

Minutes for BOARD OF GOVERNORS Meeting 03-20

Date: 20 Apr 2020

Start Time: 8.30pm-9.35pm (GMT +8)

Venue: Conference Call

Attendance

BoG Members and Alternates

In Attendance

Substantive Members

MPOA Dato' Carl Bek-Nielsen (CBN) – Co Chair

WRI – Anne Rosenbarger (AR) – Co Chair

AGROCARIBE – José Roberto Montenegro (JRM)

BOTHENDS - Paul Wolvekamp (PW)

FPP – Marcus Colchester (MC)

GOLDEN AGRI

RESOURCES – Agus Purnomo (AP)

P&G – Lee Kuan-Chun (LKC)

RPOG – Julian Walker-Palin (JWP)

UNILEVER – Petronella Meekers (PM)

WILMAR – Daphne Hameeteman (DH)

WWF – Elizabeth Clarke (EC)

Advisors

In Attendance:

MR Chandran (MRC)

Advisors

Absent with Apologies:

Prof. Bungaran Saragih (BS)

Alternate Members

AAK – Caroline Westerik-Sikking (CWS)

HUTAN – Harjinder Kler (HK)

MPOA – Lee Kuan Yee (LKY)

MUSIMMAS – Olivier Tichit (OT)

OLAM – Audrey Lee (AL)

OXFAM – Madeleine Brassier (MB)

SIPEF – Sander Van den Ende (SVE)

UNILEVER – Martin Huxtable (MH)

ZSL – Eleanor Spencer (ES)

Absent with Apologies:

Substantive Members

AAK – Tim Stephenson (TS)

AEON – Kahori Miyake (KM)

FELDA – Dato' Amir Hamdan (AH)

STD CHARTERED – Samantha Bramley (SB)

RABOBANK – Geraldine Lim (GL)

Alternate Members

AEON – Yumie Kawashima (YK)

AHOLD DELHAIZE – Hugo Byrnes (HB)

ASIAN AGRI – Dr. Mohamad Fadhil

Hasan (FH)

FELDA – Razuwan Che Rose (RCR)

P&G – Girish Deshpande (GD)

Rabobank – Martin Van Vaals (MVV)

STD CHARTERED – Roger Charles (RC)

UNIVANICH – John Clendon (JC)

Secretariat Staff

In Attendance:

Bakhtiar Talhah (BT)
Cheri Woo (CW)
Francisco Naranjo (FN)

Patrick Chia (PC)
Tiur Rumondang (TR)
Oi Soo Chin (OSC)
Dan Strechay (DS)

Secretariat Staff

Absent with Apologies:

Aminah Ang (AA)
Javin Tan (JT)
Julia Majail (JM)

Item	Description	Focal Point
1.0 1.1 1.2	<p>Introduction</p> <p>RSPO Antitrust Laws 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>RSPO BoG consensus based decision making The BoG was reminded that they try to reach/make decisions by consensus, which is the absence of sustained objection.</p>	
2.0 2.1	<p>Appointment of CEO-Designate</p> <p>The BoG Co-Chairs announced the appointment of Ms. Beverley Postma (BP) as the Chief Executive Officer - Designate of RSPO. BP will take up the position officially pending the approval of the Malaysian work permit. The BoG is confident that she will help RSPO reach new heights toward making sustainable palm oil the norm.</p>	
3.0 3.1	<p>Updates from previous meeting Action items from BoG physical meeting on 5 March 2020</p> <p>BT briefed the BoG on the status of past action items, and highlighted that most will be presented at the BoG meeting in June.</p>	
4.0 4.1 4.2 4.2.1	<p>Resolution 6g GA10 – Resolution to adopt “Transparency in plantation concession boundaries”</p> <p>Update from Indonesian Grower Caucus (IGC) AP provided an update to BoG with regard to the outcome of the IGC meeting, during which IGC members raised concerns of possible conflict with the Government of Indonesia, namely the Ministry of Agriculture and the Ministry of Economic Affairs, on the issue of sharing concession maps with the RSPO and/or allowing the shapefiles to be made publicly available on GeoRSPO .</p> <p>TR presented a proposal from the RSPO Secretariat, as follows:</p> <ol style="list-style-type: none"> i. All RSPO members, including IGC members, are to comply with ACOP requirements i.e. the complete submission of concession maps. ii. BOG to decide whether the shapefiles submitted by IGC members will be made publicly available on GeoRSPO. <p>Decision:</p> <ol style="list-style-type: none"> 1. The BoG endorsed the Secretariat’s proposal contingent on a separate discussion on the possible sanction of ACOP non-submission. 2. The Secretariat, led by TR, will work with AP and a select group of Board members to come up with a proposal to address the issue 	

	of non-submissions (specifically by IGC members) and the possible sanction and related outcome.	
5.0	Annual Communication of Progress (ACOP) Shared Responsibility Working Group (SRWG)	
5.1	OSC provided an update on the progress and timeline on both the ACOP submission together with the Shared Responsibility Working Group (SRWG).	
5.2	The submission deadline for ACOP has been extended to early June 2020, in light of the COVID-19 situation, and the SRWG activities are expected to commence in May 2020.	
6.0	Standard Standing Committee Indonesia National Interpretation (NI) (Endorsement)	
6.1	The RSPO BoG, has reached a consensus to endorse the Indonesia P&C 2018 National Interpretation, on recommendation from the Standing Committee for Standards.	
6.2	The SSC and the Board agreed that the discussion on the ‘acceptable legal alternative’ in regards to HGU will continue to be followed through, with interpretation and to pursue discussion over and around the legal alternative.	
6.3	MC emphasised that many communities do not want HGU on their land as they do not want to lose their land rights, but some may want to accept palm. Until there is an alternative, this means that RSPO members will not be able to develop palm on the lands of communities who do not want HGU. FPP will present their alternative solutions to HGU, at the June 2020 BoG meeting for consideration. Decision: The BoG endorsed the Indonesia NI with provisions that there will be an on-going exploration to find alternatives to HGU.	
7.0	Finance Update for Q3 FY 2019 PC informed the Board members of the following:	
7.1	The RSPO has reported a surplus of RM10 mil for the period and are forecasting for the year a similar level of surplus close to RM10 mil with total income expected to be below budget at RM49 mil and project costs to be behind at around 60% of budget.	
7.2	Net assets was at RM45 mil and a cash balance of RM46 mil. Other receivables are higher mainly due to amounts due from Rainforest Alliance equivalent to 2 months’ worth of contributions receivable amounting to RM5.4 mil.	
7.3	Under Reserves, the Smallholders Fund commitments are at RM5.7 mil and for Special Projects at RM3.6 mil. Included in “Approved not contracted” under Special Projects are two IMO related projects currently undergoing tender process with costs totalling RM4.2 mil. These projects have been awarded; however, they are put on hold	

	<p>pending a more comprehensive review of our cash flow requirements for next financial year.</p> <p>7.4 Due to the current uncertainties around Covid-19, we have conducted a scenario-based analysis to determine how planning will be affected for next year should income be reducing. The two scenarios look at two possible levels of income reductions and the corresponding levels of projects pending that we can implement, without reducing operating costs that are fixed, such as staff costs.</p> <p>7.5 CBN added that the Co-chairs are being updated by the Treasurer (TS) and that the Board should take note of the current sound financial position of RSPO and that it is in a much better position compared with others. However, should the current Covid-19 situation continue longer than expected then we will need to re-evaluate and the scenarios that are put forward is part of our contingency planning.</p> <p>7.6 MB raised an issue that there are concerns the Secretariat may not be able to take on certain projects. CBN informed that certain projects are being looked into to consider cost savings, for example to explore if the Secretariat has the capacity to take on certain projects internally instead of the hiring of consultants which have taken up a huge cost every year to the RSPO. In this sense we must also look into building capacities in house amongst the Secretariat.</p> <p>7.7 DH asked on the reasons behind current projects spending that are significantly behind budget. It was requested that PC will revert in writing to provide more information on this.</p> <p>7.8 PC concluded by informing that the Secretariat is currently in the process of budgeting for next year and that we are planning based on Scenario 2. However, we will implement close monitoring of income on a monthly basis, and comparing it to expected income, spending can be adjusted accordingly.</p>	
<p>8.0</p> <p>8.1</p> <p>8.2</p> <p>8.3</p>	<p>AOB</p> <p>Confirmation of Dan Strechay as Director - Outreach & Engagement</p> <p>The Board congratulated DS on his confirmation as Director of Outreach & Engagement.</p> <p>BoG physical meeting on 25 June 2020</p> <p>The BoG Co-Chairs informed the Board members that the BoG meeting in June 2020 will be a half day virtual meeting scheduled for 4 to 4.5 hours. If more time is required to deliberate on agenda items, there is the possibility of calling for a second virtual meeting the following day.</p> <p>Appreciation of Good Service – Bakhtiar Talhah</p> <p>The BoG expressed their appreciation to BT in his role as the Interim CEO since January 2020. They acknowledged that he has undertaken the role with dedication and tenacity, whilst still fulfilling his role as the COO.</p>	

	Meeting adjourned at 9.35pm.	
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