

## Minutes for EXECUTIVE BOARD MEETING EB 02-13

**Date:** 25<sup>th</sup> April 2013 and 26<sup>th</sup> April 2013

**Venue:** The Royale Chulan Hotel, Kuala Lumpur

### Attendance

#### **EB Members and Alternates**

Unilever Jan-Kees Vis (JkV) - Chair  
AAK- Tim Stephenson (TS)  
Both ENDS - Paul Wolvekamp (PW)  
Carrefour – Agnes Pondaven (AP)  
DAABON – Felipe Guerrero (FG)  
Felda – Mohd Noor Kailany\* (NK)  
HSBC – John Laidlow (JL)  
HSBC – Ong Eng Mun (EM)  
IOI - Hidde van Kersen (HvK)  
IOI – Too Heng Liew (THL)  
MPOA – Khairudin Hashim\* (KH)  
MPOA – Simon Siburat (SS)  
Musimas - Dr.GanLian Tong (GLT)  
NBPOL- Simon Lord\*\* (SL)  
OLAM - Alex Booth (AB)  
RPOG – Belinda Howell (BH)  
WWF – Adam Harrison (AH)  
ZSL - Michael Zrust (MZ)  
RABOBANK – Geraldine Lim (GL)

\* Left after Lunch On Day 2

\*\* Left at 10am on Day 2

#### **With Apologies**

AAK – Martin Craven (MC)  
Conservation Intl – John Buchanan (JB)  
Indonesian Growers – Edi Suhardi (ES)  
Kraft Foods – Neil Lacroix (NL)  
Rabobank – Thomas Ursem (TU)  
Royal Ahold - Hugo Byrnes (HB)

#### **RSPO Advisors**

Prof. BungaranSaragih (BS)  
MR Chandran (MRC)

#### **Via Teleconference**

Oxfam Intl – Johan Verburg (JV)

#### **Secretariat Staff**

Anne Gabriel (AG)  
Chong Wei Kwang (CWK)  
Darrel Webber (DW)  
DesiKusumadewi (DK)  
SalahudinYaacob (SY)  
DayangkuMazrianah\* (DEEKAY)

#### **By Invitation (Day 1)**

MarcoAlbani- Present the McKinseyRevenue

Item	Description	Focal Point
<p><b>1.1</b></p> <p><b>RSPO Antitrust laws</b> 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><b>1.2</b></p> <p><b>RSPO EB consensus based decision making</b> The EB was reminded that they try to reach/make decision by consensus which is the absence of sustained opposition.</p> <p><b>Approval of Minutes of previous meeting EB 01-13</b></p> <p><b>1.3</b></p> <p>HvK - should be in the apologies section in the attendance</p> <p>Page numbers would be needed in the minutes.</p> <p>Minutes should be relabeled as EB05</p> <p>To state full name of EB members.</p>		<p>FYI</p> <p>FYI</p> <p>DW</p>
<p><b>2.0</b></p>	<p><b>Endorsement of Interim Executive Board Member for the Social NGO Seat</b></p>	
<p><b>2.1</b></p>	<p>JkV welcomes the participation of Paul Wolvekamp (PW) from Both Ends representing the Social NGO EB seat. This is an interim measure until a permanent representative could be officially voted in at the next General Assembly. PW – Need more NGO’s, from producer countries, to be involved in RSPO membership and at EB level. He will prepare a paper for EB to consider.</p> <p><b>Action Following Endorsement of E-GA Resolution</b></p> <p>Outcome from the EGA: AH updated the EB on the outcome of the EGA with regards to the endorsement of the revised P&amp;C. The grower reps has voiced out their concerns with regards to the wordings in definitions and Annex 2 of the revised P&amp;C.</p> <p><b>Decisions:</b></p> <ul style="list-style-type: none"> <li>• A small group comprising members of the Task Force is to be formed to deliberate on the Definitions and Annexes prior to a physical meeting. The group is to be led by AH. The first</li> </ul>	<p>SY</p>

	<p>physical meeting will be held on 20<sup>th</sup> May 2013.</p> <ul style="list-style-type: none"> <li>• There is a need to form a Criteria WG to discuss Major and Minor criteria of the revised P&amp;C. It proposed that the composition of the group comprised of selected member of the Task Force plus the leader of each NIWG.</li> </ul> <p><b>Resolution on E-Voting:</b> The Malaysians and Indonesians representatives voiced their concerns. However, the decision on whether his resolution will be tendered at the next GA has not been made. This will be made after the McKinsey consultancy (see item 2.2 below) has been completed.</p>	<p>AH/S Y</p>
<p><b>2.2</b></p>	<p><b>McKinsey Terms of Reference</b></p>	
	<p>A presentation was made by Marco Albani of McKinsey. The objective of the presentation is:</p> <ul style="list-style-type: none"> <li>• Option for revenue model to continue or accelerate the growth of CSPO to a tipping point</li> <li>• It will be of limited duration and will defend existing material.</li> <li>• It will be in strict cooperation with the secretariat.</li> </ul> <p>3 key mission:</p> <ul style="list-style-type: none"> <li>• Summary view of the strategic directions for tipping point</li> <li>• More clarity on strategic posture</li> <li>• Total budget: 900,000 USD to 450,000</li> <li>• 1<sup>st</sup> week of July 0 to have the first recommendation</li> <li>• McKinsey has data and research information on consumer trends/sentiments on potential uptake-consumer package-which markets-size of the markets</li> <li>• New emerging certification schemes affects the RSPO</li> <li>• Critical assessment of the current strategic initiatives to be parked in the deliverables</li> <li>• Work completed in 9 weeks</li> <li>• Launch a week before to handle changes in the final product</li> </ul> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>• The members of the steering committee consists of not more than 5 people, which are: DW,JkV,KH,TS,AP</li> <li>• Members of the extended steering committee (after 4 weeks phase 1): JV, BH, HvK</li> </ul>	

<p><b>2.3</b></p>	<ul style="list-style-type: none"> <li>• Dates for EB workshop (fullday): July 2<sup>nd</sup> in London</li> <li>• McKinsey’s proposal is approved.</li> </ul> <p><b>EU Issues with Palm Oil</b></p> <p>AG updates that a mapping was done by H&amp;K with regards to the rising anti palm oil sentiments in the European region. The mapping had indications of where the debate is health/nutritional focused and where it is environmental focused or both. As a result of this – the C&amp;C has decided to establish a Consumer Outreach Task Force to discuss and device a strategy for a consumer campaign. AG asked anyone interested from the EB with consumer/marketing expertise to send an email to her to confirm their participation in the task force.</p>	<p>AG</p>
<p><b>2.4</b></p>	<p><b>Members Annual Communications on Progress (ACOP)</b></p> <p>AG finalized that submission deadline is end August. The online form will go live on June 1<sup>st</sup>.</p> <p>Simon Lord mentioned that there may be a need to verify the data sent in the ACOP by various members as it affects the reputation of the RSPO.</p> <p>Lengthy discussion took place on the document for TBP guidance for individual sectors in the retailers’ section.</p> <p><b>Decision</b></p> <p>Feedback on the application of P&amp;C to the other sectors apart from growers to be sent via email to Anne Gabriel – who will then send these to Alexander Booth and Sandra Seebolt for reconciliation and finalization.</p> <p>BH and AP will make recommendations on appropriate wording to support measure of commitments from retailers.</p> <hr/> <p>End of DAY 1</p>	<p>AG/A B</p> <p>BH/A P</p>

**2.5 Integrated system Trading Platform**

Hide presented the four scenario proposed for the new integrated online trading platform (See Annex on Requirements for a new integrated online trade system for RSPO)

- The T&T standing committee was asked by the EB to reconvene after it previously failed to reach consensus in February 2013.
- T&T has not reached consensus who has to report to the system
- There are remaining questions (RSPO Secretariat has to answer)

**Decision:**

- The T&T Standing Committee is requested to re-evaluate the various options and try to balance better loading the system with information requirements and ease of operations.
- The T&T Standing Committee should also report on cost implications of each option.

SY/HvK

**2.6 Group certification without mills**

SY presented a technical item on proposed changes for ‘Group Certification Standard’ to allow certification of scheme smallholders and outgrowers without mill. The draft change has been circulated prior to the meeting. (See Annex on RSPO standard for group Certification )

AH: Things that need to take into account are the size of individual holdings, to make it into an economic size and independence mills for the certification process.

**Decision:**

EB endorses the proposal to allow certification for scheme smallholders and other growers without mills

**2.7 Smallholder Fund governance policy document**

SY presented second Technical Item where approval is sought for revised governance of the Smallholder Funding Mechanism. The same item was presented and approved by the EB in the last meeting but EB has requested for clear governance structure. The EB also has allocated. RM 1 million in the interim. Some of the peculiar elements of the governance are:

- Formation of smallholder fund panel comprising of 3 members of

	<p>SHWG and 2 from the Secretariat.</p> <ul style="list-style-type: none"> <li>- A Fund Manager to be appointed either in house or <del>of</del> outsourced</li> </ul> <p><b>Decision:</b> The revised draft document is approved and EB has requested the funding process to start immediately. (See Annex on RSPO smallholder support fund RSSF Governance Policy)</p>	SY/SL
2.8	<p><b>Smallholders membership Fee structure</b></p> <p>SY presented a request from SHWG to revise fee structure for independent small holder group manager as follows:</p> <ul style="list-style-type: none"> <li>• Group with less than 1000 ha: Euro 250/yr</li> <li>• Group with land area of 1000 – 2000 ha: Euro 1000/yr</li> <li>• Group with &gt; than 2000 ha: Euro 2000/yr</li> </ul>	
	<p><b>Decision:</b> The proposed fee structure is approved as an interim solution.</p> <p>The long term solution is to obtain an endorsement from the GA at the next General Assembly Meeting. This will then be included in the statutes.</p>	SY/SG
2.9	<p><b>Group Certification for supply Chain (Downstream)</b></p> <p>SY presented the full text of the downstream group certification standard which will be Annex of the existing supply chain standard.</p> <p><b>Decisions:</b> The proposed amendments in the certification systems to include Group Certification for the downstream supply chain was approved with some changes:</p> <ul style="list-style-type: none"> <li>• Item 3.3.4 in the document should be placed at the beginning of the document.</li> <li>• A group member can only use segregated or Mass Balance at facility level and not in group level.</li> </ul>	SY
2.10	<p><b>HCV Compensation Task Force Issues</b></p> <p>AH presented the following four unresolved issues under CTF:</p> <ul style="list-style-type: none"> <li>- Co-efficient to be used for various scenarios</li> <li>- Compensation Matrix</li> <li>- Monetary compensation</li> <li>- Compensation for HCV 5,6 and HCV 4</li> </ul>	

	<p>The process is now in its second year and does not seem to be progressing well as hoped for feedback/advise from the EB was sought.</p> <p>Growers voiced concerns on continuous adding of new elements into the paper. Also feel that it is not right for the issue to be brought to EB since there was no firm decision made by the Task Force.</p> <p>AH &amp; DW explained that the matters needed to be brought to EB attention now so that EB members are aware of the situation. Need to make sure that constituents are aware of what being discussed (need dissemination of information down line) to avoid speculation etc.</p> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>• An interim document will be produced for circulation to stakeholders.</li> <li>• This issue to be re-tabled to the EB at the next EB meeting in July after the task force has held its meetings in June.</li> <li>• A firm decision has to be made before RT11</li> </ul>	SY/AH
2.11	<p><b>Proposal for establishment of C5.6 and C7.8 Working Group</b></p> <p>SY presented that after the ratification of the revised P&amp;C, there is a need to establish a WG to oversee implementation of C5.6 and C7.8 on measurement of GHG. Draft TOR has been developed. (See Annex on Terms of Reference New Working Group 5.6 &amp; 7.8)</p> <p><b>Decision:</b> The EB approved the formation of this Working Group. The budgets for this should be included in the next financial year.</p>	SY
2.12	<p><b>RSPO RED Cross Compliance Issue</b></p> <p>SY presented the request for conducting benchmarking of RSPO RED with ISCC for possibility for cross compliance. These are being proposed:</p> <ul style="list-style-type: none"> <li>• RSPO to begin talks with ISCC to introduce the RSPO RED scheme and understanding the ISCC requirement and alignment possibilities with RSPO RED. Also to understand the mechanism of cross compliance and explore possibilities for cross compliance.</li> <li>• Conduct benchmarking study to properly evaluate Pros and Cons of cross compliance.</li> </ul> <p><b>Decision:</b> The EB approves the proposal to conduct benchmarking against ISSCC</p>	SY

<b>3.0</b>	<b>AOB</b>	
	<p>JkV – There is a request for RSPO speaker in Barcelona on June 11  DW – RSPO SG has agreed to be the RSPO speaker in Barcelona.  AP – States that there are changes in the Carrefour Representative.</p> <ul style="list-style-type: none"> <li>• Agathe Grossmith is back to the EB.</li> <li>• Agnes Pondaven will be the alternate.</li> <li>• Joko Ariff will no longer be available.</li> </ul> <p>DW – Expressed concerns with recent press statements from the MPOA Chief Executive. JKV and others agree and left it to DW to formulate an appropriate response.</p> <p>JkV proceeded to announce that this term will be his last, as President of RSPO. He encourages others to consider coming forward to volunteer for this position.</p> <p>WWF to develop a framework for assessing producers on their progress with respect to the proposed “RSPO plus”. EB to be kept posted by WWF on progress over this matter.</p>	
<b>4.0</b>	<p><b>Next EB Meeting</b></p> <ul style="list-style-type: none"> <li>• July 3<sup>rd</sup> and 4<sup>th</sup> in London</li> <li>• Do we need to have another EB meeting between July and Nov?</li> <li>• McKinsey workshop to the EB on 2<sup>nd</sup> July. Same venue as the EB meeting.</li> <li>• 4<sup>th</sup> July – RSPO Europe event</li> </ul>	
	MEETING ADJOURNED at 4.30 pm	