

**MINUTES OF MEETING**  
**Market Development Standing Committee**

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**Time** : 20.00 - 21.35 (MYT)

**Date** : Tuesday, 31 January 2023

**Venue** : Conference Call/Market Transformation Zoom

**Attendees:**

Name	Initial	Organisation	Representative Category
Eddy Esselink	EE	MVO	Co-Chair, P&T
Anne-Laure Faure	ALF	WWF International	eNGO
Caroline Westerik	CW	AAK	P&T
Franka Lakeman	FL	Ahold Delhaize	Retailer
Harjinder Kler	HK	HUTAN	eNGO
Julian Walker-Palin	JWP	Retailers Palm Oil Group	Retailer
Marieke Leegwater	ML	Solidaridad	sNGO
Rafael Milantonio	RM	Natura & Co.	CGM
Dr Surina Ismail	SI	MPOA/IOI	Grower MY
Tom Hersbach	TH	Planting Naturals	Grower
Tracey Gazibara	TG	Cheyenne Mountain Zoo	eNGO
David Adams	DA	Catalyzer	Guest
Inke van der Sluijs	IS	RSPO Secretariat	Director, Market Transformation
Irene Fischbach	IF	RSPO Secretariat	Director, Stakeholder Engagement & Communications
Yen Hun Sung	YHS	RSPO Secretariat	Head, Impacts & MEL
Kenny Lee	KL	RSPO Secretariat	Program Manager
Christine Joan Spykerman	CJS	RSPO Secretariat	Malaysia office

**Absent with apologies:**

Name	Initial	Organisation	Representative Category
Anita Neville	AN	Golden Agri-Resources	Co-Chair, Grower IN
Jose Roberto Montenegro	JM	Agrocaribe	Grower RoW

**Invited but not in attendance:**










Name	Initial	Organisation	Representative Category
Razuwan Che Rose	RCR	Felda	Grower

**Agenda:**

Time	Topic
20.03 - 20.03	1.0 Opening 1.1 Antitrust Statement Reading
20.03 - 20.05	2.0 Approval of the Agenda
20.05 - 20.07	3.0 Approval of the <a href="#">1 December 2022</a> Meeting Minutes
(Pre-read)	4.0 Updates: 4.1 RSPO Secretariat
20.07 - 20.46	5.0 RSPO Brand Positioning 5.1 Discuss options for vision and Brand Positioning.
20.46 - 21.11	6.0 MB Robustness Study: Feedback MDSC
21.11 - 21.36	7.0 RSPO Digital Framework
21.36 - 21.38	8.0 AOB - 2023 Meeting Agenda

**DISCUSSION:**

No.	Description	Action Points (PIC)
<b>1.0</b>	<b>Antitrust Statement Reading</b>	
	<p>EE chaired the meeting and welcomed Members of the MDSC to the meeting. EE then reminded the members of the following:</p> <ul style="list-style-type: none"> <li>- All MDSC members will have to abide by the RSPO <a href="#">Antitrust law</a></li> <li>- MDSC follows a consensus-based decision making as outlined in the ToR</li> <li>- Members have to declare Conflict of Interest (CoI) under any items and excuse themselves to remain objective to the discussion.</li> </ul>	
<b>2.0</b>	<b>Approval of the Agenda</b>	
	The meeting Agenda was presented and accepted with no additions nor objections from the Members.	

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<b>3.0 Approval of Meeting Minutes</b>														
	<p>The <a href="#">meeting minutes</a> from the previous MDSC Meeting (1 December 2022) were presented and accepted with no amendments but with some pending action points which will be discussed in the meeting.</p>													
<b>4.0 Secretariat Updates (Pre-reads)</b>														
4.1	<p>The Secretariat announced the following updates:</p> <ul style="list-style-type: none"> <li>Standards Review 2023: public consultation closed 15 Jan.</li> <li>Technical committees and Task Force meetings scheduled</li> <li>Inter-American conference 2023</li> <li>February 1-28: Call for submissions RSPO Smallholder Support Fund RSSF</li> <li>Webinar 24 January: The SPOD Manifesto, an engagement tool to achieve greater impact</li> <li>Aligning terminology - from “Decent Living Wage” to “Living Wage”, see announcement</li> <li>RT2023 will take place in the week of November 20 in Indonesia (location still to be decided).</li> <li>EU Deforestation Regulation: political agreement reached on 6 December, 2022 formal adoption expected in April 2023. The Secretariat has initiated a gap analysis between regulation and RSPO Standards.</li> <li>SCT WG did not meet after the last MDSC Meeting.</li> </ul>													
<b>5.0 RSPO Brand Positioning</b>														
<p><b><i>Defining the Building Blocks for the RSPO Brand</i></b></p> <p><b>Agenda for Today</b></p> <table border="0" data-bbox="225 1429 1174 1794"> <thead> <tr> <th data-bbox="225 1429 651 1458"><b>Topics for discussion:</b></th> <th data-bbox="659 1429 715 1458"></th> <th data-bbox="722 1429 1174 1458"><b>What we need from you:</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="225 1509 651 1570">Exploring refinements to the RSPO Vision statement</td> <td data-bbox="659 1509 715 1570"></td> <td data-bbox="722 1509 1174 1570">Feedback on routes &amp; indication of preferred statements</td> </tr> <tr> <td data-bbox="225 1621 651 1682">Exploring options for RSPO Brand Positioning</td> <td data-bbox="659 1621 715 1682"></td> <td data-bbox="722 1621 1174 1682">Feedback on routes &amp; indication of preferred formulations</td> </tr> <tr> <td data-bbox="225 1733 651 1794">Recommended Missions and updated Impact Areas</td> <td data-bbox="659 1733 715 1794"></td> <td data-bbox="722 1733 1174 1794">For information only – feedback has already been incorporated</td> </tr> </tbody> </table> <p><b><i>Topic 1: Exploring Refinements To The RSPO Vision</i></b></p> <ul style="list-style-type: none"> <li>MDSC members expressed a general concern with the expression <b>the norm</b> - “We’re setting ourselves up for failure” – and were therefore supportive to find an alternative formulation of the RSPO Vision.</li> </ul>			<b>Topics for discussion:</b>		<b>What we need from you:</b>	Exploring refinements to the RSPO Vision statement		Feedback on routes & indication of preferred statements	Exploring options for RSPO Brand Positioning		Feedback on routes & indication of preferred formulations	Recommended Missions and updated Impact Areas		For information only – feedback has already been incorporated
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	<ul style="list-style-type: none"> <li>● Formulations such as “... to make palm oil sustainable” were well received. There is a good fit with the desire to position RSPO as a ‘sustainability organisation’, and a much stronger sense of inclusivity – not just for RSPO members, but also in terms of external partners and initiatives</li> <li>● Preferred Vision statements amongst the group were:               <ul style="list-style-type: none"> <li>○ A global partnership for sustainable palm oil</li> <li>○ A shared commitment to make palm oil sustainable</li> <li>○ Leading the transformation to sustainable palm oil / Leading the transformation to make palm oil sustainable</li> <li>○ Global partnership for transforming towards sustainable palm oil (new option)</li> <li>○ Leading progress towards sustainable palm oil (new option)</li> </ul> </li> <li>● The red threads connecting all of the above are (1) partnership and shared commitment (2) make palm oil sustainable / progress towards sustainable palm oil .</li> <li>● MDSC appreciated that the Vision needs to be relatively short and sharp – as it will most probably also be used as a tagline / motto for RSPO.</li> </ul> <p><b>Topic 2: Exploring options for RSPO Brand Positioning</b></p> <ul style="list-style-type: none"> <li>● MDSC members appreciated the inclusion of a definition to explain what a brand positioning is and does.</li> <li>● In this context, most members preferred options that were constructed by combining a desire to be known for RSPO’s positive impact with the success formula for achieving this impact (collaboration + certification). Other elements that were also mentioned were (1) commitment and (2) progress.</li> <li>● Preferred Brand Positioning statements amongst the group were:               <ul style="list-style-type: none"> <li>○ RSPO stands for the positive impact of making palm oil sustainable, made possible by the collaboration we facilitate between partners who can make a difference and our certification that sustainable palm oil is what it claims to be.</li> <li>○ RSPO stands for the positive environmental and social impact of making palm oil sustainable, enabled by the collaboration we facilitate between partners and the trusted assurance of our standard-setting certification programme</li> <li>○ RSPO stands for continuous improvement within the sustainable production and sourcing of palm oil, and for the positive environmental and social impact made possible by our members.</li> </ul> </li> <li>● General comments to these preferred options were:               <ul style="list-style-type: none"> <li>○ Shorten and sharpen them where possible. For example, the phrase “who can make a difference” does not add any value</li> <li>○ “Partners” is better than “members” as it is important to recognise the need to collaborate with external partners to achieve the Vision</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>o The phrase “is what it claims to be” is generally not liked and needs to be replaced. This phrase also appears in the Missions, so will need to be replaced there too</li> <li>• MDSC acknowledged that the Brand Positioning statement needs to fit with the chosen Vision. So the Secretariat team needs to consider how these two brand building blocks work together during the refinement and selection process.</li> <li>• It was also mentioned that language should be rather simple as not everyone is an English native speaker.</li> </ul> <p>Based on MDSC members’ input, the Secretariat team will work on refinements and get back to MDSC to approve all the brand building blocks in a separate call.</p>	
<p><b>6.0 Resolution GA18-2C: MB Model</b></p>		
<p><b>6.1</b></p> <p><b>6.1</b></p> <p><b>(i)</b></p> <p><b>6.2</b></p>	<p><b>Resolution GA18-2C</b></p> <p><b><i>Conduct an independent study</i></b></p> <ul style="list-style-type: none"> <li>o To identify and investigate the inherent structural and business limitations in the current Mass Balance (MB) model at mill level and in the supply chain</li> <li>o To propose a set of recommendations to enhance the robustness and the accessibility of the MB model, including the expected minimum level of safeguards required for the non-certified materials entering MB supply chains</li> <li>o Communication guidelines on the MB Model</li> </ul> <p><i>Propose amendments and recommendations to the relevant RSPO guidance and procedures</i></p> <p><b>Resolution GA18-2C: Study</b></p> <ul style="list-style-type: none"> <li>• Proforest was engaged for the independent study</li> <li>• A member survey deployed in July 2022.</li> <li>• Targeted interview conducted with respective members, co-chairs of Standing Committees and SRWG.</li> <li>• 2 consultation sessions conducted with resolution proponents through Resolution coordinator, Preferred by Nature.</li> </ul>	

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6.3	<ul style="list-style-type: none"> <li>● Initial finding presented to SSC on 22 Sept 2022 and RSPO Secretariat on 12 Sept 2022.</li> <li>● Final comments received from resolution proponents on 21 Oct and Proforest is finalising study report</li> </ul> <p><b>Findings</b></p> <p><b>(i) Mill level</b></p> <ul style="list-style-type: none"> <li>● Indirect sourced FFB (Indicator 2.3.2) - uncertified portion - implementation challenges</li> <li>● Geolocation and legality for uncertified portion of FFB - not explicitly required at mill level as reporting</li> </ul> <p><b>(ii) Supply Chain</b></p> <ul style="list-style-type: none"> <li>● Lack of provision of information on the origin or legality / acceptable sources for the non-certified portion.</li> <li>● The option not to apply the appropriate conversion ratios where a site is purchasing Identity Preserved (IP) or Segregated (SG) certified inputs (known as the 1:1 option) is a significant risk to the credibility of the MB model, as it undermines the principle of volume accounting that is fundamental to the MB approach.</li> </ul> <p><b>(iii) Recommendations</b></p> <ul style="list-style-type: none"> <li>● Strategic positioning of MB to secure strategic and policy-level alignment with key RSPO stakeholders on role, positioning and development of MB model (i.e. MB as an intermediate measure).</li> <li>● Specific measures to strengthen current MB requirements (i.e., implementation of indicator 2.3 and to include deforestation measures).</li> <li>● Focus on strengthening requirements for the uncertified portion (i.e., improve traceability beyond mill).</li> <li>● Significantly revise the current approach to the 1:1 option to reinstate the principle of volume accounting that is a key feature of a credible MB model.</li> </ul> <p><b>The MDSC recommends:</b></p> <ol style="list-style-type: none"> <li>1) sharing the report with the SCT WG for feedback</li> <li>2) strengthen the MB model to meet the EUDR, should be shared with the Standards review Task Force</li> <li>3) review the 1 to 1 rules</li> </ol> <p>The members can still submit their comments on the report until next week.</p>	

No.	Description	Action Points (PIC)
<b>7.0 RSPO Digital Framework</b>		
	<p>IF commented that the Digital Framework to be presented by YHS and KL to the MDSC is an important topic to keep the MDSC informed on what is being developed in the Secretariat. It is for information only as it has yet to be presented to the BoG for approval.</p> <p>YHS then presented the plans for the RSPO Digital Framework to the MDSC members.</p>	
<b>8.0 AOB</b>		
	<p><b>Next MDSC Meetings:</b></p> <ul style="list-style-type: none"> <li>● 23 May 2023 (Tuesday)</li> <li>● 03 July 2023 (Monday)</li> <li>● 07 September 2023 (Thursday)</li> <li>● 23 November 2023 (Thursday) (Physical Meeting)</li> </ul>	