

MINUTES OF MEETING

Smallholder Standing Committee #20

Time : 1930- 2100 (MYT)

Date : Meeting #20 Wednesday, 20/09/2023

Venue : Conference Call

Attendees:

Name	Initial	Organisation	Representative Category	Attended Yes/No
1. Lee Kuan Chun	LKC	P&G	CGM - Substantive, Co-Chair	Yes
2. Marieke Leegwater	ML	Solidaridad	Social NGO - Substantive, Co- Chair	Yes
3. Rob Nicholls	RN	PT Musim Mas	Processor & Trader - Substantive	Yes
4. Roka Lampert	RL	HOFER Kg	Retailer - Substantive	Yes
5. Ivan Novrizaldie	IN	Asian Agri	Oil Palm Grower (INA) - Substantive	No
6. Eleanor Spencer	ES	ZSL	Environmental NGO - Substantive	Yes
7. Stephanie Lim	SL	WWF-Singapore	Environmental NGO - Substantive	Yes
8. Ian Orrell	IO	NBPOL	Smallholder (PNG) - Substantive	Yes
9. Narno Sayoto Irontiko	NA	Asosiasi Amanah	Smallholder (INA) - Substantive	No
10. Johan Verburg	JV	Rabobank	Financial Institution - Substantive	No
11. Kalindi Lorenzo	KL	Planting Naturals	Oil Palm Grower (RoW)- Substantive	Yes
12. Sharyn Suffian	SS	WildAsia	Smallholder (Malaysia) - Substantive	Yes
13. Jorge Coronel	JC	Oleopalma (Mexico)	Smallholder (LatAm) - Substantive	Yes
14. Charles Sackey	CS	Twifo- Unilever	Smallholder (Africa) - Substantive	Yes
15. Rukaiyah Rafik	RR	Setara Jambi	Smallholder (INA) - Alternate	Yes

Secretariat Team

Guntur Cahyo Prabowo	GCP	SH Unit RSPO
Kertijah Abdul Kadir	KAK	SH Unit RSPO
Bella Sosa	BES	SH Unit RSPO (LatAm)
Nur Nazifah Rosland	NZR	SH Unit RSPO
Edem Asimadu	EA	SH Unit RSPO (Africa)
Syamimi Binti Shahri	SYA	SH Unit RSPO (KL)
Aprilia Trianasari	AT	SH Unit RSPO (JKT)
Dika Dwi Darmawan	DDD	SH Unit RSPO (JKT)
Felix Among G. Prasetyo	FLX	SH Unit RSPO (JKT)
Javin Tan	JT	RSPO - SDD
Lee Jin Min	LJM	BioD - SDD

Agenda

Time	Topic
7:30 – 7:35 pm	1. Welcome and Introduction <ul style="list-style-type: none"> ● RSPO Antitrust laws ● RSPO Consensus based decision making ● Declaration of Conflict of Interest ● Acceptance of Meeting Agenda
7:35 – 7:40 pm	2. Adoption of Meeting minutes #19 (Annex 1)
7.40 - 7.55 pm	3. [Update] Progress P & C Review <ul style="list-style-type: none"> - Update from SG decision - Inputs for Principle 5 (P&C) and Criteria 4.1, 4.2, 4.3 (RISS)
7:55 – 8:15 pm	RSPO Governance - SH Representation Voice
	4. [Update] RSSF Update <ul style="list-style-type: none"> - Proposals for Panel Review decision - Next action on approved application
8.15 - 8.30 pm	5. [Decision] Carry Forward IS-Credits Volumes <ul style="list-style-type: none"> - Update on the Impact study on EUDR Implementation - Decision on Carry Forward Credit volumes
8.30 – 8:35 pm	6. [Update] RT2023 - SH events
8:35 – 8:45 pm	7. [Decision] ToR on RaCP for Scheme Smallholders (pre-read in Annex 3) <ul style="list-style-type: none"> - presentation summary - discussion for decision
8:45 – 8:55 pm	8. Q&A Session on Secretariat Update Slide Deck: Only for critical question to be asked (Refer Annex 2) <ul style="list-style-type: none"> ● Progress Metrics/ membership certification, credit trade ● CTTS - Certification, Trade & Traceability System ● Livelihoods programme ● Progress Update on the Development of Forest Protection Approach (<i>status quo until IS-NDTF meeting made</i>) ● Regional highlights

8.55 - 9.00pm	<p>9. AOB</p> <ul style="list-style-type: none"> - Shared Responsibility vacancy for SH - Next Meeting Physically at RT2023 (20th November 2023@3pm)
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DISCUSSION:

No.	Description	Action Points (PIC)
1.0 Welcome and Introduction		
	<p>The Chair welcomed everyone and presented the agenda. KAK raised that agenda on SH Representation Voice are to be skipped since discussion (between Co-Chairs, Sect. and RR) on concretizing this has not been finalized. ML responded she will still have a brief notes to inform members about this topic.</p> <p>No other comments were made and the agenda was accepted.</p>	
2.0 Adoption of Meeting (Annex 1)		
	<p>Final draft of the #19 meeting minutes were checked and proposed to be adopted. RN seconded the proposal.</p>	
3.0 Update on P&C Review Progress (Refer Annex 4)		
	<p>JT updated the members on the progress of the P&C review work. As per agreed by the Steering Group and SSC, and in line with the ISEAL Code of Practice, the standard review process is declared complete, hence the Task Force(TF) and Technical Committee (TC) will be inactive.</p> <p>Following this, two main things that the Secretariat would want to look at. The first is the communications messages to the members to ensure that the members are aware of the development and the intent of decision. And secondly, a follow up work plans that include consultations across different caucuses, and all the sectors of Rspo members could also have a chance into the consultations of resolving substantive issues in the Draft 3.</p> <p>Once the Standard document has been technically reviewed, and proposals on the substantive issues has been developed, it has to then go through a final round of public consultations.</p> <p>A total of 23 unresolved indicators at TF level were escalated to SG for decision. Out of this, 13 indicators were resolved. Deliberation on the decision for the balance 10 indicators resulted into these directive to the Secretariat:</p> <ul style="list-style-type: none"> - Develop and implement a technical revision process to assess the clarity, relevance, implementability and 	

- auditability of the changes proposed in Draft #3.
- Assess the substantive issues identified during the review phase, and to produce proposals by which these issues can be resolved.
- to commence the review and revision of the certification system documents, associated guidance document in parallel.

She particularly shared on the SG/SSC decision which implicates that the Board of Governors would not be submitting a revised set of standards for consideration at GA-20 in November 2023.

ML thanked JT for the update and noted that the information shared at this stage is for information to this group only. KL enquired if the new target for Standard endorsement will be on next RT2024. JT responded that it could be 6 months to a year, depending on results of technical review. The adoption can be done on an extraordinary GA ie in June 2024 or otherwise, then it would be pushed to at least the next GA in November 2024.

KC commented that this outcome reflected the due diligence and lots of effort from the review was being done. He commended that the additional effort that is required to address some of the outstanding issues and process should be recognized. He agreed that it is pertinent to ensure this outcome is communicated strategically to all the members because the ideal perception that have not been completely clear; that it's the review process. It doesn't mean that we have to change the standard.

JT also highlighted the three key issues that will be focused on ISH in the following process ie Support to ISH inclusion (Principle 5 of P&C); ISH ICS.BI - Internal Audit - 50% (Initial Certification) remaining 50% (ASA 1), and 33% (medium-high risk and new); and ISH 1.1 - SH established legal entity.

ML added that Guidance for implementation of Principle 5 will be developed and hopefully will be ready for adoption in GA next year. On this point, JT affirmed that the Secretariat will revert with a plan and request for the member's time and commitment to address these critical issues that are related to the independent smallholders.

RSPO Governance - SH Representation Voice

ML expressed her aspiration to have smallholder 'voice' better represented and better organized/institutionalized via grower caucus alike. This idea was initially discussed with Secretariat (SH Unit) and more concrete proposal considering opportunity in the upcoming RT2023 will be shared.

RR added that she raised the idea at BoG level to have Secretariat facilitate communication between regions (interpretation or translation services). RR reiterated that two functions of the ‘caucus’ or platform should be that its only for RSPO members so communication will only scope around certification standards, guidance, internal challenges, etc and secondly, that it shall be representing the SH global voice about certification, for eg voicing the situation with EUDR. RN shared that the group he works with feel that RSPO is English-based which is a barrier to them. He looks forward to be part of the team working on strategies for this issues. CS supported the idea to have a platform for SH voice.

4.0 [Progress Update] RSSF

FP briefly presented the update on RSSF application from the table as below:

Recommendation for approval	Type of project	Country	Total Proposal Budget (USD)	Budget Requested from RSPO (USD)	Number of Proposals	
Yes	Livelihood	Indonesia	72,099	25,000	1	
		Malaysia	395,652	114,286	3	
		Mexico	31,505	24,590	1	
		Peru	158,236	40,000	1	
	Livelihood Total			657,492	203,876	6
	Certification	Colombia	321,878	80,000	1	
		Ghana	113,284	51,450	1	
		India	149,454	73,496	1	
		Indonesia	434,285	199,942	3	
		Malaysia	552,967	190,340	3	
		Peru	225,000	90,000	1	
		Thailand	332,628	75,000	1	
	Certification Total			2,129,496	760,228	11
	Yes Total			2,786,988	964,104	17
Grand Total			2,786,988	964,104	17	

Briefly, the Panel has approved one proposal to move forward and the rest are still pending for additional information requested. By the end of September 2023, official decision letters from the RSSF to all the applicants will be distributed.

SL enquired about the next process of approval for the shortlisted proposals and allocation planning for next round of application. FP explained that most of the pending information is about providing clarity on items such as detailed budget breakdown or objectivity of their project. Among these 17 proposals, there is still a possibility that one or two will not be approved. ML enquired how much resources are allocated to RSSF and for the next window of application. KAK responded that the team did not look into details for the next application as the current focus was to complete the

process for the current application. LKC reiterated that this is to evaluate whether we can ask for more budget from the Finance Committee. ML requested that these information (i.e. spending performance, future budget, next opening for application, etc) shall be shared and discussed in the next physical SHSC meeting before RT.

5.0 [Decision] Carry Forward IS-Credits Volumes

GCP presented the background of this agenda to members. He explained that the allowance to carry over unsold IS-credits to the next one year were given during the difficulty of market uptake (via circulation of endorsement letter by Assurance). ISH groups are requesting if this allowance can be continued and incorporated into the Certification System document (following revision after Standard Review). GCP summarized the justification for this request as below:

- the overarching issue being that Palm Trace's online trading platform isn't attracting the anticipated buyer interest. This trend is characterized by decreasing buyer engagement and a discrepancy in pricing between both parties.
- Offline trading, on the other hand, necessitates a more time engagement process between buyers and sellers
- the introduction of the EUDR has introduced a new layer of complexity, potentially dissuading buyers from making purchases due to regulatory concerns.
- performance of Certification Bodies (CBs) plays a critical role in the root causes of this situation. CBs that face delays in issuing certificates, directly impacting the window of opportunity for sellers to bring their products to market. The longer a CB takes to issue a report, the shorter the timeframe for Independent Smallholders (ISH) to sell their credits, often less than the stipulated 12 months.

GCP further explained that SHSC decision on this matter is sought upon as to support Assurance next action to (i) include in the certification systems for ISH and (ii) to look into detailed process of compliance to avoid double counting of volumes due to physical transaction.

RN added a request to look into issues regarding carry forward credits for 3 months, which can be seen after 9 months, and that credits can only be sold the next year. This implicated smallholders from achieving the best sales for them.

Separately, upon enquiry on EUDR assessment study, GCP updated that a consultant has been engaged (Proforest International) and actual works will happen by the end of September.

6.0 [Update] RT2023 - SH events

KAK briefed about the SH-related events scheduled during RT2023 as per below screenshot.

Date	Events
18 th Nov (Sat)	Arrival of SH Guests : New SH Reps
19 th Nov (Sun)	RT2023 SH Linking & Learning Workshop (Full Day) Est: 30-35 SH reps
20 th Nov (Mon)	AM: RSPO Governance - Brief to ISH Group Reps PM: SHSC 21st Meeting @3pm 6pm Welcoming Drink RT2023
21 st Nov (Tue)	Day 1 RT2023: AM: Certificate Handover Ceremony PM: RT Plenary & Sessions
22 nd Nov (Wed)	Day 2 RT2023 SH Breakout Session @2.15pm- 3.15pm Roadmap for Aceh SH Plenary Session @ 3.30pm (Title: <i>Bridging the Gap - Empowering Smallholders in a post-EUDR Landscape</i>) RT2023 General Assembly (7 PM)
23 rd Nov (Thu)	Smallholder expected to go back home Credit Buyers Field Visit Trip (Fortasbi & RSPO) Day 1
24 th Nov (Fri)	Credit Buyers Field Visit Trip Day 2
25 th Nov (Sat)	Credit Buyers Field Visit Trip Day 3

7.0 [Decision] ToR on RaCP for Scheme Smallholders (Refer Annex 3)

This particular agenda has relevance to the previous agenda on RaCP for smallholders. LJM briefly recapitulates on the ongoing Resolution 2d-GA18, whereby this resolution was adopted to reprieve schemes SH from our RaCP a mechanism is developed. CTF-2 under the BHCV-WG has been assigned to oversee implementation. In summary, two studies are required to achieve the objective of the resolution:

- Study on the mechanism of reprieve
- Study to identify the different scenarios in which the RaCP reprieve related to Resolution GA18-2d is applicable

Importance of the studies:

To set up a reprieve mechanism for eligible scheme smallholders Once the process and mechanism are implemented, it will help CTF2 to gauge the extent of scheme smallholder’s conservation liability and to develop compensation options accordingly.

LJM further added that mechanism for the reprieve have been developed and submitted to BHCV-WG for finalization and endorsement. However, the WG decided to temporarily put this endorsement on hold because it was not clear in the document on which scenario the scheme SHs will be eligible will be eligible for the reprieve. Hence, a study engagement between the growers and the scheme smallholder need to be commissioned. The ToR of the study is shared to SHSC members for comments/ inputs (*note: deadline for comments were given for 2 weeks from meeting date- ended 5th Oct 2023*). LJM clarified that this study is not to redefine what scheme smallholders are, but to identify the different types of scheme engagement between the Growers and the smallholders.

ES added that from the perspective of BHCV-WG and CTF-2 there was not much clarity on which schemes smallholders are eligible for the reprieve because it's obviously dependent on who's got the

	<p>decision making power in a case where there has been clearance. So the study aim to look into it and try to clarify which cases we're talking about in order to be able to make that (re)appropriate to the right scheme smallholders.</p> <p>SHSC members agreed to the two weeks timeline to provide comments/inputs to the ToR.</p>	<p>Post-meeting update: As of 6th Oct, no comments/inputs were received from members.</p>
<p>7.0 AoB</p>		
	<p>ML highlighted the desperate need for a SH representative to sit in the Shared Responsibility Working Group (SRWG). She herself is already committed to other WGs and strongly urged anyone among the SHSC to take the seat. Otherwise, ML will propose to have somebody from the Secretariat to represent smallholder interests in the SRWG.</p> <p>RR highlighted her concern about the large volume of unsold IS-credits currently (which she did raise in BoG meeting). She proposed a dedicated resource/manpower that focuses on promoting and also marketing our credit and doing outreach to the buyer. GCP explained that this issue was primarily discussed within the EUDR landscape, and the Market Transformation team has started looking at it in a more systematic way.</p> <p>Next meeting is scheduled for physical meeting during RT2023 on 20th November at 15:00 hrs.</p>	

Meeting ended 2145

ABBREVIATIONS

ASA	Annual Surveillance Assessment
CSPO	Certified Sustainable Palm Oil
FFB	Fresh Fruit Bunches
FPIC	Free, Prior and Informed Consent
HCS	High Carbon Stock
HCV	High Conservation Values
ICS	Internal Control System
ISH	Independent Smallholders
MoM	Minutes of Meeting
MS	Milestone
NDTF	No Deforestation Task Force
RaCP	Remediation and Compensation Process
RISS	RSPO Independent Smallholder Standard
RSEP	RSPO Smallholder Engagement Platform
RSSF	RSPO Smallholder Support Fund
SCPOPP	Sustainable and Climate-Friendly Palm Oil Production and Procurement
SHSC	Smallholder Standing Committee
STA	Smallholder Trainer Academy