

## MINUTES OF MEETING

### 17th SHSC Meeting

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**Time** : 1400 - 1600 (MYT)

**Date** : Sunday, 27th November 2022

**Venue** : Hybrid: Shangri-La Hotel KL + Zoom conference call

**Attendees:**

Name	Initial	Organisation	Representative Category	Attended Yes/No
1. Lee Kuan Chun	LKC	P&G	CGM - Substantive, Co-Chair	Yes
2. Marieke Leegwater	ML	Solidaridad	Social NGO - Substantive, Co- Chair	Yes
3. Rob Nicholls	RN	PT Musim Mas	Processor & Trader - Substantive	Yes
4. Sabine Muller	SM	HOFER Kg	Retailer - Substantive	No
5. Ivan Novrizaldie	IN	Asian Agri	Oil Palm Grower (INA) - Substantive	Yes
6. Eleanor Spencer	ES	ZSL	Environmental NGO - Substantive	Yes
7. Stephanie Lim	SL	WWF-Singapore	Environmental NGO - Substantive	Yes
8. Ian Orrell	IO	NBPOL	Smallholder (PNG) - Substantive	Yes
9. Narno Sayoto Irontiko	NA	Asosiasi Amanah	Smallholder (INA) - Substantive	No
10. Johan Verburg	JV	Rabobank	Financial Institution - Substantive	No
11. Kalindi Lorenzo	KL	Planting Naturals	Oil Palm Grower (RoW)- Substantive	Yes (Online)
12. Sharyn Suffian	SS	WildAsia	Smallholder (Malaysia) - Substantive	No
13. Jorgen Coronel	JC	Oleopalma (Mexico)	Smallholder (LatAm) - Substantive	No
14. Rukaiyah Rafik	RR	Setara Jambi	Smallholder (INA) - Alternate	Yes

Secretariat Team or Other Invitees

Guntur Cahyo Prabowo	GCP	SH Unit RSPO	
Kertijah Abdul Kadir	KAK	SH Unit RSPO	
Bella Sosa	BES	SH Unit RSPO (LatAm)	
Francisco Naranjo	FN	RSPO LatAm Office	
Edem Asimadu	EA	SH Unit RSPO (Africa)	
Petchrung Sukpong	AEY	SH Unit RSPO (Thailand)	
Mary James	MJ	SH Unit RSPO (RSSF)	
Chris	CH	Preferred by Nature	
M. Magetsari	MM	Preferred by Nature (online)	
Lita Natasastra	LIN	Preferred by Nature	
Hilma Suciandari	HLS	Preferred by Nature (online)	
Syamimi Binti Shahri	SBS	SH Unit RSPO (online)	
Aprilia Trianasari	AT	SH Unit RSPO (online)	
Dika Dwi Darmawan	DDD	SH Unit RSPO (online)	
Joyce Van Wijk	JVW	RSPO Shared Responsibility	
Lilian Garcia Lledo	LIG	RSPO Shared Responsibility	

**Agenda:**

2:00 - 2:05 pm	1. Welcome and Introduction (Welcoming new member) <ul style="list-style-type: none"> <li>● RSPO Antitrust laws</li> <li>● RSPO Consensus based decision making</li> <li>● Declaration of Conflict of Interest</li> <li>● Acceptance of Meeting Agenda</li> </ul>
2.05 - 2:10 pm	2. Adoption of Meeting minutes (Annex 1a, b and c) Meeting #14, #15 and #16
2:10 - 2:40 pm	3. RISS Independent Study Highlights – Presentation by Preferred by Nature (7-10 mins presentation, 20 mins QnA)
2:40 - 3:00 pm	4. Review RSPO P&C for Public Consultation (specifics on SH) With reference to the 1st draft of RSPO P&C made available for Public Consultation. SHSC will provide comments as one entity
3.00 - 3.15 pm	5. SH BoG update SH Rep in BoG to present progress/highlight for this year as per plan and sharing plan for next year.
3:15 - 3:20 pm	6. [Q&A Session] based on Updates from Secretariat (refer Annex 2) <ul style="list-style-type: none"> <li>● Progress Metrics/ membership certification, credit trade</li> <li>● Livelihoods programme</li> <li>● Progress Update on the Development of Simplified FPIC Approach</li> <li>● Progress Update on the Development of Forest Protection Approach</li> <li>● Regional highlights</li> </ul>
3.20 - 3.40 pm	7. Shared Responsibility (Joyce) Understanding how Shared Responsibility is benefitting to smallholders

3:40 - 3:55 pm	8. RSSF update Timeline on when application open
3:55 - 4:00 pm	9. AOB - SH representative in IS-NDTF - Debrief on RT programme related to SH (L&L field trip, handing over ceremony for 18 ISH groups, SH Plenary Session) - next meeting date

**DISCUSSION:**

No.	Description	Action Points (PIC)
<b>1.0 Welcome and Introduction</b>		
1.1	The Chair welcomes members to the meeting. After reading out the anti-trust law and Conflict of Interest declaration note, due to the interest of time, Co-chairs suggested that members go through the three minutes of meeting shared (Agenda 2) separately and provide comments to the Secretariat within a week. The meeting then went to agenda 3 where Preferred by Nature (PbN) presented the final result of RISS independent review study.	
<b>2.0 Adoption Meeting of Minutes</b>		
	Co-chair suggested that all members go through each minutes separately and provide comments/inputs (if any) within a week's time.	Secretariat to re-share Meeting Minute #14, #15 and #16 to members
<b>3.0 RISS Independent Study Highlights – Presentation by PbN</b>		
	Ibu Lita starts the presentation with explaining that the study was conducted online (desktop and interview) being the 1st phase as agreed in the ToR. Study were conducted from Malaysia, Indonesia, Sierra Leone and Mexico. MM then proceed with highlighting the study's highlights. <ul style="list-style-type: none"> <li>• In general, the study only suggests a minor revision of the RISS standard (criteria level).</li> <li>• Land legality requirement was made easier with the phased approach.</li> <li>• The presentation highlighted challenges faced by the ISH groups in the standard requirement</li> </ul>	Refer Annex 3 for Slide Deck from PbN

	<ul style="list-style-type: none"> <li>• The study also highlighted suggestion/recommendation to improve the standard (at criteria level) apart from reducing repetitive requirements.</li> <li>• ML suggests reviewing/reading it first, circulating it if any urgent needs, and submitting the issues to KAK for collation.</li> </ul> <p>IV highlighted the suggestion to take outcome indicators from the study that need to be looked into as per country. IO responded that it is impossible to look into each criteria and indicator for each country - so we have to look into it in general, unfortunately.</p> <p>ML suggested that the recommendation made in this study should be given to the SH-TC members to look into for consideration for the Standard Review process.</p>	
<b>4.0</b>	<b>Review RSPO P&amp;C for Public Consultation (specifics on SH)</b>	
	<p>SL enquired about whether in the Internal Control System, there is a procedure or record system proposed to GM in order to keep track. What are the tools for data management, as this will help with due diligence and reporting.</p> <p>KC enquired about Criteria 3.1 MS B No evidence of forced labor; from the SH-TC discussion, how was it understood on the ability of SH to achieve this criteria as a group. FN explained that the intent of the discussion was to make the indicator more auditable. Current wording in the draft indicates that auditors are to find proof for No forced labour instead of the group needing to provide proof. KC responded that it will not be easy for the auditors instead. FN clarified it was more challenging for groups to show proof of compliance previously, hence the changes of wording is to enable the auditor to find proof. The idea is, if the auditor cannot find any proof/evidence of Forced Labour, so the group has comply with the No Force Labour requirement.</p> <p>RR shared that in Indonesian experience, it was challenging to provide proof. What the group did was to provide information on e.g. gender/ age/ name of labour/ category of work and contract details. With provision of these, it supports No Forced Labour.</p> <p><u>MS B Recommendation</u>: The text should be more simplified and clear on what is expected from GM. KC suggested taking the text in MS A and MS B and into the guidance so it will reduce misunderstanding on what is expected from the group and what the auditor would look for to show compliance.</p> <p>RN reminded that being too prescriptive will usually make it more complicated. IO agreed to this and highlighted that a trained auditor would know how to check on the imbalance between employee and employer relationship that serves compliance on this.</p> <p>ES enquired about preparation Guidance when the standards have completed. FN explained that the timeframe is 2 years after</p>	

	<p>endorsement and he understood that having the Guidance would help a lot in providing clarity in interpretation.</p> <p>Due to the fact that many members have not reviewed the 1st draft in detail, ML suggested that SHSC members do so and provide comments to Secretariat so it can be incorporate into the Konvieo platform as comments from SHSC.</p>	
<b>5.0</b>	<b>SH BoG update</b>	
	<p>RR presented a brief update on discussion that happened at the BoG meeting on 27th September 2022. Few points noted:</p> <ul style="list-style-type: none"> <li>- Addressing communication problem with Thailand &amp; other ISH (regional language) <ul style="list-style-type: none"> <li>- Problem connecting with all SH</li> <li>- Only have a good connection with Indonesia SH</li> <li>- Suggest that the secretariat have a regular meeting with SH &amp; BoG</li> </ul> </li> </ul> <p>On the credit for SH, KC added about increasing uptake for CSPKO. When SH sells CSPK, it will not directly solve low uptake on CSPO. RN supported that partnership is very important to ensure uptake for ISH credits. Hence, promotion will play a success factor to increase sales of credits (ie via promotion such as SH videos, etc). ML added that communication team involvement in supporting the Unit is very important. SL informed that WWF is producing a docu-series of sustainable palm oil, and the topic of impact to SH would be one of the series, and she offered collaboration with RSPO. GCP stressed that it has been the SH Unit’s priority to producing SH stories - which can be seen in the new RSPO website. Promoting facilitators' stories and their profile is also another effort taken by SH Unit in the RSEP. ML suggested updates on monitoring marketing strategy on SH credits in Europe should be included as part of SHSC agenda. JVW agreed to look into this for next SHSC meetings. RR suggests looking into bringing buyers to visit SH sites.</p> <p>KC suggested looking into opportunities for training, or updates on PalmTrace issues discussed before, should be briefed in the next meeting. Secretariat to look into the possibility to get Rainforest Alliance to update this in the upcoming meeting.</p>	
<b>6.0</b>	<b>Q&amp;A Session] based on Updates from Secretariat (refer Annex 2)</b>	
	<ul style="list-style-type: none"> <li>• Membership: Active ISH membership - 175 active ISH as of Nov 2022 ML stressed this data will show growth in membership (those interested to be in the RSPO system) and later can see the comparison against certified numbers. The gaps will bring us to investigate what are the issues or obstacles on benefits that slows certification including ISH credits and also confirms the</li> </ul>	

	<ul style="list-style-type: none"> <li>• KAK elaborated on the implication of PnG ISH number in the certification data (being certified under P&amp;C in actual). This will show the difference against certification data in the RSPO website (RISS vs P&amp;C). KAK asked the opinion of SHSC on whether to show certification data based on definition or standards. ML responded by stating her support to the way the data is being presented now to SHSC (ie ISH PNG in RISS data and marked with *) for transparency. SHSC members agreed that in Secretariat updates to SHSC, to maintain the PNG figure in ISH instead of in scheme SH.</li> </ul>	
<b>7.0</b>	<b>Shared Responsibility</b>	Refer Annex 4 for slide deck on SR
	<p>JVW introduced the SRWG team (herself and Lilian) to SHSC members. She then briefed on SR basing on the Slide Deck. Some notepoints:</p> <ul style="list-style-type: none"> <li>- SR applies to all ordinary members (non growers only) and is not linked to Supply Chain Certification (SCC).</li> <li>- 29 requirements covering transparency &amp; traceability, social, environmental and uptake</li> <li>- List of examples on how members could support smallholders were included on the SR Guidance</li> <li>- SR policy and guidance will be linked to RSEP</li> </ul> <p>ML enquired what is expected from FMCGs for fulfilling SR requirements. JVW admitted that it is not easy to come up with a monetary figure to invest for companies including small scale companies, hence the scope of support is open to any kind of support to smallholders. ML suggests the guidance should include some guideline on proportionality to commensurate company size vs support size. JVW responded she will bring this for discussion in the SRWG. RN suggested that even though Grower’s are not included under SR scope, but a relationship chain awareness/training that can be done for small grower and mills of which MusimMas does currently (link buyer-user sense to them). Wrt to ES enquiry on RSEP, GCP explained that the platform is meant to connect certified and not-certified ISH group to facilitators and market buyers. Facilitators and more marketing in RSEP is hoped to help connect ISG groups to the market. It was hoped that with SR the platform would get more traction. Responding to SL enquiries on incentives in the SR, JVW explained that at the moment focus on roles of members in SR are more highlighted.</p>	
<b>8.0</b>	<b>[Update] RSSF following Board meeting in June 2022</b>	
	<p>MAJ updated the SHSC members with an overview on RSSF from 2013 to 2021. Some notepoints:</p> <ul style="list-style-type: none"> <li>- Number of Grants Approved (2013-2021) - 66 Grants</li> <li>- RSSF 2023 application - call for applications for certification and</li> </ul>	

	<p>livelihood projects: February 2023</p> <ul style="list-style-type: none"> <li>- For readiness, to review on current template &amp; governance policies esp for assessment and livelihood projects</li> <li>- RSSF - 2023 ~ 2025 projection of projects valued at USD1 million per year</li> </ul> <p>ML enquired if the communication plan preparation is ready as proponents need to be given the time to prepare proposal when February comes. MAJ responded that for that purpose, she needs to look at the system &amp; process / who will be the panel/ which countries to prioritize (system readiness). KC advised that a new budget should be included/highlighted in the overview of spending. He further added that the Finance Committee will continue to review the RSSF provided that it is proven that we are able to spend. GCP added that the actual number of projects per region in the projection is actually higher, but was reduced to meet maximum spending of USD 1 million per year. RN added that Business Management training topics are essential to be included either in STA modules or as livelihood projects. GCP explained that the RSSF does not include budget for STA, as it is included in the RSPO operational budget.</p>	
<b>9.0</b>	<b>AOB</b>	
	<ul style="list-style-type: none"> <li>● KAK briefed the summary on main events happening during RT2022</li> <li>● RR updated SHSC members on the Resolution for GA18 RT2022. The intention of the resolution is to accelerate certification for smallholders. Jurisdictional Approach is seen as a way/tool for this esp on alleviating issues on land legality that are often an issue of compliance.</li> <li>● KAK updated that Julian Pena (Solidaridad) was nominated as the representative for SH in the IS-NDTF.</li> <li>● Secretariat to check on who is the smallholder representative in SRWG. A circular will be emailed to SHSC members to seek volunteers.</li> <li>● CAP Appeal &amp; complaint procedure is being reviewed. ML requested if IO agreed to be representative to sit in the review steering group. IO accepted the request.</li> <li>● Next SHSC meeting is suggested to be in mid to end February. Calendar invites will be sent accordingly with a confirmed date.</li> </ul>	<p>Sect Update: As per SR Governance, Secretariat staff is not allowed to be representative. i</p>

Meeting ended at 1614

**ANNEX:**

In alphabetical order:

BoG - Board of Governors

FMCG - Fast-Moving Consumer Goods

ISH -

SH - Smallholder

TF - Task Force

WG - Working Groups