

Shared Responsibility Task Force Teleconference 8

Summary of Virtual Meeting

Date: 29 Oct 2019, 6:00pm – 9:45 pm MYT

	Name	Membership	Organisation
1.	Gwendelynne Bulan Tanil	Grower Malaysia (alternate)	Genting
2.	Lee Kuan Yee	Grower Malaysia (substantive)	KLK
3.	Natasha Schwarzbach	CGM (substantive)	PepsiCo
4.	Naoko Satuma	Retailer (substantive)	Aeon
5.	JT Lee	Banks & Investors (alternate)	Credit Suisse
6.	Jenny Walther-Thoss	ENGO (substantive)	WWF
7.	James Whitehead	SNGO (substantive)	FPP
8.	Nepomuk Wahl	Processors & Traders (substantive)	Olenex
9.	Ghislaine Nadaud	Banks & Investors (substantive)	ABNAM BRO
10.	Alagendran Maniam	Grower Malaysia (substantive)	Sime Darby
11.	Lim Sian Choo	Grower Indonesia (substantive)	Bumitama
12.	Oi Soo Chin	Impacts and Evaluation Director	RSPO
13.	Lillian Garcia	Assurance Manager Europe, SCS project	RSPO
14.	Aimee Russillo	Technical Facilitator	LiSeed Consulting
15.	Bilge Daldeniz	Technical Facilitator	Proforest
16.	Smita Jairam	Technical Support	Proforest

Note: ROW growers provided input beforehand

The objectives of the call were to finalise open questions, propose changes and obtain sign off on the document to be prepared to be sent to the OC for submission to the BoG. The basis was the Draft3 sent to the SRTF on October 25th post public consultation II which includes the integration of comments in track changes, highlighted changes and questions from the public consultation in separate boxes.

A total of 68 unique complete responses were received in public consultation 2, more than half from P&T, with a good portion from Europe and the USA, but with good representation from Asia.

Agreement was obtained for the proposed edits and changes through Section 9 Incentives and Sanctions of Draft 3. These included, among others: agreement to not change the scope from all palm products, adding the roles and descriptions of each member category in an annex and replacing the overview table on requirements with a paragraph to highlight the breadth of Shared Responsibility requirements beyond uptake, including sustainability leadership.

With the aim for inclusivity and to not create barriers for new members, it was agreed to alert new members on the Shared Responsibility requirements with the membership application and that only a policy for sustainable palm oil sourcing would be required on entry. All other requirements must be ready by the first ACOP reporting of new members (one year later).

The items in Section 8 regarding incentives and sanctions were agreed. This included edits which made it more explicit that member input on the year 1 plan for incentives, sanctions and resources plan via public consultations in year 1 would take place. It was agreed that some wording will be provided by task force members after the call, for resourcing for research on impacts programmes, e.g. smallholders.

In order to spend time on volumes it was then agreed that comments on all remaining edits, which were mainly edits and clarification to make language clearer but not change intent, to be sent per email by noon the next day in order to finalize the document.

Volumes and Credits

A key part of the SRTF discussion related to volumes and credits. Credits are currently (as per GA resolutions) considered transitional. It was agreed that it is outside the scope of the SRTF to decide on expanding applicability. It will be the BoG's responsibility to have this discussion and come up with a position regarding credits. This was assigned to the BoG in Next Steps.

It was agreed to remove the proposed additional text on biofuels, introduced as a result of the public consultation and include biofuels-only companies in the year 1 review, like the smaller traders.

The SRTF discussed the proposals and ideas regarding volume targets and activities sent by a group of Processors & Traders (P&T) on Monday Oct 28th to the SRTF. The SRTF acknowledged the proactive ideas, but did not attempt to endorse them.

The methodology for the data analysis by the RSPO Secretariat on market supply and demand (along with assumptions) were presented and discussed. These were based on models developed earlier and presented to the BoG in their September 5th meeting. Building upon these, modelling of supply and demand forecasts were conducted with pessimistic, realistic and optimistic scenarios using ACOP and assurance data based on certified volumes. In addition, a second set of models were developed using actual volume numbers from the letter from the P&T (Oct 28th). As certified volumes are projected 20% higher than actual volumes, which cannot be assumed based on one year of historical data. The modelling considered both options which were presented to the SRTF. Based on this, the uptake targets proposed:

- Option A using certified volumes as per RSPO: P&T Realistic – 11% (7 to 16)
- Option B using actual volumes: P&T Realistic – 8% (4 to 11)
- Consumer Goods Manufacturers & Retailers for both options – 15% each

It was agreed that the targets should be calculated from actual volumes.

The question was raised on why not use a percentage based on volume as the base rather than uptake. The SRTF agreed on Teleconference 7 to focus on uptake as it sends a stronger message on focus on uptake. It also allows different starting points for members. The P&T letter gave a target of 15% on top of current CSPO volumes, not the uptake. This translates roughly to uptake growth of 1.8%. Growers and the rest of the SRTF suggested to round up to 2%, which was agreed to by the P&T.

Retailers commented that if the P&T do not increase their uptake on 1.8%, they cannot meet their own 15% target. The target was left at the 15% with Year 1 for testing and getting more data.

The final agreed targets for uptake were: P&T at 2% uptake increase, CGM and Retailers at 15% uptake increase. P&T noted that after lengthy discussions, they would need to see the agreement in writing. The Technical facilitators committed to get the agreed upon volume requirement in writing out shortly after the call.

As the deadline was tight with the BoG meeting in 2 days, it was agreed to expedite the edits within the next day so that the Recommendations document could be finalised for the extraordinary BoG meeting set for 31 October.

The SRTF were given instructions to review the remaining document from 'Section 9 Common Definitions' onwards and the annexes (except Volumes) and send any objections to the changes by

the next day via email. Several SRTF members were given the mandate to draft specific texts to emphasize some agreed upon aspects, specifically Sustainability Leadership (Section 5) and Resourcing Ideas (text box).

The technical facilitators were given the mandate to integrate the edits and changes which were agreed upon during the call, including the assigned SRTF text pieces to be sent per email on Sustainability Leadership and Resourcing Ideas and to pass on the finished document to the OC for submission to the BoG.