

MINUTES OF MEETING
JURISDICTION WORKING GROUP MEETING #20 (VIRTUAL)

Date : 12 October 2023 (Thursday) 5:00 pm to 6:30 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. Chin Kai Xiang (Bunge) 3. Silvia Irawan (Kaleka)* 4. Max Donysius (WWF Malaysia) 5. Alfred Yee (LKSS) 6. Lim Sian Choo (Bumitama) 7. Marcus Colchester (FPP) 8. Lee Kuan Chun (P&G) 9. Rob Nicholls (Musim Mas) 10. Melissa Thomas (CI) 11. Daniel Liew (RSPO) 12. Javin Tan (RSPO) 13. Oi Soo Chin (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 Prasodjo (Unilever) 5. Aprilianto Nugroho (Sinarmas) 6. Jon Hixson (YUM) 7. Eleanor Spencer (ZSL) 8. Maria Amparo (CISPS) 9. Tri Padukan Purba (Rainforest Alliance) 10. Paul Wolvekamp (Bothends)
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*Co-chairs of JWG

**Special consultant

Agenda

Item	Time (MYT)	Duration (minutes)	Agenda
1 – Admin matters	1700 - 1715	15	1.1 – Opening 1.2 – Antitrust Guidelines, Conflict of Interest Declaration, Chatham House Rules 1.3 – Acceptance of Minutes – Meeting #20
2 - Updates	1715 - 1745	30	2.1 – JE Membership: Public Consultation Results & Discussion
3 - Discussions	1745 - 1800	15	3.1 - AOB

Minutes of Meeting:

Item	Description	Action / Remark
<p>1.1</p>	<p>Opening</p> <p>The meeting started at 5:04 pm Malaysian 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>1.3</p> <p>Acceptance of minutes – Meeting #20</p> <p>Minutes of the JWG Meeting #20 was adopted by members.</p>	
<p>2.0</p>	<p>Project updates by the Secretariat</p>	
<p>2.1</p>	<p>JE Membership: Public Consultation Results & Discussion</p> <p>This meeting focuses on the discussion of JE membership and the responses received in the consultation process, and to agree on whether the initial proposal can be tabled to SSC for endorsement.</p> <p>The Secretariat presented an overview of the results from the public consultation on JE Membership 14 completed responses were received, and 1 response received was incomplete. Out of the 15 responses, 13 are RSPO members and 2 are non-RSPO members. The non-RSPO members are from the consultants and others category. 5 responses were from the growers’ sector 3 from P&T 3 from Consumer Goods Manufacturer 2 from Environmental NGOs.</p> <p>There is only one add-on response since the #20 JWG meeting, who disagreed that JE should have no membership fees, no BoG representation, and no voting rights. All responses are fully supportive of ensuring the JE membership is fully bound by the Code of Conduct.</p>	

Members discussed on the responses towards the comments received as shown in the table below:

1. Separate Membership Category

Feedback recorded:	JWG response:
There will be additional costs due to having a previous membership. It's best to only have one membership.	Existing members within the jurisdictional area are not obliged to join JE and can continue with their independent certification
New membership is only for organizations that do not have a previous membership number, to differentiate that the organization follows a jurisdictional approach, a declaration form can be made to declare that it follows a jurisdictional approach without creating a new membership.	

From the comments received, it needs to be clear that this new membership does not affect the current RSPO membership within the landscape and that the new membership category is a membership created on a jurisdictional level.

Most of the responses received are supportive of the idea to create a separate membership category but need more communication or closer engagement.

Members raised a question regarding whether bigger growers that have been certified in multiple regions, would have their own membership number outside JE if they choose to join JE.

Secretariat explained that if the company has a plantation and decides to join JE, the plantations would be certified under JE and the certificates would not be under their company's own name, but under JE.

Secretariat also explained that for the areas certified under the jurisdictional certification, it would not follow the company's own individual membership number. The volume trade will use the JE membership sub numbers that are assigned to them.

Members responded that if companies are a certified member of RSPO, all the areas that those companies have should be bound by their individual membership, but have the option to trade the volume within JE.

Members suggested capturing this in a fact sheet or FAQ on what is JA and the different scenarios on the RSPO website to reach a larger audience.

To clarify options for JE to trade and capture in fact sheet

2. Voting rights and BoG representation

Feedback recorded:	JWG response
Being a member of RSPO, having active certification of its member sites, it would be unfair that the membership does not provide any voting rights, the very rights that it is signing on to comply.	This is an interim position until the JA mechanism starts functioning. In the meantime, the JE members can and are encouraged to participate in any RSPO's working group, task force and working structure.
The jurisdictional member potentially represents a very large number of growers and planted area. It is therefore more than worthwhile to be heard properly and be able to influence decisions through voting rights.	
Insight from member jurisdictions will be very important for all members and RSPO's progress will be more specific and focused on achieving certification in district and provincial jurisdictions	
So that all P&C implementation can run according to the process and achievement targets	
So that the votes of the membership can be accommodated	

The comments received are mainly on how to ensure that JE members have the similar rights with the other RSPO members i.e. having voting rights and BoG representation.

It also touched on how to get the jurisdiction to be involved in the development of the guidance and structure of RSPO and making sure that there is an active participation role allowed for JE members.

Secretariat responded that although JE members may not have voting rights, but JE-associated organisations are encouraged to join RSPO working groups or structure.

However, as the number of JE members is low, it does not make sense for now to bring them into the BoG as a representative which would require an overhaul of the entire weighted voting system.

Members agreed that this is an interim position and will be reviewed after the JA system starts functioning.

3. Membership Fee

Feedback recorded:	JWG response
To be a member of RSPO, membership obligation should be in full	This is an interim position until the JA mechanism starts functioning and a review conducted.
So that the process can be carried out in a timely manner and handled by professional appraisers	
We do not think it is equitable with the other members of the organization, they should pay a membership fee like everyone else, although at a low value.	
To ensure the continuity of the organization, give those who participate in a common future	

The comments received states that equal obligation should be provided to the members. The membership fees may be reduced but not a complete waiving.

Members responded that this is an interim position as well until a review has been conducted.

Secretariat summarised the final proposal that will be presented to the SSC:

1. Memberships

- A separate category of members is to be created for Jurisdictional Entity (JE), known as Jurisdictional Members – entity governed by a multi-stakeholder supervisory board, performing administrative and executive services facilitating compliance of organisations that have either direct involvement, or have activities around, the palm oil supply chain, with RSPO standards.
- Jurisdictional Members shall be represented by one (1) or more persons of its choice and representative(s) must prove their identity with a power of attorney in writing.
- Jurisdictional Members shall be bound by the Code of Conduct and there will be no fees attached to this membership.

<p>Members suggested adding a note that a review will be conducted once the JA mechanism starts functioning.</p> <p><u>2. Admission of Jurisdictional Members</u></p> <ul style="list-style-type: none"> ● For a Jurisdictional Entity to become a RSPO Member, the Jurisdiction Entity must already be acknowledged as a RSPO JA Pilot (official Step 1 of JA Framework’s acknowledgement from the RSPO Secretariat). ● Interested RSPO JA Pilot must submit the membership application form, with relevant supporting documents to the Secretariat. ● To be a RSPO Jurisdictional Member, a RSPO JA Pilot shall demonstrate achievements/ compliances to Step 2 requirements of JA Piloting Framework. <p><u>3. Rights of Jurisdictional Members</u></p> <ul style="list-style-type: none"> ● Jurisdictional Entity (JE) and its affiliated organisations of Jurisdictional Members can attend and participate in any of the meetings of the General Assembly but do not have voting rights. ● Jurisdictional Entity (JE) and its affiliated organisations of Jurisdictional Members are allowed to publicly state they are Jurisdictional Members of RSPO. ● Jurisdictional Entity (JE) of Jurisdictional Members may have limited access to RSPO information as determined by the Board of Governors. ● Jurisdictional Entity (JE) and its affiliated organisations of Jurisdictional Members are encouraged to participate in relevant Working Groups, Task Forces and any RSPO’s working arrangements. <p>Members asked for clarification on affiliated organisations. Secretariat clarified that affiliated organisation refers to any of the members who joined JE. Members believed that this may cause confusion and suggested providing an explanation for affiliated organisations.</p> <p><u>Next Step</u> The Secretariat will table this for SSC’s endorsement tomorrow, explaining that the process is fulfilled, and the Secretariat will make necessary amendments and changes to the RSPO Statute and associated membership documents. A legal review of the revised documents will also be conducted. Then this will be updated to BoG and submitted as a resolution at GA. As the building of the new membership category starts, Secretariat will start working on the JE membership admission template.</p> <p>Members raised a question on the legal review whether it had already been done. Secretariat clarified that a legal review will be carried out once changes are made to the statute and associated membership documents (e.g., Code of Conduct and membership rules), it will have to go through another legal review to ensure that proper legal terminology are used.</p>	<p>Clarification required for “affiliated organisations” of JE</p>
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	<p>Members suggested making this clear to the SSC, so they do not have the same concern. The Secretariat will include this in the decision paper to the SSC.</p>	
<p>3.1</p>	<p>AOB</p> <p>Members raised a question if this proposal is still going to be presented at the General Assembly (GA).</p> <p>Secretariat explained that for the concept note to be endorsed, it needs to be endorsed by the BoG first. The statute documents, the membership rules and the code of conduct would also need to be ready for GA adoption. However, as the time is running out, we may not be able to table it for this year's GA, but it will be good to highlight this at the GA.</p> <p>Members requested to be informed once the JA pilot has been approved for complying with Step 1. The Secretariat updated that Ecuador has not been approved yet as they are still working on the self-assessment and would not make it in time for the SSC's endorsement tomorrow. For Sabah and Seruyan, both assessments have passed the review panel and will be presented for SSC's endorsement.</p> <p>Members commented that since the RSPO documents revision for JE membership would not be tabled for the GA this year, would it be possible to request for an exceptional GA?</p> <p>Secretariat explained that it is possible to go to SSC and BoG to ask for extraordinary GA for endorsement. The Secretariat believes that it is more important to get the message on JE mechanism out first. As the jurisdiction still needs to show compliance to Step 2, the Secretariat is not sure whether it is worthwhile to push for extraordinary GA to have the JE membership established. The Secretariat suggested pushing for clear updates into the GA instead and will proceed to prepare all the associated documents. This would also allow the jurisdiction some time to prepare to show compliance to Step 2 before joining RSPO as a member.</p> <p>Members raised a concern that this was not what was agreed upon during the last workshop. The timeline that was agreed on was that concurrently with the public consultation, there will be a period of a month to do a detailed legal review. Was that legal review done? Waiting for another year is a major setback.</p> <p>The Secretariat clarified that the legal review of the 3 documents have not been done. The membership requirement has been created but the statutes, membership rules and code of conduct that should be incorporated into this concept has not been thoroughly looked at. This needs to be done before the legal review. Secretariat highlighted that the timeline is very tight to push for these 3 documents to be reviewed and ready for GA adoption.</p>	

	<p>Members cautioned that we should avoid having the approval of JE membership later than when the JA pilot is ready to apply. The pilot should be able to apply for JE membership once they are ready. Secretariat would have close contact with the pilots to see whether that warrants an extraordinary GA.</p> <p>Members reminded that when the timeline was planned, it was for the purpose of making sure that the 3 pilots can join as a member. Secretariat explained that to join as a member, the pilots will have to be ready and achieve Step 2. Step 1 has been done, but step 2 has not been completed and is still in progress. Step 1 is only for the recognition of the pilot's progress, not specifically joining as an RSPO member.</p> <p>Members raised a confusion regarding the process. Step 2 indicates that JA becomes an RSPO member, it is not that they have to complete everything under Step 2 to be a member of RSPO. Being a member is a part of the requirement to be fulfilled. No one would be able to fulfil the requirement in Step 2 because RSPO hasn't put that system in place. It is confusing as we are now saying that in order to be an RSPO member, you have to complete everything under step 2. The Secretariat responded that this would require further discussion.</p> <p>What is the current timeline for the legal analysis and other action points? According to the JA piloting framework document, the jurisdiction has to complete and show compliance to step 2 before they can join as RSPO members. Step 1 is more on documentation where we acknowledge them as pilots. Step 2 is when they join in as an RSPO member after they show compliance. After Step 1, which is the verification of RSPO Secretariat and BoG approval, the jurisdiction is then recognized as an RSPO pilot. In Step 2, once the pilot is verified by the RSPO Secretariat, the JE becomes an RSPO member. Step 3 will then be the implementation and Step 4 is the certification.</p> <p>Members suggested proposing this to the BoG and SSC that we allow jurisdictions to become a member under this provisional safe mode membership category so we can work out all the other details.</p> <p>The Secretariat is not sure if this is possible legally, where we are able to admit any members or company into the RSPO membership category that is not recognised within the statutes? If the category doesn't exist, we would not be able to formalise it and bring JE into the system. The Secretariat would check with the legal counsel whether it is possible to admit a category that is not currently in our statutes. We can explore this internally in terms of the legal implications, and table it to the SSC. Based on legal knowledge it is not possible, that is why we need to table it at the GA and have that membership category be adopted.</p>	
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	<p>Members proposed to push forward for the concept to be endorsed and allow JE to be admitted as a RSPO member, and the remaining documents to be revised later. If the concept can be accepted during the GA, at least the follow up work can be done.</p> <p>Members agreed to put it in a resolution as a concept for creating a membership category and present it to BoG for endorsement. The resolution would be as per the concept note.</p> <p>Once proposed to SSC, Sec would also prepare the resolution and would alert the BoG on this agenda. This recommendation would come from the co-chairs of SSC after endorsing and putting it as a Board resolution to table at GA.</p> <p>Secretariat and JWG co-chairs will work together to draft the resolution paper to be presented to SSC.</p> <p>The meeting ended at 6:15 pm.</p>	
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