

MINUTES OF MEETING

Market Development Standing Committee

Time : 2000 - 2200 (MYT)

Date : Tuesday, 28th September 2020

Venue : Conference Call

Attendees:

Name	Initial	Organisation	Representative Category
Anita Neville	AN	Golden Agri-Resources	Co-Chair, Grower IN
Caroline Westerik	CW	AAK	P&T
Eddy Esselink	EE	MVO	Co-Chair, P&T
Franka Lakeman	FL	Ahold Delhaize	Retailer
Harjinder Kler	HJ	HUTAN	NGO
Jonathan Escolar	JE	Natura Logistica E Serviços (Body Shop)	CGM
Jose Roberto Montenegro	JM	Agrocaribe	Grower ROW
Julian Walker-Palin	JWP	Retailers Palm Oil Group	Retail
Marike Liegwater	ML	Solidaridad	SNGO
Tracey Gazibara	TG	Cheyenne Mountain Zoo	ENGO
Ashwin Selvaraj	AS	RSPO Secretariat	
Bakhtiar Talhah	BT	RSPO Secretariat	
Beverly Postma	BP	RSPO Secretariat	
Dan Strechay	DS	RSPO Secretariat	
Fay Richards	FR	RSPO Secretariat	
Inke Van Der Sluijs	IVDS	RSPO Secretariat	
Emir Bustami	EB	RSPO Secretariat	
Nefissa Sahnoun	NS	RSPO Secretariat	

Absent with apologies:

Name	Initial	Organisation	Representative Category
Lee Kuan Yee	LKY	Kuala Lumpur Kepong	Grower MY
Razuwan Che Ros	RCS	FELDA	Smallholder Representative
Sharyn Shufiyan	SS	Wild Asia	Smallholder Representative

Agenda:

Time	Topic
	Antitrust Statement Reading
	Updates from the Outreach Working Group and Supply Chain Traceability Working Group
	Position Paper on Credits for BoG
	Discussion on “No Palm Oil” labelling and claims <ul style="list-style-type: none"> - Recent issues of RSPO members making no palm oil claims - Actions to educate members on Rule 1.4 of RSPO Code of Conduct
	Establishment of a joint working group with the Smallholder Standing Committee on Smallholder Credits and Smallholder Engagement
	Secretariat Updates <ul style="list-style-type: none"> - EU Sustainable Palm Oil Dialogue Update/Outcomes - RT2020 Update and opportunities - Social Campaign Results, RSPO Scan App, and Consumerlanding page
	AOB <ul style="list-style-type: none"> - MDSC WhatsApp Group - November Meeting – November 2-5

Updates on Action Points from the last meeting:

No.	Action Point	Status


DISCUSSION:

No.	Description	Action Points (PIC)
1.0 Antitrust Statement Reading		
	<p>The Chair welcomes members of the MDSC to the meeting and reminds the members of the following,</p> <ul style="list-style-type: none"> - All MDSC members will have to abide by the RSPO Antitrust law - MDSC follows a consensus-based decision making as outlined in the ToR - Members have to declare Conflict of Interest (CoI) under any items and excuse themselves to remain objective to the discussion. 	
2.0 Updates from the Outreach Working Group and Supply Chain Traceability Working Group		
	<p>Outreach Working Group Update Kamal Seth (RSPO Secretariat India Representative) to take the Lead on the Outreach WG from a Secretariat perspective.</p> <p>The Outreach WG’s focus is centred on the review of the Market Communications and Claims document which needs to be updated to reflect the revision in the P&C, SCC, Standard & Systems Document. The Outreach WG will be working with the Standard Standing Committee</p> <p>Supply Chain Traceability Working Group Requested support from the Assurance Standing Committee due to the workload.</p> <p>Proposal of redefining the RSPO Uptake to be included in the agenda for the next MDSC meeting.</p> <ul style="list-style-type: none"> - The Committee raised a concern regarding the alignment and timeline of the Working Group as it could affect the information relevant to the Board. The Secretariat Lead expects an agreement on the proposal in October, during the next meeting. 	<p>Proposal to be included for the next MDSC Meeting</p>
3.0 Position Paper on Credits for BoG		
	<p>RSPO Credits Position Paper The Secretariat presented the document with the latest comments and addressed them with the Committee.</p> <ul style="list-style-type: none"> - The Secretariat has modelled the 2% and the SRWG. - The Committee agreed to the changes made to the document. <p>3.0 Recommendation Options For The Board Comments regarding the pricing for credits and physical for smallholder is</p>	<p>To be discussed in the next meeting</p>

	<p>removed due to RSPO’s Antitrust Law</p> <p>A Committee Member stated that the document could be more specific in the recommendation by adopting a proactive language to support Credits in the market; both upstream and downstream.</p> <p>The Committee agreed to add on the recommendation of stimulating the uptake of Credits and not to phase out Credits for ISH.</p> <p>Secretariat to revise and update the Position Paper on Credits for members to comment virtually and to circulate it to the Members and Working Groups.</p> <p>Draft Statement as a result of the call:</p> <p style="padding-left: 40px;">The MDSC recognises that there is value to credits for certain supply chains and for certain uses such as the cover of fractions and derivatives, as well as a tool for incentivising smallholders and for the development of new emerging markets for CSPO. The MDSC also recognises that there is criticism of credits by stakeholders.</p> <p style="padding-left: 40px;">The short-term recommendation of the MDSC to maintain the status quo on credits for year two of the Shared Responsibility implementation and revisit the issue again next year. In the medium- and long-term, the MDSC recommends that the Standing Committee work on a strategy with the Secretariat that recognises the need to encourage members to move to the physical supply chain in mature CSPO markets, while continuing to use credits to develop new markets (such as China, India, Indonesia, and Malaysia) and sectors (such as animal feed) for CSPO support smallholders, outgrowers, and jurisdictional approaches. Any approach should also include further education and better communications on the impact of credits to members and stakeholders. Additionally, more work is needed to educate stakeholders and members on the role of credits for independent smallholders (ISH) and the new RSPO ISH Standard, and the potential to expand the impact and role of ISH Credits.</p>	<p>To send out by the end of the week</p>
<p>4.0 Discussion on “No Palm Oil” labelling and claims</p>		
	<p><i>Decision making put on hold due to members having to leave the meeting</i></p> <p>The Chair reminded the committee of the Code of Conduct, Section 1.4 and the Secretariat have recommended that the MDSC draft a statement on this issue.</p> <p>Members agreed that the statement should come from MDSC but in a positive fashion and should include a webinar to reinforce the modification of the code of conduct language.</p> <p>A member suggested the designation of action points to members to ensure the</p>	<p>The Committee will review the wording of the</p>

	<p>message is acknowledged.</p> <p>To be reviewed:</p> <p>RSPO Code of Conduct Section 1.4 which states: Members must not make claims which imply that the removal of palm oil from a product is a preferable social or environmental sustainability outcome to the use of RSPO certified sustainable palm oil. Moreover, members shall seek to promote, and not to denigrate the aims and goals of RSPO, namely the production and use of RSPO certified sustainable palm oil.</p>	<p>CoC. Recommended that a webinar and educational outreach be designed to help members understand the issue.</p>
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5.0 Establishment of a joint working group with the Smallholder Standing Committee on Smallholder Credits and Smallholder Engagement

	<p>The committee was informed of objectives of the Joint WG between MDSC and SHSC.</p> <div style="background-color: #f4a460; padding: 5px; display: flex; align-items: center;"> 5.0 Joint WG with SHWG  </div> <p>Proposed Objectives</p> <ol style="list-style-type: none"> 1. Support the implementation of the Objective 3 of the Smallholder Strategy to ensure there is a business case for smallholder inclusion in RSPO 2. Conduct an analysis of costs and benefits for smallholder certification and develop appropriate strategies to ensure there is a business case for certification 3. Oversee the development of a marketing strategy to increase the market value of certified volumes of Independent smallholder sold as credits and physical 4. Develop solutions to increase uptake of all credit types (CSPO, CSPKO and CSPKE) sold by smallholders across all consuming markets 5. Where there is no market for certain types of credits, ensure the incentives are appropriately distributed across other credit types 6. Review the effectiveness of the current trading options for smallholders (on market vs off market) and propose appropriate changes to the trading models, if necessary <p>After feedback from committee members, the decision to create the WG is postponed.</p> <ul style="list-style-type: none"> - To ensure that the smallholders are being represented on the mainstream by including them in the mainstream. - The Committee preferred to streamline SH instead of creating another WG. 	<p>SHSC and MDSC to confer further.</p>
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6.0 Secretariat Updates

	<p>EU Sustainable Palm Oil Dialogue Update/Outcomes</p> <ul style="list-style-type: none"> - Virtual - More content compared to last year <p>RT2020 Update and opportunities</p> <ul style="list-style-type: none"> - Will be virtual - Crowdsourcing content (blogs, videos, articles, etc); deadline is October 10th. 	
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	<ul style="list-style-type: none"> - The General Assembly (GA) will be separate from RT2020 <p>Social Campaign Results and RSPO Scan App</p> <ul style="list-style-type: none"> - Working with Ferrero to create an app with the aim of engaging consumers. - The app will scan product barcodes scored by RSPO members based on their performance. - App release is planned for the end of the year. <p>Website Development and Consumer Landing Page</p> <ul style="list-style-type: none"> - Focus is on Consumer Lander and Homepage. - Consumer Lander: 3D immersive webpage that will take you through the story of sustainable palm oil. - Consumer Homepage: Reorganise the information on the homepage while the website is being revamped. - To be completed in the end of October 	
<p>7.0 AoB</p>		
	<p>Whatsapp Group Members interested in joining the group should send their contact details to the Chair.</p> <p>Next Meeting Targeted to fall within the first week of November.</p>	

ANNEX:

In alphabetical order:

CoC - Code of Conduct

GA - General Assembly

P&C - Principles & Criterias

RT2020 - Round Table 2020

SCC - Supply Chain Certification

SRWG - Shared Responsibility Working Group