

MINUTES OF MEETING Smallholder Standing Committee (SHSC)

Time : 1700 - 1900 (MYT)

Date : Thursday, 2nd July 2020

Venue : Conference Call

Attendees:

Name	Initial	Organisation	Representation Category
1. Marieke Leegwater	ML	Solidaridad	Substantive- SNGO; Chair
2. Hiew Koh Thien	HKT	NY Hiew Holdings Sdn Bhd	Substantive-Smallholder (MY)
3. Mariacarmen Lopez Piemental	MP	Oleopalma	Substantive -Smallholder (LatAm)
4. Ian Orrell	IO	Sime Darby (PNG)	Substantive -Smallholder (PNG)
5. Ivan Novrizaldie	IVN	Asian Agri (Indonesia)	Substantive - Grower (INA)
6. Kalindi Lorenzo	KL	Planting Naturals	Substantive - Grower (RoW)
7. Eleanor Spencer	ES	ZSL	Substantive – ENGO
8. Philippa Walker	PW	WWF	Substantive – ENGO
9. Lee Kuan Chun	KC	Procter & Gamble	Substantive – CGM
10. David Wigand	DW	HOFER KG dba ALDI SOUTH Group	Substantive – Retailer
11. Charles Mate-Kole	CMK	Norpalm Ghana Ltd	Alternate - Oil Palm Grower (RoW)
12. Charles Sackey	CS	TOPP	Alternate – Smallholder (Africa)
13. Rukaiyah Rafiq	RR	Setara Jambi	Alternate - Smallholder (INA)
14. Romain Deveza	RD	WWF	Alternate – ENGO
15. Yunita Widiastuti	YW	Cargill	Alternate – Processor and Trader
16. Ashwin Selvaraj	AS	RSPO Secretariat	
17. Kertijah Abdul Kadir	KAK	RSPO Secretariat	
18. Guntur Cahyo Prabowo	GP	RSPO Secretariat	
19. Krishnabalan Jeyabalan	KJ	RSPO Secretariat	
20. Aaina Karina M Senawi	AKMS	RSPO Secretariat	
21. Nizar Wicaksono	NW	RSPO Secretariat	
22. Bakhtiar Talhah	BT	RSPO Secretariat	

Absent with apologies:

Name	Initial	Organisation	Representation Category
1. Ahmadou Cisse	AHC	Solidaridad West Africa	Substantive - Smallholder (Africa)
2. Narno	NAR	FORTASBI (Indonesia)	Substantive - Smallholder (INA)
3. Johan Verburg	JV	Rabobank	Substantive- Banks & Investors
4. Rob Nicholls	RN	Musim Mas	Substantive – Processors & Traders
5. Ingrid Richardson	ING	Unilever	Alternate – CGM

Agenda:

5:00 – 5:10 pm	<p>1. Introduction</p> <ul style="list-style-type: none"> • RSPO Antitrust laws • RSPO Consensus based decision making • Declaration of Conflict of Interest • Adoption of minutes
5:10 – 5:15 pm	2. Governance - SH representation in other Standing Committees, Working Groups (Annex 2)
5:15 – 5:50 pm	<p>3. Certification Program</p> <ul style="list-style-type: none"> • Next steps with the simplified HCV-HCS Approach for ISH & ToR for IS NDTF(Annex 4a, 4b and 4c) • Plan on Monitoring RISS Implementation (Annex 5)
5:50 – 6:20 pm	4. Market Outreach - Proposal for minimum pricing mechanism and differentiation in claims for IS-Credits (Annex 6)
6:20 – 6:50 pm	5.Supporting Programs/Activities - RSSF New Funding Focus (Annex 7)
6:50 – 7:00 pm	6. AOB & Next Meeting

Updates on Action Points from last meeting:

No.	Action Point	Status
1	KAK/Secretariat to actively reach out to supply chain actors and donors.	Ongoing
2	Secretariat to outreach to government agencies(focus on Africa) to get exemption on income of smallholders from premiums	Not Started. To be discussed with the regional team in Africa
3	Develop a ToR for the independent review and share it with the SHSC	Not started
4	Assess the cost of certification against the new RSPO ISH Standard	Not Started
5	Make a proposal to Market Development Standing committee (MDSC) on differentiation in claims for IS-Credits	Not Started

6	Draft proposal of the new RSSF mechanism for next meeting	In progress. To be discussed in a separate meeting with SHSC in July
7	Share the existing proposal for minimum pricing mechanism with the SHSC. Agenda for next meeting	Completed. To be discussed in the meeting on 2 nd July
8	Include a comparison of the certified volume and the % sold as part of standard reporting to SHSC	Completed. Included in the update as part of the market outreach
9	Publish the tender for the diagnostic study	Completed. Tender published. Proposals being evaluated
10	Share the updated ToR of the development of NI for the RSPO Independent Smallholder Standard with the Standards Standing Committee (SSC) for endorsement	Completed. SSC adopted proposal
11	Share the proposal for RSSF funding for FY 2021 to the Finance committee	Completed. Flowchart included in the SHSC discussion on 24 February
12	Develop a decision tree/flowchart laying out the different scenarios on new planting in relation to HCV-HCS	Completed. Flowchart included in the SHSC discussion on 24 February July
13	Develop a draft proposal on the monitoring in consultation with NGO BoG members and share it with the SHSC	Completed. To be discussed in the meeting on 2 nd July

Discussion:

No.	Description	Action Points (PIC)	Progress / Remarks
1.0 Welcome and Introduction			
	ML welcomes members of the SHSC to the meeting. AS reminds the members of the following,	1. AS to share the revised ToR for the SHSC	

	<ul style="list-style-type: none"> • All SHSC members will have to abide by the RSPO Anti trust law • SHSC 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. • AS updated the SHSC that the ToR of SHSC has been revised to align with the other Standing Committee after the alignment meeting in March between the Standing Committee chairs and the BoG links. AS informed the members that the ToR will be shared after the meeting <p>AS walked through the Draft meeting minutes of the meeting held on 24th February 2020, and the meeting minutes were adopted with minor remark to update the name of the organisation (HOFER KG dba. ALDI SOUTH Group) represented by DW.</p>	with the members	
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2.0 Governance – SH Representation in other Standing committees

	<p>AS opened the discussion with the problem statement, Lack of representation from Smallholders in the other Standing Committees, Working groups and Task forces. To overcome this challenge, AS presented the proposal to, allow “RSPO Secretariat staff (Smallholder team and regional representatives/staff working closely with smallholders) shall represent Smallholder interests in standing committees, working groups and task forces”</p> <p>AS updated the members that the roles and responsibilities of the Secretariat staff would be,</p> <ul style="list-style-type: none"> • Act as a representative of smallholders globally and represent the collective interests of smallholders, regardless of personal views • Act as a liaison between the SHSC and the standing committee/working group/task force that the secretariat staff is part of • Consult with Smallholder or smallholder representatives globally before the meeting of the standing committees/working groups/task forces on the topics that are up for discussion at these meetings • Ensure matters raised during consultation are brought forward for discussion within the Secretariat and/or to the SHSC where relevant to the Smallholder Strategy • Debrief the smallholder representatives globally on the outcomes of the meetings 		
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- Support the representative of the smallholder seat in the committee, and/or represent smallholder seats in the committee

The potential risks for this proposal and the mitigation measures were also highlighted by AS. AS handed the floor back to ML to chair the discussion towards a decision.

Discussion on the proposal

IO expressed his support for the proposal.

ES sought clarification on the process of consultation with the smallholders and if this is being proposed as an interim measure until smallholders can take up the seats themselves. PW also emphasised the need to ensure there is continuous effort to get smallholders representation in the committees in the long run. DW sought clarification if there are plans to increase resources in the Secretariat as this could be a time-consuming process.

AS clarified that the consultation would happen through an informal group of smallholder representatives from the different regions who would act as a sounding board. KAK clarified that there are no plans to hire resources now.

BT reminded the standing committee that this proposal was already included as part of the Smallholder Strategy. Some of the regional staff of the RSPO Secretariat will support the core Smallholder team in this effort to ensure there is representation in all committees, working groups and task forces. BT also pointed out that Secretariat capacity would be increased by the end of the financial year to match the resourcing needs highlighted in the SH Strategy and the focus will be on building regional capacity.

ML expressed her support to the proposal as this allows the opportunity to strengthen the SH representation in the RSPO Governance. ML went on to clarify that the consultation process will have to be organised and suggested that this will become more formalised as we progress in implementing this proposal. ML also pointed out that this setup can be reviewed, and once Smallholders are able to take up the seats, the secretariat staff may no longer be required to be in the committees.

KC sought clarification if the Secretariat staff would have a decision-making role in the other standing committees, working groups and task forces. BT clarified that the Secretariat staff will merely act as a liaison and not have a voting right. BT informed the SHSC that the co-chairs of the ASC have been consulted and they have expressed their support to this proposal.

	<p>KC sought clarification on situations where the person is wearing multiple hats. BT and ML clarified that this proposal would strengthen the representation as they could act as a sparring partner for the person wearing multiple hats in cases where they are representing both SHSC and their own constituency. KC raised a concern in situations where the person representing smallholders is unable to raise a sustained objection or participate in the decision-making process if the decision is not in favour of Smallholders. ML clarified that this could be addressed at the BoG level as the SHSC can raise an objection/seek clarification.</p> <p>PW suggested to have a report on the consultation process with Smallholders. ML clarified that the list of people in the consultative group will be shared with the SHSC.</p> <p>ML proposes to adopt the proposal and task the Secretariat to implement.</p> <p>Decision: SHSC endorsed the proposal to allow Secretariat staff to represent Smallholder interests in the other Standing committees, working groups and task forces.</p>	<p>2. SHSC co-chair with the support of the Secretariat will reach out to the other co-chairs and seek approval to implement this proposal</p>	
<p>3.0 HCV-HCS Identification for new planting (Interim measure)</p>			
	<p>KAK gave a brief background on the setup of the IS-No Deforestation Task Force(NDTF). The ToR was approved by the SHIG and submitted to the BoG along with the endorsement of the Standard. The ToR was not endorsed pending,</p> <ul style="list-style-type: none"> • RSPO Governance review – <i>to streamline the different working groups/task forces and committees working on similar topics</i> • Request from HCSA to have a clear role in the RSPO Governance – BoG setup a sub group to review the role of HCSA <p>KAK informed the SHSC that in the meantime a benchmarking exercise to compare the simplified HCV approach and HCA toolkit was commissioned by the Secretariat. The final report will be finalised by the consultant in June 2020 and will be made available to the IS-NDTF once it is established. KAK also informed the SHSC that in the absence of the IS-NDTF and a simplified HCV-HCS approach, smallholders cannot proceed with New Planting even in low risk areas which will be discussed later.</p> <p>Upon finishing the briefing of this part, KAK informed the committee</p>		

that a decision needs to be made by the committee on the ToR. The proposed ToR currently states that HCVRN and HCSA will be invited as technical experts to the IS-NDTF and the timeline is expected to go beyond November 2020. KAK also highlighted the composition of the IS-NDTF. KAK handed the floor back to Marieke

Discussion on the ToR

ML opened the floor to questions on the ToR.

PW sought clarification on the composition as the ToR states there will be equal number of Smallholders and ENGOs. The question was whether there will be Smallholder representatives, and if the ENGOs will still have a set. AS clarified that the reason behind this is because these two stakeholder groups have the most interest on the topic and it is where the contention is. Since the SH are impacted and some of them are involved in the HCSA process, we expect SH representatives to join the TF. AS also clarified that the ENGOs will have a seat even if the SH seats are not taken. KC suggested that we should clarify the seats for the SH and ENGOs and set it to minimum of 2. The SHSC agreed to set the seats to a minimum of 2 for both these categories.

ML suggested that the seats for the P&T and SNGOs are split and clearly specified as 1. IO agreed to this proposal and there were no objections.

ES sought clarification if there are 2 seats across the 3 categories – Retailer, CGM and Financial Institutions. AS confirmed that this is the proposal.

KC sought clarification if there will be alternates in case there is no quorum if some members do not join the meeting, as the quorum is 2/3rds of the members and we risk missing one stakeholder. AS clarified that we could consider alternates if there is enough interest from the stakeholders to be part of the IS-NDTF.

YW sought clarification if there will be seats for growers or only smallholders and if the growers are considered smallholders. AS clarified, that in the membership of RSPO, Growers and SH are in the same category. If grower representatives have experience working with Smallholders, they could take up the seats.

KC sought clarification if the feedback form HCSA on the Ekologika report was received and if there is any impact on the ToR. AS confirmed that the feedback from HCSA was received and does not have any implication on the ToR and only details the technical feedback.

PW suggested that the amendments should be noted in the minutes

and proposed to approve the ToR. PW suggested to change the timeline for the TF as it was originally intended to be completed by November 2020. AS confirmed that it would be challenging to implement the recommendation from the Ekologika report, and the timeline would go beyond November 2020.

KC sought clarification from BT about the discussion in the BoG on the collaboration with HCSA and RSPO as it might be an impact on the setup of the IS-NDTF. BT clarified that there is still uncertainty on the format of collaboration with HCSA and suggested to share the detailed feedback once more details are available.

BT suggested to SHSC endorse the ToR with a caveat to review the role of HCSA once there is clarity from the BoG. KC sought clarification if the SHSC has the mandate to approve the ToR or if the ToR needs to go back to the BoG as it was not endorsed by the BoG in 2019.

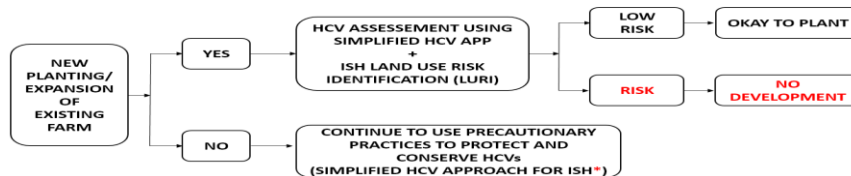
AS clarified that the ToR was sent to the BoG as part of the endorsement of the Standard. The other standing committees were not functional at that point as the BoG preferred to streamline all the working groups and task forces working on the similar topic. The governance review and the streamlining of the groups is now complete, AS and BT confirmed that it is within the mandate of the SHSC to endorse the ToR.

Decision: SHSC endorsed the ToR with the proposed changes and requested it to be circulated to the SHSC members for confirmation.

ML handed the floor back to KAK to explain the IS-Land Use Risk Identification (LURI)

IS-LURI

KAK briefed the SHSC members on the interim measure that can be used for the identification of the low risk HCV-HCS areas for new planting for smallholders. This interim measure will allow smallholders to develop low risk areas in the absence of a tool for simplified HCV-HCS assessment. For risk areas, they have to conduct the full assessments.



For new planting, the ISH group must conduct an HCV assessment. It can be conducted using the HCV simplified app which can be used

3. Secretariat will finalise the ToR and send out the call for nominations

across 8 countries in the different regions. Together with the HCV assessment, the ISH group manager must complete the IS-LURI template. IS-LURI template has been simplified to suit the smallholder context. The report needs to be submitted to the secretariat for record keeping.

IO sought clarification on the chances of having a polygon of HCV area within the smallholder plot. KAK clarified that polygon can be obtained from the simplified app and the simplified app uses the HCV probability map. IO suggested to change the wording to a SH plot within the HCV polygon. asked the process for identification of the risk factors by the group managers. AS clarified that the HCV app will identify the low risk areas based on the probability map, and in addition to that the LUCA assessment will also inform the group managers on the low risk areas.

KC asked if the report from Ekologika talks about the IS-LURI process. KJ clarified that both the HCV simplified app and HCSA toolkit can be scaled up and the HCS component can be included in the HCV app. AS confirmed that the report does not include any assessment of the IS-LURI process. The report does not specify state anything on the low risk areas mentioned in the IS-LURI process. However, AS confirmed that the assessment from Ekologika was that there are very low chances of HCS forests occurring in low risk areas. The report suggests using the HCV app in the absence of the combined simplified HCV-HCSA procedure. KJ clarified that the low risk areas identified in the IS-LURI process are monoculture, bare land etc which has very low probability of HCS occurrence as well.

MP sought clarification if it is mandatory to use the simplified HCV app for the HCV assessments to get the polygons. AS confirmed that in the absence of the probability map and the simplified app in some countries, a full fledged HCV assessment has to be conducted and the polygons can be obtained from there.

KC sought clarification on the possibility of the low risk areas becoming high risk areas. AS confirmed that this is the question that needs to discuss. KC further asked for the timeline for publishing the IS-LURI methodology. AS suggested that the plan was to get the IS-LURI endorsed in July and get the IS-NDTF to monitor the implementation. KC raised concerns about the process as a non -technical group approving the IS-LURI. KJ explained that the IS-LURI was developed based on the LURI for growers.

ML asked who will verify the LURI submissions, and who will these reports be sent to. KAK clarified that the group managers submit the report to the Secretariat and the review will be done by the Secretariat. AS also mentioned, that the current proposal is for the Secretariat to

<p>review the LURI submissions and report to the NDTF once it is setup.</p> <p>KC sought clarification if the Secretariat will only review the reports and not identify whether it is risk or low risk. AS confirmed that the proposal is for the Secretariat to review the IS-LURI submissions. KC raised concerns about the IS-LURI process being designed based on the probability maps unlike the LURI for the growers.</p> <p>PW sought clarification if there are any smallholder groups waiting for planting in the low risk areas and if we can defer it. AS confirmed that there are no groups waiting for this procedure at this point but there are many groups that are working on certification. MP informed the group that there are smallholders who have plans for new planting. MP suggested that we should not delay the process for too long as the Smallholders need the clarification. KAK clarified that the decision to delay has a cost implication as the smallholders will have to conduct a full HCSA assessment.</p> <p>KC suggested to consult Ekologika and other technical experts to confirm the low risk areas mentioned in the IS-LURI process. AS confirmed that the feedback from Ekologika has been that the chances of the presence of HCS in the low risk areas HCV is very negligible. AS also confirmed that the RSPO has not received any feedback from the HCSA on the IS-LURI process.</p> <p>ML proposes to adopt the interim measure. ES suggests giving the mandate to the IS-NDTF to review the interim measure. It is agreed that the scope of the ToR of the IS-NDTF would be changed to include the review of the IS-NDTF measure.</p> <p>PW suggests delaying the adoption of the IS-LURI process as there are no smallholders waiting for this procedure. MP confirms that there are smallholders with the plans of new planting and highlights the chances of potential delays in the development of the simplified HCV-HCSA process by the IS-NDTF. Having this plan would support the new planting for Smallholders.</p> <p>KL supports the interim measure as there is a current moratorium for new planting currently. It is planting season in Sierra Leone and the smallholders might benefit by having this process. However, KL also mentioned that its already too late in the season for farmers in Sierra Leone to go through the IS-LURI process. KL confirms support for the simplified measure.</p> <p>ML proposes to adopt the interim IS-LURI measure and task the IS-NDTF to review the process. KC agrees to the proposal if there is a timeline for the NDTF to review the proposal.</p>		
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ML asked if there is secretariat capacity to review these reports. AS clarified that the SH team will conduct training for group managers on the LURI process. AS also clarified that the Secretariat will only ensure the template is complete, but there will be no additional processing required at the Secretariat and there will be capacity to assess.

4. Secretariat will finalise the IS-LURI mechanism and socialise it with the members

Decision: SHSC adopts the interim measure with the note for IS-NDTF to review the risks within 6 months of the setup

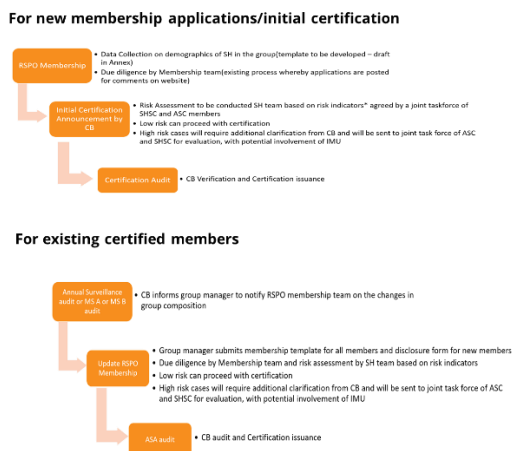
4.0 Monitoring of the RSPO ISH Standard

AS briefed the SHSC that Resolution 6f adopted at GA16 in 2019 calls for continuous monitoring of the implementation of the RSPO ISH Standard by the RSPO Secretariat to ensure that farmers who are certified using the RSPO ISH Standard are meeting the ‘letter and spirit’ of the applicability requirements of the standard.

The proposed process for implementing a robust monitoring framework,



AS continues to brief the members on the proposed process,



AS ended the briefing with the following questions,

- Feedback on the proposed monitoring mechanism and the data collection template, risk parameters mentioned in Annex 5
- Does the SHSC support the setup of the joint task force of SHSC and ASC members to oversee the monitoring or should it be

	<p>only under the purview of SHSC?</p> <ul style="list-style-type: none"> AS handed the floor back to ML and ML opened the floor for questions <p>Discussion on the proposal</p> <p>RR proposed to have clear timelines for the membership process as there is already a long delay in the approval of membership process. ML confirms that the timelines has to be included in the proposal.</p> <p>ES sought clarification on whether satellite data will be used for the verification. AS stated, that the details have to be worked out and will involve some form of verification. ML suggests that this is something the taskforce should evaluate.</p> <p>KL suggests that the membership and audit process should not be held up pending clarification or decision from the taskforce as it would result in unnecessary delays. ML clarifies that the concerns are valid but this is something that was adopted at the GA and it is something we have to implement a monitoring framework at entry level.</p> <p>ML wraps up the discussion on the topic.</p> <p>Decision: SHSC agrees to setup a joint task force with the ASC members to develop the monitoring framework further.</p>	<p>5. Secretariat to initiate the setup of the joint task force to develop the monitoring framework</p>	
<p>5.0 Closing and AOB</p>			
	<p>There were no topics discussed as AOB and it was agreed that the agenda points 4 and 5 that were not discussed in the meeting on the 2nd Jul will be discussed in the next meeting. Next meeting was set to the 23rd July 2020 at 5pm KL time.</p>		

End of minutes