

# Minutes for BOARD OF GOVERNORS Meeting 02-20

**Date:** 5 March 2020

**Start Time:** 8.30pm-5.00pm (GMT +8)

**Venue:** R Studio 1, Renaissance Hotel Kuala Lumpur

## Attendance

### BoG Members and Alternates

#### In Attendance

##### Substantive Members

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

AAK – Tim Stephenson (TS)

BOTHENDS - Paul  
Wolvekamp (PW)

FPP – Marcus Colchester (MC)

GOLDEN AGRI

RESOURCES – Agus  
Purnomo (AP)

P&G – Lee Kuan-Chun (LKC)

RABOBANK – Geraldine Lim  
(GL)

RPOG – Julian Walker-Palin  
(JWP)

WWF – Elizabeth Clarke (EC)

##### Alternate Members

AEON – Yumie  
Kawashima (YK) \*\*  
representing Kahori  
Miyake

FELDA – Razuwan Che  
Rose (RCR) \*\*  
representing Dato' Amir  
Hamdan (AH)

HUTAN – Harjinder  
Kler (HK)  
MPOA – Lee Kuan Yee  
(LKY)

MUSIMMAS – Olivier  
Tichit (OT) \*\*  
representing Daphne  
Hameeteman

OLAM – Audrey Lee  
(AL) \*\* representing  
Jose Roberto  
Montenegro (JRM)

SIPEF– Sander Van den  
Ende (SVE)

STD CHARTERED –  
Roger Charles (RC) \*\*  
representing Samantha  
Bramley (SB)

UNILEVER – Martin  
Huxtable (MH) \*\*  
representing Petronella  
Meekers

ZSL – Eleanor Spencer  
(ES) \*\* representing  
Anne Rosenbarger (AR)

#### Guest

##### In Attendance

Co-Chair COMPLAINTS PANEL - Dato' Henry Barlow  
(DHB)

Co-Chair COMPLAINTS PANEL – Lim Sian Choo (LSC)

#### Absent with Apologies:

##### Substantive Members

AEON – Kahori  
Miyake (KM)

AGROCARIBE – José  
Roberto Montenegro  
(JRM)

FELDA – Dato' Amir  
Hamdan (AH)

STD CHARTERED –  
Samantha Bramley  
(SB)

(GL)UNILEVER –  
Petronella Meekers  
(PM)

WILMAR – Daphne  
Hameeteman (DH)

WRI – Anne  
Rosenbarger (AR) – Co  
Chair

##### Alternate Members

AAK – Caroline  
Westerik-Sikking  
(CWS)

AHOLD DELHAIZE  
– Hugo Byrnes (HB)

ASIAN AGRI – Dr.  
Mohamad Fadhil

Hasan (FH)

P&G – Girish  
Deshpande (GD)

Rabobank– Martin  
Van Vaals (MVV)

UNIVANICH – John  
Clendon (JC)

OXFAM – Madeleine  
Brasser (MB)

##### Advisors

##### In Attendance:

MR Chandran (MRC)

##### Advisors

##### Absent with Apologies:

Prof. Bungaran Saragih (BS)

##### Secretariat Staff

##### In Attendance:

Bakhtiar Talhah (BT)  
Aminah Ang (AA)  
Cheri Woo (CW)

Patrick Chia (PC)  
Tiur Rumondang (TR)  
Oi Soo Chin (OSC)  
Julia Majail (JM)

##### Secretariat Staff

##### Absent with Apologies:

Javin Tan (JT)  
Dan Stretchay (DS)  
Francisco Naranjo (FN)

Item	Description	Focal Point												
1.0	<p><b>Introduction</b></p> <p>1.1 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>1.2 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> <p>1.3 Approval of Minutes - BoG 07-19 and BoG 01-20 Minutes of both meetings were approved.</p> <p>1.3.1 Minutes - BoG 01-20 Item 7.1 (CBN included this undermentioned statement)</p> <p>The MPOA assured MC and the BoG that the views expressed by an individual associated with the Malaysian oil palm industry are not supported by the MPOA and Sime Darby.</p> <p>The MPOA welcomes the active engagement and participation of all stakeholders, including the NGO fraternity which was fully in line with the spirit of the RSPO.</p>													
2.0	<p><b>Updates from previous meeting</b> Action items from BoG physical meeting on 7 Nov 2019.</p> <p>2.1 BT presented a progress update on all the listed action items derived from the Feb 2020 meeting.</p> <p>2.2 <b>RSPO RED</b> The Secretariat has put forth an analysis and proposal of the RSPO RED II for the biofuel market, to the BoG.</p> <p><b>Decision:</b> The BoG has decided not to proceed with the RSPO RED II.</p> <p>2.3 <b>Public report on Resolution Tracker</b> The Resolution tracker is expected to be made available on the RSPO website in Q2 2020 and the Secretariat will report the progress at the BoG meeting in June 2020.</p>	FYI												
3.0	<p><b>New Board Members</b></p> <table border="1" data-bbox="304 1906 1174 2114"> <thead> <tr> <th data-bbox="311 1912 384 1973">No.</th> <th data-bbox="389 1912 691 1973">Substantive Member</th> <th data-bbox="695 1912 951 1973">Alternate Member</th> <th data-bbox="956 1912 1168 1973">Sector</th> </tr> </thead> <tbody> <tr> <td data-bbox="311 1980 384 2040">1.</td> <td data-bbox="389 1980 691 2040">Dato 'Amir Hamdan Yusof</td> <td data-bbox="695 1980 951 2040">FELDA</td> <td data-bbox="956 1980 1168 2040">Growers</td> </tr> <tr> <td data-bbox="311 2047 384 2107">2.</td> <td data-bbox="389 2047 691 2107">Razuwan Che Rose</td> <td data-bbox="695 2047 951 2107">FELDA</td> <td data-bbox="956 2047 1168 2107">Growers</td> </tr> </tbody> </table>	No.	Substantive Member	Alternate Member	Sector	1.	Dato 'Amir Hamdan Yusof	FELDA	Growers	2.	Razuwan Che Rose	FELDA	Growers	FYI
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	<table border="1" data-bbox="308 69 1173 136"> <tr> <td data-bbox="308 69 387 136">3.</td> <td data-bbox="387 69 691 136">Eleanor Spencer</td> <td data-bbox="691 69 954 136">Zoological Society of London (ZSL)</td> <td data-bbox="954 69 1173 136">Environmental NGO</td> </tr> </table> <p data-bbox="156 174 1134 210"><b>3.2 Approval of designation of principal member of the RSPO BoG</b></p> <p data-bbox="145 248 1214 353">3.2.1 Dato’ Amir Hamdan Yusof (AH) was designated as the principal representative of FELDA - by the RSPO BoG representing the Growers (Smallholders) sector, following the resignation of Mahadzir Mustafa.</p> <p data-bbox="261 394 1214 461">AH declared to accept his designation representing FELDA as a Principal member of the BoG of RSPO.</p> <p data-bbox="156 506 1134 542"><b>3.3 Approval of designation of alternate member of the RSPO BoG</b></p> <p data-bbox="145 580 1214 685">3.3.1 Razuwan Che Rose (RCR) was designated as the Alternate Member to Dato’ Amir Hamdan Yusof representing FELDA in the Grower (Smallholders) sector. He replaces Izham Mustafa from FELDA.</p> <p data-bbox="261 725 1214 792">RCR declared to accept his designation representing FELDA as an Alternate Member of the BoG of RSPO.</p> <p data-bbox="145 833 1214 938">3.3.2 Eleanor Spencer (ES) was designated as the Alternate Member to Anne Rosenbarger representing Zoological Society of London (ZSL) in the eNGO sector. She replaces Michael Guindon from ZSL.</p> <p data-bbox="261 978 1214 1046">ES declared to accept her designation representing ZSL as an Alternate Member of the BoG of RSPO.</p>	3.	Eleanor Spencer	Zoological Society of London (ZSL)	Environmental NGO	
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<p data-bbox="118 1093 161 1128">4.0</p> <p data-bbox="156 1245 199 1281">4.1</p> <p data-bbox="156 1505 199 1541">4.2</p> <p data-bbox="156 1684 199 1720">4.3</p>	<p data-bbox="261 1093 576 1128"><b>Interim CEO’s Report</b></p> <p data-bbox="261 1133 1182 1200">BT presented on the RSPO’s progress on membership, CSPO yield rate and SC and fire alert (hot spot) matters.</p> <p data-bbox="261 1245 1147 1281">The board suggested the following to be reported at the next meeting.</p> <ul style="list-style-type: none"> <li data-bbox="368 1321 1206 1388">i. Growth of CSPO production compared to the total growth of global production.</li> <li data-bbox="368 1393 826 1429">ii. Geographical Sales Volume.</li> <li data-bbox="368 1433 691 1469">iii. Volume of CPKO</li> </ul> <p data-bbox="261 1505 600 1541"><b>Hot Spot And Fire Alert</b></p> <p data-bbox="261 1545 1203 1650">CBN advised the Secretariat to strengthen its internal procedures and preparedness in fire monitoring and alert, and better support members in fire management.</p> <p data-bbox="261 1684 983 1720"><b>Progress Update of RSPO Standing Committees (SC)</b></p> <p data-bbox="261 1760 1203 1865">BT provided an update on the progress of RSPO SCs, and informed the BoG that an SC Alignment Meeting is scheduled the following day to discuss workstreams, governance and other common issues.</p> <p data-bbox="261 1906 1203 2085">EC, the Co-Chair of the Assurance Standing Committee (ASC) reported that there has been good progress since Nov 2019 with the work of the ASC. However, in consideration of the views expressed at this BoG meeting, the ASC will proceed with the appointment of an ‘Independent Lead’ to manage the ASC within a 12-month period.</p>	<p data-bbox="1251 1245 1394 1281">Secretariat</p> <p data-bbox="1251 1541 1394 1576">Secretariat</p> <p data-bbox="1294 1760 1353 1796">FYI</p>				

<p>5.0</p> <p>5.1</p>	<p><b>Financial matters</b></p> <p>Finance Update for Q2 FY2019 (period ended 31 December 2019)</p> <p>TS reported for H1 FY2020 that:</p> <ul style="list-style-type: none"> <li>● Income is strong relative to the previous year with forecast for the whole year being close to budget at RM50 mil.</li> <li>● Administrative and central operating costs are in line with budget and slightly ahead of the previous year. The organisation is still not spending as anticipated on various projects, however this is not unusual based on experience in recent years, which then resulted in a surplus before foreign exchange and tax for the period of RM6.9 mil.</li> <li>● There is a forecast to spend more on project costs, and should income go slightly higher if we continue at current levels, the outcome may be a higher surplus than the forecast of RM5.6 mil.</li> <li>● The organisation has a fairly healthy position, from which it can move forward with confidence based on the current level of costs.</li> <li>● Level of contribution relating to credit has reduced compared to last year (which was previously higher than expected). The BoG states that it would be useful to obtain more information of current credit trades to understand such movements. Overall physical CSPO sales have increased which is encouraging.</li> </ul> <p><b>On the Balance Sheet:</b></p> <ul style="list-style-type: none"> <li>● Cash balances are at RM48 mil, spread between Ringgit Malaysia, US Dollar and Euro, which is good in the current time.</li> <li>● Subscriptions due increased slightly, and the RSPO needs to monitor this closely to ensure that it is maintained at better levels than it has been in recent years.</li> <li>● Overall net assets are at RM41 mil.</li> </ul> <p>TS reminded that the organisation’s current policy has been to maintain in the Members’ Fund a reserve of 12 months’ operating costs, and informed that the Finance Committee has discussed whether to maintain between 6-12 months of operating costs instead to provide some flexibility around the level of reserves to maintain. The Secretariat has been requested to look at benchmarking against other similar organisations on the levels they maintain.</p> <p>TS stated that a proposal from the Smallholder Standing Committee had been submitted to the Finance Committee, which decided that it should be incorporated in the FY2021 budget.</p> <p>TS also informed the BoG that there is a deficit in the ‘Special Projects Fund’ and the RSPO may need to top up the fund at the year end with a transfer from Members Fund.</p> <p>TS also informed the BoG that:</p> <ul style="list-style-type: none"> <li>● the Finance Committee will be proposing a change in auditors in the next GA for the following year to provide more credibility.</li> <li>● the next internal controls audit is scheduled to be carried out in May 2020 and its finding will be circulated to the BoG.</li> </ul>	<p>FYI</p>



	<p>TR explained that resolution 6c GA16 and the resolution withdrawn last year are related to strengthening the role of Regional Representative Office in Indonesia. She then shared steps planned to address the above resolutions with the board.</p> <ul style="list-style-type: none"> <li>i. Recruitment of additional GIS and Biodiversity specialists to manage the bottleneck and speed up n HCS, HCV, LUCA and RACP processes. The medium of communication would be conducted in Bahasa Indonesia, particularly for the support of Independent Smallholders.</li> <li>ii. Resources - IGC and smallholders. At the current moment, the amount of work load of smallholders certification is uncertain. Therefore, the existing Smallholders Manager will handle all matters pertaining to the smallholders unit as it is still manageable at this point of time.</li> <li>iii. Increase participation of Indonesian stakeholders (including Secretariat) in RSPO work streams such as BHCVWG, RaCP, GIS and RSSF.</li> </ul> <p>8.2 <b><i>Resolution 6g GA10 – Resolution to adopt “Transparency in plantation concession boundaries”</i></b></p> <p><b><i>Resolution 6b GA13 – Resolution to adopt “Non-discriminatory entitlement and responsibility for RSPO members under a specific sector or membership category</i></b></p> <p>8.2.1 <b>Concession Boundaries of Malaysian Growers</b> The Secretariat has received approval from Jabatan Ukur dan Pemetaan Malaysia (JUPEM) of Malaysia and confirmed that there is no restriction from the Government of Malaysia to publish shapefiles received from Malaysian members.</p> <p>8.2.2 <b>Publication of Shapefiles - Indonesia</b> AP will consult the IGC on the publication of Indonesian members shapefiles, and to seek clarification from relevant government authorities in Indonesia. AP will inform the BoG several weeks subsequent to the Board meeting, of the outcome of these meetings.</p> <p><b>Decision:</b> The BoG agreed for the Secretariat to proceed to make shapefiles publicly available on the RSPO website, except for those from Indonesia.</p> <p>AP, representing the IGC, agreed for Resolution 6b GA13 to be officially closed with the publication of Malaysian concession maps on the RSPO website.</p>	
9.0	<b>Withdrawn and Rejected Resolutions in 2019</b>	
9.1	<b>Inclusion of local community, civil society and labour stakeholders</b> TR provided an update on the activities planned and taken to address the above withdrawn resolution in 2019.	

	<p>PW commended RSPO for having outreach programs to engage with NGOs, local communities and local civil societies. He emphasised the need to provide support for these stakeholders to participate in RSPO's activities and events to ensure that their voices are heard. He suggested membership fee, financial support to attend RSPO events and etc. to be considered.</p> <p><b>Action:</b> The Secretariat will revert to the BoG with a proposal on the support level for NGOs to participate in various RSPO activities.</p> <p>The BoG agreed that funding support, has to be equitable with genuine representation from different regions.</p>	Secretariat
10.0	<p><i>The consideration of Indonesian West Papua and Papua Provinces as being contiguous, with the Papua New Guinea landscape and thus be accorded the same status given to High Forest Cover Country (HFCC) and subject to the same procedures</i></p>	
10.1	<p>The BoG was reminded that this proposed resolution was submitted after the submission deadline, therefore not tabled at the General Assembly.</p>	Secretariat
10.2	<p>MC emphasised that the provision for 'allowable deforestation' being discussed for High Forest Cover Countries depends on their being effective recognition of customary rights and community-initiated oil palm development. A thorough analysis is needed to ensure these conditions obtain in Papua before any exception should be considered.</p> <p><b>Action:</b> The BoG has assigned the NDJSG to look into the proposed resolution and provide their recommendation.</p> <p>In addition, the BoG requests that NDJSG engages the Resolution proponent to elaborate on the specific asks in the resolution.</p>	NDJSG Secretariat
11.0	<p><b>Hak Guna Usaha (HGU) in Indonesia</b></p>	
11.1	<p><b>Update from the Secretariat</b></p>	
11.1.1	<p>TR provided an update on the HGU issues faced by members operating in Indonesia and necessary actions taken based on decisions made by the Board.</p>	FYI
11.1.2	<p>MC provided a presentation on HGU and concerns raised by local communities.</p>	
11.1.3	<p>The BoG is advised to reach a decision on this matter as this has an impact on certification in Indonesia.</p> <p><b>Action:</b></p> <ol style="list-style-type: none"> <li>1) MC requested for a written copy of the statement made by TR for the HGU update session.</li> <li>2) MC suggested to approach and request the Indonesian NI WG to clarify the acceptable legal alternatives.</li> </ol>	TR Secretariat

	<p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>i) For all new certification, company(s) must have HGU or other acceptable legal alternatives; and</li> <li>ii) For all re-certification, company(s) can continue certification provided that they show sufficient evidence that they are in process of obtaining HGU and other acceptable legal alternatives and had complied with requirements at that time.</li> </ul>	
12.0	<p><b>Complaints Panel</b> Progress update from the Complaints Panel</p>	
12.1	LSC presented the latest statistics and the progress made by the Complaints Panel. DHB provided an update on the activities undertaken to strengthen the RSPO complaints mechanism, and both stated the need for the Investigation & Monitoring Unit (IMU) to be further strengthened.	CEO
12.2	DHB highlighted the need to inform RSPO members that the CP is answerable to the membership of RSPO and that would be the GA. The fact that the CP is totally independent from the Board, must also be made known.	Secretariat
12.3	The BoG proposed to invite the CP to give a presentation at the coming GA and also recommended that the CP continue to report the progress of its work to the BoG at least two times a year.	DHB/LSC
12.4	<p>The BoG requested for the following to be incorporated into the Complaints &amp; Appeals system:</p> <ul style="list-style-type: none"> <li>i. Feedback from both the complainant and respondent after the decision has been delivered by the CP. The BoG opined that this will help the organisation to understand the sentiment and views of parties of the RSPO Complaints &amp; Appeals system.</li> </ul>	DHB/LSC
12.6	<p><b>New members of the Complaints Panel (Endorsement)</b></p> <p>The CP requested for endorsement of three new Complaints Panel members as follows:</p> <ul style="list-style-type: none"> <li>i) Ian Hay</li> <li>ii) Robert Kruger</li> <li>iii) Priya Gopalan</li> </ul> <p><b>Decision:</b> The BoG endorsed three candidates.</p>	FYI
	Meeting adjourned at 12.30pm.	