

Minutes for BOARD OF GOVERNORS MEETING 02-16

Date: 7th March 2016

Start Time: 9am (07/03)

Venue: Renaissance Hotel (Kuala Lumpur)

Attendance

BoG Members and Alternates

MPOA - Carl Bek Nielsen (CBN) – Co-Chair
WWF – Adam Harrison (AH)
GOODHOPE – Edi Suhardi (ES)
AAK – Tim Stephenson (TS)
BOTHENDS - Paul Wolvekamp (PW)
FAUNA & FLORA INTERNATIONAL –
Darmawan Liswanto (DL)
FGVHB – S. Palaniappan (SP)
FELDA – Norazam bin Abdul Hameed (NA) : *(2)
HSBC – Ian Hay (IH)
IOI – Ben Vreeburg (BV)
IOI– Yeo Lee Nya (YLN)
MARKS & SPENCER – Fiona Wheatley (FW)
MONDELEZ – Jonathan Horrell (JH)
MPOA – Dr. Ruslan Bin Abdullah (RA)
OLAM – Audrey Lee (AL)
OXFAM – Johan Verburg (JV)
OXFAM – Taufiqul Mujib (TM)
RABOBANK – Geraldine Lim (GL)
UNIVANICH – John Clendon (JC)
MUSIM MAS – Dr. Gan Lian Tiong (GLT)
SIPEF – Olivier Tichit (OT)
VERITE ASIA – Daryll Delgado (DD)
WRI – Anne Rosenbarger (AR)

With Apologies

UNILEVER - Biswaranjan Sen (BW) – Co-Chair
AAK – Martin Craven (MC)
AGROPALMA – Marcello Brito (MB)
HSBC – John Laidlow (JL)
MONDELEZ - Sridhar V. (SV)
AHOLD – Hugo Byrnes (HB)
RABOBANK – Thomas Ursem (TU)
RPOG – Belinda Howell (BH)
ZSL – Leonie Lawrence (LL)
Secretariat Staff - Sanath Kumar (SK)

RSPO Advisors

Prof. Bungaran Saragih (BS)
MR Chandran (MRC)

Secretariat Staff

Darrel Webber (DW)
Patrick Chia (PC)
SalahudinYaacob (SY)
Stefano Savi (SS)
Tiur Rumondang (TR)
Yohanes Ryan (YR)
Cheri Woo (CW)

Other Invited Guest

Note - *

1 - Attendance up to 12PM on the 7th March 2016

2 - Attended only after 12PM on the 7th March 2016

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Item	Description	Focal Point																														
1.0	<p>Introduction</p> <p>1.1 RSPO Antitrust Laws. There will be no discussion on any commercial aspect of the trade in palm oil on premiums, volumes, individual suppliers, individual customers, etc.</p> <p>1.2 RSPO BoG consensus based decision making. The BoG was reminded that they try to reach/make decision by consensus which is the absence of sustained opposition.</p> <p>1.3 Approval of Minutes of previous meeting BoG 04-15 and BoG 01-16 Minutes have been approved.</p>	<p>DW</p> <p>DW</p> <p>DW</p>																														
2.0	<p>RSPO NEXT</p> <p>2.1 YR updated the board on the progress of RSPO NEXT. It was launched on 9 Feb 2016 and the RSPO have taken steps in developing technical guidance for certification bodies.</p> <p>2.2 Below would be the technical department’s calendar outreach to members and Certification Bodies.</p> <table border="1" data-bbox="268 1093 1259 1693"> <thead> <tr> <th>Date</th> <th>Target Audience</th> <th>Activity</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Jan 2016</td> <td>Certification Bodies</td> <td>Workshop</td> <td>Bandung</td> </tr> <tr> <td rowspan="2">Feb 2016</td> <td>Indonesian Members</td> <td>Update and briefing session</td> <td>Jakarta</td> </tr> <tr> <td>Certification Bodies</td> <td>On line survey to get to know what CB needs in order to guide them during the audit periods.</td> <td></td> </tr> <tr> <td>Apr 2016</td> <td>Certification Bodies</td> <td>workshop & audit training</td> <td>Malacca</td> </tr> <tr> <td rowspan="2">Jun 2016</td> <td>Supply Chain Members</td> <td>Outreach to members</td> <td>EU</td> </tr> <tr> <td>Members</td> <td>Outreach to members</td> <td>Malaysia & Indonesia</td> </tr> <tr> <td>Aug 2016</td> <td>Members</td> <td>Outreach to members</td> <td>Latin America</td> </tr> </tbody> </table> <p>2.3 JH shared the following legal findings with the board:</p> <ul style="list-style-type: none"> i. The current advice from RSPO lawyer refers to minimum pricing for palm oil certificates, instead of book & claim certificates for CSPO. This is fundamentally incorrect. ii. Minimum pricing of CSPO would be considered to be a risk in relation to the EU Antitrust law. iii. The advice received gave a theoretical analysis that the risk the competition law would be justified because of the sustainability 	Date	Target Audience	Activity	Location	Jan 2016	Certification Bodies	Workshop	Bandung	Feb 2016	Indonesian Members	Update and briefing session	Jakarta	Certification Bodies	On line survey to get to know what CB needs in order to guide them during the audit periods.		Apr 2016	Certification Bodies	workshop & audit training	Malacca	Jun 2016	Supply Chain Members	Outreach to members	EU	Members	Outreach to members	Malaysia & Indonesia	Aug 2016	Members	Outreach to members	Latin America	<p>YR</p> <p>JH</p>
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	<p>objective of the proposal and the lawyers indicated that theoretical analysis is not sufficient in this case because of the nature of the risk presented and furthermore the detail of the economic analysis would be required. Furthermore, the impact on downstream consumers is likely to be minimal.</p>	
2.4	<p>On the issue of Antitrust for pricing under the US law, the economic analysis was presented to the European Commission that evidence would also be helpful in requesting a letter from US department of justice which would be in the form of a business review letter.</p>	JH
2.5	<p>The collection of forward data, appropriately handled, is not considered to present a risk.</p>	JH
2.6	<p>The documents sent out on RSPO NEXT does not include the minimum price issue.</p>	DW
2.7	<p>In terms of minimum pricing, SP feels that the smallholders would most likely to be affected in comparison with the big players and suggest that there may be a need to protect the smallholders in some way within the ceiling of minimum pricing.</p>	SP
2.8	<p>ES expressed that Indonesian growers wants speedy implementation of RSPO NEXT.</p> <p>Decision:</p> <p>The legal advice received by JH should be passed on to the Trade & Traceability (T&T) Standing Committee.</p> <p>The T&T should revert back to the RSPO Board of Governors by May 2016 as to how it would like to move forward on the matter of having minimum price for book & claim certificates.</p>	ES
3.0	<p>Finance and Administration Financial Updates</p>	
3.1	<p>PC presented on the financials for the period ended 31 December 2015. Key highlights are as follows:</p> <ul style="list-style-type: none"> ▪ Ringgit remains weak, contributing to higher revenue and foreign exchange gains. ▪ RSPO Group accounts continue to maintain strong financial position with net assets of RM47.8 million and cash balances of RM48.2 million including foreign currency balances amounting to the equivalent of RM30.3 million. ▪ Improvement in project spending at up to 41% of budgeted expenditure as at Dec 2015. (YoY spending as at Dec 2014 was 21%) ▪ Secretariat expansion progressing slower than budget but the Secretariat is expected to complete planned recruitment by Q4 FY 2016. 	PC

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<p>3.2</p>	<p>Results of Q1 FY 2016 PC reported on the results for Q2 FY 2016 with the following key points:</p> <ul style="list-style-type: none"> i) Operating surplus was RM11.7 million for the period with income amounting to RM21.4 million, operating cost at RM5.3 million, foreign exchange gain of RM2.8 million and project costs at RM7.2 million. ii) Income for the period include Subscription Fees of RM5.8 million and contribution from sustainable palm oil trade of RM15.4 million. RSPO membership had increased to 2,583 members as at 31 December 2015, with 1,261 Ordinary members, 107 Affiliates and 1,215 Associate members. While membership number did increase YoY, the weak Ringgit also partially contribute to the YoY increase in Subscription Fees. iii) Contributions from CSPO trade saw a 30% YoY increase in Q2 FY 2016 amounting to USD3.66 million resulting in translated income Ringgit of RM15.4 million (Q2 FY2015: RM9.1 million), The disproportionate increase in Ringgit income is due to the depreciation of the Ringgit compared to Dec 2014 of approximately 30%. iv) Operating costs for the period amounting to RM5.3 million consist mainly of staff cost and the Secretariat continues to hire more staff according to planned expansion. Project costs for the period amounted to RM7.2 million (YoY Dec 2014: RM3.9 million) or 41% of budget. v) Subscriptions Due as at 31 December 2015 was RM2.9 million (Jun 2015: RM2.8 million). The Finance Department is continuing its efforts to collect long outstanding debts and a Payment Reminder system has been implemented in Dec 2015. vi) Cash balances as at 31 December 2015 totalling RM48.2 million include foreign currency balances of USD4.2 million and EUR2.6 million and RM16.8 million placed in term deposits. vii) Net assets as at 31 December 2015 was RM47.8 million is represented by Members Fund of RM27 million, Smallholders Fund of RM12.1 million and Special Projects Fund of RM8.7 million. viii) Disbursements to smallholder related projects for period amounted to RM1 million and include payment for co-funding of the High Res Mapping under Jurisdictional Certification in Sabah of USD100,000 (Total Funding of USD300,000). The contracted commitments for smallholder projects was RM1 million and projects conditionally approved amounted to RM2 million. 	
<p>3.3</p>	<p>HR Related Matters - Staff Movements</p> <p>The Secretariat to date has a total of 43 full time employees and 4 contract staff/consultants in all its offices. Based on the proposed reorganisation of the Secretariat, the total headcount has been budgeted to be at 63 by the end of the current financial year.</p>	<p>PC</p>

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	During the H1 FY2016, there were 7 new hires in KL Office, 2 in Indonesia RRO, and one each in Europe, China and India. Recruitment process is ongoing and the Secretariat is looking to fill 8 positions in KL Office, 2 in Indonesia, one in Europe, 2 in Latin America and one each in US and Africa.	
4.0	Resolution 6G - GA11 Transparency in plantation concession boundaries (concession map submission) Update on Electronic Mapping – Indonesia	
4.1	TR gave the board members an update in a chronological order of the progress on following up with the Indonesian government in pursuance of electronic mapping issues in Indonesia.	TR
4.2	RSPO need to seek approval from the Indonesian authorities if there is an intention to publish these maps.	TR
4.3	There is no clear statement through single law or regulation could explain to RSPO if e-map publication is simply allowed or prohibited.	TR
4.4	ES requested RSPO to retract the statement (seen in the RSPO website) to withdraw the requirement for the Indonesian Growers to submit the maps.	ES
4.5	TR clarified that submission is permitted as long the organisation does not transfer or reproduce the information of the map that they have gotten from the BPN.	TR
4.6	JH highlighted the importance for RSPO to engage more governmental involvement that will not only help build the credibility of the growers but will also solve a lot of hindrance of RSPO. This is seconded by JV.	JH,JV
4.7	CBN stated that whilst several Malaysian growers had the e-maps available and were ready to release these they would not be submitting the maps until there is clarity with regards to the legal permission by the government of Malaysia to submit these maps.	CBN
	Decision:	
	Indonesia TR will communicate guidelines to the Indonesian growers in terms of what they have to submit in relation to the resolution 6G (of GA11) on Electronic Maps. This will be communicated via a letter reminding members to submit their electronic maps.	TR
	Malaysia Individual grower(s) of RSPO and DW will seek audience with Ministry of Plantation Industries & Commodities, Malaysia (MPIC). To seek collaboration in producing a Cabinet paper on e-mapping in order to get clarity on legality of publishing concession maps of RSPO members.	DW

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<p>5.0</p> <p>5.1</p>	<p>Standard and Certification Standing Committee/Technical Department</p> <p>Indonesian National Interpretation [Endorsing the Indonesian National Interpretation of RSPO P&C (2013)]</p> <p>RSPO P&C 2013 is effective after ratification by the RSPO General Assembly in May 2013. Following requirements, National Interpretation (NIs) must be revised to be fully consistent with the P&C 2013 requirement after ratification.</p> <p>For Indonesia, the Indonesian NI Task Force has completed the draft NI and has forwarded it to the RSPO Secretariat for endorsement. Following procedures, the document has been submitted to the Standard & Certification Standing Committee (S&CSC) for their review and endorsement.</p> <p>Decision</p> <p>Indonesian growers will be providing advance clarification of remaining concerns.</p> <p>The Standing Committee Members has found that there are still elements to be ironed out and that the Indonesian NI Task Force will be holding a meeting with the NGO members of the standing committee on 1st week of April 2016.</p>	<p>SY</p> <p>ES/AH</p> <p>AH/SY</p>
<p>5.2</p> <p>5.2.1</p> <p>5.2.2</p> <p>5.2.3</p> <p>5.2.4</p>	<p>Group certification document</p> <p>Endorsement of the RSPO Management System Requirements and Guidance for Group Certification of FFB Production draft document (Version 5, February 2016), as replacement to the RSPO Group Certification Standards and other smallholders related certification documents.</p> <p>In November 2015, the draft ‘Group Certification’ document was tabled for endorsement at the board meeting. Some board members raised concerns with the document, particularly on the following issues:</p> <ul style="list-style-type: none"> a) the perceived reduction on responsibility of company in bringing schemed/associated smallholders and out growers to certification if they are allowed to be certified under the Group Certification; b) potential loophole for allowing medium grower (grower with 50-500 ha size plantation) to the same requirement as the smallholders. <p>The BoG has decided that a sub-committee comprising of the following BoG members [Grower BoG member (Malaysia, Indonesia, ROWs) and eNGO - WWF], the SHWG Co-Leaders and the Secretariat be formed to discuss and resolve the concern raised and report back at the next BoG meeting. Since then the sub-committee has had discussion through teleconferences plus exchange of emails.</p> <p>This latest revised draft of the RSPO Management System Requirements and Guidance for Group Certification of FFB Production draft document (Version 5, February 2016) is now presented to the Board for endorsement.</p>	<p>SY</p>

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<p>5.5.2</p> <p>5.5.3</p> <p>5.5.4</p> <p>5.5.5</p> <p>5.5.6</p> <p>5.5.7</p> <p>5.5.8</p> <p>5.5.9</p> <p>5.5.10</p>	<ul style="list-style-type: none"> • NaturaCert – P&C and SCCS • SCS Global Services – P&C and SCCS • SGS Indonesia – P&C and SCCS <p>In addition, there are two potential CB's, Nepcom and Icontec, who has made contact and indicate their interest in RSPO scheme. Both organisations are having high profile and operates globally.</p> <p>As at 31 December 2015, two (2) certification bodies i.e. PT Mutuagung Lestari & Control Union have been suspended for 6 months due to major non-compliance matters discovered before 1 July 2016.</p> <p>ASI has also withdrawn the accreditation of SGS Malaysia. It was not made public they have breach the accreditation requirement and the agreement. Moreover, they have been twice suspended by ASI. Hence SGS Malaysia would no longer be permitted to do the following:</p> <ul style="list-style-type: none"> • Issue new certificates; • Re-issue certificates; • Conduct initial assessments, surveillance assessments as well as NPP verification; • Make claims associating themselves with the RSPO scheme. <p>ASI have also made an announcement to provide guidance on how to transfer certificate(s) with the aim of providing a smooth transfer with minimal impact to the certificate holder. The certificate holder will be given three months to transfer the certificates to the new certification body. ASI will extend the validity of these certificates.</p> <p>The decision to terminate or to suspend the certification body is determined by ASI. RSPO has requested them to be more lenient. Rest assured, there would be sufficient certification body's available reason being of the lifting of suspension of the older certification bodies and also more certification bodies are coming on-board.</p> <p>ES urged the board to extend the SGS certificates to 6 months to allow some consideration for the growers to find a new certification body. The duration of three (3 months) timeline is insufficient. The insufficient time of 3 months was seconded by YLN & GLT.</p> <p>AL have request the secretariat to provide a biweekly progress report on the certificates of transfer of the members. This report will depict the urgency for the secretariat to understand and follow through the members' certificate transfer situation.</p> <p>For future accreditation process, the secretariat should discuss with ASI on whether there is a possibility to maintain the validity of the certificates until the next surveillance audit comes by.</p> <p>YLN disclosed to the board that some current Certification Bodies are hesitant to take over the Certificates from SGS Malaysia as they themselves are uncertain of the whole process of taking over as they are very insecure and want to get into trouble with ASI. Hence the 90 days may not be</p>	<p></p> <p></p> <p></p> <p></p> <p>DW</p> <p>ES</p> <p>AL/DW</p> <p>AL</p> <p>YLN</p>
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	<p>adequate. Moreover, the grower also faces insufficient manpower timing issue to redo the audit in the field with new Certification Body, as audits are often planned a year ahead.</p> <p>CBN pointed out that growers were not against any certification body who can take over and recertify them. The challenge is, are there adequate credible worthy certification bodies to recertify these certified growers as many growers have now been placed in a most unbecoming position to the shortage of accredited certification bodies. CBN opined that it was for the RSPO to help these growers overcome this dilemma.</p> <p>Conclusion:</p> <p>The Board will support ASI for the temporary 3 months extension, during which time the secretariat will collect data to help to support if in the event, a situation should arise that a grower was not able to get hold of any Certification Bodies and are at risk to lose their annual recertification of the RSPO certificate. There is a possibility that such growers will apply & appeal for a new extension should such a situation arise.</p> <p>The RSPO secretariat should monitor the progress of growers transferring to other Certification Bodies. The Secretariat should report this progress within 6 weeks. The RSPO has an obligation to assist Growers that have documented that they have tried, but failed to move to new Certification Bodies.</p>	<p>CBN</p> <p>CBN</p> <p>SY</p>
6.0	Communications Update	
6.1	RSPO NEXT	
6.1.1	<p>The Secretariat have worked with the different Outreach and Engagement offices, through communication agencies H&K, Varyacom and Edelman to spread the news of publication of RSPO NEXT in Europe & Asia:</p> <ol style="list-style-type: none"> 1) 26 Publications & 29 Articles about RSPO NEXT in South East Asia 2) 47 Publications & 60 News Articles in Europe 3) 12 Publications & 18 News Articles in other regions across the globe Rest of the World 	SS
6.1.2	There are new markets in Europe where (e.g. in Italy), the palm oil debate getting more mature.	
6.1.3	MRC feels that the RSPO needs to respond to the French government's move to impose a tax on palm oil used in food from 2017. The French government is also unwilling to differentiate between certified sustainable palm and mainstream palm oil.	MRC
6.1.4	SS explains that RSPO is advised by the French Sustainable Palm Oil Alliance against engaging directly on the issue.	SS
6.1.5	ES suggest to communicate the RSPO NEXT within the region of Indonesia in a more subtle manner, i.e. from members to members. This is to take	ES

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<p>6.1.6</p> <p>6.1.7</p> <p>6.1.8</p> <p>6.1.9</p>	<p>cognisance of the current sensitivities in Indonesia on topics such as no-deforestation.</p> <p>SS commented that some companies already have “No deforestation”. Through RSPO NEXT, we are offering a voluntary avenue for verification of existing commitments, not directly pushing for new commitments.</p> <p>AR proposed that we need to communicate with the Indonesian government and inform them of our comprehensive smallholder strategy & if there is a need, the RSPO will work hand in hand with the Indonesian government to coordinate policies towards smallholders needs.</p> <p>JV accentuated that we need a more sophisticated communication strategy to promote more active RSPO NEXT strategy, amplifying that RSPO NEXT’s “No deforestation” policy is no exploitation and very pro smallholders.</p> <p>CBN highlighted that RSPO NEXT should also communicate on commensurate effort between growers and buyers as this was a vital element in the RSPO Next certification scheme.</p>	<p>SS</p> <p>AR</p> <p>JV</p> <p>CBN/SS</p>
<p>6.2</p> <p>6.2.1</p>	<p>EURT update</p> <p>EURT and its related events are scheduled to take place in in Il Sole 24 Ore headquarters, Milan at the following dates:</p> <ul style="list-style-type: none"> i. EURT 2016 - 9 June 2016 ii. The Board of Governors meeting - 8 June 2016. iii. The Cocktail Reception & Side Meetings – 8 June 2016 	<p>SS</p>
<p>6.3</p> <p>6.3.1</p> <p>6.3.2</p> <p>6.3.3</p>	<p>Resolution 6c-Resolution to amend the RSPO Code of Conduct to include Guidelines on Members’ Claims</p> <p>Negative Claims</p> <p>RSPO is active via webinars, social media & newsletter to remind members’ of what are the changes in the RSPO regulations both in terms of the code of conduct and the Communications and claims document which is effective from 1 Sep 2016 - clearly stating what is not allowed.</p> <p>With effect from 1 Sept 2016, all Certification Bodies would be checking on the claims of all certified members which is something required by the RSPO rules on Communications & Claims document. In short, retail members & consumer goods manufacturer members will have to submit all palm oil related claims to the Certification Bodies for verification.</p> <p>The growers would like to appeal to the consumer goods manufacturers, the retailers and the NGOs to assist in influencing those whom are creating the highly damaging & eroding moves by incessantly advocating a “no palm oil label” while they are RSPO members. CBN stated that this was seen by the grower fraternity as being extremely hypocritical and that it was now time for the consumer goods manufacturers, the retailers, brand holders to assert pressure on to those who openly apply the “no palm oil label” whilst being</p>	<p>SS</p> <p>CBN / Secretariat</p>

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<p>6.3.4</p> <p>6.3.5</p>	<p>RSPO members. CBN wished that this be monitored by the Secretariat and that action be taken on any members who clearly violated the code of conduct/spirit of the RSPO in tune with the resolution passed at the last General Assembly in November 2014. He wished for an update at the forthcoming BoG meeting.</p> <p>BS proposes to change in the way we communicate particularly stressing on using Sustainable Palm Oil. This is seconded by PW.</p> <p>PW highlighted that there is a need to communicate with the government underlining the fact that RSPO is indeed offering remedies to many surrounding issues.</p>	<p>BS</p> <p>PW</p>
<p>6.4</p> <p>6.4.1</p> <p>6.4.2</p> <p>6.4.3</p>	<p>ISPO-RSPO news update</p> <p>TR updated the board on the cooperation agreement signed between the RSPO & ISPO as a step to synergize the principles and criteria (P&C) of ISPO & RSPO in Indonesia, as well as to implore other possibility of related technical cooperation.</p> <p>The project under this agreement entitled “An Independent Study on Commonalities and Differences of ISPO P&C with RSPO P&C” is a joint study to identify similarities & differences to define possible efficiency of audits.</p> <p>The period of study was conducted by Mutuagung Lestari from November 2013 to October 2015 and was launched in Indonesia on February 17, 2016 with the following objectives and methodology.</p> <p>Objectives</p> <ul style="list-style-type: none"> ▪ Investigate both the similar and dissimilar elements contained in the ISPO and the RSPO P&C and their certification systems. ▪ Determine the possibility of achieving greater time efficiencies for audits and certification processes through a combined ISPO and RSPO audit. ▪ Provide recommendations for future cooperation between the ISPO and the RSPO certification systems. <p>Methodology</p> <ul style="list-style-type: none"> ▪ A comparison of the revised Minister of Agriculture Regulation Number 11 of 2015 with the RSPO Principles and Criteria 2013 National Interpretation for Indonesia. ▪ Consultation with various stakeholders ▪ Cross-referencing and comparative data analysis approach 	<p>TR</p>

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6.4.5	<p>Main Findings and Recommendation</p> <table border="1" data-bbox="268 280 1220 1344"> <thead> <tr> <th data-bbox="268 280 742 313">ISPO</th> <th data-bbox="746 280 1220 313">RSPO</th> </tr> </thead> <tbody> <tr> <td data-bbox="268 320 742 533">ISPO requires oil palm plantation companies to firstly obtain and pass the Plantation Business Assessment and obtain a Class I, II or III grade</td> <td data-bbox="746 320 1220 533">The implementation of the RSPO standard is mandatory for members.</td> </tr> <tr> <td data-bbox="268 539 742 683">ISPO indicators are major and compulsory since they are linked to existing regulations.</td> <td data-bbox="746 539 1220 683">The RSPO categorizes minor and major indicators</td> </tr> <tr> <td data-bbox="268 689 742 1086">ISPO requires oil palm plantation development in Indonesia after Presidential Instruction Number 10 of 2011 regarding the Postponement of the Issuance of New Licenses and Improvement of Governance of Primary Natural Forest and Peatland to follow the indicative map of postponing new permits</td> <td data-bbox="746 689 1220 1086">The RSPO does not allow new plantings on converted primary forests, HCV and High Carbon Stock (HCS) areas and other areas where the developer has not obtained the FPIC of indigenous and local peoples</td> </tr> <tr> <td data-bbox="268 1093 742 1344">ISPO only provides certification for companies that have legally approved land plantation (HGU license), while land without a HGU expressed as unsustainable.</td> <td data-bbox="746 1093 1220 1344">The RSPO provides certification for plantation who have permit and companies who are comply with national and district laws and regulations, including obtaining HGU license.</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 1) Both the ISPO and the RSPO aim to contribute to a reduction in the loss of forest coverage and require the identification and reduction of carbon stock emissions before land clearing with the aim to reduce GHG from land use change. 2) The many common elements required by both certification systems can be used as the basis to conduct a combined, more efficient ISPO and RSPO audit on plantation companies with an auditor that understands both systems' P&Cs as well as their differences. 3) It is recommended by Mutuagung that both organizations conduct further investigations on the differences outlined in this study, so that both organizations can issue audit guidelines along with a checklist to be used as a guide for the implementation of a combined ISPO and RSPO plantation audit. 	ISPO	RSPO	ISPO requires oil palm plantation companies to firstly obtain and pass the Plantation Business Assessment and obtain a Class I, II or III grade	The implementation of the RSPO standard is mandatory for members.	ISPO indicators are major and compulsory since they are linked to existing regulations.	The RSPO categorizes minor and major indicators	ISPO requires oil palm plantation development in Indonesia after Presidential Instruction Number 10 of 2011 regarding the Postponement of the Issuance of New Licenses and Improvement of Governance of Primary Natural Forest and Peatland to follow the indicative map of postponing new permits	The RSPO does not allow new plantings on converted primary forests, HCV and High Carbon Stock (HCS) areas and other areas where the developer has not obtained the FPIC of indigenous and local peoples	ISPO only provides certification for companies that have legally approved land plantation (HGU license), while land without a HGU expressed as unsustainable.	The RSPO provides certification for plantation who have permit and companies who are comply with national and district laws and regulations, including obtaining HGU license.	
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ISPO requires oil palm plantation development in Indonesia after Presidential Instruction Number 10 of 2011 regarding the Postponement of the Issuance of New Licenses and Improvement of Governance of Primary Natural Forest and Peatland to follow the indicative map of postponing new permits	The RSPO does not allow new plantings on converted primary forests, HCV and High Carbon Stock (HCS) areas and other areas where the developer has not obtained the FPIC of indigenous and local peoples											
ISPO only provides certification for companies that have legally approved land plantation (HGU license), while land without a HGU expressed as unsustainable.	The RSPO provides certification for plantation who have permit and companies who are comply with national and district laws and regulations, including obtaining HGU license.											

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6.4.6	Main Differences		
High conservation value	ISPO Location of Protected Areas is determined and regulated by the government based on specific value criteria that are to be protected. Such areas cannot fall within areas zoned for cultivation under spatial planning processes, except along riparian and watershed or water source areas.	RSPO HCV areas are determined based on the results of an HCV assessment process within a designated area using the 2008 HCV Toolkit	
Free Prior and Informed Consent (FPIC)	If there is conflict within the area allocated for plantation development, regulations allow for this land to be enclaved and development may proceed whilst the landowner's complaint can be addressed and resolved through a process of consultation, mediation and discussion.	If there is conflict, the development will be postponed until agreement obtained.	
New Planting Procedures	The ISPO Certification System does not use the NPP of the RSPO but requires companies to undertake an AMDAL (Environmental Impact Assessment - EIA) study in which the requirements concerning environmental protection and relevant community socio-economic elements are accommodated and planned for as part of the AMDAL.	NPPs must be carried out before land clearing commences for oil palm plantation development which includes HCV identification, a social impact assessment (SIA), primary forest identification, community and marginal soil land identification, and identification of land areas with high carbon stocks.	
Green House Gas Emission	ISPO has one formula to calculate GHG emissions which is adopted from the EU RED Annex 5 formula	The RSPO has two GHG calculation methodologies, which are the Palm GHG Calculator and the RSPO RED formula which is adopted from the EU RED Annex 5 formula	

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<p>6.5</p> <p>6.5.1</p> <p>6.5.2</p> <p>6.5.3</p>	<p>Resolution 6f-Resolution for a comprehensive smallholder strategy</p> <p>YR updated the board on the progress of the Smallholder Strategy whereby at the initial stage, the secretariat would be conducting a workshop locally on 8 March 2016 with an intention to discuss and understand the essence of the resolution and what is the expected outcome whilst also to look at the current system employed in RSPO in managing this issue. Subsequently, more workshops would be conducted abroad to further understand issues faced by smallholders' certification and beyond.</p> <p>YR cited that the smallholder strategy would be ready by November 2016.</p> <p>TS was very supportive of YR's effort in crafting the smallholders strategy, in offering a solution to overcome issues of sustainability within the smallholders group where the RSPO was not successful to address this matter over the years.</p>	<p>YR</p> <p>YR</p> <p>TS</p>
<p>6.6</p> <p>6.6.1</p> <p>6.6.2</p>	<p>Resolution 6g-Resolution to improve the ACOP reporting process</p> <p>The secretariat was in touch with ZSL & WRI in regards to this matter. At present, the secretariat is referring back to the submitters of the resolution for a list of points that they would like to see assessed with this review, as the resolution was quite broad. It is important to have a list of points from the submitters to understand that these are task(s) can be taken internally within the secretariat for which we may need to ask for outsourcing. ZSL would be able to send the list of points to the secretariat within the next 2-3 weeks.</p> <p>It would not possible to review the form by 15 April 2016 but definitely have it ready by the next reporting period 2017.</p>	<p>SS</p> <p>SS</p>
<p>6.7</p> <p>6.7.1</p> <p>6.7.2</p> <p>6.7.3</p> <p>6.7.4</p> <p>6.7.5</p>	<p>Resolution 6h-Ensuring quality, oversight and credibility of RSPO assessments</p> <p>PW updated the Board of the task force set up to do a very vigorous job in assuring our order integrity system is robust and able to respond to some concerns raised by various parties.</p> <p>PW advise the RSPO to revisit a number a guidelines namely to revisit the issues of performance of auditors, certification bodies and assessors.</p> <p>PW recommends the growers committee and the other players in the RSPO to work together in operationalising the standard starting with the reality of the growers in the field.</p> <p>The result of this study can be submitted to the Board during the Board of Governors meeting in June 2016.</p> <p>TOR identified issues on whether or not the pool of Certification Bodies is large enough. CBs themselves are not confident enough in areas of expertise such as labour.</p>	<p>PW</p> <p>PW</p> <p>PW</p> <p>PW</p> <p>PW</p>

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7.0	AOB	
7.1	<p>Survey on members' feedback about RSPO's way of working via WG's & TF's.</p> <p>The secretariat was requested to do a survey to understand if we can get a sense on how we should do things better with regards to policy making decisions. Previously, the secretariat used to rely solely on working group(s) and task force(s). This survey is supposed to help us think through and decide on whether or not the secretariat should proceed towards policy decisions making or should we fall back on working group(s) and task force(s).</p>	DW
7.1.1	<p>The survey will close on 15 March 2016 and the Secretariat will report by email on the conclusion of the survey</p>	YR/DW
7.2	RSPO RT14 Venue and date	
7.2.1	RSPO RT14 is scheduled to take place in Shangri-La, Bangkok from 8 to 10 November 2016.	DW/SS
7.2.2	<p>RSPO RT14 and its related events are scheduled to take place in Shangri La, Bangkok at the following dates:</p> <ul style="list-style-type: none"> i. RT14 2016 - from 8 to 10 November 2016 ii. The Board of Governors meeting - 7 November 2016 (Mon) and 11 November 2016 (Fri). iii. The Cocktail Reception - 7 November 2016 	
7.3	Management Information	
7.3.1	JH proposed to keep the list of topics updated and the progress of existing topics would be most useful to all Board members.	JH
7.3.2	The Dutch RSPO Board members have sent in a memo suggesting that a management letter (similar to a 2-3 page memo) which could provide more in depth detail(s) which are not included in the Management Information. e.g. (identifying bottlenecks & success stories) helps the board members to have effective conversations as we all go to the heart of the matters.	PW
7.3.3	IH explained that the MI was meant to inform the Board on key strategic issues that are causing the RSPO not to meet its objectives like bottle necks or critical matters causing a major concern. It wasn't meant to answer everything except key issues.	IH
7.3.4	CBN advises the secretariat to try to enclose the management letter alongside with the MI, if bottlenecks or matters of importance needs more elaboration.	CBN
7.3.5	BoG Members have requested to bring Management Information forward in meetings.	

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7.4	Complaints & Appeal Mechanism Progress	
7.4.1	DW informed the board that the Complaints & Appeal Mechanism was outsourced to ASI.	DW
7.4.2	DW informed the absence of Dr. Sanath. DW committed to complaints progress reporting after identifying Dr. Sanath's replacement. The secretariat needs to update all Board members by email in regards to the timelines and important milestones.	DW
7.5	Labour	
7.5.1	DD & PW requested for support from the secretariat to draft out a sharp TOR with involvement of different stakeholders in regards to labour matters, with an aim to provide proper guidance for CBs and growers. Decision: PW and DD will work with the secretariat to further the development of the ToR to produce guidelines for RSPO on labour related elements of the standard.	DD/PW DW
7.6	Miscellaneous	
7.6.1	DW announced that a large Chinese organisation called "Sino Grain" (which is also a government link company) dealing with trading palm oil have put in their application to join RSPO as a member.	FYI
7.6.2	Greenpalm: TS explained to the Board that GreenPalm's exclusive endorsement to provide a certificate trading system for the RSPO has been terminated with effect from 31st Dec 2016. Further to this, TS have further expressed that GreenPalm would like to continue, effectively alongside E-Trace. It will continue to provide USD1 contribution to the RSPO for every certificate traded should the RSPO agree to such continuing but not exclusive endorsement.	TS
7.6.3	TS left the meeting for the remainder of this discussion.	
7.6.4	CBN requested TS to prepare a paper to be circulated to all Board members in terms of justification and the secretariat to come back in terms of providing a clear overview as whether there would be any hiccups in terms of UTZ taking over and transforming the certificate trading system.	CBN/TS/ DW
7.6.5	The Board has requested for more information and documentation in order to deliberate on this matters, there is a need to demonstrate the following: <ul style="list-style-type: none"> ▪ There would be no conflict of interest. ▪ There is no legal issues with UTZ, if GreenPalm was to continue. <p>The Board requested the secretariat to follow up and find out on whether UTZ</p>	CBN CBN/DW

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	is ready to take over the task & responsibility of providing a problem free operation for certificate trading.	
8.0	COO Appointment Update	
8.1	TS, CBN and DW reported to the board that a COO had not been found in the last rounds of interviews.	
8.2	DW had proposed a candidate to the board but there was objections by CBN and BW (expressed via direct conversation with CBN).	
8.3	<p>CBN made it clear that speed should not supersede competence in the BoG’s selection of a COO and whilst time was of the essence neither he nor BW could support the candidates put forward as they simply were not up to mark. Instead CBN stated that the search should recommence and that the “net be cast again” in the hope of identifying suitable candidates for this most important position. Whilst the Board expressed their disappointment with the outcome they nevertheless supported the proposal.</p> <p>Decision:</p> <p>The search for a COO should recommence, with preference for a rapid resolution;</p> <ul style="list-style-type: none"> ● DW should run the process and be responsible for the appointment (i.e. make the decision) ● A Remuneration Committee should be formally established and is to include BW,CBN,TS, a representative from NGOs and a representative from the Banks. ● This Remuneration Committee shall be used by DW as a sounding board and to agree terms for the COO. 	DW