss remaining agenda items via email.

6.2 Proposed public forum/briefing sessions

7. Any other matters

7.1 Date of next EB meeting (19 February 2005)

7.2 Strategic directions/plan for RSPO for the next 2 years

Adjournment

The meeting was adjourned at 1410 GMT.

RSPO Secretariat
13 December 2004