

Minutes of Meeting

14th Smallholder Working Group (SHWG) Meeting

Date: 27th November 2017

Time: 3.00 pm to 5.30 pm

Venue: Bangli 1 Room, Grand Hyatt Bali

No	Name	Initial	Constituency	Organisation
1	Marieke Leegwaters (Co-Chair)	ML	Social NGO	Solidaridad Network
2	Perpeptua George (Co-chair)	PG	Processor	Wilmar
2	Teoh Cheng Hai	TCH	Bank	IFC (Alternate to Triyanto Fitriyardi)
3	Dr Lee Kuan Chun	LKC	Manufacturer	Procter and Gamble
4	Mareike Felix	MF	Retailer	ALDI Einkauf GmbH & Co. oHG
5	Ismail Samingin	IS	Grower (Smallholders)	FELDA
6	Petra Meekers	PM	INA Grower	Musim Mas
7	Ian Orell	IO	RoW Grower	NBPOL
8	Margaretha Nurunnisa	MN	Env NGO	WWF-Indonesia
9	Ofra Shinta Fitri	OSF	Env NGO	INOBU
10	Pak Sahadi	RR	Social NGO	Yayasan Setara Jambi
11	Jan Pierre Jarin	JPJ	LA Processor	OLEANA
12	Rosemary Addicco	RA	Social NGO (rep. SH Africa)	Solidaridad Network West Africa
13	Steven Krecik	SR	Env NGO	Rainforest Alliance
14	Rauf Prasadjo	RP	Processor	Unilever
15	Julia Majail	JM	Secretariat	RSPO
16	Aaina Karina M Senawi	AKMS	Secretariat	RSPO
17	Kertijah Abdul Kadir	KAK	Secretariat	RSPO
18	Isabella Tonaco	IT	Observer	BASF
19	Ahmad Shahrir Bin Ismail	ASI	MY Grower	FELDA
20	Bilge Daldeniz	BD	Consultant	Proforest
21	Yohanes Ryan	YR	Secretariat	RSPO
22	Virginia Barreiro	VBO	Consultant	Daemeter

Johan Verburg (Oxfam Novib), RSPO Executive Board was present as of 16.00 to clarify role and position of the BOG wrt Smallholder matters, now the Strategy is adopted.

No	Discussion Notes	Action Point
1	<p>Welcome by Co-Leader Both Co-Chairs welcomed everyone. PG stressed that this meeting is critically important due to the endorsement of SH Strategy – relates to SHWG’s future roles and existence.</p>	
2	<p>Institutional Arrangement to Drive SH Strategy Implementation (<i>with reference to RSPO Smallholder Strategy</i>)</p> <p>PG highlighted that with respect to the endorsement of Smallholder (SH) Strategy and the SH Standing Committee (SHSC), SHWG’s position will need to be revised, i.e. transitioned, reformed or dissolved? She later clarified that SHWG membership will not be automatically transition to the SHSC due to different participation setup and new ToR.</p> <p>Until there is an official announcement by BoG, this should not affect SHWG functions as yet. For now, this is just for information.</p>	

<p>PM also raised what is the mandate / authority of the SHSC within the Board. ML agrees that there is a need to determine the role of the SHSC. PG clarifies that SHSC will have more opportunities to push agendas on the Smallholder Strategy.</p> <p>JM clarified that currently the SHSC role has not been formed and the ToR of Standing Committee (SC) should be determined by this meeting. She believed that JV also will agree that it should be business as usual for the time being. TCH suggested that SC level should be focusing on strategy and policy for smallholder work within RSPO and should be able to go directly to BoG. SHWG can still exist at the level of implementation.</p> <p>LKC asked will it mean that this group will be further away from the smallholders?</p> <p>ML responded at the moment there are direct representation from few members who is working with smallholder, but agreed that it's a concern of the representation and it is something to be mindful all the time. However, based on few names overlapping in current representation in SHWG and SHIG, smallholders are well represented.</p> <p>JM reminded it is important is to come up with a clear ToR for the SC (which differs from SHWG ToR). At Secretariat level, the focus will be on strengthening the capacity within the Secretariat and its governance to support/implement the Strategy. ML added that smallholder interests (?) should be represented in all WGs in RSPO, as described in the Strategy.</p> <p>TCH said that we need to go a few steps back and discuss on how initially the role of SHWG were to review RSPO documents to be translated for smallholders. But now is the time to recognise the needs for smallholders ahead of other developments and this is timely to challenge the commitment of BoG.</p> <p>Referring to the Smallholder Strategy objectives, PG said if you compare to the current ToR of SHWG and the newly endorsed SH Strategy, the alignment with SHWG is not clear. PG requested if JV can join the meeting and to clarify this.</p> <p>JV joined the meeting at this juncture to discuss issues pertaining to SHSC.</p> <p>ML seeks JV input on the mandate of the Standing Committee as JV sits in the BoG. PG also asked what is the expectation from the BoG. JV explained</p> <ul style="list-style-type: none"> - the work of SHWG is very much appreciated - Considering the recently adopted SH Strategy, a Standing Committee on SH will be formed. A new TOR will be developed by a subset of this SHWG. - The SHIG, as set up in the P & C review process, can be responsible for implementation of Objective 2. JV further explained that the currently endorsed strategy definitely needs fine tuning. A lot of works are already ongoing. The strategy also should have a direct communication with the BoG. There is definitely a structure plan at Secretariat level and also other urgent thing to look into aside from the structure plan of the WG which have also led to the establishment of SHIG. <p>TCH asked what is the BoG's direction at high level representation of the smallholders, since the BoG has endorsed the SH Strategy, there are 2 levels of implementation – strategic for the SC and operationalising for the Working</p>	
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	<p>Group.</p> <p>JV emphasised that there MUST be a Smallholder Standing Committee, but how it looks like is yet known. The content of Strategy was endorsed but the structure is the only grey area. JV is willing to be the interim channel to the BoG for SHWG on expressing the representation of SHSC.</p> <p>PG reiterated that the last physical SHWG meeting was only in February 2017, when it was highlighted that concerns on the smallholders have not been sufficiently considered in the P&C process. She reminded that the ToR of this WG was to translate any operational documents from any RSPO process to SH context. If that role is going to continue, then the WG will not have direct ability to provide input on SH strategy moving forward. This is a big concern for some of SHWG members, if not all. SHWG feel that they are not doing something with added value and perceived that their inputs had not been taken seriously by the BoG. She stressed that few of SHWG members are prepared to step away from sitting in this WG if BoG has not seriously come with concrete decision (on the structure of SHSC).</p> <p>PM added that this is about function. Currently, the WG functions as 'digestive', and this is not useful anymore. It needs to be more strategic with the WG time spend. At this point the capacity sitting here should not be used to shuffling paperwork around with inputs and outputs. It needs to be shifted up to SC and build up for strategic decision-making. If there is a need later on for creating WG or TF to implement those strategic decision – that can be looked into later.</p> <p>JV felt the frustration from SHWG members and agreed that from the past experiences, SHWG was not clearly heard by the BoG, and this is due to lack of complete strategies. But at the moment JV has no mandate given to negotiate on the SC structure.</p> <p>ML suggested that SHWG produce a draft ToR for JV to present to the BoG.</p> <p>SHWG members ie SK, IO, TCH, PG, ML and JV volunteered to meet at 9am at Grand Hyatt Bali lobby area (28th Nov) for Friday BoG Meeting (which was later cancelled at Bali).</p> <p>JV suggested to consider ideas on representation and on reporting to and from the Board and look at how other current SC reporting line and its lessons learned built into the ToR.</p> <p>JV said that there is Governance Review at BoG level on the various Standing Committee and how the roles overall looks like and how Secretariat can have an Executive role.</p>	<p>AP1: SHWG nominated members to come up with draft ToR of SC for JV and to be circulated to SHWG members. <i>Action by SHWG</i></p>
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3.	<p>SHWG Membership (<i>refer to Annex 1</i>)</p> <p>SHWG current membership were clarified. It was agreed that until official decision is made, SHWG will continue business as usual.</p> <p>Social NGO (1) is vacant due to no response from anyone as explained by PG. This has been open for quite a while and several rounds of enquiries were done but no response to express interest.</p> <p>ML says to reconstitute after having determining the direction of the SHWG future role and the new reformation of the Standing Committee (SC). TCH suggest to leave to BoG on the decision.</p>	<p>AP2: Role of SHWG members to be determined from the decision by BoG.</p>
4 4.1	<p>Updates</p> <p>12th SHWG Minutes of Meeting</p> <p>In reference to AP1 –PM says there is no response to accept the vacant position in SHWG for Indonesian grower. In reference to AP2 – AAK will be part of SHWG as alternate to Wilmar.</p> <p>ML and PG proposed, and all endorsed the 12th SHWG Minutes of Meeting.</p>	
4.2	<p>13th SHWG Minutes of Meeting</p> <p>SH Strategy has been endorsed by BoG. The strategy includes a five-year programme of implementation.</p> <p>The ToR for SH consideration for P&C has been updated.</p> <p>NPP to be discussed at AOB of this meeting.</p> <p>SH Academy – we have clarified the position of Social Franchise (of Aflatoun) and will be discussed further during the CDC meeting with Aflatoun International.</p> <p>In reference to AP 8 and AP 9 has been done on the Announcement to Extend of the Credit.</p> <p>In reference to AP 10 – the document has been reviewed by SHWG.</p> <p>RaCP TF first meeting is planned on 29th Nov 2017 at 5.30 to 6.30 pm (venue: Badung).</p> <p>ML proposed and SK endorsed the 13th SHWG Minute of Meeting.</p>	
4.3	<p>P&C Review Updates</p> <p>BD presented the updates of the P&C Review to all members. Important is the set up of SHIG (Smallholder Interim Group), who will develop simplified approach for smallholder inclusion (Objective 2 of Strategy). ML says most of the representatives of SH are in SHIG (ML, RA, IO among others) and perhaps to consider to have a meeting on 28th Nov 2017 discussing on the P&C Review (since Day 1 RT15 is cancelled). PG says to be reconfirmed if it can happen.</p>	<p>AP3: SHIG meeting to be scheduled on 28th Nov 2017. <i>Action by Secretariat and SHIG members.</i></p>

<p>4.4</p>	<p>NPP for Smallholders</p> <p>JM updated on the current progress of the document. It has gone through two months of public consultation. The deadline is again extended (from May 2017 to Dec 2017) due to the preparation of few guidance documents that supposed to come together with this NPP for SH. Only then the document can be submitted to BoG for approval. However, approval may be done through email circulation to the BoG and not through the physical meeting due to limited time allocated (from two physical BoG meeting to one).</p> <p>BD later added that based on the public consultation done, 31 inputs from five physical workshops and 6 inputs were received via email. Many of the respondents said it was not easy to comment without seeing the supporting guidance tools documents for the NPP for SH (ie HCV App & Assessment, SEIA Tool, LUCA and Simplified GHG Assessment).</p> <p>PM wanted clarity on the process of the NPP document and whether it has been considered carefully for the smallholders. She presumed that the consultation was done with the proponents. JM clarifies that the proponents have been involved throughout the discussions and have been consulted throughout for input. The process may not require Public Consultation but to get a greater buy-in to receive more inputs.</p> <p>PM was not clear when was the decision with the proponent to discuss on doing the full fledge NPP process.</p> <p>JM explained that Secretariat have met with the proponents (mentioned PG, Jan Marten, Elise, RA) of the Resolution immediately in 1 Dec 2016, and agreed to have an interim approach to the Resolution i.e. looking at the appropriateness of current 2015 NPP to the context of SH, and then it was decided that a specific NPP Document for SH is needed.</p> <p>PM reminded that proponents of the Resolution must know the due process after having their Resolution presented and approved i.e.NPP process announcement, public consultation and public announcement.</p> <p>RA said the document was reviewed and consultation was done several times however it is still not clear whether or not all the comments were taken into account.</p> <p>ML clarified that when Resolution was approved, processes that include designing the NPP for smallholders and ways for that purpose were thought over. She understood that her colleagues have been consulted and had given inputs. However, it seems not all concerns have been duly addressed yet. They will continue to look at it until it has addresses the deliverables of the Resolution.</p> <p>ML clarified that the document still needs improvements despite thorough consultation were done accordingly. She said that some comments were still not taken into account and requested that all proponent shall be kept involved for consultation.</p>	<p>AP4: NPP document to be thoroughly reviewed and agreed by the proponents. <i>Action by Secretariat and Proponents</i></p>
<p>4.5</p>	<p>Independent SH Credit</p> <p>ML raised the issue on the price of the credits that have reduced. PG says reason for price dropped is because many companies are going away</p>	<p>AP5: Secretariat to actively promote about the RSPO credits for the</p>

	<p>from credits, but this should not be raised within the SHWG as this is about price value. It is a market issue.</p> <p>RP agreed and said that it is the role of SHWG / Secretariat of promoting selling the independent smallholder credits.</p>	<p>smallholders. <i>Action by Secretariat.</i></p>
5.	<p>Next SHWG meeting No date was decided. Secretariat will announced to members after deliberation with Co-Chairs. RP offered to have the SHWG meeting at any time in Unilever Asia office.</p>	<p>AP6: Secretariat to send doodle poll for the next SHWG meeting. <i>Action by Secretariat.</i></p>
6.	<p>AOB: National Interpretation for Ecuador – request for SHWG comments</p> <p>Smallholder Malaysia produces twice the amount as compared to the smallholder in Ecuador. For e.g.; Comparison of Income of the smallholders for Ecuador would be 50 Ha in Malaysia = 200 Ha in Ecuador.</p> <p>Recommended in the National Interpretation for Ecuador on the categorisation of the oil palm crops is by size of establishment.</p> <p>ML says the National Interpretation recommendation must be submitted to the S & C Standing Committee to approve. However, at current the recommendation was pending to refer to SHWG.</p> <p>IO says there is massive differences by countries. We need to be creative in meeting or agreeing on models for different countries.</p> <p>PG says there is no technical ability to decline a proposed National Interpretation as long as it is contextual and well justifiable on the smallholder situation. But need to anticipate on constructive justification from the BoG members.</p> <p>LKC is asking are we looking at the justification on the size of the farm of the smallholders against its productivity? If we support this it means we accept the justification on the size of the farms of the smallholders. LKC’s concern is if there is a new definition comes in next year.</p> <p>TCH says that compliance of the relevant national law on size of smallholding would provide stronger justification than comparative productivity. .</p> <p>JPJ says for what is presented, productivity is just one of the main point but it does not primarily define what was presented on the findings and justification for Ecuador.</p> <p>PG says the productivity / hectarage are linked and this is where SHIG would be able to consider while refining the definitions (of smallholders) during the P&C Review</p> <p>JPJ says the request is to provide inputs from SHWG for advice/ recommendation on the proposed National Interpretation for Ecuador and its smallholders.</p> <p>The decision is consensus to support the proposal by JPJ. So SHWG will report no objections to SC Certification.</p>	

Meeting ended at 5.30 pm
Minutes taken by Aaina Karina Mohamed Senawi.