



**MINUTES OF EXECUTIVE BOARD MEETING
EB 03-09**

Date : 28th September 2009 (by tele conference)
Venue : Hull
: Jakarta
: Kuala Lumpur
: Rotterdam
: Singapore
Starting Time : 15.00 (Kuala Lumpur)

<p>Attendees:</p> <ul style="list-style-type: none">● Derom Bangun (GAPKI)● Fadhil Hasan (GAPKI)● Darrel Webber (WWF)● M R Chandran (RSPO EB Advisor)● Patrick Corbussen (IOI)● Johan Verburg (Oxfam Intl)● Jan Kees Vis (Unilever) - Chair● Chew Jit Seng (MPOA)● Mamat Salleh (MPOA)● Tim Stephenson (AAK)● Tim Killeen (Conservation Intl)● Paul Norton (HSBC)● Chong Wei Kwang (HSBC)● Thomas Bauer (Rabobank)● Ian McIntosh (AAK)● Marieke Leegwater (MVO)● Vengeta Rao (Secretariat)● Yap Seng Chai (Secretariat)● Jutta Poetz (Secretariat)● Seow Yoke May (Secretariat)● Asril Darussamin (RILO)● Rahayu Siti Harjanthi (RILO)	<p>Apologies:</p> <ul style="list-style-type: none">● Don Grubba (IOI)● Tony Lass (Cadbury plc)● Norman Jiwan (Sawit Watch)● Marcello Brito (Agropalma)● Christophe Liebon (Intertek) <p>Absent:</p> <ul style="list-style-type: none">● Mohd Nor Kailany (Felda)
--	---

AGENDA

1. **Introduction, RSPO Antitrust Laws, EB changes (if any)**
2. **Minutes of previous meeting and Matters arising**
To confirm and approve the minutes of the Executive Board meeting (EB 02-09) held on 2nd July 2009.
3. **Accounts**
 - 3.1 Accounts – RSPO & RSPOSSB
 - RSPO Annual report (audited accounts) – to be presented at GA6
 - RSPO Sec Sdn Bhd Annual report – to be presented to GA6
 - 3.2 Long Outstanding Membership dues
4. **Secretariat Matters**
 - 4.1 Staffing
 - 4.2 RT7 & GA6 – update of preparations
 - 4.3 Website development including membership management
5. **Standards and Certification Subgroup Report**
 - 5.1 IWM Project – update
 - 5.2 NPWG Output – update and EB decisions required
 - 5.3 GHGWG - update
 - 5.4 Biodiversity Coordinator and BTC report
 - 5.5 Smallholders:
 - Smallholder (Scheme) NI and trial audits – update
 - Smallholder (Independent) generic P&C - update
 - Group Certification Scheme (GCS) - update
 - 5.6 Producer Certification:
 - Guidelines for surveillance assessments – final draft
 - 3rd Party Accreditation of CB (P&C and SC)
 - Review of RSPO P&C Certifications System including Clause 4.2.4
6. **Trade and Traceability Subgroup Report**
 - 6.1 Supply Chain Certification - update
 - 6.2 Utz and Green Palm matters
7. **Communications and Claims Subgroup Report**
 - 7.1 C&C report including approval of revised C&C document
 - 7.3 European Communications
 - 7.4 RSPO USA Event
8. **AOB**

MINUTES

1. Introduction, RSPO Antitrust Laws, EB changes (if any)

The Chair welcomed all and read the antitrust laws whereby issues such as commercial items, volumes, price and premium would not be discussed. The proposed agenda was confirmed.

Carrefour was nominated for the EB Retailer seat left vacant by Migros. Eleven members voted for and none against and Carrefour was accepted as an EB member with final endorsement at the GA.

Action: *Secretariat to bring Carrefour on board into the EB*

2. Minutes of Previous Meeting and Matters Arising

The Chair tabled the minutes of the Executive Board meeting (EB 02-09) held by video-conference on 2nd July 2009 in Jakarta, KL, Hull and Rotterdam. As there were no comments and questions, the Chair announced that the minutes are approved and will be posted on the RSPO website.

Action: *Secretariat to post minutes of EB02-09 on the RSPO website*

3. Accounts

3.1 Audited Accounts

The Treasurer presented the RSPO and the RSPO Secretariat Sdn Bhd draft audited accounts to the board and there being no questions, these audited accounts were approved. The Chair thanked the Treasurer and Secretariat for reporting the audit and advised the SG to have the accounts readied for GA6. The Treasurer advised that copies of these Audited Accounts be available to all members during GA6.

Action: *Audited accounts to be provided to members attending GA6*

3.2 RILO Regularisation

Awaiting a copy of DB's passport, as Company Commissioner (and NJ as Director) of the proposed PT RILO, to complete the documents for filing. DB advised that a copy will be given to RILO office after the meeting and thereafter the consultant be requested to file with the relevant authorities.

Action: *To complete RILO regularisation*

The SG informed that RILO have moved to a larger office, across the corridor from the present, and can accommodate 4 staff (compared to current office for 2 staff). He also informed that the KL Secretariat office will relocate soon to a new location (Amcorp Mall in Petaling Jaya) that is much more readily accessible by public transport with a train station 5 minutes away and frequent bus and taxi services. Both new addresses are on the website.

3.3 Long Outstanding Membership Dues

There was no response to date from any name on the 'Name and Shame' list which has been on the website for just over a week. The SG informed that the next step would be an announcement to the effect that the members have been suspended from the RSPO. The process will be repeated for the next set of long defaulting members. The Chair advised that names on the 'Name & Shame' list be announced at GA6 and in the absence of any further response will be formally delisted as members.

The EB advisor noted that three companies on the 'Name & Shame' had wound up some time ago. The SG confirmed to DW that the RSPO membership has been informed by email.

Action: *To formally delist suspended members at GA6*

Action: *To commence similar action on other long defaulting members if any*

4. Secretariat Matters

4.1 Staffing

The SG informed that RILO's work will be continued, during the period of Desi's sabbatical, by Ayu with support from Asril Darussamin, who has been engaged for a year. AD was previously providing support to RILO on a part-time time based contract. As the priority was to ensure the smooth continuation of RILO's work the decision to appoint a Certifications Manager at RILO was deferred. Assuaging the Chair's concern about capacity for certification related work, the SG briefed that certification support is now provided by Dr Chong Swee Teck (a retired agricultural researcher with ISO experience and who had turned in the best IO report for an RSPO P&C assessment). The engagement of a senior person from Proforest (to support accreditation work) was deferred as the T&T Group were pursuing the matter just now and the Proforest costs were relatively high. The SG updated the meeting that Ms Sarala has been engaged as a permanent staff (Communications Officer) from 1st September 2009 after a 1-month's time based trial employment.

The SG informed the EB that the Secretariat has completed the TOR for independent reviewers (of P&C assessment reports) and has a list of potential candidates provided by the S&C group. The meeting approved their engagement to ease the review bottleneck.

Action: *Secretariat to engage independent reviewers to review P&C assessment reports*

4.2 RT 7 & GA 6 – Update of preparations

RT7

The SG updated the meeting on RT7 preparations, noting that preparations were well advanced with the conference programme quite complete, registration to date of about 450 and anticipated to reach 600 by RT7. If registration reaches about 500 participants the conference would cover its costs. Sponsorship has mostly been from the same companies as last year but exhibition booths uptake was slow at 14 out of 26 available. The meeting was informed the Malaysian Minister of Plantation Industries and Commodities has agreed to open RT7 and Prof. Adil Najam from Boston University, and the main author of the IPCC reports, will deliver the sustainability lecture.

GA6

The meeting was informed that no proposed resolutions had been received to date. The list of EB seats up for election will be finalised and incumbents seeking re-election were requested to inform the Secretariat. To date two incumbents – Unilever and HSBC – have given notice of wishing to seek re-election. JV informed that Oxfam International are reviewing their position and will be informing the Secretariat shortly. The SG confirmed that the seat occupied by Conservation International is not up for re-election but that occupied by MPOA and GAPKI are.

Action: *Secretariat to ensure smooth elections to all EB seats due for election*

4.3 Website Development

The Secretariat communicator (YM) confirmed that the membership management module of the revamped website has been completed and the developer was currently migrating data from the present website to the new as well as debugging and testing on some minor sections. The meeting was informed that the Secretariat plans to launch the revamped website at the close of RT7. The Chair suggested that a screen-shot backup be in hand in case there are technical glitches.

Action: *Secretariat to launch revamped website at RT7.*

5. Standards and Certification Subgroup Report

5.1 IWM Project

Project in progress and discussion deferred.

5.2 NPWG Output

Noted that NP Guidelines to come into force from November 2009 but time-line debated as the list of RSPO accredited HCV assessors would not be available by then. DW proposed an interim option, to be discussed at GA6, to commence implementation. The Chair agreed but CJS disagreed as HCV assessments are costly and time-consuming and best to be done properly from the outset of implementation of NP guidelines. Meeting agreed that JP to coordinate with the facilitator (Proforest, Neil Judd) to present their views on the matter at the next EB meeting.

Action: *JP to present NJ (Proforest) and her views at next EB meeting.*

5.3 GHG WG

There was disagreement at the meeting over the numbers quoted in the latest report of the GHG WG's work by the facilitator (A. Brinkmann, report of 24/9/2009). TK argued against the request by palm oil producers for a 5-year period of additional research for more reliable numbers. CJS argued that more research is a prerequisite for adequately addressing the GHG issue, that the food or fuel priority of the P&C needs clarification and that land rights and land use issues need to be addressed from economic and sovereignty perspectives as well.. Advises for the RSPO to be cognisant of the needs of grower members to encourage their involvement.

TK opines that the numbers should not be a stumbling block as the proposed guidelines set flexible and generous parameters, and a start be made, with modifications later if necessary. MS recommends that the ISO14064 be the main guideline for GHG related issues. Growers representatives express concern that the PO industry be burdened by GHG issues but not other commodities but TK affirms that all commodities are currently being evaluated for their GHG emissions. In his view PO confirmed to have the highest levels of GHG emissions and should lead.

CJS recommends waiting for COP 15 decisions and to use them as guidance, as they will be far ranging, while MS pointed out that EU may have GHG standards for food so the GHG WG may not be necessary. DW reminds the meeting of the GA4 & GA5 mandates to the EB to address the GHG issues but CJS disagrees that the mandates require immediate outputs. IM advises that the issue be approached in an evolutionary rather than revolutionary manner and that NGOs engage rather than antagonise growers. JKV stresses that carbon issues are a globally acute topic and that there should

be agreement, on at least some of the issues among the WG, to be presented at RT7/GA6. He agrees with the step-wise approach suggested by IM. CJS agrees that some, but not all, of the recommendations can be incorporated into the P&C just now. JV reminds of the long-term commitment towards GHG in RSPO and the approach should not so much be on technicalities but basic principle to reduce GHG emissions in the industry. Calls for the development of a new set of ToR at the post-RT7 EB meeting for a follow-up WG.

JKV asks the board to consider the following possible options: a) extension of mandate of the current WG to 31 December, 2009 b) setting up of new WG to work out guidelines based on ISO 14064 c) setting up of an expert WG for technical issues d) setting up of a WG to study economic impacts of GHG guidelines. The meeting was divided on the suggestions and in the interest of time further debate was deferred.

5.4 Biodiversity Coordinator and BTC report

Reporting and discussion deferred.

5.5 Smallholders:

- Smallholder (Scheme) NI and trial audits – update
- Smallholder (Independent) generic P&C - update
- Group Certification Scheme (GCS) - update

All projects in progress and discussion deferred.

5.6 Producer Certification:

Guidelines for P&C surveillance assessments

Final draft, following public and CB consultation, approved by EB at its current sitting.

Action: Secretariat to post EB approved document on website and inform members.

3rd Party Accreditation of CB (P&C and SC)

ML updated the meeting on progress. (see 6.1 below).

Review of RSPO P&C Certifications System including Clause 4.2.4

Review in progress by the Secretariat following initial review by Proforest in 2008. Draft of revised version expected to be ready in 1Q2010. Special focus on Clause 4.2.4. Propose to engage Rudy Lumuru or Purwo Susanto to assist in the review of Clause 4.2.4.

Action: Secretariat to continue and proceed to engage RL or PS for further development of 4.2.4

6 Trade and Traceability Subgroup Report

6.1 Supply Chain Certification/Accreditation Update

RSPO T & T WG preferred Accreditation Services International (ASI) of FSC over UKAS following discussions with both and taking into account financials and delivery time-lines. ASI have agreed to work with RSPO and suggested developing a proposal to enter into a pilot project to accredit a limited number of CBs, initially, against the Supply chain certification Systems (and perhaps also the P & C). T & T group will discuss with ASI costs of different options including:

initial/recurring and fixed/variable costs of structural activities and for pilot for both P&C and SCC accreditation. RT 7 can be used to formally decide on cooperation with ASI .e.g by signing a contract.

Interim arrangements: Self assessments to continue until 31st March 2010 with 12-month validity from date of approval. Approvals expiring before 31st March 2010 will automatically be extended to that date. T&T WG to help reduce Secretariat workload by providing a template to guide companies doing self-reporting. Post 31st March 2010, independent CBs to be involved in certification.

Action: *T & T to further explore working with ASI on accreditation service for RSPO, including pros and cons. ML to send ASI briefing paper to EB including pro and cons To provide a template to guide companies on self-reporting.*

Decision: *ASI Pilot be discussed at the next EB meeting*

6.2 Utz and Greenpalm Matters

From discussions in the T&TWG it appeared that all the requirements for the Utz proposed Central database can be addressed by small changes to Annex 4 (Public Summary Report) of the RSPO Certification Systems except for the 'parent-child issue'. GP works from the Company (parent) level, Utz begins at the facility (child) level. Meeting agreed that Utz be invited to deliver a proposal for implementing these small changes and for Utz and Greenpalm to resolve matters during RT7.

Action: *Utz to recommend to T&TWG proposed changes to Annex 4 and parties to meet at RT7 to resolve issues pertaining to central database.*

7. Communications and Claims

7.1 New Communication and Claims Guidelines

JKV circulated the new C&C prior to the EB meeting and the meeting approved the revised version.

Action: Secretariat to post revised version on website and inform members.

7.2 Communications in Europe

ML briefed the meeting on an MVO event to update members on RSPO developments. The event was well attended by about 75 people, mostly industry representatives. The presentations and participants list can be found on the MVO website.

7.3 US event

Postponed to the next EB meeting, at KL (event was initially mooted by MB).

8.0 AOB

DW leaving WWF and will no longer represent WWF International on the RSPO EB. His replacement is Adam Harrison. The Chair thanked DW for his contributions during his period on the Board.