

MINUTES OF MEETING

Smallholder Standing Committee (SHSC)

Time : 1400 - 1800 (BKKT)

Date : Sunday, 03 November 2019

Venue : Thai Chakkraphat 3, Marriot Hotel, Bangkok Thailand

Attendees:

	Name	Initial	Organisation	Representation Category
1.	Jan Hien	JAN	Planting Naturals (Africa)	Substantive- Grower (RoW)
2.	Ahmadou Cisse	AHC	Solidaridad West Africa	Substantive - Smallholder (Africa)
3.	Hiew Koh Thien	HKT	NY Hiew Holdings Sdn Bhd	Substantive-Smallholder (MY)
4.	Narno	NAR	FORTASBI (Indonesia)	Substantive - Smallholder (INA)
5.	Ivan Novrizaldie	IVN	Asian Agri (Indonesia)	Substantive - Grower (INA)
6.	Ian Orell	IO	Sime Darby (PNG)	Substantive -Smallholder (PNG)
7.	Ingrid Richardson	ING	Unilever	Alternate - CGM
8.	Michael Guidon	MG	ZSL	Substantive - ENGO
9.	Mohd. Suffian Muhili	MSM	Procter & Gamble	Substantive - CGM
10.	Kalindi	KAL	Planting Naturals (Africa)	Observer
11.	Ashwin Selvaraj	AS	RSPO Secretariat	
12.	Fay Richards	FR	RSPO Secretariat	
13.	Kertijah Abdul Kadir	KAK	RSPO Secretariat	
14.	Imam A.L. Mazruq	IAM	RSPO Secretariat	

Absent with apologies:

	Name	Initial	Organisation	Representation Category
1.	David Wigand	DW	Hofer KG	Substantive - Retailer
2.	Johan Verburg	JV	Rabobank	Substantive- Banks & Investors
3.	Marieke Leegwater	ML	Solidaridad International	Substantive- SNGO
4.	Charles Mate-Kole	CMK	Norpalm Ghana Ltd	Alternate - Oil Palm Grower(RoW)
5.	Charles Sackey	CS	TOPP	Alternate - Smallholder(Africa)
6.	Rukaiyah Rafiq	RR	Setara Jambi	Alternate - Smallholder (INA)

Agenda:

1:30 – 1:45 pm	Welcome and Introductions
1:45 – 2:00 pm	Governance Updates by Secretariat
2:00 – 2:30 pm	Implementation of SH Strategy – Objective 1 <ul style="list-style-type: none"> Smallholder Trainer Academy

2:30 – 3:30 pm	<p>Implementation of Objective 2 – RSPO ISH Standard</p> <ul style="list-style-type: none"> • Briefing on the Standard • Next steps on Socialisation and Training Plans • Development of Guidances(FPIC, RaCP, HCV-HCS, Labour etc.) • Establishment of the taskforces/working groups(brainstorm)
3:30 – 3:45 pm	Coffee Break
3:45 – 4:15 pm	Monitoring of implementation of RSPO ISH Standard and the review of the Standard
4:15 – 4:30 pm	Update on certification option for Scheme Smallholders
4:30 – 4:45 pm	Market Uptake of ISH Volumes
4:45 – 5:15 pm	RSSF Updates and next steps
5:15 – 5:30 pm	AOB

DISCUSSION:

No.	Description	Action Points (PIC)	Progress / Remarks
1.0 Welcome and Introduction			
	AS welcome all attending members and informed that this physical meeting serves as an update on the current progress of all main activities implemented under RSPO Smallholder Strategy.		
2.0 Governance Updates by Secretariat			
	<ul style="list-style-type: none"> • Vacant substantive member in the SHSC are for Grower (Malaysia), Smallholder (Thailand) and Processor & Trader. There were interest expressed for Smallholder LatAm (Maria Carmen). • Most alternate member seats are still vacant except for Grower RoW, CGM, SH Indonesia and SH Africa. • IO withdraw himself from nomination for SHSC Co-Chairs.AS highlighted that BoG will endorse the nomination for SHSC Co-Chairs which now is Marieke Leegwater • IO is currently a member of the Standard Standing Committee (SSC) representing Grower/SH (for RoW). Rukaiyah Rafik 		<i>BoG endorsed Marieke Leegwater as co-chair on 7th November.</i>

	<p>(alternate to Pak Narno) is currently a member of the Assurance Standing Committee (ASC)</p> <ul style="list-style-type: none"> ● SH team in Secretariat currently consists of 5 people(2 based in Jakarta and 3 in KL Office). 		
<h3>3.0 Where we are in terms of Certification of ISH?</h3>			
	<p>AS shared the update on number of ISH certified based on region (MY, TH and INA) sourced from the RSPO Impact Report 2019. In totality, 52% increase of number of ISH certified - and the majority are from Indonesia. Two main factors observed:</p> <ul style="list-style-type: none"> ● Active support from RSSF and from partners ● Active outreach and engagement with the smallholders and supporting organisations ● Professional association established to maintain smallholder interests in certification (ie FORTASBI) <p>Main challenges within the independent smallholders, which the SH Strategy is aiming to tackle via the three objectives, are:</p> <ul style="list-style-type: none"> ● Legality issues ● Group strengthening ● Farm productivity - GAP ● Financial support 		
<h3>4.0 Smallholder Trainer Academy</h3>			
	<ul style="list-style-type: none"> ● KAK briefly updated on the progress of the Academy: <ul style="list-style-type: none"> ○ Availability of 3 training guides in 6 languages. Establishment of the Academy online portal for Partners and Master Trainer. A public webpage is available at www.sta.rspo.org ○ 4 Master Trainings (Medan 26-31 Aug, Aceh 1-6 Oct, Accra 22-28 Nov and Santa Marta 1-7 Dec) ○ Total Master Trainers so far is 39. ● AHC stressed the need to involve supply chain players more to be the Academy Partners. ● HKT highlighted that attending Academy trainings should be made compulsory for certification purposes. KAK explained that this is not the case for the Academy at this stage as the Academy materials are not designed and prioritised for certification purpose. 	<p>KAK/Secretariat to actively reach out to supply chain actors and donors.</p>	
<h3>5.0 RSPO Independent Smallholder (ISH) Standard</h3>			

<p>AS updated members on the final ISH Standard document to be ratified in GA16. Few discussion points noted regarding implementation and ensuring compliance:</p> <ul style="list-style-type: none"> ● HKT highlighted the need to ensure transparency on premium payment/distribution between GM (be it individual, NGO or mill) and group members. AS explained this is included in one of the criteria (D.3.1) where information on FFB pricing and premium distribution should be agreed with group members and made transparent. ● IVN explained that if a PO Mill is the GM for a SH Group, the OER rate on FFB agreed is stated in the contract (as FFB pricing depends on OER rate). ● Idea on implementing tax-exemption on premium on IS-certified volume is not possible as currently it is seen as income to the group. Suggestion by members is to involve government agencies in the system so ways to have it tax-exempted can be discussed. ● With regards to High Carbon Stock (HCS) inclusion in the ISH Standard, <ul style="list-style-type: none"> ○ An integrated HCV-HCS tool needs to be developed to allow group managers to conduct an HCV-HCS assessment. ○ As a first step in the development of a tool, a call for for an independent review of the current HCV approach and the draft HCSA toolkit has been published. Proposals received and the contract will be finalised after RT. ○ ISH Standard does not allow any new development until the HCV-HCS tool is developed. There is an exception to allow new development in low risk areas. Identification of the low risk areas will be through the IS-NDTF. ○ Decision on the setup of the IS-NDTF is pending the discussion in the BoG on the role of HCSA in the RSPO governance ○ Identification of low risk areas requires an approach similar to the Land Use Risk Identification(LURI) process for growers and it is too expensive/complicated for smallholders. ○ In the absence of a clear mechanism to identify low risk areas, and to avoid any potential cases of compensation/complaints, the members of the SHSC agreed to not allow for any new planting until the combined HCV-HCS tool is developed. ○ This decision needs to be communicated to all existing and potential group managers. ○ IO requested the secretariat to develop a decision tree 	<p>Secretariat to outreach to government agencies(focus on Africa) to get exemption on income of smallholders from premiums</p>	
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6.0 Market Uptake			
	<ul style="list-style-type: none"> ● AS shared the recent credit sales on IS-CSPO and IS-CSPKO and the sales trend based in PalmTrace. Refer to attached powerpoint ● NAR stressed that if there is no commitment from buyers to maintain good price, option to sell credit should be taken out. ● AS explained that the Shared Responsibility requirement in the 2018 P&C should enables buyer to commit good price for ISH certified volume. ● One potential issue discussed was the potential reduction in the premium if the supply of credits in the market increases once more SH groups enter the eligibility and MS A phase. The SHSC collectively agreed that it is essential to ensure that market pays a good price for credits. ● HKT suggested that RSPO should set a minimum/floor price for ISH credits. AS updated the group that this was already discussed in 2017 in the Trade and Traceability(T&T) Standing Committee and there was no consensus in pursuing this approach. AS informed the SHSC that it is up to the SHSC to decide if we should pursue this strategy in collaboration with the MDSC. ● SHSC collectively agreed to discuss this in greater detail in the next SHSC meeting . 		Info
		AS to share the existing proposal for minimum pricing mechanism with the SHSC. Agenda for next meeting	
7.0 RSSF Updates			
	<p>AS shared the latest update on RSSF disbursement based on RSPO Impact Report 2019. Since it started, RSSF have supported 37 smallholder projects worldwide in 12 countries and benefitted more than 29,400 individual smallholders. Currently, there are total of 22 ongoing RSSF projects where 5 in LatAm, 3 in Africa, 13 in Indonesia and 1 in Malaysia.</p> <p>The new direction of the RSSF will be discussed by the SHSC in the next meeting</p>	AS to share the draft proposal of the new RSSF mechanism for next meeting	
8.0	<p>AOB SHSC members agree to have minimum 2 physical meetings once a year (tagging along EURT and annual RT dates). Next meeting-call tentatively scheduled in January 2020.</p> <p>No other specific AOB were discussed.</p>		

End of minutes