

**Assurance Forum
3rd Meeting (via Zoom)
Minutes of Meeting**

Venue: Zoom Meeting (<https://zoom.us/j/95743439621>)

Date and time: 30 June 2021 at 8.00 pm – 11.00 pm KL time

ASC Members Attendance:

Growers		
Name	Organisation	Group Representation
Agus Purnomo (Co-chair)	Golden Agri Resources (GAR)	Indonesian Growers (IGC)
Lee Kuan Yee	Kuala Lumpur Kepong (KLK) Berhad	Malaysian Growers (MPOA)
Laszlo Mathé	New Britain Palm Oil Limited (NBPOL)	Growers RoW
Vacant	n/a	Smallholders Group
NGOs		
Name	Organisation	Group Representation
Michael Guindon (Co-chair) <i>(absent with apology)</i>	WWF Singapore	E-NGO
Paula den Hartog	Rainforest Alliance	E-NGO
Paul Wolvekamp	Both ENDS	S-NGO
Marcus Colchester	Forest Peoples Programme	S-NGO
Supply Chain Sector / Downstream / Others		
Name	Organisation	Group Representation
Emily Kunen	Nestlé	CGM
Hugo Byrnes	Royal Ahold Delhaize N.V	Retailers
Olivier Tichit	Musim Mas Holdings	P&T
Michael Zrust	Lestari Capital	Financial

RSPO Secretariat Attendance:

Name	Position
Tiur Rumondang (TR)	Assurance Director
Wan Muqtadir Wan Abdul Fatah (WM)	Sr. Manager, Assurance Integrity Unit
Freda Abd Manan	Senior Executive, Integrity
Shazaley Abdullah (SA)	Head, Certification
Aryo Gustomo (AG)	Deputy Director, Compliance
Yen Hun Sung (HS)	Senior Data Scientist & Information Systems

Assurance Forum Participants' Attendance:

Name	Organisation
Neil Judd (NJ)	Proforest - Lead Facilitator
Bilge Daldeniz	Proforest
Guntars Laguns (GS)	ASI
Todd Redwood (TRW)	BSI
Eric Wakker	Earthqualizer Foundation (Indonesia)
Supun Sachithra Nigamuni	Control Union
Leonie Netter	GutCert
Tuti Suryani Sirait	Check Mark Training
Nicholas Cheong	BSI Group
Lanash Thanda	RSPO
Zulkarnain Ishak	Control Union
Julia Wellhöfer	Intertek Certification GmbH
Torge Petersen	GFA
Maria Roswita Kartika Sari Bawono	RSPO
Matthias Wilnhammer	ASI
Erika Urrego	Icontec
Sian Lim	Bumitama
Debora van Boven	NEPCon
Jan Pierre Jarrin Peters	ASI
Judith Murdoch	Efeca
Jenny Francis	Sawit Kinabalu
Ardiansyah	Mutuagung Lestari
Ruth Silva	HCVN
Curtis Tan	Control Union
Hubert Jurczyszyn	Control Union
Priscillia	Earthqualizer
Andy Green	BM TRADA
Titi Susanti	BSI
Darren Brown	HCSA
Nilesh Dayalapwar	Eastman



Winda Adelita Saragih	RSPO
Yohannes Ryan	Independent
Matt Rudolf	SCS Biofuels
Paulina Villalpando	HCVN
Dian Soeminta	TRID
Dede Herland	RSPO
Esti Nuringdiah	RSPO
Shylaja Vasudevan	Sime Darby
Kendra Bishop	SCS
Imam A. El Marzuq	RSPO
Mohd Hafiz	Intertek Malaysia
Debora van Boven	NEPCon
Michelle Desilets	Orangutan Land Trust
Adriana Cala	SCS
Lee Horlock	BM Trada

Item	Description	Action Points
	<p>Opening</p> <p>NJ welcomed everyone joining the call.</p> <p>NJ reminded the Forum of the RSPO Antitrust Guidelines and informed the group that the meeting will be recorded to generate minutes and capture agreed actions. NJ also reminded participants that the meeting is held under the Chatham House Rule. No one will attribute remarks to individuals outside the meeting.</p> <p>NJ shared that the principal aspiration of the Assurance Forum is to create a positive dynamic where the Secretariat and the members of ASC and other stakeholders can work together.</p> <p>AP welcomed everyone to the 3rd Assurance Forum meeting. He explained that this forum is to exchange information, to update the group on RSPO ASC work and to collaborate.</p> <p>NJ shared the agenda for this meeting.</p>	
	<p>Ice Breaker</p> <p>Using the Menti application, participants were invited to share their opinions on two questions relating to the panel session and the subsequent discussions. The results would be shared and would help to inform the meeting.</p> <p>Firstly, participants were asked to rank five potential causes for poor RSPO audits from least likely to most likely.</p> <p>The next question on Menti was to rank three separate statements on a scale of 1 – 10 relating to the merits of decoupling auditees from CBs.</p>	

	<p>The final results are referenced in the Minutes below [and also included in the accompanying slide deck].</p>	
<p>1.0</p>	<p>Panel Discussion: Delivering Credible Assurance</p> <p>AG introduced the panelists, who have been asked to present their perspectives on delivering credible assurance – specifically, what the main challenges are and how innovative approaches can improve quality. The panelists were Guntars Laguns (ASI), Todd Redwood (BSI), Olivier Tichit (Musim Mas), and Paula den Hartog (Rainforest Alliance). [All panellists’ slides are included in accompanying slide deck].</p> <p>ASI Assurance for Integrity, Guntars Laguns</p> <p>GL gave a general introduction to ASI as an assurance partner for leading voluntary sustainability standards & initiatives. GL shared thoughts on some key certification challenges, and continued by introducing the ASI assurance strategy,</p> <p>GL shared proposed actions on how better assurance can be obtained by recognising that the scheme’s integrity is not only an RSPO or ASI responsibility, and that constructive stakeholder input is needed, by re-focusing strongly and quickly on real and material field-level integrity issues, and by facilitating alignment of what schemes promise and what stakeholders are expecting.</p> <p>On stakeholder engagement, a participant asked what would be the next step to enhance local stakeholders’ communication with CBs and auditors. GL responded that ASI is aiming for a more user-friendly engagement. It doesn’t filter whether the engagement is at field or company level. ASI is also developing a rapid response mechanism to improve communication and hence assurance level. GL also added that mentality change is needed to work with other stakeholders and listen to their inputs.</p> <p>BSI’s Perspective, Todd Redwood (TRW)</p> <p>TRW started by introducing BSI as an organization, and the history and scale of BSI’s operations.</p> <p>TRW explained that certification systems are voluntary procedures. The aim of an audit is to provide an independent and objective assessment of conformity with the defined system requirements based on clear objective evidence. He also explained that CBs are invited to an audit to discover and evaluate the need for improvement or corrective action.</p> <p>On RSPO’s P&C auditing, TRW explained that an audit is planned based on a sample of estates. TRW compared RSPO P&C auditing and an investigation. He explained that investigations only target issues/areas of specific interest, however audits cover the entire 214 P&C indicators. Investigations are usually completed without the presence of a company management representative while audits are structured and announced. RSPO P&C management system audits require strict time management. Auditors are only present for 1-2 days per estate per year and expected to confirm an entire year’s performance in this snapshot of time. Lastly, audits require comprehensive public audit reports to be completed within a limited</p>	



	<p>timeframe. TRW also explained about the impartiality requirements for the independence of a CB. TRW shared the approach to immersive solutions under BSI.</p> <p>TRW concluded that CBs and NGOs operate under different business models. CBs must practice and conform with international certification standards and auditing conventions, which create limitations not applicable to investigations.</p> <p>Credible Assurance or Assured Credibility?, Olivier Tichit (OT), Musim Mas OT started by posing several questions: Auditing what? What is/should be the value of a certificate today? Are audits too “light”? Are CBs too friendly? Do we need P&C certification audits?</p> <p>OT continued that the value of a certificate is to be able to confirm that a certain product is being certified under a standard and can be passed further down the supply chain. The RSPO standard is working and there is a clear business case for being certified. However, the standard may create higher expectations when it appears to be overreaching or is seen as, for example in the case of RSPO, as the ‘palm standard’ and representing the entire industry, which it isn’t.</p> <p>On audits, OT shared that today’s audit requires a lot of man days and is moving away from ‘personal audit’ towards a much more rigid process. He also mentioned that because some plantations are very remote the auditors may often stay on site, which can give the impression of cosiness. OT highlighted that certificates are critical for the supply chain, and it is also difficult to replace an audit, especially for growers who should have physical audits. OT also raised the issue of decoupling, which he believes will raise more practical issues, and also suggested how to add value to the audits, which should include a risk-based approach where audits are adaptable for the actual situation of different growers. For the P&C 2023 revision, OT highlighted the need for RSPO to consider carefully assurance issues during the standard revision process of the standard.</p> <p>Delivering Credible Assurance: Rainforest Alliance Cocoa Assurance Plan, Paula den Hartog (PH)</p> <p>PH noted that in 2018-2019, RA identified weaknesses in the implementation of the RA cocoa certification scheme. They also identified groups with cases of mismanagement, and severe non-compliances in the areas of traceability, deforestation and farming in protected areas.</p> <p>PH summarised how RA was addressing the issues through the Cocoa Assurance Plan, and explained the Cocoa Assurance Plan phases. PH continued that the revised system is based on risk assessments and audit allocation. On improving audit quality and compliance monitoring, PH explained that RA has supported by increasing monitoring by independent organisations, targeting all CBs with the focus on those auditing high-risk farmer groups, with active follow-up of required improvements. Additionally, RA also provided regular monitoring of certificate holder groups to identify risks and target additional verification and support where needed.</p> <p>Rainforest Alliance also provides extensive support for farmer groups to improve performance in order to pass audits and in the long term for sector change. To help achieve this goal, Rainforest Alliance is actively supporting certified groups by</p>	
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	<p>providing GPS-based mapping and risk assessments; conducting a risk-based audit allocation system to target assurance where risk is highest; conducting member monitoring visits, prioritising higher risk groups; and establishing a \$5 million Africa Cocoa Fund to support farmer groups and protect landscapes in West and Central Africa.</p> <p>PH shared significant impacts that the Cocoa Assurance Plan has achieved, including better detection (and reduction) of compliance issues in high-risk groups. The assurance plan also helped better detection and sanction of key credibility issues. Almost all non-certifications resulted from identified non-conformities on encroachment or deforestation (92%), traceability and yield estimation (90%) and premium (85%). Additionally, more than twice as many groups had to close non-conformities on encroachment and deforestation to get certified. The plan also increased transparency and awareness among certified groups of their own risks of deforestation and encroachment. Another impact from this assurance plan was the better performance of CBs, with more audits allocated to high performing Certification Bodies, and more non-certification decisions taken by nearly all Certification Bodies. PH added that the audit results align with expectations resulting from internal risk analyses.</p> <p>Based on The Cocoa Assurance Plan, PH shared some learnings that can be adopted: investigate root causes and take action, breaking it down into regions or issues, identifying solutions, ensuring stakeholder alignment and buy-in, conducting pilots for agreed solutions, evaluating and refining, and keeping the communication clear and transparent throughout.</p> <p>A participant asked how to make public consultation meaningful and how to better involve relevant national and local stakeholders in the consultation during the audit process. PH responded that CBs are required to contact relevant stakeholders in the consultation process, but are RA not directly mandating specific stakeholders.</p> <p>A participant asked how RA's experience can inform the work of the RSPO ASC, on which PH replied that it is important to identify and understand what is actually happening on the ground. For example RA has staff who monitor CBs performance and perform shadow audits. RSPO and RA have different governance structures, which can affect the way they work and in setting up timelines.</p> <p>A participant also asked about shadow audits, on which PH responded that the certification audit is performed by CBs not RA. RA then have staff that go along with CBs to certificate holders and perform similar audits.</p> <p>On stakeholder consultation, TRW added that they contacted NGOs that are members of RSPO directly by email. In most cases BSI didn't get any response.</p> <p>NJ shared the results from the earlier Menti poll on potential causes for poor RSPO audit practice. The results showed the order from the most likely: (1st) checklist mentality – too much focus on documentation rather than field verification; (2nd) certification systems are not designed to detect labour non-compliances; (3rd) lack of expertise in CBs and assessors; (4th) inadequate measures to ensure assessor / CB independence; (5th) lack of monitoring of ABs performance.</p> <p>A participant commented on the results and suggested that a checklist mentality is</p>	
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	<p>not a root cause, and continued that what needs to be reviewed is the scope of the audit and what needs to be done within the timeframe.</p> <p>NJ shared the second Menti poll results on how much the participants agree with statements on a scale of 1-10. The results were: RSPO should introduce a scheme to fully decouple all auditees from CBs (score 3.3); RSPO should undertake a trial of various decoupling options (score 4.9); Decoupling is a distraction from more important issues of audit quality (score 6.3).</p> <p>A participant supported the general agreement that decoupling can be a distraction. He suggested that RSPO should improve the existing audit process rather than experiment with decoupling, which can change significantly how CBs function. He also suggested being more positive with audits and focusing on root causes for certain issues. Because certification is good value market-wise, the certificate holder wants to maintain the value of their certificate. Another participant agreed but highlighted that there is room for improvement using a more risk-based approach. There are also more gains from transparent performance rating for the CBs. These can address some of the issues related to the relationship between CBs and certificate holders. A further participant also raised questions on what decoupling will achieve.</p> <p>A participant shared that the previous BoG meeting decided that decoupling was not a priority. The participant suggested a lot of improvement can be brought to the audit process by technology and improved transparency, together with targeted auditing approaches. PH responded that decoupling could be a partial solution; from her perspective, when high quality CBs are sent out to high-risk certificate holders, fewer certificate holder passed their certifications. But she also agreed that there are multiple issues which need to be addressed.</p> <p>NJ asked the panellists to give closing comments. GL suggested that there is no single solution for all challenges. TRW highlighted that in general auditors do a good job and this should be recognised. At the same time, a lot of attention goes to the certified growers but less to uncertified growers, which can be the wrong focus. OT shared that there's no single problem, therefore no single solution. He also believes that RA's experience is worth learning from and investigating. PH suggested the need to understand different issues and get to the root causes. These will need to be broken down and prioritised. Once the prioritisation is clear, it is important to test proposed solutions.</p>	
	<p>Break 10 minutes</p>	
<p>2.0</p>	<p>Updates from the Secretariat Review of the Assurance Gap Analysis</p> <p>WM shared the objectives of this analysis, which is to undertake a systematic approach to strengthen the RSPO Assurance System with guidance from the ASC; and to pursue systematic measures to build a trusted and credible Assurance System.</p> <p>WM stated the scope of the analysis, and WM briefly explained the methodology which included review of 10 external reports from 2017 to the present. All necessary</p>	

	<p>information from these reports was reviewed and compiled. The information was discussed during a workshop with all ASC members on 10th May 2021. WM further shared the initial findings from the analysis report which were clustered into 3 main sections: (1) standard setting and interpretation, (2) certification process, and (3) compliance. The findings will form part of the Secretariat risk management, evaluation & learning and grievance plan.</p> <p>From these reports, which included a combination of evidence analysis and allegations, the Secretariat also identified 3 main thematic areas of weakness, comprising both evidence analysis and allegations, surrounding RSPO certification implementation: namely deforestation and land rights, labour conditions and a cross cutting assurance theme. [For each of these themes, the identified issues are detailed in the accompanying slide deck].</p> <p>WM also then gave an introduction to the root cause analysis.</p> <p>On labour and human rights, the identified potential root causes were: the certification process is too focused on documentation rather than field verification, certification systems are not designed to detect labour non-compliances, lack of expertise in CBs and assessors, lack of robust sanctions by the accreditation body, and insufficient independence of CBs. Underlying sectoral challenges were also identified including the use of migrant labourers, who are more vulnerable to exploitation, the legacy of poor practices across the sector and poor access to grievance and resolution processes. WM shared key additional inputs from the ASC workshop, including that a CBs focus on management systems and a more investigative approach is needed; stakeholder/worker voice mechanisms are needed to get feedback from the field; and lack of training for growers, who may therefore lack awareness of this issue.</p> <p>The second theme is on deforestation and land conflict. The potential root causes are the effectiveness of NPP implementation for preventing deforestation and land conflict (through FPIC), including 'evasion' of NPP requirements by not declaring new plantings, CB weaknesses in carrying out NPP verification and/or evaluation of new planting during the certification process, the inadequate role of ASI in identifying CB failings and taking action against CBs, weak HCV assessments, mainly relating to the pre-HCV assessor licensing scheme, and questionable robustness of enforcement of partial certification requirements and RaCP processes. WM shared key additional inputs from the ASC workshop, including the need to identify structural problems to inform the certification process; the need for an independent field check to ensure that communities are consulted; the question of whether CBs have the skill set to perform adequate NPP verification.</p> <p>On the cross-cutting assurance theme, the potential root cause analysis listed: inadequate staffing of the assurance team, lack of communication from the Secretariat, lack of monitoring of the Accreditation Body, inadequate mechanisms for CB performance review, and that assessor independence and training and capacity levels are inadequate across the key actors. WM shared further inputs from the ASC workshop, including that RSPO should be more proactive in outreach to growers; the need to understand the complexity of the P&C and the Certification Systems and that a smarter approach is needed; readiness of some P&C requirements for implementation e.g. DLW; and measuring the outcome is not really there in the development of the standards/systems.</p>	
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	<p>WM added other things that RSPO need to consider including innovation(s) in checking the standards; design of audits and investigations; whether the action proposed is suitable for the oil palm industry; and how audits are leveraging digitalisation via IR 4.0.</p> <p>NJ shared the next Menti link to enable each participant to add any other root causes that need to be considered and any proposed solutions that can be integrated into the RSPO workplan. [All results are available in the accompanying slide deck].</p> <p>WM continued with the next steps, including that all inputs will be considered by an ASC subgroup that will finalise the root cause analysis; the narrative report will be finalised and made available; and key actions will then be included in the Assurance Division workplan. WM finally shared the proposed ASC sub-groups to monitor the workplan.</p> <p>A participant commented that they appreciated the detailed analysis and are looking forward to the next steps.</p> <p>Assurance Division Organisational Structure</p> <p>AG shared the new structure under the Assurance Division. Tiur Rumondang is the Director for the Assurance Division. There are 5 units under Assurance: Impact & MEL, Risk and Grievance. A Compliance sub-division comprises the Certification and Integrity units.</p> <p>The Grievance unit will manage the entire grievance system, including providing the complaints desk, to support and assist the CP. Additionally, it will work in other areas such as operating the Dispute Settlement Facility (DSF) and the Human Rights Defenders (HRD) protocol. The Impact & MEL unit is currently housed within Assurance, but the future expectation is that this will become its own division.</p> <p>Presentation of RSPO Market Data</p> <p>SA explained that the objectives of collecting the market data are (1) to provide up-to-date information of RSPO Members' certification status; (2) to monitor the CSPO and CSPKO uptake in the market (Physical, Credit); (3) to input into the RSPO Impacts Report and updates in RSPO Market. The responsibility for this task lies under the Assurance Department (Certification Unit) working together with the Data Analyst. The data is updated monthly.</p> <p>SA shared that the information is available on RSPO's IT Platform and RSPO's Internal Server (Sales Force). The type of information compiled includes movement of RSPO Book & Claim Credits, RSPO certified areas (P&C and RISS), RSPO production areas (P&C and RISS), HCV areas (P&C and RISS), number of RSPO certified ISH members, and details of CBs.</p> <p>SA continued that RSPO assurance data currently measures the certified volumes for FFB, CSPO, and CSPK. Through Palm Trace, RSPO monitors the transactions by members, which will reflect the movement of CSPO and CSPK in the market.</p>	
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	<p>The final information that can be captured is up to the refinery. For members beyond the refinery, information is not captured and analysed in the market data.</p> <p>HS added that data beyond the refinery is captured in a different format, namely through members' ACOPs. RSPO uses different data systems to give visibility to certain parts of the supply chain. HS continued that the digitalisation data strategy involves a data dashboard and to make this dashboard available on RSPO's website. The prototype dashboard will show certification highlights, including certified mills, certified areas, certified growers & ISH members, and HCV areas for certified units. The data shown [see accompanying slide deck] was the aggregated version of the dashboard; there is also a dedicated dashboard just for growers and for ISHs.</p> <p>HS continued by sharing the prototype dashboard for the CSPO supply & sales summary, which covers supply chain certified companies, supply chain certified facilities, CSPO certified volumes, CSPO sold as RSPO, estimated CSPO actual volumes, and CSPO actual volumes sold as sustainable. HS highlighted that this dashboard can help to identify the gaps in uptake data, monitor mills and refineries, and how RSPO certification is progressing.</p>	
<p>3.0</p>	<p>Closing remarks</p> <p>TR commented that RSPO now has a stronger Assurance Division team, but will be further strengthened by the root cause analysis process. The pandemic has also dampened progress. TR thanked all the panelists , ASC co-chairs, ASC members, AF participants, and the Assurance Division team for their valuable contributions.</p> <p>NJ thanked everyone who attended the meeting.</p> <p>The meeting was adjourned at 11 pm.</p>	