

**Final Minutes of Meeting
15th Smallholder Working Group (SHWG) Meeting**

Date: 18th May 2018

Time: 9.00 am to 4.00 pm

Venue: Jasmine, VE Hotel Bangsar South

No	Name	Initial	Constituency	Organisation
1	Marieke Leegwaters (Co-Chair)	ML	Social NGO	Solidaridad Network
2	Teoh Cheng Hai	TCH	Bank	IFC (Alternate to Triyanto Fitriyardi)
3	Dr Lee Kuan Chun	LKC	Manufacturer	Procter and Gamble
4	Ahmad Shahrir Bin Ismail	ASI	MY Grower	FELDA
5	Ismail Samingin	IS	MY Grower	FELDA
6	Sheila Shenarajath	SS	Smallholder MY	WAGS
7	Ian Orell	IO	RoW Grower	NBPOL
8	Margaretha Nurunnisa	MN	Env NGO	WWF-Indonesia
9	Martha Silalahi (Webex)	MS	Env NGO	INOBU
10	Pak Sabarudin	S	Smallholder IDN	SPKS
11	Jan Pierre Jarin (Webex)	JPJ	LA Grower	Oleana
12	Stephen Krecik	SR	Env NGO	Rainforest Alliance
13	Ingrid Richardson	IR	Processor	Unilever
14	Lee Kuan Yee	LKY	Grower	KLK
15	Rukaiyah Rafiq	RR	Social NGO	Yayasan Setara Jambi
16	Julia Majail	JM	Secretariat	RSPO
17	Aaina Karina M Senawi	AKMS	Secretariat	RSPO
18	Kertijah Abdul Kadir	KAK	Secretariat	RSPO
19	Ashwin Selvaraj	AS	Secretariat	RSPO
20	Imam El Marzuq	IEM	Secretariat	RSPO

Absence with Apology

No	Name	Initial	Constituency	Organisation
1	Perpetua George(Co-Chair)	PG	Processor	Wilmar Group
2	Petra Meekers	PM	Grower	PT Musim Mas (to be replace with Rob Nicholls)
3	Rosemary Addico	RA	Smallholder (Africa)	Solidaridad

No	Description	Next steps / Action point
1	<p>Welcome by the co-leader</p> <p>ML welcomed everyone and expressed her appreciation to everyone's participation.</p> <p>ML explained that the Co-Chair, was not able to be present because she was unwell.</p> <p>ML went through the meeting agenda for review.</p>	

	SS requested to add sharing of WAGS audit experience with CB under AOB.	
2	<p><u>Review 14th SHWG MoM</u> 14th SHWG MoM final draft was presented during the meeting and no further comments received from the WG members.</p> <p>The MoM was proposed to be endorsed by TCH and seconded by LKC.</p>	
3	<p><u>Update from BoG meeting on March 2018 on SH Strategy, SH NPP, P&C review and text in Group Certification Criterion 7.8</u></p> <p>Update on SH Strategy, SH NPP and P&C Review will be discussed in the separate agenda of this meeting. The meeting then went directly to C7.8 text change endorsement in Group Certification document (<i>refer file pdf BoG_MarchUpdate</i>).</p> <p>JM explained that the red text is the updated change in the text. JM informed that the text changes has been endorsed by BoG on 8th March 2018 and updated accordingly in the Group Certification (GC) document. JM remarked that this may not be relevant after 1 year depending the final outcome from the new standards for smallholders.</p> <p>KAK said the amended GC document is downloadable at RSPO website and it is available in English, French, Thai and Indonesia.</p> <p>IS sought clarification whether this document is for NPP? JM advised that it is for the Group Certification and NPP is different from this. However, NPP was also discussed in the recent SHIG meeting. JM suggest to keep this as an information for now, as the new standards will be developed and it will include on Group Certification and NPP.</p> <p>LKC asked if the text can be changed? JM clarified that the text was proposed by ERWG and was shared to SHWG for approval before it was endorsed by BoG. This update is meant for info to SHWG members.</p> <p>ML agreed with JM, that whatever that was already updated will maintained as business as usual for use until the new SH standard is out. The WG will reassess to determine what is needed to be considered i.e. if the standard can be used by the scheme smallholder.</p>	
4	<p><u>Update on SH Strategy</u></p> <p>JM updated that all the implementation projects that are ongoing are complimenting the SH Strategy program and will proceed according to plan. The Secretariat have also identified and harmonized activities that are already in the pipeline against the SH Strategy implementation plan. For example; Smallholder Academy which is supporting Objective 1.</p> <p>ToR for the Smallholder Standing Committee structure have been developed by i.e. TCH and other members in SHIG. Once announced, RSPO will be inviting interested stakeholders to be part of the Standing Committee. Names of the Smallholder Standing Committee (SHSC) members will be completed and submitted to BoG by June 2018. Draft ToR for SHSC member will be shared and JM suggested member to</p>	

	<p>provide constructive comments.</p> <p>WG members were suggesting the composition of the SHSC to be:</p> <ul style="list-style-type: none"> ● 4 growers ● 4 supply chain ● 4 NGOs ● 5 smallholders (Indonesia, Malaysia, Thailand and 3 RoW) <p>TCH emphasized that a balance representation of the committee must be considered. Voice of SH must be heard most. The SC is the key to get things running. The SHSC is intended to be a high-level committee while more detailed operational aspects would be addressed by the respective WGs under SHSC. Hence, the SHSC should not be too large.</p> <p>LKC suggested to discuss amongst SHWG members how the structure can involve the representatives of independent and scheme smallholders. SS added that actual SH from different geographies may not be able to meet the criteria set. Hence, TCH stressed that the person selected to represent smallholder in SHSC must have the mandate to represent smallholder in the specified geographical area, NOT for their organization/company/own self.</p> <p>ML requested response from Sabarudin and RR on their point of view to have the smallholders in the SHSC and being able to voice their own opinions. Sabarudin and RR responded that it is not easy for the smallholders to contribute when they are alone, they would need support. RR suggested to have representation from independent smallholders and scheme smallholders to ensure smallholder perspective is taken into account. Sabarudin added that he hopes the representation of organisations like SPKS or YSJ are also able to help contribute and can be considered in the composition of the SC.</p> <p>IS agreed that it is hard to get input from the smallholders.</p> <p>ML asked if there were any recommendation in order to get smallholders in SEA to be able to contribute more proactively.</p> <p>JM clarified that looking for people is not the problem but having the right people to be able to provide inputs/contribute ideas when we needed them to do so is the issue the Secretariat is struggling with.</p> <p>RR proposed to have smallholders from Malaysia (2), Indonesia scheme (1) and Indonesia independent (1). From IO's input, ML suggested to include RoW – Pacific (1) representative.</p> <p>SS suggested that the smallholders and organisation representing smallholders should sit down and discuss to determine who can represent the smallholder in the SHSC.</p> <p>ML also remarked in the composition category, to explicitly state the smallholder or representative organisation.</p>	<p>AP1: JM/KAK to share with SHWG members the ToR for constructive comments to justify the composition of SC by next Wednesday, before opening the invitation.</p> <p><i>Action by JM/KAK. Note: Draft ToR was immediately shared on 18th May via email to all members.</i></p>
5	<p><u>Progress on P&C Review Updates Including progress of SHIG.</u></p> <p>P&C Review TF5 meeting were conducted on 14-16th May 2018. The</p>	

<p>revised P&C document draft will be uploaded to RSPO website for 60-days public consultation processes in June/July 2018 (including translated versions). SHWG members are encouraged to circulate the revised draft document among their network for comments.</p> <p>There will be F2F consultations namely in Colombia (P&C), Honduras (GC), Ghana, Malaysia, Thailand, Indonesia and Europe. Comments via online is accepted during the 60-days period.</p> <p>JM reminded members to ensure to go through the draft documents (P&C and SH standard) and provide their comments during the Public Consultation.</p> <p>By November 2018, the document should be ready for ratification during the General Assembly.</p> <p>RR added that during the P&C review, the criteria are collated in a separate document, and the smallholders are under the 'People' criteria. Meaning there is a responsibility of the mill to ensure that the smallholders are also taken into consideration. If the support is needed then the mill must provide.</p> <p>LKY and LKC added that another highlight of the revised standards are the shared responsibility agenda between the growers (including SH and mills) and supply chain.</p> <p><u>Update in SHIG</u> AS presented the update of SHIG recent meeting. He summarised key points on the draft SH Standard with regard to the applicability, eligibility and core requirement to enter RSPO system discussed in the meeting.</p> <p>A new definition for schemed smallholders was developed by the SHIG and it was concluded that the simplified smallholder standard developed by the SHIG is only applicable to smallholders who are not scheme smallholders (as per the new definition). Thus, the new SH standard applies only to independent smallholders.</p> <p>JM added that the term associated SH is no longer used. For those who is not in the schemed smallholder definition, they are considered independent and thus eligible to use simplified approach.</p> <p>In the proposed step-wise approach of the SH standard, there are options where the smallholders can start selling the credits from year 1 and the system will allow this but depending on the level of compliance of year by year.</p> <p>AS also updated on how the market can support and be inclusive of the smallholders through the Credit Trading platform. The smallholders can sell their credits once they are fully compliant.</p> <p>MN asked when will the document will be circulated to the smallholders and whether it will affect the GC document. JM responded that the aim now is for the two documents (P&C and SH Standard) to be endorsed by Nov 2018. It is not decided yet on how this will affect the overall</p>	
--	--

	<p>certification system for smallholder, but requirement under Section 3 of GC will follow suit as in the revised P&C.</p> <p>There will be 1-year grace period before the standards are effective. Next steps will be reharmonization with the guidance documents and national interpretation.</p> <p>JP reminded that the small grower group between 50 – 500 ha should also be considered and to be included in the scope of work (of SHWG). He is currently dealing with most growers of this type in Ecuador and expressed disappointment that every time this issue on small grower was brought up, everyone is not able to respond. TCH suggested for small growers in Malaysia, the views or representation by the Malaysian Estate Owners Association (MEOA) could be sought.</p> <p>JM responded that the mandate of SHWG at the moment is to discuss about smallholders which is below 50 ha. She recalled there was a discussion on small growers but BoG raised that those with 499 ha would have more characteristics as compared to smallholders.</p> <p>Nonetheless, the Secretariat will take note as a suggestion that RSPO should look into this.</p> <p>JP suggested SHWG to issue a letter of recommendation to BoG to look into standards for the context of small growers. SS supported this as WAGS are also supporting medium growers and are facing similar challenges. SK and LKC added that currently there is not much knowledge on small grower yet but agreed that it is a fact that they need to be inclusive in the RSPO system as well.</p> <p>ML summarized that there is a need for: (i) BoG and P&C Review team to decide where small grower can be housed on the standard, and (ii) get some statistics on small growers in each countries/region for better understanding.</p> <p>JM requested clarification from SHWG either this scope should be under SHWG or there should be a separate committee for small grower discussion.</p> <p>ML proposed that this matter should be flagged to P&C TF, because SHIG is focusing on 50 and below ha. WG is worried about the >50 ha smallholders. Based on the response from P&C TF RSPO Secretariat need to see whether SHWG can take action from it.</p>	<p>AP2: Flag to P&C TF for feedback on the complexity of the small growers (> 50 ha, < 1000 hectares with no mill), and how they are involved in the system.</p> <p><i>Action by Julia Majail</i></p> <p>AP3: RSPO Secretariat to further strategise whether a specific TF for small grower is needed.</p>
6	<p><u>Smallholder NPP Update</u></p> <p>JM updated that the SH NPP guidance was endorsed with condition on 8th March 2018 BoG Meeting.</p> <p>The conditions were:</p> <ul style="list-style-type: none"> ● Clarify the applicability of the guidance document for scheme / associate smallholders. ● To revisit the recommendation on why NPP is required for lands already planted with other crops. As this is considered low risk area. 	

	<ul style="list-style-type: none"> ● SHIG will take into account the spirit of the discussion in the BoG especially concerns on SH area on already planting with other crops. <p>To compliment this SH NPP implementation, the following detailed guidance documents have also been developed:</p> <ol style="list-style-type: none"> 1. HCV guidance for Smallholder (C7.3) 2. SEIA guidance for Smallholder (C 7.1,7.2,7.4 and 7.7) 3. Land Use Change Analysis (LUCA) guidance for smallholders 4. GHG reporting guidance for smallholders (C 7.8) <p>Despite a following response to BoG on the conditions on 30th April 2018, SH NPP reprieve decision cannot be made until June 2018 meet.</p> <p><i>Note: JM informed that there will be a call this evening to further discuss on the direction on SH NPP with ML, JV and Belinda. Hopefully, there will be an outcome from the meeting to be shared with the WG.</i></p>	
7	<p>Updates on:</p> <ol style="list-style-type: none"> 1. Progress on Jurisdictional Approach (Javin Tan) <ul style="list-style-type: none"> ● JT clarified that there will be no new standard but using part of the existing standard. ● RSPO have engaged with Foresight as the new consultant for JA. JAWG 1st physical meeting will be in around May 2018. Currently in the mid of identifying Co-Chair for JAWG. Among those expressed interest to be part of JAWG is Bumitama, Sime Darby, NBPOL. Both ENDS, FPP, MNS; P&G, Fortasbi etc. ● JT said there will be a JA workshop around EU RT conference on 25 June 2018. ● TCH enquired if there is a need for participation of the relevant local government actors in this process. 2. Progress on SH Academy (refer to Annex 2 ppt) <ul style="list-style-type: none"> ● KAK presented the background of SH Academy establishment ie a platform for training and curriculums for the benefit of the smallholders which complement Objective 1 of the Smallholder Strategy. ● There will be an education package (Curriculum in a Box), where there are 3 modules with specific curriculums ie Program Design Guide (PDG), Group Manager/Aggregator (GM/GA) and Smallholder (SH). The overall objective is to increase livelihood and capacity building of the smallholders. ● A Curriculum Development Committee (CDC) was established in September 2017 to steer the RSPO SH Academy curriculum development consisting some of the SHWG members (ie TCH, RR and Ingrid) are involved. ● Overall project timeline and progress are: <ul style="list-style-type: none"> ▪ Curriculum framework is planned to be completed by June 2018 ▪ Master curriculum list to be completed by Q4 	<p>AP4: ML suggest JT to share the invitation to be part of JAWG to KAK to be circulated within the SHWG.</p> <p><i>Action by Javin Tan.</i> KAK shared the invitation email shared by JT to SHWG members on 21st May.</p>

	<ul style="list-style-type: none"> • In 2017, the PalmTrace was showing a decline on sales of credits due to transition between GreenPalm and PalmTrace that took some adaptation for the buyers in buying the credits. The buyers were having difficulty in identifying who were the new and existing buyers. Secretariat then had to educate buyers on what credits were they purchasing and extended the trading period to allow SH Group able to sell their credits. AS also informed that there is a website - http://rspocredits.org/ that provides information to educate buyers on what are they supporting for purchase credits from smallholders. • AS later shared the data trends for IS CSPO credit sales for 2014-2017. He explained that the data trends shown are not publicly published yet and SHWG members are the first to see. • SS appreciated the sharing and added that is good to know what the price are like for the benefit of discussing with the smallholder groups. AS says that this will be publish on the website and by ensuring transparency both buyers and traders knows it directly online. • RR suggested if the website can be made available in Bahasa Indonesia as well to support/enable smallholders GM like Pak Narno; in negotiation skills (because he can then better understand what's in PalmTrace) . <p>5. RSSF Way forward</p> <ul style="list-style-type: none"> • JM updated that RSSF is currently being reviewed in order to be in line with Smallholder Strategy and recommendation to align RSSF fund focusing to objective 1 and 2. This have been brought to the Panel meeting recently. • The call for RSSF application is still open for submission until 15 September 2018. So, applications for SH Certification and Impact project can still be submitted until then. • The one-off audit cost certification, will remain open for application throughout the year. 	<p>AP7: AS to make sure the online information available in other relevant languages.</p> <p><i>Action by AS.</i></p>
8	<p>AOB</p> <p>1. Audit Experience</p> <ul style="list-style-type: none"> • SS shared WAGS experience in going through Group Certification audit with 4 different CBs. There was a situation where CBs don't have any room to record negative or positive observations in their audit report as ASI have set that there is no allowance for this. The implication would be only minor non-compliance is available, and this not fair for auditee. WAGS has been questioning this (due to inconsistencies and interpretation) and 	<p>AP8: JM requested for a written commitment from SS and RR on the</p>

	<p>the concern is when the minors will become major NC.</p> <ul style="list-style-type: none"> ● SS suggested a quad-partiate discussion between ASI-CBs-Auditee-RSPO to resolve these issues. ● SS also commented that CB are not able to verify the information that they have audited which also affects the audit certification process for the group. That gives an impression that CBs does not have any experiences with the smallholders. ● RR added that there are similar difficulties when CB did not communicate properly to auditee on process when every non-compliance is addressed. This caused additional costs to auditee when CB need to revisit any NC for verification. ● JM wanted to make it clear that ASI, CB and RSPO are 3 different entities. JM explained that RSPO is the owner of the scheme, CB is to execute the audit and this is a familiar issue raised. JM will share the comments raised and the nature of the issue by SS and RR to ASI and CBs to have a detailed discussion. ● SS also raised observation that the price comparison quoted from the CB between RSPO and MSPO audit are very distinct. ● TCH asked if there are any indication of the range of cost to be advised by RSPO to CB? JM said RSPO has no say as this is between CB and the client to negotiate. ● SK said that as we go towards to the new standard, perhaps there may be cheaper costs in implementing the audit. <p>2. P&C Smallholders - Indonesia NI</p> <ul style="list-style-type: none"> ● RR updated that for Indonesia there is a NI for Group Certification. The NI was supposed to be endorsed in November 2017 but it has yet to be endorsed. Thus currently, SH group have proceeded certification with using the generic GC standard. ● JM responded that the target is June 2018. However, the NI's finalisation is depending on the comments exchanged between INA NI-GC TF, technical Secretariat and relevant WG. JM reminded that the document needs to be endorsed by BoG as well. ● RR highlighted that it has been taken some time on the National Interpretation and it is affecting one of the groups – Gapoktan Tanjung Sehati which is now suspended due to the NI not being effective yet. <p>3. MN updated that the Sustainable Palm Oil Forum for Indonesia (FOKSBI), an initiative from Government has been established to support ISPO.</p>	<p>challenges that they have highlighted through their audit experience. Based on this, RSPO Secretariat will report back to SHWG on steps to be taken.</p> <p><i>Action by SS and RR.</i></p>
9	<p>Closing</p> <p>ML said that this will be the last physical meeting and follow-ups will be made via email.</p> <p>However, the WG will officially dissolve until the Standing Committee is established and active.</p>	

Prepared by AKMS and KAK.