

Approved Minutes

Roundtable on Sustainable Palm Oil 13th General Assembly (GA13)

Date: 10 November 2016

Venue: Shangri-La Hotel, Bangkok

Start time: 3.00 pm (GMT +7)

Chair: Adam Harrison, Vice President

Attendance: 165 Ordinary Members in attendance (including 29 proxies) and 49 e-Voters (Total of 214 of 1,439 eligible to vote).

RSPO Secretariat

Affiliate members and observers.

- Agenda:**
1. Members' roll call.
 2. Opening address by the Chair.
 3. Report presented by the Chair.
 4. Confirmation of minutes for the last General Assembly (GA12) held on 19 November 2015.
 5. To receive and adopt the Treasurer's Report and the RSPO's Financial Statement for the year ended 30 June 2016.
 6. To discuss and adopt resolutions:
 - Resolution 6a:
To confirm the appointment of PricewaterhouseCoopers as the auditors of the RSPO for the financial year ending 30 June 2017.
 - Resolution 6b:
Resolution to adopt "Non-discriminatory entitlement and responsibility for RSPO members under a specific sector or membership category".
 - Resolution 6c:
Resolution to adopt "no change of key documents for fixed period of time".
 - Resolution 6d:
Assuring effectively planned, implemented and monitored

compensation projects in “remediation and compensation procedures” of the RSPO.

- Resolution 6e:
Protecting human rights defenders, whistleblowers, complainants and community spokespersons.
 - Resolution 6f:
Resolution to review and amendment of the updated New Planting Procedure process as applied to smallholders.
 - Resolution 6g:
Temporary exemption from the RSPO New Planting Procedure for Smallholders.
 - Resolution 6h:
Suspension of the RSPO Management System Requirements and Guidance for Group Certification of FFB Production.
7. Election of Board of Governors for the following categories:
 - a) Oil Palm Growers – 2 seats
 - b) Processors and/or Traders – 1 seat
 - c) Consumer Goods Manufacturers – 1 seat
 - d) Retailers – 1 seat
 - e) Banks & Investors – 1 seat
 - f) Environmental NGOs – 1 seat
 - g) Social NGOs – 1 seat
 8. Any other business.

1. Members’ roll call

The 13th Annual General Assembly (GA) of the RSPO members was called to order at 3.10pm on 10 November 2015 in Shangri-La Hotel, Bangkok. The Vice President of RSPO, Mr. Adam Harrison, presided over the meeting after the minimum quorum of 80 Ordinary Members present or represented was reached.

2. Opening address by the Chair

In his address, Adam Harrison said RSPO has shared with members new insights and some of the challenges ahead at the just concluded RT14. He also updated the assembly on some previous resolutions in the following agenda item.

3. Report presented by the Chair

Adam Harrison provided the following updates on previous resolutions:

Publication of concession maps

At GA10, we passed a resolution on the publication of concession maps but unfortunately, this is still not completed due to confusion over the legal status in certain jurisdictions:

- In Indonesia, we have 2 conflicting opinions from the same ministry. The RSPO will follow up on this.
- In Malaysia, the federal government said it is not possible but the state said it is possible and it is their decision. The RSPO will follow up on this.
- For the Rest of the World (RoW), the RSPO has not encountered similar problems.
- Currently, approximately two-thirds of jurisdictions have submitted their maps. The RSPO will continue to chase up on submissions and will publish those which we are able to publish and others in due course once the confusion is clarified.

Revision of Complaints Process

At GA10, we passed a resolution on a revision of the complaints process. There was immediate action to separate the complaints panel from the board. Following this, there was a long period of consultation with consultants to look into various issues and discussions in various fora. This culminated in the public consultation on the complaints procedure, which will close on 1 December 2016, to which members are encouraged to contribute. The major conclusions so far is that there will be an integration of the complaints and appeal process, and there won't be any charge for handling the complaints, which has been a concern for several organisations. Upon completion of the public consultation, the hope is to produce a final set of procedures that will be presented to the board in January 2017.

Smallholder Strategy

At GA12, the resolution to develop a strategy for smallholders has also not progressed as fast as we would have liked. Over the years, the RSPO has conducted a series of workshops in Ghana, Honduras, Indonesia, and the Netherlands, resulting in a strategic framework which was discussed this week by the board on Monday. The board has asked for updates twice a month on the strategy's progress and we hope to have an action plan enacted by the next RT.

Ensuring quality, oversight and credibility of RSPO assessments

At GA12, on ensuring quality and credibility of assessment procedures in RSPO, the Secretariat established an assurance task force within the RSPO but progress has been slow, particularly due to the setting up of the Reference Group of stakeholders which will feed into the process. Although the task force has been lax in pushing this forward, elements of what was included in the resolution in terms of quality and credibility are being dealt with elsewhere by the Secretariat.

Annual Communication of Progress (ACOP) Reporting

At GA12, annual communication of progress (ACOP) work has progressed within the Secretariat, which has identified gaps and complexities surrounding these issues, and is currently in the process of simplifying questions posed to the members. A new ACOP process is being drafted and the Secretariat will be consulting with the proponents of those resolutions; we aim to present this to the board and roll this out by the next ACOP reporting period.

Much work has been done over the past year. We have over 3,000 members with almost 3 million hectares of land certified and 12 million tons of certified products, 12% of which comes from smallholders. More than 3,000 facilities are supply chain certified, are owned by over 2,000 members, providing a good foundation for further progress in the market.

4. Confirmation of minutes for the last General Assembly (GA12) held on 19 November 2015

Adam Harrison requested the General Assembly to confirm the draft minutes page by page and raise their hands if there were any comments.

On page 12, Marcus Colchester, of Forest Peoples Programme, asked for a correction to the words “Indigenous plans” to read as “Indigenous lands”.

The Chair then asked for a proposer to accept the minutes, where Tim Stephenson proposed, and with no objection from the floor the minutes of GA12 were accepted.

5. Treasurer’s Report and RSPO’s Financial Statement for the year ended 30 June 2016

Tim Stephenson (Treasurer, AAK) thanked the finance team of the Secretariat for their

efforts in maintaining compliance and financial control as RSPO continues to grow enormously over the years, constantly adding complexity. Tim Stephenson said that compared to last year's significant depreciation of the Malaysian Ringgit (MYR), that provided windfall gains to the RSPO, as it reports in MYR, this year, the MYR has maintained its position without the same level of volatility. Exposure to foreign currency exchange does remain a principal financial risk to be managed by the RSPO since income and costs are in different currencies.

Tim Stephenson confirmed that the RSPO's financial position remained strong, with good surpluses and cash balances, enabling growth of the Secretariat and the use of funds going towards promoting the various objectives of the RSPO. There were no compliance issues and the audit report from PwC on the accounts for the financial year was a clean one, with no significant issues arising.

Finance Standing Committee – Organisational Structure

This Finance Standing Committee remain unchanged and the other members of this Standing Committee are Geraldine Lim of Rabobank, Ian Hay of HSBC, and Darrel Webber, CEO and Patrick Chia, Finance and Administration Director.

The committee has oversight on financial information, financial controls, financial planning and compliance, but the day-to-day management is delegated to the Secretariat.

The organisation's structure is similarly unchanged. It is registered in Zurich, Switzerland under Swiss law with a subsidiary, the RSPO Secretariat Sdn Bhd, which employs all staff in Malaysia. Under this subsidiary is the UK branch, the Regional Representative Office in Indonesia, a representative office in China and a branch office in Colombia, with people in India and USA but no separate registered entities there.

He then summarised the Treasurer's Report as follows:

Audited financial statements for the financial year ended 30 June 2016

Results for the year

- Income is up by a significant RM10 million, more than 30%, to RM41.6 million, with some increases in costs.
- The foreign exchange gains of RM0.2 million was not as high as last year, which was at RM1.5 million.

- Project costs increased from RM9 million last year to RM14 million, although not as high as budget.
- This resulted overall in a surplus of RM13 million, slightly below the previous year's RM13.9 million but more than budgeted of RM4.4 million.

Income

- Income increased primarily from the trade of physical CSPO. This contributed to 40% of total income at RM16.6 million.
- Subscription income increased to RM11.5 million representing at 28% of total income. We had an increase to around 2,900 members as at 30 June 2016, and now it stands at more than 3,000 members.
- Increases in income from physical and credit trading over the years are partly from the increase in volume traded and changes in exchange rate between the USD and MYR.
- The current income model which combine subscription from members and contribution from trading is working very well for RSPO.

Operating Costs

- Operating costs are mainly staff cost and consultants engaged on a permanent basis employed overseas totalling to RM9.9 million. Quite a large increase compared to previous year but not as much as budgeted.
- Other costs include increases in legal and professional fees, recruitment fees, a donation of US\$100,000 and some losses from RT events.

Balance Sheet

- A strong balance sheet dominated by cash and bank balances of RM49 million and around two third are held in USD and EUR.
- Subscriptions due reduced to RM2.5 million equivalent to 2 months' worth of subscriptions.
- Overall a strong balance sheet with net assets at RM46.7 million.

RSPO Funds

- Members' Fund opened at RM15.3 million, surplus after tax was RM12.8 million and with a policy to maintain the level of fund equivalent to the budgeted operating costs of around RM15 million, a transfer of RM2.9 million was made to Smallholders' Fund (equivalent to 10% of contribution from trading income) and RM10 million into the Special Project Fund.
- We then ended up with a split of Members' Fund at RM15.1 million, Smallholders' Fund at RM13.7 million and Special Projects Fund at RM18 million.

- Smallholders' Fund opened with a balance of RM13.10 million, disbursements of RM2.3 million and transfer into the fund of RM2.9 million resulting in closing balance of RM13.7 million. However it is useful to know that there are commitments of RM7 million, where RM1.5 million are contracted and RM5.6 million are approved but not contracted, all to support certification of smallholders.
- Under the Special Projects Fund, spending went to the SEnSOR projects of RM1.6 million and RM600,000 to digital media campaign, leaving a balance of RM18 million at the year end. It is important to note that we have committed RM15 million partly to SEnSOR and DSF Trust Fund, and USD3 million committed by the Board for outreach to intermediary organisations.

Budget 2016/2017

- Surplus for the year is estimated to be at RM6.5 million after allocation to the Smallholders' Fund.
- A rather flat income projection compared to previous year and a slight increase in operating costs.
- Significant increase in Departmental Costs (previously Project Costs), are split into Departmental Operating Costs of RM19 million and Discrete Projects of RM12.83 million, which will only be incurred if there is sufficient fund during the year.
- Income coming from subscription is estimated to increase by 10% to RM13 million and RM30 million from contribution from trading, with an increase in physical trade as opposed to credit, which is the trend we are currently seeing during the course of this year.
- Operating costs are budgeted to increase, particularly in relation to the Secretariat, where numbers employed are planned to increase to 65 and an estimated increase in Satellite offices costs.
- Total Departmental Costs is estimated to be RM31 million, with the largest costs coming from the Communications Department at 41% amounting to RM13 million and Technical Department at 34% amounting to RM10.7 million.

In summary, it is another strong year financially with a strong surplus and balance sheet. The RSPO's income model is working well. We have some foreign exchange volatility and we would in future years expect such movements, but RSPO is financially secure and able to meet its commitments.

The Chair asked if there were any questions to the Treasurer's report. As there were none, members were asked to vote for the adoption of the Treasurer's Report and the audited financial statements.

	Approved	
The adoption of the Treasurer’s Report and the audited financial statements for the financial year ended 30 June 2017	For	197
	Against	0
	Spoilt	4
	Abstain	13

6. Resolutions

There were eight (8) resolutions up for voting in the GA. The voting results and discussions are as follows:

Resolution 6a – Appointment of auditors

As there were no comments from the floor, the resolution was put to a vote without discussion.

	Approved	
Resolution 6a: To confirm the appointment of Price-waterhouseCoopers as the auditors of the RSPO for the financial year ending 30 June 2017	For	190
	Against	2
	Spoilt	5
	Abstain	17

Resolution 6b – Resolution to adopt “Non-discriminatory entitlement and responsibility for RSPO members under a specific sector or membership category”.

Edi Suhardi: On behalf of the Indonesia Growers Caucus, we propose to adopt the resolution of “Non-discriminatory entitlement and responsibility for RSPO members under a specific sector or membership category”.

Edi Suhardi stated that there was a misprint in the resolution as the Secretariat had missed out some words. The correct words of the resolution should read as:

“The RSPO GA13 to adopt the non-discriminatory entitlement and responsibility for RSPO ordinary members in implementing the RSPO code of conduct, and in implementing RSPO standards and requirements applied for all RSPO members under a specific sector or membership category including:

- *All growers shall equally comply with RSPO P&Cs and other RSPO requirements applicable to growers.*
- *Processors/traders and consumer goods manufacturers to abide by RSPO’s supply chain certification system.”*

Harrison said that this may not be a material change and the mistake in the printed version doesn't make much difference to the resolution as all ordinary members have already signed on to the Code of Conduct, but he opened the floor to questions that may indicate the contrary.

Questions from the floor as follows.

Cherie Tan, Unilever: What is the intent of the resolution? Is it just to change the wording so that the wording sounds correct or does it mean something else?

Edi Suhardi: The resolution calls for the RSPO to honour and implement the code of conduct and to ensure the RSPO adopts the principle of non-discrimination. So far, there have been indications that the RSPO has treated members differently or discriminatorily. For example, some complaints were treated (attended to) faster, others took longer to resolve. Some members have been pushed to abide by certain rules where others are not. We want RSPO to explicitly say that it will uphold the principle of non-discrimination. If you look at the RSPO document, this is not explicit.

Tim Stephenson: So is this just to emphasise that the RSPO needs to abide by its own rules?

Edi Suhardi: If there is no explicit statement, members cannot impose or pinpoint a specific broken commitment and the specific violation. This is what has been faced by the growers. If there is no explicit statement in a document, it can be argued.

Fiona Whitley, Marks & Spencer: I support the intent but this would be better addressed by improving on operational control within the organisation and we as a board, and the Secretariat needs to look if there are discriminatory practices within the organisation and deal with them effectively or sufficiently. I'm not wholly convinced this resolution is necessary and can be dealt within existing mechanisms.

Edi Suhardi: I appreciate this but it needs to be expressed in an explicit manner. If we don't have anything in writing, the RSPO and Secretariat are in limbo as basically, there are no direct guidelines from the GA to look at the principle of non-discrimination. Thus far, growers are feeling betrayed or not being treated equally; so far, there is no way for the growers to fight back. If this is approved, the next step will be to mandate the Secretariat to set up a working group or task force to look into this matter and how to implement this together.

Johan Verburg, Oxfam: Basically, you’re saying that this resolution helps growers to fight back and it is a dangerous statement as an organisation that works on the basis of consensus, and the mechanism to do so is well-established. It makes me worried on what will change tomorrow in case we adopt this resolution – what are the multiple implications and consequences in future should this be adopted e.g. a flood of related complaints, subsequent changes in other controlling documents?

Edi Suhardi: Non-discrimination is part of human rights and we all agree on this. The implication of adoption of this resolution will not be one-sided and we will engage all parties to sit down together and address the perception of discrimination and see a more committed RSPO on this principle. It does not represent just one aspect, which may not be in your interest, but we believe non-discrimination needs to be addressed.

Marcel Silvius, Wetlands International: I get the impression that this resolution is risky that if for some reason RSPO in the past failed to take action against one particular group, it would be difficult to adopt this resolution to go after any other grower who has made a similar mistake – that is not progress. We need to learn from the past and improve on future action. We would be risking the possibility of being able to take more positive action in future.

Edi Suhardi: The RSPO is committed to non-discriminatory as a principle. How it should be implemented we will leave it to the task force to articulate and implement. I don’t see why it should not be explicitly put as a core value of the RSPO to prevent discrimination against all parties in the supply chain – buyers, growers, NGOs and other stakeholders. It is for equal treatment and will not be used against any specific group.

Paul Wolvekamp, Both ENDS: I think the GA sympathises, I suppose, with Edi’s plea for a non-discriminatory approach, but we all as members are bound by the code of conduct. I would like to have this resolution to have read that we are still led by the RSPO, the Secretariat and based on that reality would explore where there is actual discrimination. The phrasing is a problem, not the spirit of the resolution.

	Approved	
Resolution 6b: Resolution to adopt “Non-discriminatory entitlement and responsibility for RSPO members under a specific sector or membership category”	For	107
	Against	90
	Spoilt	0
	Abstain	17

Resolution 6c – Resolution to adopt “no change of key documents for fixed period of time”.

Edi Suhardi: This is another resolution proposed by the Indonesian Growers Caucus. The resolution proposes as below:

“In order to provide reconciliation and to ensure a stable environment for all members in the period after revision of the standards, any changes to RSPO P&Cs prior to its prescribed revision period shall be restricted. Additionally, there shall be no changes to key documents, i.e. NPP and FPIC adopted by the General Assembly (GA), Board of Governors (BoG), Secretariat or the Standing Committees, that would introduce new requirements on the palm oil grower members during the period of the first two years after the endorsement of the revised RSPO P&Cs.

The only documents exempted from this rule shall be the National Interpretation (NI) and the Local Indicators (LI), which would allow members to use this period to adapt the P&Cs to the laws valid in the different countries.”

Marcel Silvius: I would like further clarification as there is tremendous work by groups within the RSPO to improve systems and mechanisms to support growers. This resolution would stop us from introducing new regulations that would support grower, this would be sad. There are risks to this resolution.

Edi Suhardi: The RSPO has been around for 12 years and we are more mature and the process of growing P&C standards can be done in a better way, which will result in a better standard for growers. We have to respect the process of the finalisation of the revised P&C. Revising the P&C is a tedious one and if any changes are to take place at any time, the goal post will be moving all the time and companies cannot catch up. We are not anti-change or anti-improvement but a timeline for this key document to be adopted and internalised as with many other certification bodies. We request for more certainty and stability, with a set timeline to allow us to digest such documents for the entire supply chain and growers.

Olivier Tichit, SIPEF: Is this resolution only in relation to key documents that change the main requirements such as new calculation for GHG, but new methods or extension of the scope of responsibilities for growers would not be accepted?

Edi Suhardi: Yes it is only for key documents. But this a general answer from the growers.

Cherie Tan: What are the key documents you are referring to?

Edi Suhardi: The key documents are those adopted by GA like GHG, HCS, NPP, FPIC – these should only be introduced 2 years after the revised P&Cs.

Johan Verburg: I note that your list of co-sponsors differs from Resolution 6b. The last line says “adapting the P&C to the laws”. Aren’t laws also changing in a dynamic world? But I do sympathise with the challenges of implementing in the midst of change.

Edi Suhardi: Laws are mandatory and we don’t have any power to disregard the law, that is the reason for our interpretation and its wording in our resolution.

Bremen, AAA Oils & Fat Pte Ltd: Does this mean it will be more effective for the RSP0 to achieve its goals by focusing more on implementation instead of continuously enhancing standards or creating a gold standard in terms of focus?

Edi Suhardi: This is to provide more fixed certainty in terms of the standard, making it easier to work on adopting and internalising the standards and to focus on implementation rather than adapting to different standards.

Perpetua George, PPB Oil Palms: My issue with the resolution is the way it is written and what it suggest is that any clarification or additional documentation that goes with the P&C, after review, will not be allowed within 2 years. Which means that, without the clarifications we will not be able to implement the P&C. This resolution also does not clarify what components that will not be allowed for review.

Edi Suhardi: In preparing this resolution, we ask that the introduction of new additional requirements be done only after 2 years. As growers, we only want to see the standards enacted.

Questions raised by the floor not relating to this resolution:

David Burns, National Wildlife Federation: To abstain, is the process to submit the white portion of the ballot or submit nothing?

Adam Harrison: Either is acceptable.

Bambang Dwilaksono, First Resources Ltd: Can we wait for the voting results before going to the next resolution?

Adam Harrison: It would depend on the resolutions. If a resolution is not of a related issue to the one before, I think it is better to move forward. With regards to the resolutions on NPP, it has been agreed that that we do not proceed with the second one until the first one has been cleared.

	Rejected	
Resolution 6c: Resolution to adopt “no change of key documents for fixed period of time”	For	88
	Against	117
	Spoilt	1
	Abstain	8

Resolution 6d – Assuring effectively planned, implemented and monitored compensation projects in “remediation and compensation procedures” of the RSPO.

The resolution proposes as follows:

“In order to assure effectively planned, implemented and monitored Remediation and Compensation projects in the RSPO, as well as enhance transparency in the RACP we propose that the General Assembly adopts the following resolution:

- 1) *The RSPO Secretariat to publicly disclose the overall figure of non-compliant land clearance as reported by the affected growers (size and regional spread); in the future the figure of non-compliant land clearance will be updated on an annual basis and publicly disclosed.*
- 2) *The RSPO Secretariat to prepare an annual report containing the aggregated analysis of the submitted project concept notes, the remediation and compensation plans and the annual progress reports of the individual plans. This annual report by the Secretariat shall consists at least – but not limited to – the aggregated information of:*
 - a. *Project Options and Priorities of Actions as outlined in Chapter 5.3. and 5.4. of the RACP;*
 - b. *The Timelines as planned for projects, as well as the timelines of de facto implementation;*
 - c. *The results of the independent Third Party Evaluations, as outlined in Chapter 5.7.*

- d. *Additional information provided in the standardized reporting template, which is foreseen as Annex 9 of the RACP but not (yet) publicly available;*

The RSPO Secretariat to independently review by the end of 2017 the quality of the SOPs as well as the effectiveness and consequences of the RACP and verify whether all companies with compensation liabilities are following their Remediation and Compensation Plans.”

Maïke Moellers, German Forum for Sustainable Palm Oil (FONAP): This resolution was developed by the FONAP, presented on behalf of Kuchenmeister GmbH. It calls for more transparency and effective implementation of the remediation and compensation procedure of the RSPO. As you are aware, the remediation and compensation procedure was agreed on by the RSPO last year and allows for compensation for areas that were cleared without prior HCV assessment. We ask the RSPO Secretariat to publish the aggregated figure of all non-compliant land clearances that were reported by the impacted growers and report which compensation options these companies have chosen i.e. setting aside an equal sized area for biodiversity conservation or donate US\$2,500 per hectare to a project that conserves biodiversity. The resolution also seeks an indication on the timeline of these projects as well as understanding of the progress reports required for submission as part of compensation procedures adopted. Finally, for the Secretariat to assess by the end of next year if compensation procedures are followed and if they are working.

I would like to stress two points:

- These are not new requirements for growers or any others impacted by the procedure. It is data that is already collected by the Secretariat and we ask for it to be published in its aggregate form.
- If this figure is published in an existing annual report that it is available, we will accept that and not require a separate report.

Anne Rosenbarger, World Resource Institute: Just for a point of clarification, on the first two asks of this resolution. It is something the Compensation Task Force has already in principle agreed to but I support this idea in bringing attention to the format and its timeliness, and appreciate the idea of a quality review and get the results back to the rest of the membership.

	Approved	
Resolution 6d: Assuring effectively planned, implemented and monitored compensation projects in “remediation and compensation procedures” of the RSPO	For	134
	Against	68
	Spoilt	1
	Abstain	11

Resolution 6e – Protecting human rights defenders, whistleblowers, complainants and community spokespersons

This resolution proposes as follows:

“To mandate and resource the Secretariat to support and facilitate the members of the RSPO Human Rights Working Group to urgently develop:

- *accessible and adequately resourced procedures to allow human rights defenders, whistleblowers and community spokespersons to register their concerns with the Complaints Panel in anonymity and security;*
- *clear guidelines for RSPO members on how to uphold the rights of human rights defenders, whistle-blowers, complainants and community spokespersons in their operations;*
- *a proposal for graduated corrective actions to be required of any RSPO members, which act in violation of these norms, to be submitted for adoption by the Board of Governors within 6 months.”*

Marcus Colchester, Forest Peoples Programme: Over last year, a number of cases where would-be or actual complainants received death threats, with actual killings in the palm oil sector but not within RSPO members’ operations. Rural violence is endemic in some places of Latin America and post-conflict Africa and there is no guarantee of security in Asia. There exists international standards in relation to human rights defenders and this is to bring RSPO in line with these international laws and distance itself from other actors in the palm oil sector who do resort to such violence and/or threats. The idea is to protect whistleblowers, ensure anonymity and protection, and for procedures to be developed for members on how to uphold these rights in the organisation, and proposals for corrective action. Some RSPO members we’ve heard already have such policies in place and the measures by international human rights courts can be learnt from them. This is not a big piece of work but is urgent for accountability of the RSPO towards human rights protection.

Bambang Dwilaksono: With reference to Criteria 6.3, which states that mechanisms to lodge complaints on non-compliance is open to all parties with assurance of anonymity. Is this criteria not enough to protect whistleblowers or complainants when they try to raise issues of non-compliance? If there is a complaint logged into the RSPO system, I believe the complainant shall not be named on RSPO website.

Marcus Colchester: We are building on existing procedures and this is to provide guidelines on how the complainant can go about doing so in the existing system, so this is not an additional requirement. And for the purposes of the complaints panel, the idea is to ensure anonymity and security.

Darrel Webber, Secretariat: From an operational aspect, is it envisioned that we need to provide security?

Marcus Colchester: We need to look into options on how we can do so.

	Approved	
Resolution 6e: Protecting human rights defenders, whistleblowers, complainants and community spokespersons	For	169
	Against	38
	Spoilt	0
	Abstain	7

Resolution 6f – Resolution to review and amendment of the updated New Planting Procedure (NPP) process as applied to smallholders.

The resolution proposes as follows:

“That the RSPO immediately announces a reprieve from the New Plantings Procedure for all smallholders - independent, scheme or associated - until a review of the updated NPP guidance document is completed within 6-months of the announcement. The review shall adhere to specific conditions as defined in this resolution paper.*

**Specific conditions:*

- *That the review process must include sufficient consultation with smallholders and smallholder representative groups, to encourage smallholder engagement and removing unnecessary barriers to smallholder participation and certification.*
- *The review shall specifically focus on simplification and inclusiveness of the NPP without materially compromising the RSPO P&C, and shall specifically include*

smallholder peculiarities and conditions in defining applicability of the NPP e.g. scattered distribution of lands, how fallow lands are considered in the conversion scenarios etc.

- *That detailed guidance on realistic internal social and environmental impact assessments, High Conservation Value assessments and all other assessments that may be required as part of new planting requirements for smallholders are produced during the review process*
- *After the amended NPP document for smallholders is completed and launched, the RSPO shall proceed with a series of training and engagement sessions introducing the NPP requirements and how it relates to the process of certification. This will also need to include capacity building for smallholder group managers and their implementers.”*

Rukaiyah Rafiq, Yayasan Setara Jambi: I am representing the smallholders as we believe the RSPO will give inclusiveness and transform its vision and make sustainability a culture and P&C as a norm. Smallholders want to be part of this big organisation and change. But the situation is different in reality, especially the NPP which are required of smallholders. If smallholders want to expand, we have to have social impact assessment, HCV, LUCA analysis and GHG assessment. Smallholders cannot do this, we do not have knowledge, access, information or capacity to fulfil these. We hope you can support us because we are standalone, otherwise we will be left behind. We are not against the P&C or asking to lower the standards but are asking for the NPP procedures for smallholders to be simplified for independent smallholders.

The smallholders are here but they are afraid to be come on stage because they cannot speak English and there is no interpreter provided. They travelled far from the villages to be here and we ask for your support. Please support this resolution and include us in the RSPO family. If there are questions, I invite the smallholders at the back of the room to respond but they will need an interpreter and hope for assistance from the floor.

Paul Wolvekamp: It is appropriate to emphasise on the spirit of the RSPO family. However there is one lingering question, where RSPO has yet to resolve, is the definition of a smallholder. Is it a small family farm of 2 to 5 ha or is it an entrepreneur with 400 ha? Having this definition clarified is important in order to understand what are the implications of this resolution. I am pleased with the presentation of this resolution, which echoes the RT's proceedings over the last few days.

Jalal Sayuti, Gapoktan Tanjung Sehati: Many small oil palm farmers in Indonesia are having only 1 or 2 ha of land. However, between 2005 and 2010, there are smallholders with more than 10 ha. Certified smallholders such as those in Amanah and Tanjung Sehati, only have an average of 2 ha per farmer. Plasma or Scheme Smallholders also comprise of 2 ha per smallholders, under the Indonesian government's migrant programme.

Rukaiyah Rafiq: I wanted to add that there is still 6 months before the new requirements are endorsed and the new requirement will only be implemented in March 2017. I would like to ask RSPO to create the definition of smallholder via its working group and simplify the NPP.

Perpetua George: I am speaking on behalf of Wilmar International, as one of the co-chair of the Smallholder working group and a proponent of the resolution. The question of the definition of smallholders being raised here is a "red herring" in this GA. If you go through the 400-odd pages on the consultation of the NPP, you will see every time a query is raised about smallholder, it was dismissed in the consultation. The reality is that smallholders are struggling, independent smallholders in particular. There is a wrong or misguided view suggesting that perhaps this is an agenda that growers are trying to take from the smallholders. The reality is otherwise. If we do not remediate or simplify the NPPs, smallholders will not be included within the RSPO. Many smallholders have said that the new NPP requirements are put up without sufficient guidance and input and they will likely drop out. This resolution has also put forward a limit of 6 months. This is also not realistic and we are asking for more time to review it appropriately and make it relevant for smallholders.

Marcel Silvius: There are a few points that could be used to get clarification:

- (a) What is a smallholder? The P&C has a reference that smallholders are generally less than 50 ha but there are other indicators linked to certain guidance where 500 ha is used e.g. on peatlands. It makes a lot of difference between areas of 50 ha and 500 ha.
- (b) When calling for a reprieve from obligations of the NPP, it means that smallholders would not be implementing requirements in relation to SEIA, HCS assessments, land use change analysis, soil mapping etc. Does this also absolve them from the need to adhere to the P&C? What will happen, if lacking these analyses or assessment, a smallholder for example is opening up more than the allowed hectareage of peatland in their area, does this mean they will not be able

to get certification anymore? This is a double-edged sword that may deprive smallholders from entering the RSPO.

Perpetua George: The reason with the confusion of the 500 ha is because that is the text from the current NPP. The Smallholders Working Group is concerned that the way the current NPP is being written it does not look into the reality of the smallholders. We're not talking about a change of definition. Currently, when we say smallholders, we are referring to how RSPO has always defined it, which is less than 50 ha. The 500 ha, which is in the NPP document, is the clarification that is needed. This is the reason why we are asking for a review.

Adam Harrison: I would like to clarify that the 500 ha is for the total development under new planting and not for an individual holder or a definition of smallholders. If there are 500 smallholders each with 1 ha, then it would be a 500 ha development, and it would be considered at that threshold and not for the individual smallholder.

Olivier Tichit: My organisation did not have sufficient time to officially support this resolution, but we do. It is critical to do something now for the smallholders, and if we do not support and keep delaying things by further requesting clarification, to quote an expression, we would have invented the cure when the patient is already dead. We are now at the point where new smallholders, groups of new smallholders, cannot enter the RSPO. For instance, if you are a group of 1,000 and three new families want to join in and open up a new area, they have to go through the NPP; and if they do not and the group is already certified under Identity Preserved, then everybody is downgraded to mass balance and then failed at the following audit. We are creating situations where the RSPO is not inclusive to smallholders at all. Why not start now and address smallholders' urgent issues and be ready for the upcoming P&C. We must have some backbone and courage from all members to say that, although this resolution is ambitious one, it is proposing a solution.

Matthias Diemer: What I'm stumbling over is on the scheme and associated smallholders and would like an explanation on how it will be implemented. If you have scheme then does this mean that the company cannot file an NPP or if the smallholders are exempted, and how would you operationalise that?

Olivier Tichit: The crux of the problem is that the NPP starts at the zero hectare threshold. If you're a scheme/association/group of independent smallholders already working with the company, if there is 1 new family that wants to add, that's an NPP. You are dealing for all smallholders in the same way, and whether or not the company

will shoulder the cost, you will still have to go through the same process. This could mean a delay of 1 year for the planting of 3 ha for a smallholders and not the company.

Perpetua George: To clarify, this is not just for Indonesia, as half of Papua New Guinean smallholders are included in this resolution. The Rest of the World has raised concerns that outside of Indonesia, the definition of scheme/association/group of independent smallholders is not clear cut. If we had not included this, it would potentially be excluding this reprieve for Papua New Guineans so this is a concern from members of the Smallholders Working Group that are not in Indonesia.

Adam Harrison: I would like to echo some concerns from the floor. There is concern on extending this resolution beyond independent smallholders. Many companies play an important role on the growth of smallholders and I do not want to see the responsibilities of companies, in that relationship, be watered or played down. There is also a consistent confusion between the requirements of the P&C, and NPP is not about changing these requirements but on delivering them, to eliminate the risks identified. So that five years down the road, for instance, certification audit happens and that land cannot be certified because something wasn't done at the right time. So the idea that the NPP is an additional requirement is a fallacy which I'm upset that the RSPO has not been able to communicate well to its members. In my personal capacity and what I have observed happening in the Tesso Nilo National Park, Riau, Sumatra, which was 10 years ago 170,000 ha of forest and is now 80% under oil palm and rubber, all by smallholders, and destroying what was valuable wildlife habitat. We studied this in 2012 and found that the average size of smallholders in that encroachment was 50 ha. I am worried that by lifting the safeguards that ensure the credibility of the RSPO, we are opening the doors for some dangerous events to happen, even within six months. We have evidence that it happens and we do not want RSPO opening a loophole that will cause damage to credibility. The RSPO has been working on simplifying the HCV process and on paying for the land cover analysis in terms of remediation. I think this process should carry on and be part of the smallholder strategy. However I would caution against lifting such an important safeguard such as the NPP and I think we should find another way around this.

Rukaiyah Rafiq: There are independent smallholders who want to make a change and who want to be part of the RSPO to increase their livelihood. The RSPO should not only look at the big problems such as that in Tesso Nilo, where the smallholders are clearly against the law. We need look at those who wants to be part of RSPO and to open the door to them joining, not close it. It is my duty to promote the RSPO in my province and we should encourage them to join. If you want to support us, support us now.

	Approved	
	Resolution 6f: Resolution to review and amendment of the updated New Planting Procedure process as applied to smallholders.	For
Against		35
Spoilt		0
Abstain		20

Resolution 6g – Temporary exemption from the RSPO New Planting Procedure for Smallholders

The Chair asked if the Indonesian Growers Caucus are withdrawing Resolution 6g as the prior Resolution 6f was passed. As the latter concurred in the affirmative, Resolution 6g was withdrawn.

Resolution 6h – Suspension of the RSPO Management System Requirements and Guidance for Group Certification of FFB Production

The resolution proposes as follows:

“The RSPO GA 13 requests the RSPO Secretariat to suspend the implementation of the document entitled "RSPO Management System Requirements and guidance for Group Certification of FFB Production", until the necessary tools for smallholders have been developed.”

Bambang Dwilaksono: As there is no remediation and compensation mechanism for smallholders, and no tool for GHG calculations for smallholders, consequently, smallholders must comply with 5 Major Indicators as if they were industrial plantations, which are related to Indicators 7.3, 7.3.2., 7.3.4, 7.4.2 and 7.8.1.

We request the RSPO GA13 to request the RSPO Secretariat to suspend the implementation of the document entitled "RSPO Management System Requirements and guidance for Group Certification of FFB Production" until the necessary tools for smallholders have been developed.

Smita Jairam, Wild Asia: The risks listed state that if this motion does go through, that group certification for FFB is suspended; the alternative seems to be that the generic P&C will be used to certify smallholders for FFB production. This looks like the smallholders must comply with 5 major indicators and more under the full P&C. I just want to highlight that risk.

Bambang Dwilaksono: We see that the 5 major indicators in the generic P&C is not so easy for compliance of smallholders so we should have additional technical methodology on how to comply with this. The RSPO needs more time to discuss with relevant stakeholders to develop more detailed technical methodology for compliance.

Adam Harrison: My concerns are the same as those raised in the previous resolution 6e applying this across the board to all smallholders and about suspending a measure designed to help smallholders to get certified. I have sympathies with this but I have concerns.

Olivier Tichit: Emphasise that the way I read this document is that the group suspension means that the P&C applies. So we have an iron-cast strong safety net where nothing chips away P&C. The Indonesian Caucus is saying that it is willing to take the risk of the full P&C better than a document that doesn't have a technical document.

Darrel Webber: What happens to existing smallholders who have to go for annual surveillance? Which standard do they use if they're asking for this suspension?

Bambang Dwilaksono: Suspension is to give opportunity for more technical knowledge, not stopping the procedure. Your question relates to the fast response from the RSPO to develop technical methodology.

Darrel Webber: But there is an annual surveillance every day somewhere in the system. So we don't allow them to go for annual surveillance?

Bambang Dwilaksono: If there is problem with compensation and no details for independent smallholders, if there is no guidance so we have to separate case by case.

	Rejected	
Resolution 6h: Suspension of the RSPO Management System Requirements and Guidance for Group Certification of FFB Production	For	71
	Against	115
	Spoilt	1
	Abstain	27

8. Any Other Business

Marcus Colchester: I have a comment on Resolution 6h of 2015, which called on the RSPO Secretariat to work in coordination with members in developing this resolution. It did not call for the setting up of a reference group and the procedure you said that we had done so. What we wanted was direct engagement with members in standards development and that didn't happen. What I am requesting is that the spirit of the resolution be honoured and that rapid action be undertaken to involve members directly in fulfilling this important resolution that was agreed last year.

Paul Wolvekamp: On behalf of the board, I would like to express due apologies. As mentioned during the plenary debate, although the adoption of the resolution were started, it's totally correct it was supposed to be done in close collaboration with the RSPO membership. This morning, we had a constructive meeting with members of the Board, Secretariat and those involved in phrasing this resolution. A commitment was made that we would work in tandem especially with those who have expressed an interest to contribute. We would report on a three-monthly basis to the RPSO membership through succinct progress reports made available on the RSPO website. We will improve.

Member: Having gone through this process, if a physical voting requires so much clarity, how relevant is e-voting?

Adam Harrison: This has been a concern people have expressed. Being present here in the physical debate does allow for people to make a more informed decision than just reading the resolutions. We have worked in the RSPO to improve the quality of resolutions so that it is much easier to understand and the implications. I agreed that it is still a problem and we are aware, but we have not yet come forward with a process of maybe debating the resolutions before the GA, allowing e-voters to be informed. I think we ought to explore that.

Perpetua George: If you are opening RSPO membership to smallholders and requiring that they pay membership fees as well, surely during the GA you should also be providing translation and interpretation services. We have surplus funds but not spending it at the GA. The RT sessions throughout were good but we are not enabling representation from the RoW and from those who cannot speak professionally in English or understand it. I think going for a UN-style dual translation is necessary. For the sake of inclusion, we should increase the budget for RT and GA.

Darrel Webber: This is not a budget issue but a blind spot. It will be addressed.

Marcel Silvius: Issues related to peatland management has gotten limited or no mention. Just a month ago 130 scientists from around the world have published an article stating that palm oil production on peat cannot be sustainable. We know of a lot of the key environmental issues in Southeast Asia relating to peatland, particularly the smog and fires that cause huge impact on economies and on people's health. 25% of palm oil in Southeast Asia is produced on peat. It requires drainage and as a result of that, the soil, the whole landscape is actually subsiding. Later studies, including studies by Wetland International, indicated that these land will gradually and inevitably be flooded within half a century or a century from now. Whereas the companies that are operating make a profit and leave that land unproductive for generations to come. I suggest next year that there will be a session, at least half day, for growers and stakeholders to look at progress that has been made in relation to the science base on peatland management in relation to oil palm and how certain issues can be addressed and what additional steps the RSPO may need to take, particular on soil subsidence issue and therefore the need for phasing out of oil palm and look at alternative for a sustainable commercial use of these areas.

Adam Harrison: I would agree that and tomorrow the board will have a proposal for the extension of the Peatland Working Group, which will be the body to arrange such an event. To be fair, on the issue of HCS convergence, there is movements on peat issues but this question on restoration and rehabilitation needs to be addressed within the RSPO.

Belinda Howell: On behalf of the board, and from all of us who have worked with you over eight years, we would like to thank Adam Harrison for all the amazing work you have done for RSPO.

Meeting was adjourned at 5.45pm (GMT+7) by the Chair.

END OF GA13

Annex 1 – Attendance List

Ordinary Members Attendance and Proxy List

1.	Banks and Investors	6
2.	Consumer Goods Manufacturers	28
3.	Environmental NGOs	17
4.	Oil Palm Growers	54
5.	Processors and Traders	42
6.	Retailers	9
7.	Social NGOs	9

Ordinary Members e-Voter List

1.	Banks and Investors	0
2.	Consumer Goods Manufacturers	6
3.	Environmental NGOs	7
4.	Oil Palm Growers	12
5.	Processors and Traders	19
6.	Retailers	5
7.	Social NGOs	0