

Summary of Fifth Technical SRWG Meeting

The fifth Shared Responsibility Working Group (SRWG) technical meeting (sixth teleconference meeting) was opened at 6PM (MYT), November 26, 2020 by the SRWG co-chair and was attended by the SRWG members, Secretariat staff and Technical Facilitators. The social-NGO representatives sent apologies.

The topic of deforestation was brought to the attention of the SRWG by the environmental-NGO representative WWF. After several discussions, the SRWG agreed to include the topic of grievances relating to SR (proposal for a mechanism) to the next SRWG meeting agenda in January 2021.

The revised timeline was presented to the SRWG, as well as the update on the Secretariat's new SR unit.

Since the last SRWG meeting where the Secretariat's Data Scientist presented the projections and modelling for the percentage uptake for the next year, a Percentage Uptake Targets/ Volumes subgroup was formed, and a subgroup meeting was conducted on November 19, 2020. A summary from the subgroup discussion was presented to the SRWG. The subgroup touched on three questions during their session: (1) Whether to have incentives and sanctions in Year 2, (2) Whether to Include ISCC volumes in setting targets, and (3) Which of the modelled approaches to be taken.

To better understand the market dynamics prior to setting uptake targets, the P&T representatives asked for an offline discussion with the Secretariat. This was to allow them to have further technical input into the modelling particularly to share their knowledge on market realities and dynamics. SRWG members from other sectors were also welcomed to join the offline discussion, but no one took this up. The SRWG agreed for this to go ahead and thanked the P&T representatives for their time. An update from this offline discussion will be provided in the next Percentage Uptake Targets/ Volumes subgroup meeting and to the whole SRWG before the week of January 18, 2021.

The next Percentage Uptake Targets/ Volumes subgroup meeting will be on December 10, 2020 and will include the discussion on the PKO models.

The next SRWG meeting will be on January 21, 2021.

The co-chair thanked everyone for attending the meeting and looks forward to seeing everyone again in 2021.

The meeting was closed at 8.00 PM (MYT).

MINUTES OF MEETING OF RSPO RSPO Shared Responsibility Working Group (SRWG) 5th Technical Meeting

Date: November 26, 2020 (Thursday)

Time: 6 PM to 8 PM (MYT)

Venue: Video Conference (RSPO ZOOM 7)

Attendance:

<p>Members and Alternates</p> <ol style="list-style-type: none"> 1. Girish Deshpande (GD, P&G) 2. Natasha Schwarzbach (NS, PepsiCo) 3. Ilka Peterson (IP, WWF International) 4. Harjinder Kler (HK, HUTAN) 5. Catarina Vivalva (CV, BNP Paribas) 6. Lee Kuan Yee (LKY, KLK) 7. Lim Sian Choo (LSC, Bumitama) 8. Ian Orell (IO, Sime Darby/ NBPOL) 9. Joshua Lim (JL, Wilmar) 10. Ben Vreeburg (BV, Bunge) 11. Julian Walker-Palin (JWP, RPOG) 12. Miho Yamazaki (MY, AEON) <p>Absent with Apologies</p> <ol style="list-style-type: none"> 1. Mariama Diallo (MD, SIAT SA) 2. James Whitehead (JW, FPP) 3. Nursanna Marpaung (NM, HUKATAN) 	<p>Technical Facilitators</p> <ol style="list-style-type: none"> 1. Bilge Daldeniz (BD, Proforest) 2. Aimee Russillo (AR, LiSeed Consulting) <p>RSPO Secretariat</p> <ol style="list-style-type: none"> 1. Inke van der Sluijs (IVDS) 2. Chung Yee Ling (CYL) 3. Imam Marzuq (IM) 4. Yen Hun Sung (HS)
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No	Description	Action Points
1.0	<p><u>Welcome Note</u> The SRWG co-chair welcomed the SRWG members to the meeting. The SRWG members acknowledged the anti-trust statement prior to the meeting.</p> <p>The objectives of the meeting were presented to the SRWG members:</p> <ol style="list-style-type: none"> 1. Getting on the same page since the last call - updates, timelines 2. Present the work on percentage targets 3. Hear from the SRWG on volumes (Homework questions) <p>The agenda of the meeting include:</p> <ol style="list-style-type: none"> 1. Welcome and updates since the last SRWG meeting 2. Shared responsibility and the members Code of Conduct - case example 3. Revised workplan, timeline and implications 4. Recap subgroup percentage uptake target: <ul style="list-style-type: none"> o Status of PKO modelling o Key questions discussed by subgroup 5. The main discussion part of the meeting are: <ul style="list-style-type: none"> o Presentation P&T proposal o Hearing from all sectors o Going back to the key questions o SRWG next steps 	
2.0	<p><u>Deforestation amongst P&T members</u> The WWF representative informed the SRWG about a deforestation case by a P&T member of RSPO and raised the question as to why no provisions had been made in SR with regards to deforestation.</p> <p>A subsidiary of a RSPO member has cleared large areas of rainforest to build a palm oil refinery.</p>	<ol style="list-style-type: none"> 1. The topic of grievance mechanism for SR to be added to the next SRWG meeting agenda (January 21, 2021). 2. Include deforestation requirements as part of Year 1 review and recommendations for Year 2.

	<p>A large area of HCV forest and mangrove forest were cleared in Indonesia. The problem encountered was that the P&C 2018 only applies to the mill with its supply base. Currently, there are no criteria in the Supply Chain Certification Standard stipulating no deforestation requirements. According to the E-NGO representative, this case violates Clause 3.2 of the RSPO Code of Conduct. The E-NGO representative questioned, what does the Shared Responsibility mean for a case like this, and what can the SRWG do to stop deforestation and avoid similar cases?</p> <p>The SRWG was surprised that deforestation had not been included in the Shared Responsibility requirements. The Technical Facilitators reminded the SRWG on the process of developing the SR requirements and encouraged the SRWG to have the topic considered in the Year 1 review and recommendations for Year 2.</p> <p>A SRWG member commented that members are expected to apply the policy enterprise-wide, not just operational-wide. Another SRWG member commented that the SRWG has to be careful about mission creep for the Shared Responsibility, otherwise they could potentially find themselves receiving potential grievances. The frustration on the case is understood, but it should be further discussed if the SRWG should be receiving grievances as the working group does not have the power to act on it. Further discussion on a grievance mechanism for SR will be added to the next meeting in January 2021.</p>	
<p>3.0</p>	<p><u>Revised SRWG Process 2020/2021</u></p> <p>The SRWG has been working on the percentage uptake review since mid-November 2020, and this is expected to complete in mid-January 2021. The alignment on the Implementation Manual is also expected to complete in mid-January 2021, and the Technical Facilitators had already gathered feedback from the Secretariat on the existing systems and processes.</p> <p>The progress on the Implementation Manual and uptake targets will be presented during the next SRWG meeting on January 21, 2021 with the final recommendations for the BoG in February 2021.</p>	<p>1. The next SRWG meeting will be on January 21, 2021.</p>

	<p>The onboarding on the Secretariat’s SR unit is expected to begin in January 2021. The new unit will assist the SRWG during the working of the Year 1 Review and Year 2 Work Plan (February/ March 2021). The review and the workplan are expected to address the open-ended questions on SR by then, prior to the public consultation. The Secretariat Communication team will be leading the work on communications during the process.</p>	
<p>4.0</p>	<p><u>Percentage Uptake Targets/ Volumes Subgroup Recap</u> An update on the Percentage Uptake Targets/ Volumes subgroup was shared with the SRWG prior to the meeting. The role of the subgroup is as per the mandate of the BoG, to provide recommendations for the Year 2 targets. The subgroup did not discuss the Credit statement and the PKO model. The Secretariat’s Data Scientist is currently developing the PKO model, at the request of the SRWG. Further discussion on the PKO model will commence during the next subgroup meeting on December 10, 2020.</p> <p>The key questions raised by the subgroup are:</p> <ol style="list-style-type: none"> 1. Whether to have incentives and sanctions in Year 2 2. Whether to Include ISCC in setting targets <p>Which approach to be taken - conservative, base or optimistic</p>	<ol style="list-style-type: none"> 1. Next Percentage Uptake Targets/ Volumes subgroup meeting will be on December 10, 2020. 2. The subgroup will discuss the PKO model during the meeting in December 2020.
<p>5.0</p>	<p><u>Whether to have incentives and sanctions in Year 2</u> The subgroup acknowledged that 2020 is an unusual year. Due to the pandemic and the 3 months pause requested by the new CEO, there is a delay in the SR progress, and this has postponed the public consultation to 2021. Therefore, the proposal for incentives and sanctions will not go through public consultation before Year 2 starts. The items that will still be continued as planned by the SRWG include the implementation of SR, M&E, communication plans, ACOP reporting and setting the targets.</p>	<ol style="list-style-type: none"> 1. The subgroup proposed that there will not be incentives and sanctions for Year 2.

	<p>The subgroup recommended this will provide a justifiable approach as it gives them an opportunity to look into the details of quality assurance checks. They suggested to add a justification section in ACOP for members that are unable to meet the targets.</p>	
6.0	<p><u>Whether to Include ISCC in setting targets?</u> After several discussions, the subgroup felt that the supply volume is still available as RSPO even if it is sold as ISCC. The goal is to achieve 100% RSPO uptake, and they agreed that this can be influenced by the SRWG. They felt that it would be more appropriate to take that as a balancing target, with a higher/ bigger pie. In conclusion, the model should focus on the RSPO CSPO supply available, which includes all volumes, regardless of how it is sold. The P&T representatives have shared their view about taking sales as ISCC into account because this is the reality of the market.</p>	<ol style="list-style-type: none"> 1. The subgroup felt that it would be more appropriate for the model to focus on the RSPO CSPO supply available, which includes all volumes, regardless of how it is sold.
7.0	<p><u>Which approach to be taken: conservative, base or optimistic?</u> The base approach was taken in 2019 for the targets. With further uncertainty from Covid-19 and the global economic situation, it might be more prudent to take the conservative approach, or it could be bold in demonstrating leadership. The conclusion was that the optimistic scenario was not mentioned by any of the subgroup members, and the conservative and base scenarios were seen as more appropriate.</p>	<ol style="list-style-type: none"> 1. The subgroup agreed that the conservative and base scenarios were seen as more appropriate.
8.0	<p><u>Proposal from the P&T Representatives</u> To better understand the market dynamics prior to setting uptake targets, the P&T representatives asked for an offline discussion with the Secretariat. This was to allow them to have further technical input into the modelling particularly to share their knowledge on market realities and dynamics so the SRWG can focus on other elements of SR. The offline discussion will gather advice and expertise from members who are familiar with numbers and the market dynamics, before reporting to the SRWG. SRWG members from other sectors were also welcomed to join the offline discussion, but no one took this up. After several discussions and clarifications, the SRWG agreed to better understand how the market works, where the demand is, how it will impact uptakes, prior to setting meaningful targets.</p>	<ol style="list-style-type: none"> 1. To better understand the market dynamics, the P&T representatives volunteered themselves in a thorough offline discussion with the Secretariat on numbers and targets. 2. The P&T representatives will provide their feedback to the SRWG before the week of January 18, 2021.

	<p>The offline discussion will help the percentage uptake target to reflect the reality of a sustainable solution for the whole value chain.</p> <p>The SRWG thanked the P&T representatives for their time in helping the SRWG to better understand the dynamics of the market. The P&T representatives will provide their feedback to the SRWG before the week of January 18, 2021.</p> <p>A SRWG member requested a list of the non-uptake remit of SR and suggested presenting the list and current progress in every SRWG meeting. The VENN diagram of the SR requirement was presented to the SRWG, and the role of each sector was explained.</p>	
9.0	<p><u>Next Steps</u> The next SRWG meeting will be on Jan 21, 2021.</p> <p>The percentage uptake subgroup will meet on Dec 10, 2020.</p>	<ol style="list-style-type: none"> 1. Inke will get back to the SRWG on the timeline for the different work streams.
10.0	<p><u>Closing Remarks</u> The co-chair thanked everyone for attending the meeting and look forward to seeing everyone again in 2021 during the next SRWG meeting.</p>	<ol style="list-style-type: none"> 1. The next SRWG meeting will be on January 21, 2021.