

MINUTES OF MEETING OF RSPO
2nd RSPO JAWG MEETING

Date: 6th September 2018
Start time: 8:00 am – 5:30 pm
Venue: Capri Hotel, Kuala Lumpur




Attendance:

<p><u>Members and Alternates</u></p> <ol style="list-style-type: none"> 1. Alagendran Maniam (SDP, AM)* 2. Audrey Lee Mei Fong (OLAM, ALMF) 3. Balu Perumal (MNS, BP) 4. Glyn Davies (WWFMY, GD) 5. John Watts (INOBU, JW) 6. Lim Sian Choo (BAL, LSC) 7. Lee Kuan Chun (P&C, LKC)* 8. Maria Amparo Alban (ACDC, MAA) 9. Michael Rice (BothEnds, MR)* 10. Rauf Prasodjo (UNILEVER, RP) 11. Rob Nicholls (RN, MM) 12. Rukaiyah Rafiq (Setara Jambi, RR) 13. Sander van den Ende (NBPOL, SE) <p><u>Absent with Apologies</u></p> <ol style="list-style-type: none"> 14. Sutyana (FORTASBI, SY) 15. Thanuska (Sunshineholdings, THK) 16. Jon Hixson (YUM, JH) 17. Marcus Colchester (FPP, MC) 18. Wahyu Wigati (GAR, WW) <p>*on Webex</p>	<p><u>RSPO Secretariat</u></p> <ol style="list-style-type: none"> 1. Dillon Sarim (DS) 2. Javin Tan (JT) 3. Salahudin Yaccob (SY) <p><u>NewForesight</u></p> <ol style="list-style-type: none"> 1. Joost Gorter (JG) 2. Naritalia Panjaitan (NP)
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No	Description	Action points	Progress
1.0	<p>Opening Remarks and WG ToR & Code of Conduct (CoC)</p> <p>Opening Remarks</p> <p>The Secretariat thanked and welcomed everyone to the 2nd JWG meeting. The Secretariat announced the two co-chairs of the WG, WWFMY and NBPOL. The WG members were requested to do a round of introduction.</p> <p>WG ToR & signing of the CoC</p> <p>The Secretariat informed the WG of the changes made to the ToR:</p> <ol style="list-style-type: none"> 1. Additional members from the SNGO and ENGO (+2) 2. The draft of the Certification System Document (CSD) will be delivered by December 2018 instead of September 2018 3. Addition of the Chatham House Rule <p>The WG agreed on the changes and signed the CoC before the discussion on the main agenda started.</p> <p>The Secretariat handed the floor to the co-chairs.</p>	<p>1. The Secretariat to send the copy of the signed CoCs to the WG members.</p>	
2.0	<p>Review of the previous meeting minutes</p> <p>The WG to provided comments on the 1st JWG meeting notes that was circulated.</p> <p>There were minor spelling errors and the WG requested the secretariat to correct them. The WG stressed that there will be recurring issues to be discussed throughout the JWG meetings:</p> <ol style="list-style-type: none"> 1. Inclusion of other commodities in the Jurisdictional Certification (JC) 2. Government involvement in the JC works 3. The challenges from national standards such as MSPO and ISPO <p>The WG members agreed to endorse the minutes. The floor was handed to NFS to facilitate the discussion.</p>	<p>1. Secretariat to amend the 1st JWG minutes of meeting and upload it on the website.</p>	
3.0	<p>Clarifying questions and answers on Jurisdictional Approach (JA)</p> <p>NFS requested the WG to work in pairs to discuss about the implementation of JA – why are we implementing the JA on certification? The WG is also requested to think about the benefits of JA to them. The WG members agreed that the JA will help/be able to:</p> <ol style="list-style-type: none"> 1. Increase the involvement of local government and other stakeholders in sustainability works which then contributes to larger impacts on the ground 2. Help smallholders achieve certification (inclusivity) and clarify business case for smallholders 3. Address issues on ecological systems (e.g. establish more wildlife corridors to connect conservation areas) 4. Address issues involving native people and their rights; land tenure and new plantings 5. Address issues the RSPO is unable to address (at the state level) and operate across political cycles 6. Monitor progress (KPIs) and manage non-conformance more strategically. <p>The WG also highlighted some potential constraints and challenges:</p> <ol style="list-style-type: none"> 1. Monitoring of progress and regulation of all the members in the jurisdiction can be difficult 		

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	<ol style="list-style-type: none"> 2. High risks of failure, however if the JA implementation is successful, it will benefit many stakeholders 3. Ensuring uniformity of the implementation as the JA implementation can be very political 4. Managing non-conformities will be taxing and a mechanism to address them (at a state level) will need to be developed. <p>Before listening to the current progress of the three pilot JAs, NFS would like to understand the WG members' expectations on 2nd JWG meeting:</p> <ol style="list-style-type: none"> 1. Understanding the timeline of the objectives 2. More clarity on the approach and process that will be taken to realise the JA 3. Understanding the output of the CSD 4. What are the actions-oriented steps by the WG to achieve the objectives? 5. Understanding the progress of the current pilot JAs to apply lessons learned in the development of the CSD 6. Understanding the model and scope of a JA and the push to get the JA moving <p>NFS then handed the floor to the Secretariat to facilitate the next session on RSPO JA pilots.</p>		
4.0	<p>RSPO JA pilots</p> <p>The Secretariat informed the WG members that the criteria for the official pilots are:</p> <ol style="list-style-type: none"> 1. 100% commitment to RSPO certification 2. Presence of strong local partners to connect with RSPO in the jurisdiction <p>There are currently three active RSPO JA pilots:</p> <ol style="list-style-type: none"> 1. Ecuador – ACD Consulting 2. Sabah – WWFMY 3. Seruyan – INOBU <p>The RSPO's roles in the official pilot is to provide guidelines about the certification, for example, the standards, requirements for JA, and the processes involved. Overall, the RSPO will support the local partners as an advisor to the activities planned to achieve the JC.</p> <p>The Secretariat handed the floor to the pilots to brief the WG on the progress of the JA works in the respective jurisdictions.</p> <p>JA pilot in Ecuador (WG in this context refers to the WG established for the JA works in Ecuador)</p> <ol style="list-style-type: none"> 1. The pilot initiative was launched by large and small growers, civil societies supported by two ministries in Ecuador, one being the Ministry of the Environment of Ecuador. The agreement for the JA was reached in 2017. 2. The first WG (multi-stakeholder platform) ever established in Ecuador to discuss on the JA initiative comprises of 15 members; 5 producers, 5 private sectors and 5 civil societies. 3. The WG is finalising its workplan together with the RSPO in Latam. The first WG meeting will focus on getting the statutes and CoC approved. 4. The WG aimed to ensure that by 2025, everyone in the Amazon region commits to no deforestation for oil palm. This will be extended to a country level, achieving the same by 2030. The Amazon is just a start. 	<ol style="list-style-type: none"> 1. WG members to list down their questions about the three pilots for clarification. Secretariat to assist with the process. 2. NFS to connect the IDH Landscape WG and the JWG for exchange of information. 	

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	<p>5. The Ministry of the Environment is connecting with the HCV Resource Network (HCV RN) to define the best methodology for the HCV assessment. The HCV RN has already held a workshop once in Ecuador on this matter.</p> <p>6. The JA work will focus on OP for now, but it will be extended to cover multi-commodities in the future.</p> <p>7. Political instability/changes slowed down the process. The new minister had to be briefed again on the initiative, which slowed the entire process.</p> <p>The WG requested the Ecuador pilot to share the scale of the area covered, percentage of area planted with OP, cocoa, coffee and the conservation area. The WG has agreed to have a session on comparisons between the pilots and lessons learned at the next meeting.</p> <p>Seruyan -</p> <ol style="list-style-type: none"> 1. In Indonesia, the district government has the authority for agricultural lands. Hence, when it involves certification for agricultural commodities such as the OP, the certification will fall under the jurisdiction of the district. 2. The JA initiative started after the district was accused for major clearance of forest corridors that connect forests (Mongabay). 3. The stakeholders involved are civil societies, mills, growers, farmer groups, and district level government. Although the JA focuses only the district level, Seruyan, the work is also in conjunction with the provincial and national level. The new district head has pledged to continue the effort and has legal statement document in a decree. 4. On the HCV assessment, the AMDAL (EIA in Indonesia) is parallel with the HCV. On a district level, HCV is applied through the ecological survey. However, there has been discussion about adopting the HCV into AMDAL (Guidelines on environmental assessment in Indonesia). In order to ensure the alignment of the current local policies and HCV, ministries need to communicate and be engaged. 5. The current pilot covers 3,691 smallholders with 5,302 pilots covering a total of 85,577 Ha of OP. 6. The objective of the pilot study is to have 300 farmer groups to be certified by 2018 – however, looking at the current situation, it may not be achievable. 7. An agricultural facility was established in Seruyan to provide education and enable improvement of agricultural practices. 8. Feedback from the farmers have been positive. However, issues on implementation and enforcement are still of concern. 9. There is a need to clarify the incentives for different actors in the JA to ensure maximum participation from all stakeholders. <p>Sabah</p> <ol style="list-style-type: none"> 1. 20% of the land in Sabah is planted with OP. Only 24% is RSPO certified and smallholders make up 15% of the total RSPO certified producer in Sabah. 2. Sabah has labour issues – immigrant laborers, who are mostly Indonesians and Filipinos. 3. WWF MY is responsible for engaging the middle size growers who are not interested in RSPO and certification, in general. The work covers the district of Tawau (old plantations) and Sugut (new plantings). WWF MY introduced protect, produce and restore to the middle size growers, but the applicability of these is not certain in the middle size growers. 4. RSPO is contributing to ‘produce’ but not so much on the other two. 		






No	Description	Action points	Progress						
	<p>5. WWF MY recognised that mills are the key to getting the medium size growers to participate in certification. However, upfront cost is an issue for this type of producers.</p> <p>6. The federal government has announced that there should be no new plantings for OP and all OP plantations are to be MSPO certified by 2019. The new state government is cautious to take RSPO with words on MSPO around.</p> <p>7. HCV and HCS assessments are ongoing. The steering committee (SC) is in hiatus and is only active recently.</p> <p>There was a request to invite the Landscape WG (IDH) to one of the future WG meetings to exchange knowledge on JA. NFS would explore the opportunities to connect the two WGs.</p> <p>Since time is limited, the WG agreed to list down questions regarding the pilots and have the Secretariat to facilitate the process of obtaining clarification.</p>								
5.0	<p>The JA certification System</p> <p>NFS introduced the three core elements of the JA to RSPO certification:</p> <p>Core elements of the Jurisdictional Approach to RSPO certification</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #2c5e8c; color: white;">Business Case thinking</th> <th style="background-color: #800000; color: white;">New approach to auditing & improvement</th> <th style="background-color: #e69d00; color: white;">Upward delegation</th> </tr> </thead> <tbody> <tr> <td style="background-color: #d9e1f2;"> <ul style="list-style-type: none"> Clarify benefits from improved performance and encourage improvement Decrease burden for responsible production </td> <td style="background-color: #f4cccc;"> <ul style="list-style-type: none"> Allow internal assessment of producers <u>and</u> processes; Focus on auditing critical points; Focus on finding and fixing root causes of non-conformities; Allow identification of areas of improvement beyond current P&C (e.g. yield, performance). </td> <td style="background-color: #fff2cc;"> <p>The JE will handle:</p> <ul style="list-style-type: none"> Managerial and high level RSPO P&C requirements Administrative tasks, such as: development of SOPs, complaints and grievances, and SEIA <p>The producers can focus on:</p> <ul style="list-style-type: none"> Best agricultural practice </td> </tr> </tbody> </table> <p>The WG discussed the three elements presented by JG. Some members expressed reservation about whether the elements presented by JG were really ‘core elements’ of a jurisdictional approach. Other potential core elements were discussed with many members suggesting that an element focusing on the involvement of government, for example ‘Sustainable Land Use Commitment from the Government’, is important. As this is a jurisdictional work, the involvement of government is crucial, especially in the spatial planning. The government may not necessarily be the leader of the JA.</p> <p>Business Case Thinking</p> <ol style="list-style-type: none"> The value of mass balance CSPO from the JE can be different than the traditional ones Issues on the ground affecting independent smallholders need to be understood and incorporated into the document. The mechanism for the incentivisation of non-certified and certified growers is still not available. A mechanism needs to be developed and the WG needs to learn from models already established. 	Business Case thinking	New approach to auditing & improvement	Upward delegation	<ul style="list-style-type: none"> Clarify benefits from improved performance and encourage improvement Decrease burden for responsible production 	<ul style="list-style-type: none"> Allow internal assessment of producers <u>and</u> processes; Focus on auditing critical points; Focus on finding and fixing root causes of non-conformities; Allow identification of areas of improvement beyond current P&C (e.g. yield, performance). 	<p>The JE will handle:</p> <ul style="list-style-type: none"> Managerial and high level RSPO P&C requirements Administrative tasks, such as: development of SOPs, complaints and grievances, and SEIA <p>The producers can focus on:</p> <ul style="list-style-type: none"> Best agricultural practice 	<ol style="list-style-type: none"> NFS to incorporate comments received from the WG members in the revision of the draft JA framework and present it at the next meeting for endorsement. 	
Business Case thinking	New approach to auditing & improvement	Upward delegation							
<ul style="list-style-type: none"> Clarify benefits from improved performance and encourage improvement Decrease burden for responsible production 	<ul style="list-style-type: none"> Allow internal assessment of producers <u>and</u> processes; Focus on auditing critical points; Focus on finding and fixing root causes of non-conformities; Allow identification of areas of improvement beyond current P&C (e.g. yield, performance). 	<p>The JE will handle:</p> <ul style="list-style-type: none"> Managerial and high level RSPO P&C requirements Administrative tasks, such as: development of SOPs, complaints and grievances, and SEIA <p>The producers can focus on:</p> <ul style="list-style-type: none"> Best agricultural practice 							

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	<p>4. Stakeholders need to turn away from competition and threats to partnership, e.g.: RSPO helps with MSPO and ISPO certification for the preparation for full RSPO certification.</p> <p>5. MSPO certification can be regarded as a milestone in the JC, but there are risks for producers to quit.</p> <p>6. On JE as the entity who holds the certificate, there is a huge risk for growers to let the JE holds their cert. NFS explained that the growers will maintain its individual certification as there will be an additional certificate for the JC, which is kept by the JE.</p> <p>7. The CSD is a system document that guides the producers (and auditors) on how to comply with the RSPO P&C in a jurisdictional set up.</p> <p>The WG members raised several questions and clarifications:</p> <ol style="list-style-type: none"> 1. What are the incentives for already certified growers to be part of the JC and what is the level of acceptance of the CSD? 2. What happens between the milestone 1 (jurisdiction complies with the jurisdictional challenge and JE if formed) and milestone 2 (Jurisdictional Entity, JE, met its intermediate targets and becomes a full RSPO member)? What unlocks the financing and how will the financing be done? In addition to that, during the transition to milestone 2, how is traceability being addressed? One possible way is to utilise the MSPO and ISPO certification. 3. The WG had not yet had the opportunity to have a general discussion about what an RSPO jurisdictional certification approach should look like, what the potential options are, or whether a specific model should be adopted or more generic requirements that could cater for a variety of jurisdictional approach models. It was then requested that the review of certification system model proposed by NFS be put on hold to allow the working group an opportunity to consider the possible options, key requirements for the RSPO, and options to align with existing pilots. <p>New approach of Auditing and Improvement</p> <ol style="list-style-type: none"> 1. In order for the JA to work, new auditing approach and a new type of auditor is required. 2. The new approach of auditing needs to focus on step-wise approach on continuous improvement to include more producers and engage the stakeholders. 3. Some details for consideration on the new auditing process <ul style="list-style-type: none"> • Duration and mechanism of the monitoring – what to check, who will check etc • How does the JE move towards certification? • At which point the RSPO will start acknowledging the process? 4. Further clarification is needed on the impact of the value chain certification. <p>Upward delegation</p> <ol style="list-style-type: none"> 1. NFS commented that upward delegation will allow more effective distribution of roles and responsibilities arising from the P&C. For example, HCV assessment issues should not be tackled at a producer level, but the issue will be upward delegated to the JE to solve. <p>The WG requested NFS to incorporate their comments in the revision of the draft JA framework.</p>		

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6.0	<p>JA on RT16</p> <p>The Secretariat updated the WG on the JA sessions at the RT16. There will be a preparatory cluster for the three pilots (Seruyan, Sabah and Ecuador) to talk about progress and challenges. Governments who had shown interest to go for JA but have not started the initiative will be invited as guests.</p> <p>A plenary session is planned on market access and incentives of JA.</p>		
7.0	<p>AOB & Closing</p> <p>3rd JWG meeting</p> <p>The WG agreed to have its 3rd meeting in Sabah on 12th November. WWFMY has agreed to host the three-hour meeting. The meeting will focus on getting the JA draft framework endorsed for NFS to start their pilot visit.</p> <p>Other matters</p> <ol style="list-style-type: none"> 1. No public consultation or National Interpretation (NI) will be required for the CSD. 2. Pilot test of the CSD will be considered (and will be discussed at a later stage in the WG) to check if the CSD is applicable in the current context. 3. Background on why JA is important and its benefits need to be included in the CSD as the WG spent considerable amount of time on it. Also, to make sense why JA is important and increase buy in from the producers. 4. Timeline for the delivery of the CSD (Dec 2018) is for ideal progress monitoring. It is not to bind the group with ambitious deadlines. <p>Closing remarks</p> <p>There being no other matters, the co-chairs thanked everyone for their participation with a final message on requesting all the WG members to be optimistic that the JA will work.</p>		

2nd Meeting of RSPO JAWG
6th September 2018
Capri by Fraser, Kuala Lumpur

#	Name	Organisation	CoC Signed?	Signature 6 th May Sep.
1	Alegandran Maniam	Sime Darby Plantation	Yes	✓ on the call
2	Audrey Lee Mei Fong	OLAM	No	✓ 6/9/2018 [Signature]
3	Balu Perumal	Malaysian Nature Society	No	✓ [Signature]
4	Chin Kai Xiang	IOI	No	
5	Glyn Davies	WWF Malaysia	Yes	[Signature]
6	John Watts	INOBU	Yes	[Signature]
7	Jon Hixson	YUM's Brand	No	
8	Lee Kuan Chun	P&G	No	✓ on the call
9	Lim Sian Choo	Bumitama Agri Limited	No	✓ [Signature]
10	Marcus Colchester	Forest People Programme	Yes	
11	Maria Amparo Alaban	ACD Consulting	Yes	
12	Michael Rice	Both ENDS	No	✓ on the call
13	Rauf Prasodjo	UNILEVER	No	[Signature]
14	Rob Nicholls	Musim Mas	Yes	[Signature]
15	Sander van den Ende	NBPOL	No	[Signature]
16	Stephen Krecik	Rainforest Alliance	Yes	
17	Thanushka KH	Sunshine Holdings	No	
18	Tom Lomax	Forest People Programme	No	
19	Sutiyana	FORTASBI	No	
20	Uki Ruqaiyah Rafiq	Yayasan Setara Jambi	No	Yes [Signature]
RSPO Secretariat				
21	Dillon Sarim	RSPO	N/A	[Signature]
22	Laila	Olam	Yes	[Signature]

#	Name	Organisation	CoC Signed?	Signature 6 th May
22	Javin Tan	RSPO	N/A	
23	Salahudin Yaacob	RSPO	N/A	
24	Tiur Rumondang	RSPO	N/A	
New ForeSight				
25	Joost Gorter	NFS	No	
26	Narita Panjaitan	NFS	No	
27	HAZMAN NAIM	RSPO	N/A	
28				
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31				