
Approved Minutes

Roundtable on Sustainable Palm Oil
17th General Assembly (GA17)

25 November 2020

Document Title : Approved Minutes
Roundtable on Sustainable Palm Oil
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Date : 25 November 2020

Venue : Virtual

Start time : 8:00 pm (MYT)

Chairpersons : Anne Rosenbarger, RSPO Board of Governors Co-Chair
Dato' Carl Bek-Nielsen, RSPO Board of Governors Co-Chair

Moderator : Bakhtiar Talhah, RSPO Chief Operating Officer (COO)

Speakers : Anne Rosenbarger
Dato' Carl Bek-Nielsen
Tim Stephenson, RSPO Board of Governors Vice -Chair and Treasurer
Beverley Postma, RSPO Chief Executive Officer–Designate (CEO-D)

Participants : 104 Ordinary Members in attendance
RSPO Secretariat
Affiliate members and observers

AGENDA

1. Introduction
2. Welcome remarks and housekeeping rules by Anne Rosenbarger, RSPO Board of Governors Co-Chair
3. Opening Address by Dato' Carl Bek-Nielsen, RSPO Board of Governors Co-Chair
4. RSPO Chief Executive Officer-Designate, Beverley Postma's address and year in review
5. Confirmation of minutes for the 16th General Assembly (GA16), held on 6 November 2019, by Dato' Carl Bek-Nielsen
6. Presentation of the Treasurer's Report by Tim Stephenson
7. Announcement of the e-voting results of the Board of Governors' elections and adopted resolutions by Dato' Carl Bek-Nielsen:
 1. Resolutions
 - Resolution GA17-1:
To receive and adopt the treasurer's report and the RSPO's financial statements for the year ended 30 June 2020.
 - Resolution GA17-2a:
To accept the resignation of PricewaterhouseCoopers and to approve the appointment of Ernst & Young as the new auditors of RSPO.
 - Resolution GA17-2b:
Resolution to amend the RSPO Statutes to formalise the new voting format, virtual General Assembly and other general amendments.
 - ii. Election of Board of Governors for the following sectors and sub-sectors:
 - a. Oil Palm Growers – 1 seat
 - b. Processors and Traders – 1 seat
 - c. Consumer Goods Manufacturers - 1 seat
 - d. Retailers – 1 seat
 - e. Banks and Investors – 1 seat
 - f. Environmental NGOs – 1 seat
 - g. Social NGOs – 1 seat

Annex 1 – Attendance and E-Voter List

Annex 2 - Questions and Answers

1. INTRODUCTION

The moderator of GA17, RSPO's COO, Bakhtiar Talhah, welcomed RSPO members to the virtual 17th General Assembly (GA17) of RSPO members, held on 25 November, 8:00 pm (MYT), via Zoom Webinar with the broadcast venue in Kuala Lumpur, Malaysia.

2. WELCOME REMARKS AND HOUSEKEEPING RULES BY THE CO-CHAIR, ANNE ROSENBERGER

Anne Rosenbarger welcomed members to the assembly and proceeded with her welcome remarks. She then shared the housekeeping rules and the RSPO Antitrust Guidelines. Members were reminded that there should not be any discussion of specific selling or buying of materials, pricing or any future joint venture or collusive actions, such as excluding or choosing a supplier or geographies. All commentaries would be limited to the current and historical activities. Any decision reached by the members from the meeting materials, or discussion in the meeting, would be an individual decision based on their own investigations and judgements.

3. OPENING ADDRESS BY THE CO-CHAIR, DATO' CARL BEK-NIELSEN

Dato' Carl welcomed all the members and proceeded with his opening address. A video titled "State of the Industry" was shared with the attendees to show the experience and challenges faced by oil palm grower members globally amidst the pandemic. He continued his opening address by thanking Bakhtiar Talhah, who stepped in as interim CEO from early December 2019 to April 2020. Therefore, much of RSPO's success for the past year was attributed to his leadership and the hard work of the entire RSPO Secretariat.

He then highlighted the achievements of RSPO such as the first certified independent smallholders group under the new standard, and more than 1,800 smallholders and trainers were successfully trained via the Smallholders Trainer Academy.

Members were reminded that they have made a commitment to transforming markets to make sustainable palm oil the norm, and the goal and shared commitment were pledged on the very first day they became members of the RSPO. The more recent pledge for shared responsibility was a commitment from all members to take ownership in order to achieve the vital and important market transformation.

He then closed his speech by emphasising the need to increase both supply (19%) and uptake (50%) of certified sustainable palm oil, which is important for RSPO to remain relevant.

4. RSPO CHIEF EXECUTIVE OFFICER-DESIGNATE (CEO-D), BEVERLEY POSTMA'S ADDRESS AND YEAR IN REVIEW

RSPO CEO-D, Beverley Postma, welcomed all the members and thanked them for joining the virtual GA17. The RSPO CEO-D then addressed the assembly with the following 2020 highlights and future commitments:

- Membership base continued to increase with full attendance recorded for all virtual committees and board meetings.
- Commitment to conduct full root cause analysis of the most urgent issues related to the implementation and feasibility of the 2018 RSPO Principles and Criteria (P&C).
- To spend more time with the individual sectors and caucuses, the committees, the Board of Governors, and the working groups and task forces to address issues related to compensation procedures, grievance mechanism, interpretation of the RSPO P&C, and the implementation of RSPO standards by small/medium-sized growers.
- To address weaknesses in the RSPO Assurance Systems, especially in the areas of social impacts and human rights.
- To strengthen the RSPO Secretariat to pivot from designing great standards to fully implementing them, and to ensure that all the standards would be feasible, inclusive, and accessible, as well as delivering the impact as desired by all.
- To bring to life the idea of Shared Responsibility.

The CEO-D informed the audience that the RSPO Secretariat is currently in the process of designing a new operational strategy that would bring clarity to everyone's role and allow the measurement of each individual's contributions in a more meaningful way.

The CEO-D thanked the members for their continued support and she looked forward to meeting everyone in person in the very near future. She also thanked Bakhtiar, all the staff, and Board Members for their support and she's looking forward to working with them.

5. CONFIRMATION OF MINUTES FOR THE 16TH GENERAL ASSEMBLY (GA16) HELD ON 6 NOVEMBER 2019 BY DATO' CARL BEK-NIELSEN

Dato' Carl tabled the draft minutes of GA16 dated 6 November 2019 to the members for approval. He then confirmed that no questions or objections were received pertaining to the draft minutes, and called for the approval of the minutes.

Michael Robert Guindon of the World Wide Fund for Nature (WWF) International proposed that the minutes of the GA16 be approved. The motion was seconded by Lee Kuan-Chun of The Procter & Gamble Company.

Dato' Carl thanked both Michael Robert Guindon and Lee Kuan-Chun for proposing and seconding the confirmation of the minutes of GA16. He then declared that the minutes of the GA16 be hereby approved.

6. PRESENTATION OF THE TREASURER'S REPORT BY TIM STEPHENSON

Tim presented the Treasurer's Report by providing a summary of the audited financial statements of the previous year and the budget for the current year.

He reassured the members that the financial position of RSPO is strong and that there are no concerns about its financial viability during the current troubled situation.

The organisational structure of RSPO remains unchanged and the Finance Committee comprises five members: Tim Stephenson (Treasurer, AAK), Geraldine Lim (Board of Governors, Rabobank), Samantha

Bramley (Board of Governors, Standard Chartered), Beverley Postma (CEO-Designate, RSPO), and Patrick Chia (Finance and Administration Director, RSPO).

Audited financial statements for the year ended 30 June 2020

- A clean audit report was issued by PricewaterhouseCoopers for the accounts, which showed a true and fair view of the financial position for the year ended 30 June 2020.

Income Statements

- The surplus after tax for the year was RM11.5 million, an increase from RM7 million in the previous year.
- We did not rely on donations and there is a high degree of resilience in our income model.
- Operating costs of RM24 million was mainly related to staffing, which has increased compared to the previous year.
- The other costs were relatively low, which were related to occupancy, profession fees, and other costs relating to office administration and maintenance, IT expenses, and provision of doubtful debts.

Balance Sheet

- Net Assets for the year ended 30 June 2020 was RM44.5 million (FY19: RM38.2 million).
- Cash and bank was RM48.0 million.
- Right-of-use assets of RM2.1 million were capitalised with lease liabilities amounting to RM2.2 million. The net impact of which was minimal.
- Other receivables had increased due to the timing of contributions from physical and credit trades, which were received after the financial year ended.
- Contract liabilities category include deferred subscription income of RM8.7 million.

Changes in Equity

Allocations were made from Member's Fund of RM1.0 million to the Smallholders Fund and RM4.0 million to the Special Projects Fund to meet all ongoing commitments.

Budget for the financial year 2021:

There is a resolution each year to approve the Treasurer's Report including the budget even though the budget was prepared in April or May of the year of which it was approved by the Board of Governors in June.

The budget was prepared based on the current pandemic situation, as such a very cautious approach was taken when the budget was prepared. Income and project costs were budgeted to reduce significantly and a surplus after tax of RM1.3 million was estimated for FY2021.

Description	Budget FY 2021 RM'000	Actual FY 2020 RM'000
Income	39,830	53,851
Admin and Operating costs	(25,237)	(24,627)
Departmental recurring costs	(9,142)	(10,206)
Discrete projects	(3,807)	(6,750)
Surplus before taxation	1,644	12,268
Taxation	(305)	(714)
Surplus after taxation	1,339	11,554

For the first quarter ended 30 September 2020, the income received was higher compared to the previous year, and the budget, which was around RM15.0 million, resulted in a surplus of RM6.5 million for that quarter. There was no indication of any collection issues on membership fees.

We will be reviewing the budget after H1FY21, together with the new operational plan. The budget review is expected to be tabled at the Board of Governors meeting during the first quarter of 2021.

In summary:

- There was a proposed change of auditors to Ernst & Young for the financial year 2020/2021. There were no problems with PwC, just good practice to change auditors on a regular basis.
- We had another good surplus in the financial year with a clean audit report.
- Continuing strong income that demonstrated the resilience of the income model.
- The balance sheet was robust, which pointed to the financial resilience of the RSPO.

7. ANNOUNCEMENT OF THE E-VOTING RESULTS OF RESOLUTIONS AND ELECTION OF THE BOARD OF GOVERNORS BY DATO' CARL

In line with the GA held fully virtual, all decisions in the respective resolutions and Board of Governors elections would be voted on exclusively by electronic means via e-voting.

On the meeting date, 187 ordinary members have voted. Members were reminded that the new voting format was implemented for the current GA, following the resolution, which was adopted at the previous GA. The objective of the new voting process was to have a balanced representation of the membership sectors in the GA's voting process. For a resolution to be passed, a simple majority of the vote would be required of which the voting calculation would be based on all the votes including abstain votes.

The voting weight for the vote calculation should reflect the composition of the RSPO Board of Governors, with the oil palm growers section carrying 25% of the weighting and 12.5% each from the other membership sectors. There were three (3) resolutions to be voted on by the GA.

The e-voting results were as follows:

1.	Resolution GA17-1	Weighted Vote Results (%)	
	To receive and adopt the Treasurer's Report and the RSPO's financial statement for the year ended 30 June 2020.	For	89.86
		Against	0.98
		Spoilt	9.16

The Resolution GA17-1 was hereby approved.

2.	Resolution GA17-2a	Weighted Vote Results (%)	
	To accept the resignation of PricewaterhouseCoopers and to approve the appointment of Ernst & Young as the new auditors of RSPO.	For	94.43
		Against	0.98
		Abstain	4.59

Resolution GA17-2a was hereby approved.

3. Resolution GA17-2b	Weighted Vote Results (%)		
	Resolution to amend the RSPO Statutes to formalise the new voting format, virtual General Assembly and other general amendments.	For	93.22
		Against	3.26
		Abstain	3.52

Resolution GA17-2b was hereby approved.

4. Board of Governors Re-Election

The next item was the election of the Board of Governors. The two-year term of eight (8) out of the 16 members of the Board of Governors was to expire and the results of the elections were as follows:

Membership Sector	Elected/Approved		Voting Results	
	Principal	Alternate	For	Abstain
Oil Palm Growers - Rest of the World	Agrocaribe , Jose Roberto Montenegro Baide	<ul style="list-style-type: none"> Sander van den Ende (SIFEF Group) Audrey Lee Mei Fong (Olam International Limited) John Clendon (Univanich Palm Oil Public Company Limited) 	11	1
Processors and/or Traders	AAK AB , Tim Stephenson	Caroline Westerik-Sikking (AAK AB)	38	11
Retailers	Retailers' Palm Oil Group , Julian Walker-Palin	Hugo John Byrnes (Royal Ahold Delhaize NV)	12	0
Banks and Investors	Coöperatieve Rabobank U.A. , Geraldine Lim	Martin van Vaals (Coöperatieve Rabobank U.A.)	11	0
Environmental NGOs	WWF International , Michael Guindon	Harjinder Kler (HUTAN Kinabatangan Orang-utan Conservation Programme)	23	0
Social NGOs	Both ENDS , Paul Wolvekamp	Nursanna Marpaung (Hukatan)	6	1
Oil Palm Grower - Smallholders	FELDA's two-year term expires and is not available for re-election. No election was held for the seat.			

Dato' Carl confirmed for the minutes that the above members and alternates of the Board of Governors were re-elected. He further explained that the two-year term of FELDA has expired and is not available for re-election. No election for the said seat and it would remain vacant for the time being.

5. Consumer Goods Manufacturers

The two-year term under Consumer Goods Manufacturers Section was up for re-election and two(2) nominations were received from The Procter & Gamble Company (Lee Kuan-Chun) and Ferrero Trading

Lux S.A. (Olivier Charrier) as the Principal and Alternate respectively with FMF Foods Limited (Daventi Naidu and Priya Puja Prasad as the Principal and Alternate).

The results of the e-voting were as follows:

Membership Sector	Principal	Alternates	Voting Result
Consumer Goods Manufacturers	The Procter & Gamble Company, Lee Kuan-Chun	Olivier Charrier (Ferrero Trading Lux S.A.)	25
	FMF Foods Limited, Daventi Naidu	Priya Puja Prasad (FMF Foods Limited)	5
	ABSTAIN		3

The Procter & Gamble Company obtained 25 votes of the total 33 votes, which constituted a simple majority of the votes. The Procter & Gamble Company has been elected as the member of the Board of Governors, represented by Lee Kuan-Chun as the Principal and Oliver Charrier as the Alternate.

6. Interim Board of Governors' Approval

During the year, Eleanor Spencer from the Zoological Society of London (ZSL) was appointed as the interim alternate to Anne Rosenbarger, which required approval and the voting results were as follows:

Board of Governors	Approved	
	For	Abstain
The interim alternate Eleanor Spencer (ZSL) to the incumbent principal member Anne Rosenbarger (World Resources Institute)	23	0

Therefore, the appointment of Eleanor Spencer of ZSL as the Alternate was hereby approved.

The Chairperson ended the announcement of the e-voting results by presenting the new line-up of the Board of Governors for 2021.

8. CLOSING OF GA

On behalf of the Co-Chairs, Vice Chair of RSPO, CEO-Designate, and members of the Secretariat, Dato' Carl thanked all the attendees for their presence at the 17th GA, which was a virtual success. He also thanked the RSPO Secretariat for their hard work and resilience throughout the year, and also in putting this important event together.

There were three (3) issues that Dato' Carl would like the participants to reflect from the GA17:

1. Despite the unforeseen challenges during the current year, RSPO has made progress but there is always room for improvement. Even though there would be continuous criticism, RSPO would remain committed to working together as a global membership base to ensure that RSPO and its standards remain relevant and credible.
2. To ensure RSPO would be future proofing the market for the sustainability of palm oil. The COVID-19 pandemic has been a major challenge for all. So far, RSPO has proven that they are resilient. However, there are challenges beyond COVID-19 and everyone needs to be agile and ready to adapt.
3. All members should work together with the RSPO Secretariat and look for opportunities for collaboration and support each other, for example, for COP26.
4. On shared responsibility, as the two points above rely on the need for shared responsibility. It would be time for each and every one to step up to increase the uptake of RSPO certified sustainable palm oil to match the production in order to secure a future for sustainable palm oil.

Dato' Carl Bek-Nielsen officially closed the GA17 at 9:49 pm (MYT).

ANNEX 1 – ATTENDANCE AND E-VOTER LIST

ORDINARY MEMBERS ATTENDANCE LIST FOR VIRTUAL GA17

1.	Banks and Investors	3
2.	Consumer Goods Manufacturers	14
3.	Environmental NGOs	10
4.	Oil Palm Growers	45
5.	Processors and Traders	17
6.	Retailers	7
7.	Social NGOs	8

ORDINARY MEMBERS E-VOTER LIST

1.	Banks and Investors	11
2.	Consumer Goods Manufacturers	33
3.	Environmental NGOs	23
4.	Oil Palm Growers	53
5.	Processors and Traders	50
6.	Retailers	12
7.	Social NGOs	7

ANNEX 2 – QUESTIONS AND ANSWERS

QUESTION 1:

From several members of various sectors

How does RSPO balance the need for conserving the environment with the need for development and livelihoods when these two goals can very often be in direct conflict?

ANSWER:

Anne Rosenbarger: There were always scenarios of labelling development and conservation as either or, for example, cutting the forest industrial plantation in the name of development or putting a fence around it in the name of conservation.

In reality, integrated and new solutions would be required, for example, we need to look beyond the individual site level, broader landscape, broader jurisdiction, options for the planning of the use of land, and trade-offs on a broader scale. When projects were labelled for the purposes of improving livelihoods, work should actually be performed beyond just as a name. It would need to place the communities into the driver's seat by empowering them to be decision makers to decide the scenarios and approaches of processes, developments and conservation they want to see implemented, and ensuring that they are primary beneficiaries of development projects. RSPO is challenging the industry to do all the above, to start thinking beyond the dichotomy by having integrated strategies for both development and conversation.

QUESTION 2

From Madeline Brasser of Oxfam International

The overview of achievements presented by CEO-Designate did not show any achievements related to people's impact area. Does it mean that none has been achieved in that impact area? What would RSPO do to ensure a positive impact for communities, plantation workers, women, etc.?

ANSWER:

Beverly Postma: This is an important question. One of the main reasons I was compelled to join RSPO was due to the bold move by the organisation in including social and human impact measures in its standards in 2018. I have been particularly focused on how to move those robust standards into implementation and measurements.

I apologised that videos related to people's impact area were not shown. With all the amazing happenings in the past 12 months, it was a challenge for the team to pick out those highlights. The video did not show everything that was done over the past 12 months.

I urged all the participants to read the full Impact Report that was released about three months ago. In the said report, there was a dedicated section on issues such as the human rights' defender policy and decent living wage. The guidance documents that support these indicators have been released. The RSPO Smallholder Trainer Academy (STA) has yielded a great number of positive results and lots of smallholders have participated in the training organised by the Academy.

Referring to the stronger FPIC's requirements whereby all the growers members would testify that they all are operational and being audited against. These are major matters that RSPO is currently doing.

Measuring impact from the aspect of people and community in the Sustainable Development Goal was one of the hardest things to do. RSPO has identified that it was vulnerable in the said area, as it did not measure all the metrics on all the impacts that RSPO has to deliver.

The Organisation is committed to strengthening the new operational plan and designing a new monitoring, evaluation and learning unit within the operational plan, and RSPO would also be building capacity in that unit. Besides that, RSPO would also be working very closely with the Social NGOs group, to assist in developing the metrics that were vital, aside from identifying the impacts. It would also be used to check that RSPO would be on track and prioritise the needs in the regions.

Under a recent study that was conducted before the 2018 RSPO P&C took hold, which measured the RSPO's impact on people, even without those new people and community standards, I'm pleased to see that there was impact. The report did associate the RSPO certification with a reduction of poverty and improved well-being in the communities where there would be a market-based approach and community, particularly in Sumatra, unlike places like Kalimantan, which currently has a majority of subsistence communities.

It is a priority of RSPO to ensure the inclusion and accessibility of the standards to all communities, regardless of their status. Furthermore, RSPO would like to approach the NGO community to strengthen the Social NGOs caucus. RSPO requires more experts within the roundtable to help it to build a community of experts within the membership base.

In the next few years, more reports on the impacts would be able to be produced and I'm very confident that the grower members have already delivered the impact for the communities that live and work in their concessions.

QUESTION 3

From Faizal Parish of Global Environment Centre

In your presentation, you highlighted the challenges with labour and smallholders, and also with the ongoing challenges with CSPO uptake, which is still about 50%. What strategy will RSPO take to enhance the uptake and also to guide actions to address challenges on smallholders and labour?

ANSWER:

Dato' Carl Bek-Nielsen: Regarding uptake, the most important thing is for RSPO to remain relevant and successful in the future, with shared objectives and common goals for all members. Currently, this was not achieved and it posed a big issue because it didn't motivate growers to join RSPO as less than 50% of the certified sustainable palm oil is being taken up by the market.

To improve the situation, we need to improve the uptake via shared responsibility and the key is to take ownership. All the members are encouraged to take ownership and do their part to stimulate the production of RSPO certified sustainable palm oil and focus on the uptake of RSPO certified sustainable palm oil.

It is important to pay homage to the smallholders of the palm oil sector, as smallholders account for more than 50% of the total global palm oil production.

Compared to other farmers, for example, rice farmers, pepper farmers and cocoa farmers, smallholders in the palm oil sector are fairly well off and a lot of smallholders have lifted their families out of poverty. There is no shortcut to achieving certification however, the first step would be trying to show them what could be done through good agricultural practices; using sustainable agricultural practices to lift the floor of the production entity and not just always looking at the ceiling.

If the RSPO Secretariat can help these smallholders, there are more than five million smallholders globally that they can assist to lift them out of poverty or help them to transform their livelihoods.

They can also try to minimise the impact of clearing more land if they can raise the yields of the existing areas therefore putting less pressure on the ecology and other social issues associated with clearing new lands. It would be important to revert to good agricultural practices because it would be fundamental for these smallholders to be given the support that RSPO is able to provide.

QUESTION 4

From Emma Scott, Flora and Fauna International

Why was there no election held for the smallholders' seat in the Board of Governors when this year has shown such progress in improving smallholders inclusion in the RSPO?

ANSWER:

Beverley Postma: The call for nominations for the Board of Governors was issued at least five weeks prior to GA. The RSPO Secretariat was very surprised that we did not receive a single nomination before the deadline. The nomination was received after the deadline.

The Secretariat conducted an internal discussion with the Co-Chairs of the Smallholders Standing Committee and Board of Governors as the nomination did not meet the full criteria for the seat. After a very lengthy process of internal discussion it was agreed that it was an important issue and would be decided in the next board meeting, instead of trying to seek a solution at the GA. The Secretariat has also requested the Smallholder Standing Committee to discuss the issue and forward some recommendations/solutions to the Board of Governors for consideration to address the issue.

I've been working with smallholder groups for the past 10 years of my career and this issue is not unique to RSPO. The Secretariat has been struggling at all levels to ensure that processes and policies are accessible to these small and medium businesses. As smallholders are busy running their businesses, they would not have time for the meeting, which could last for six hours. There are representative groups that could assist the smallholders to voice their concerns within the RSPO. If any of the members have solutions and know any best practices, both inside the palm oil industry and outside, please share with the Secretariat for review, as we are determined to ensure that our commitments toward smallholders inclusivity and accessibility are being fulfilled.

Tim explained that it is within the scope of the Board of Governors to arrange for an appointment when a vacancy is available, and the Board of Governors can arrange to fill the vacancy at any point in time.

QUESTION 5

From Paul Wolvekamp from Both ENDS

Regarding the public response by RSPO to the Associated Press (AP) report on the violation of women's rights, how will RSPO revisit this issue in the coming months, with thoughts on preventive and remedial actions building on human rights defender mechanism and the work by RSPO gender subgroup for the adoption of guidance and scrutiny and sanction by the Assurance Standing Committee and RSPO grievance mechanism.

ANSWER:

Beverley Postma: We were deeply disturbed to read about those findings as no one would want to hear that such allegations were happening. RSPO has very robust standards and an absolute zero-tolerance policy towards such violations. Nevertheless, the AP believed that they have found evidence to suggest that there were such scenarios. Sadly, despite the requests made by the RSPO Secretariat, AP refused to share any of the evidence. Hence, the RSPO Secretariat could not follow up with an investigation unless the evidence was passed to us or a complaint was made.

Even without the complaint and sufficient evidence presented in the media, the RSPO Secretariat would also be investigating and following up on the issue. The RSPO Secretariat was greatly reassured by the companies' immediate and proactive response to those allegations. They have indicated that they would be conducting their own immediate investigation against the allegations. The Secretariat would be monitoring the situation and will keep our members updated if any action is taken or investigation is launched.

We live in a world where these terrible things are still happening and this is the reason RSPO was established. That is why we have such strict policies and why we are supporting our members to ensure that the supply chains and the businesses would be free from such incidents. The RSPO Secretariat would continue to follow up and be vigilant. I was greatly encouraged by the immediate reactions of our members in such a situation.

QUESTION 6 (LAST QUESTION)

From Pak Yohanes Regen Saputro of Koperasi Unit Desa (KUD) Tani Subur

The main problem for independent smallholders is the high cost of certification. This will be even more difficult when it enters the replanting period because production will definitely drop drastically, while operating costs remain and can even go up. My question is to what extent is the RSPO's role in solving this problem?

ANSWER:

Dato' Carl Bek-Nielsen: The RSPO's role is to provide a certification standard, and also to provide a platform for growers to adopt more sustainable practices and embrace good agricultural practices to increase the yields and the overall long-term economic well-being. There would be a period of three years whereby there would be no real income and only costs to be incurred during replanting period.

With or without RSPO, smallholders would need help to gravitate towards better agricultural practices to obtain higher yields. They could try to save a bit of money for the replanting exercise. RSPO should not be responsible for the said cost. RSPO would be the party to provide a platform for certification to help growers to achieve a more sustainable way of producing recently certified sustainable materials.

The RSPO is an international non-profit organisation formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

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