

MINUTES OF MEETING JURISDICTION WORKING GROUP MEETING - Bali

Date : 31 August 2023 (Thursday) 9:00 am to 4:30 pm (MYT)

<p><u>Attendance:</u> <u>Members and alternates</u></p> <ol style="list-style-type: none"> 1. Sander van den Ende (SIPEF)* 2. Lim Sian Choo (Bumitama) 3. Silvia Irawan (Kaleka)* 4. Maria Amparo (CISPS) 5. Melissa Thomas (CI) 6. Max Donysius (WWF Malaysia) 7. Alfre Yee (LKSS) 8. Rob Nicholls (MusimMas) 9. Lee Kuan Chun (P&G) 10. Aprilianto Nugroho (Sinarmas) 11. Kamal Seth (WWF) - BoG 12. Olivier Tichit (MusimMas) - BoG 13. Yasmina Neustadt (RSPO) 14. Javin Tan (RSPO) 15. JD Cruz (RSPO) 16. Daniel Liew (RSPO) 	<p><u>Absent with Apologies</u></p> <ol style="list-style-type: none"> 1. Quentin Meunier (Olam) 2. Tom Lomax (FPP) 3. Eza Nurain Abdullah (Sime Darby) 4. Rauf Prasadjo (Unilever) 5. Tri Padukan Purba (Rainforest Alliance) 6. Glyn Davies (WWF Malaysia)** 7. Paul Wolvekamp (Bothends) 8. Chin Kai Xiang (Bunge) 9. Jon Hixson (YUM) 10. Marcus Colchester (FPP)
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*Co-chairs of JWG

**Special consultant

Agenda

Jurisdictional Working Group
Meeting Date - 31 August 2023
Venue - Hyatt Regency, Bali

Item	Time (MYT)	Duration (minutes)	Agenda	Remarks
1 - Admin matters	0900 - 0905	5	1.1 - Opening and welcome 1.2 - RSPO Antitrust Guidelines, Conflict of Interests Declaration, and Chatham House Rules	
2 - Updates and discussions	0905 - 1030	85	2.1 - Recap and feedback of workshop discussion points	
	1030 - 1045	15	Coffee break	
	1045 - 1115	30	2.1 - Workshop discussion points (continued)	
	1115 - 1230	75	2.2 - Pilot stepwise progress recognition	
	1230 - 1345	75	Lunch	
	1345 - 1530	105	2.3 - RSPO JA strategy - finalising action points, timeline and resources needed	
	1530 - 1545	15	Coffee break	
	1545 - 1630	45	2.4 - Any other business	

Minutes of Meeting:

Item	Description	Action / Remark
<p>1.1</p>	<p>Opening and welcome new members</p> <p>The meeting started at 9:15 am Bali time.</p>	
<p>1.2</p>	<p>RSPO Antitrust Guidelines, Conflict of Interests Declaration and Chatham House Rules</p> <p>There was no question regarding the guidelines and the rules. And no conflict was declared.</p>	
<p>2.1</p>	<p>Recap and feedback of workshop discussion points</p> <p><u>JE membership in RSPO</u> There were concerns from one of the pilots on the right model of entity to use as JE.</p> <p>The Secretariat said that there is no one-size-fit-all model and the important considerations should be to have the entity legally formed and is accountable as RSPO members with strong government leadership.</p> <p><u>Jurisdictional RaCP</u> Two models were presented by consultants during the workshop – i) the analytical model and the ii) negotiated outcome model</p> <p>Participants of workshop showed clear preference for the negotiated outcome model</p> <p>Further development is needed to provide guidance on implementing the jurisdictional RaCP based on negotiated outcome model</p> <p>There were also discussions on using Shared Responsibility to encourage downstream actors to contribute more to JE by supporting its operations and compensation liabilities.</p> <p><u>Jurisdictional screening tool</u> Overlaying threat maps with probability maps to produce priority maps.</p> <p>The priority maps will guide further efforts to verify HCV-HCS data in the jurisdiction</p> <p>The consultant informed that it is possible to disaggregate the screening process by focusing on HCV1-4 first and HCV-5-6 later</p>	

<p>2.2 JA pilots stepwise progress recognition</p>	<p>Some pilots also shared concerns of the screening tool be made mandatory for the JE to apply which might lead to resistance from government units involved.</p> <p>On the issue of disaggregating the screening process, a member added that at a jurisdictional setting, RSPO should consider checking and approving HCV1-4 first and when there a actual and potential development interests within the jurisdiction, further verification process could be carried out by JE for HCV5-6, FPIC and land legality issues.</p> <p>A member suggested that maybe the HCV5-6 should be done at landscape level as smallholders within the landscape would not have the resources for the exercise.</p> <p>A participant pointed out that possibility of screening HCV5-6 at would only be possible if the data is available at the jurisdiction in which case meaningful screening is possible with minimum efforts.</p> <p>In the absence of jurisdictional HCV5-6 data, detailed field work would still be required in which case should be conducted on needs basis.</p> <p>The Secretariat reminded the JWG that current RSPO rules require full HCV1-6 information for membership application. So if JA is disaggregating HCV1-4 and 5-6, changes in RSPO membership rules should be considered.</p> <p>A member reminded that funding of the screening exercise and association of smallholders with companies for support must be considered for the project to be successful.</p> <p>The Secretariat shared the initial progress assessment work done with one of the pilots.</p> <p>The assessment format was designed based on indicators listed in the Stepwise Approach of the RSPO JA piloting framework document.</p> <p>The format would guide the pilots on the documents / information that need to be presented to prove its fulfilment of the Stepwise indicators and Secretariat should produce a guidance on the sufficiency of the information provided by pilots.</p> <p>The submissions of completed assessment format by the pilots should be reviewed by an independent panel.</p> <p>The members agreed that the assessment format would be shared to the pilots for their self-assessment and submission of supporting document. Upon receiving replies from the pilots, the Secretariat would take five working days to verify the submission.</p>	
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	<p>Verified assessment form would be recommended for final approval by SSC in their next immediate meeting.</p> <p>JWG would also be kept informed via email of the process and results achieved. In the absence of objection by members within two days of the email, it would be taken as that the JWG agrees with the assessment.</p> <p>Upon approval by SSC, a formal letter would be issued by RSPO recognising the pilot's completion of Step1.</p> <p>2.3 JA session for RT 2023</p> <p>The co-chair shared with the group that after discussions with members involved, we should have the main stakeholders represented in this year's RT i.e. the government and the private sectors</p> <p>The private sectors could be linked into the process under the theme of Shared Responsibility (SR). Representative from the SRWG agreed to support the process of working with JWG for the RT event.</p> <p>A formal recognition ceremony for pilots progress was also being considered during the RT.</p> <p>A member suggested making a video about JA and the three pilots to provide information and to add context to the pilot progress recognition.</p> <p>Co-chair reminded the group of the request from a member to also have indigenous people represented in the session.</p> <p>2.4 RSPO collaboration with Kaleka, JA communication, Funding, New potential pilots</p> <p><u>RSPO x Kaleka</u> RSPO intends to forge closer working relationship with Kaleka to work on organising events like the Bali workshop so that the JWG could learn more from the pilots through two-way communications.</p> <p><u>JA communication</u> The Secretariat will also be focusing more on internal communication within RSPO and also external communication on what is JA and the role of the Secretariat in supporting the pilots.</p> <p>Members pointed out that written documents are less effective and that the group should focus more on videos, infographics, brochures and other means. Targeted audience webinars (live / recorded) are also useful.</p> <p>The Secretariat will be reaching out to working group members as source person for development of communication materials.</p>	
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It was also highlighted to the group that there are many webinars on jurisdictional / landscape approach organised by other parties that we could link in more to share the ideas of RSPO JA.

The group also needs customised communications to focus on work of pilots and challenges faced.

Additionally, a member suggested that there should be follow up webinars, after RT and three pilots formally recognised, to talk about RSPO JA, the three pilots and the significance of them achieving Step1. This is to drive momentum and keep the information flowing. The communication channel, once launched, must be kept active to avoid the impression of failed project.

Funding

RSPO has been connecting donors with pilots and projects requiring funding. The limited resources internal RSPO prevented more active work in searching and connecting donors to projects.

The Secretariat reiterated that could look into match funding with donors if and when a connection is established.

A member shared the idea of crowd funding which in addition to generating financial support for pilots (the amount is not going to be significant), it could be used as a platform to generate goodwill among the general public and to promote understanding of RSPO and JA. But this kind of diverse activities could entail higher level discussion at the Board.

The Secretariat recapped that it will work with the Comms team to set up a dedicated website and also encourage the pilots to set up its own communication tool to allow direction connections and interactions with interested parties regarding funding, supports or just as a communication channel.

New potential pilot

The Secretariat shared with the group that there are few jurisdictions are interested in RSPO JA and claimed that they are ready to apply for formal recognition as JA pilot.

Some of the members and the Secretariat is of the opinion that new jurisdiction applying to be RSPO JA pilots should be subjected to the same assessment criteria as discussed above. Secretariat also would need to gauge its resources requirements to cope with potential new pilots.

The group proposed that in addition to assessing the readiness of new pilots using the format, the JWG and existing pilots should also have conversations with the potential new pilots to clearly remind them of the commitment and challenges ahead and to share experiences of existing pilots to manage their expectations.

	<p>The Secretariat is of the opinion that if despite all information shared and the new pilots still decide to proceed and satisfy stepwise progress criteria, there is no ground for the JWG to reject as we have publicly declared the criteria in the framework document.</p> <p>The co-chair suggested to put on hold this discussion until more clarity is available for other more important issues like JE membership.</p> <p>As part of the bigger discussion, a member brought up the issue of end point of RSPO JA and whether it is solely focused on certification which is the direction of the RSPO JA piloting framework. If there are other possible end points, then the framework document looked into for revision.</p> <p>Some members affirmed their position that they do see certification as the end point of RSPO JA. And the process of certification for JA allows other benefits to be realised like supporting smallholders and lowering costs.</p> <p>The Secretariat recapped that certification is still the end goal of RSPO JA and the development of the JA certification system documents would still continue. Members agreed.</p> <p>Members also requested the scope of work in JWG ToR which referred to RSPO certification be corded in minutes. The scope of work reads :</p> <ul style="list-style-type: none"> • Providing high level guidance on all the work related to the jurisdictional approach to RSPO certification, focused on the development of an approach centered around local applicability, acceptance by the market, and pragmatic development over time. • Alignment and information exchange with current JA initiatives to identify best and worst practices. • Striving for JA pilots (current and new) to provide feedback on and, as much as possible, implement the guidance developed by the WG 	
<p>3.1</p>	<p>Jurisdictional entity membership structure</p> <p>The Secretariat pointed out that RSPO JA requirements of a JE are mainly that it has to be legally established and has involvement of the government as part of the JE.</p> <p>JWG members continued discussion regarding items that need to be revised in the main RSPO documents (RSPO Statutes, Membership Rules and Code of Conduct), the revision processes (JWG endorsement, public consultation, SSC and BoG endorsement, General Assembly endorsement) and timeline.</p>	

<p>The Secretariat provided a brief explanation of the complications related to changes in membership rules at the sector level (voting weightage, BoG representation etc) and cautioned that adoption of a new membership structure for JE at RT 2023 is unlikely due to time constraint.</p> <p>The Secretariat also further cautioned that the proposal to change the membership structure is affecting all existing RSPO members and which could lead to many questions from members and the BoG and must therefore proceed carefully.</p> <p>The Secretariat also pointed out that for GA in 2023, the Secretariat would need to report back on the actions taken and progress in relations to the GA resolution in 2022 on expediting JA. The Secretariat and the JWG could therefore use the resolution update report to provide briefing on proposed actions (new category / new sector) and its timeline.</p> <p>Referring to the JA strategy paper prepared earlier in 2023 which was not endorsed by SSC due to the concern of JA being only about certification, the co-chair suggested that the JWG should still try to stick to the timeline provided in the paper which is to have new membership structure for JE endorsed by GA in 2023.</p> <p>The proposal for JE membership</p> <ul style="list-style-type: none"> • JE to be a new CATEGORY of member • No voting right for new JE category • No BoG representation • No membership fee • Must submit ACOP and time bound plan <p>It was agreed that the above conditions could be revisited in future when situations warrant it.</p> <p>The group also agreed that despite not having voting rights and board representation, JEs are still allowed to go through certification, which is the main goal of existing pilots now.</p> <p>Once JE is certified, its individual members would be given the direct access to Palm Trace so that they can manage its own trading.</p> <p>A member representing the pilot highlighted that with the new JE category having only the entitlement to participate in RSPO certification and not having voting rights and BoG representation, the existing RSPO members should be less concerned. And the existing pilots whose main goal is to continue its certification journey should also be agreeable to the proposal.</p> <p>Another member representing pilot raised concerns regarding not having voting rights and BoG representation and felt that it would discourage government involvement in JE. The member is also unsure how JE would defend itself without the normal rights accorded to ordinary members.</p>	
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Members also spent time discussing non-compliance and complaints involving members and JE and the mechanism for dealing with them via internal JE mechanism or RSPO.

A member pointed out that issues to vote for in General Assembly are mainly administrative and governance matters relating to membership, appointment of auditor etc. Whereas for matters that has direct impacts on members like standards review, there are other avenues to voice one's concerns like public consultation.

The pilot rep agreed to go along with the JWG membership proposal as above.

Next steps

- A BoG member at the meeting offered to bring this discussion for the Board's information.
- Members are also reminded that the proposal needs to go through the Standards Standing Committee. Co-chair agreed to formally discuss the proposal with SSC co-chairs with the decision paper to be prepared by the Secretariat.
- 30-day public consultation on the proposal
- With positive consultation results, the proposal to go through adoption process of SSC and BoG, and proceed to GA voting as a Board resolution.

Tentative timeline (working backward)

- Submission of Board resolution – 16 October 2023
- Board to endorse final draft – 15 October 2023
- SSC meeting to endorse final draft – 13 October 2023
- JWG meeting to finalise draft – 12 October 2023
- Start of public consultation – 11 September 2023
- Endorsement by SSC of fast-track process– 8 September 2023

The regular SSC meeting is scheduled for 26 Sep, but a member who is also on SSC offered to request for special SSC meeting by early September to help with the process.

The Secretariat and some members are of the opinion that the process should not be rushed and an extraordinary GA is more workable.

Members are also reminded that the process could be affected by any significant negative comments or opposition to the proposal at any of the stages above.

In the event of any disruptions to the fast-track process in which case tabling at GA 2023 is not possible, the alternative would be an extraordinary GA in 2024.

	<p>Any other business</p> <p><u>RSPO Certification Trade Traceability System</u></p> <p>A member presented the CTTS digital platform currently being developed by RSPO to house data for certification, trade and traceability functions.</p> <p>The platform would digitalise current data that is currently, mostly paper-based. In addition to fulfilling needs for RSPO process, the development is also in anticipation of external data needs like the EUDR.</p> <p>The platform that uses blockchain technology also envision RSPO as data depository. In relation to JA, the platform could be used by pilots to store shipment of certified and non-certified volumes.</p> <p>The member suggested that JWG should start dialogue to connect the pilots to this development process.</p> <p>The meeting concluded at 4:30 pm.</p>	