

Minutes for BOARD OF GOVERNORS MEETING 04-16

Date: 8th June 2016

Start Time: 9am (08/06)

Venue: Melia Hotel (Milan, Italy)

Attendance

BoG Members and Alternates

UNILEVER - Biswaranjan Sen (BW) – Co-Chair
MPOA - Carl Bek Nielsen (CBN) – Co-Chair *N1
WWF – Adam Harrison (AH)
AGROPALMA – Marcello Brito (MB)
AAK – Tim Stephenson (TS)
BOTHENDS - Paul Wolvekamp (PW)
HSBC – John Laidlow (JL)
MARKS & SPENCER – Fiona Wheatley (FW)
MONDELEZ – Jonathan Horrell (JH)
OXFAM – Johan Verburg (JV)
RABOBANK – Thomas Ursem (TU)
RPOG – Belinda Howell (BH)
SIPEF – Olivier Tichit (OT)
WRI – Anne Rosenbarger (AR)
ZSL – Leonie Lawrence (LL)

RSPO Advisors

Prof. Bungaran Saragih (BS)
MR Chandran (MRC)

Note - *

*N1 - Attendance up to 12PM on the 8th June 2016

*N2 - Attended only after 12PM on the 8th June 2016

With Apologies

AAK – Martin Craven (MC)
AHOLD – Hugo Byrnes (HB)
FGVHB – S. Palaniappan (SP)
FELDA – Norazam bin Abdul Hameed (NA)
GOODHOPE – Edi Suhardi (ES)
HSBC – Ian Hay (IH)
IOI – Ben Vreeburg (BV)
IOI– Yeo Lee Nya (YLN)
MONDELEZ - Sridhar Vishwanath (SV)
MPOA – Dr. Ruslan Bin Abdullah (RA)
MUSIM MAS – Dr. Gan Lian Tiong (GLT)
OLAM – Audrey Lee (AL)
OXFAM – Taufiqul Mujib (TM)
RABOBANK – Geraldine Lim (GL)
UNIVANICH – John Clendon (JC)
VERITE ASIA – Daryll Delgado (DD)

Secretariat Staff

Darrel Webber (DW)
Patrick Chia (PC)
Salahudin Yaacob (SY)
Stefano Savi (SS)
Tiur Rumondang (TR)
Yohanes Ryan (YR)
Oi Soo Chin (OSC)
Cheri Woo (CW)

Other Invited Guest

FGVHB – Denys Munang (DM)
UTZ – Han De Groot (HG)

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<p>1.0</p> <p>1.1</p> <p>1.2</p> <p>1.3</p> <p>1.3.1</p> <p>1.3.2</p>	<p>Introduction</p> <p>RSPO Antitrust Laws. There will be no discussion on any commercial aspect of the trade in palm oil on premiums, volumes, individual suppliers, individual customers, etc.</p> <p>RSPO BoG consensus based decision making. The BoG was reminded that they try to reach/make decision by consensus which is the absence of sustained opposition.</p> <p>Approval of Minutes of previous meeting BoG 02-16 and BoG 03-16 Minutes have been approved.</p> <p>The following amendments are made in the BoG 02-16 minutes:</p> <p>4.7 Decision :</p> <p>Malaysia Malaysian grower(s) of RSPO and DW will seek audience with Ministry of Plantation Industries & Commodities, Malaysia (MPIC). To seek collaboration in producing a Cabinet paper on e-mapping in order to get clarity on legality of publishing concession maps of RSPO members.</p> <p>5.2.5 OT have expressed that there are 2 challenges: <ol style="list-style-type: none"> 1. Mills need to take more responsibility. 2. Smallholder’s document: The Bar is raised very high for smallholders. It is difficult to manage smallholders group within this framework. </p>	
<p>2.0</p> <p>2.1</p> <p>2.2</p> <p>2.3</p> <p>2.4</p> <p>2.5</p>	<p>High Risk Matters Updates on IOI Vs RSPO Legal case</p> <p>IOI has made a public announcement of the withdrawal of their legal case against RSPO, but so far RSPO have yet to receive a formal notice of IOI’s withdrawal. Publicly, IOI has mentioned that they will formalise this on the 14th June arbitration meeting with the Swiss Justice of Peace in Zurich.</p> <p>BW pointed out that IOI’s suspension is not negotiable and cannot be used as a bargaining chip, in any aspect of legal challenges faced.</p> <p>IOI had previously appealed the decision of the complaints panel. An appeals panel had been formed and have made a recommendation for the board’s endorsement.</p> <p>OT urges the Board to establish a standing rule to manage suspended Board Members in the interest of the credibility of RSPO.</p> <p>JL proposed that a graduated system of sanctions be developed to provide a framework for the Complaints Panel in deciding on appropriate sanctions and also to make it more transparent and helpful to members and buyers by</p>	

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	<p>providing guidance on what kind of sanction(s) can be expected for any particular type of issues.</p> <p>Decision :</p> <ul style="list-style-type: none"> ● The BoG acknowledges that IOI has voluntarily excused themselves as a member of the Board, temporarily at the onset of their legal action against RSPO. This was conveyed by an email from Ben Vreeburg of IOI on 5th May 2016. <p>The Board will re-invite IOI once:</p> <ul style="list-style-type: none"> ○ There is a formal withdrawal of the IOI’s legal action against RSPO <p>AND</p> <ul style="list-style-type: none"> ○ There is a formal position of RSPO on how to deal with the board members who are currently suspended. This formal position will be developed and proposed by DW, BW and CBN at the next board meeting <ul style="list-style-type: none"> ● The Board endorses the decision of the appeals panel which effectively agrees with the actions of the initial complaints panel findings. ● The secretariat will propose to the board, options on how to structure penalties/sanction better, for the use of the complaints panel. ● In lieu of the above discussion, the Board proposed the Secretariat to present a paper on sanction guidance based on types of non-compliances, by year end. 	
<p>3.0</p> <p>3.1</p> <p>3.2</p> <p>3.3</p>	<p>FELDA Withdrawal of Certification</p> <p>DM, representing Felda, gave a presentation explaining the issues that their organisation is currently facing, which led to their decision made to withdraw the RSPO certificates. He further presented a three year time bound plan for recertification.</p> <p>Challenges faced by Felda:</p> <ol style="list-style-type: none"> 1) Labour hiring, chemical & waste disposal management issues 2) Felda do not have control of smallholders switching between categories of being scheme smallholders and independent smallholders. 3) A potential lack of auditors to speed up the recertification of the mills. <p>OT highlighted whether it is appropriate for a member to withdraw their own certificates as he felt that it would be more appropriate if RSPO requested a member to do so. He further advocated that a company wishing to self-suspend must obtain authorisation from the RSPO after due review of the situation by the company and the Secretariat, leading to an escalated system to be implemented, starting with a revision of the time-bound plan, then partial suspension and finally suspension of all certificates. This does not contradict 3.6 and the Board decision.</p>	<p>FYI</p>

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3.4	AR commented that this could be an issue with the Compensation Mechanism as well.	
3.5	<p>TS reminds the Board to also consider the issue of having separate memberships that are part of a group. It is important for the Board to be clear that any sanctions against any one particular member of a group should apply the whole group.</p> <p>Before further discussions on Felda continued, DM requested to be excused from the room.</p>	SY
3.6	Felda Withdrawal of Certification	
3.6.1	<p>SY presented the decision paper on Felda, as summarised below:</p> <ul style="list-style-type: none"> ● Decision made by Felda to withdraw the certificates is unprecedented. Question – Was this action constitutional and did it abide by any procedures? ● RSPO constitution, procedures and system are silent on this. As such, actions by Felda, did not breach existing rules. ● It is also common in other schemes that the certified entity decides to withdraw their certificates. Refer to ISO 17021 clause 9.6.2. ● Nevertheless, a rule need to be in place to prevent/discourage members from doing so. ● RSPO must have a clear procedures for members, if they decide to suspend their certificate. Such procedures must be incorporated into an RSPO formal system. 	
3.6.2	<p>At the minimal, the procedures shall be as follows:</p> <ol style="list-style-type: none"> 1) Member informs RSPO and the relevant CB 2) The CB informs RSPO, if RSPO has not been informed by the member 3) The member must inform RSPO with the reason why the withdrawal has to take place 4) RSPO/ASI to analyse the previous audit report(s) of all the certified facilities of the member in detail 5) Findings of this analysis to be communicated to the CB and the member 6) Member can ask CB for re-audit (audit as for initial certification) and re-certify 7) CB will take special attention to the withdrawal reasons and the result of the report analysis <p>Decision :</p> <ol style="list-style-type: none"> 1) The Board acknowledges that there is a need to follow procedures and Felda cannot be simply allowed a 3 year “break”. Felda’s request for separate membership for FGV must be decided based on existing RSPO rules/systems that are in place and these are: <ol style="list-style-type: none"> (i) New membership must be registered at Group level; (ii) Submission of ACOP and time bound plan and subsequent adjustments thereof; (iii) Provision within RSPO certification to allow for 3 year period to bring smallholders into compliance; 	

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	<p>(iv) Felda should disclose to the Board the non-compliance issues and corrective actions that will be taken.</p> <p>2) The RSPO Secretariat together with the board members will meet with Felda’s new top management and offer our assistance to help rectify issues faced by Felda.</p> <p>3) Proposal from SY was not accepted by the BoG. Instead the board requested the secretariat to design a decision flow chart for the board and membership, which shows various interventions and escalations before a member can be allowed to withdraw their own certificates.</p> <p>Note. The concern of granting separate membership for integrated companies is an important issue for the RSPO since this relates to the other part of Felda’s operation which requires separate discussion, as it is an extraordinary case.</p>	<p>DW</p>
<p>4.0</p> <p>4.1</p>	<p>Updates on Concession Maps (Indonesia and Malaysia)</p> <p><u>Indonesia</u></p> <p>TR presented the status of mapping issue. She conclude that, the Director General of the Ministry of Agriculture has agree to issue another letter to nullify the earlier letter. This was conveyed to her in a physical meeting held on 20 May 2016. She requested Board decision on the actions taken recently by Indonesian Growers Caucus.</p> <p>The Secretariat had issued and distributed a letter of reminder to the Indonesian grower members’ for their maps submission on 8th April 2016, based on the direction of the Board through the March 2016 physical meeting in Kuala Lumpur. At this stage, the letter had conveyed a reminder of technical matters of the collection of map(s) through ACOP mechanism that allowing non-shapefile submission until Indonesian Government provides a clear guidance of overall RSPO e-map publication. Through ACOP submission these are the latest figures:</p> <ul style="list-style-type: none"> ● Number of RSPO members with land operations in Indonesia - 51 companies ● Members have declared maps - 30 companies ● Members have not declared maps - 21 companies ● Total E-map submitter: approximately 59% <p>The reminder has received response from Indonesia Growers Caucus on 11 April through email that sent out to the Board with following points:</p> <ol style="list-style-type: none"> 1. The secretariat has performed action outside the direction from the Board 2. The secretariat fails to uphold the core principle of RSPO pertaining “equal responsibility” 	<p>TR</p>

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<p>3.</p> <p>4.2</p>	<p>The CEO fails to understand the Board’s decision about the e-map matters.</p> <p>The Secretariat reminded the Board, that the Board’s monthly teleconference on April 2016 decided for the Board to respond to the email sent by IGC pertaining their complaint, however such decision have not been materialized.</p> <p>On the 4th week of April, the RSPO secretariat in Indonesia received a letter from Minister of Agrarian of Indonesia clarifying that, in principle, publicizing RSPO members’ concession map is NOT prohibited which based on an Indonesian Law No. 14/2008 about public information disclosure.</p> <p>As such, the Secretariat requested further decision from the board on the following:</p> <ol style="list-style-type: none"> 1. A formal response to the complaint by IGC to address concern of IGC specifically on: a) equality issue between Indonesia and Malaysia growers; and b) the intention to table a resolution in GA 13 in Bangkok about Secretariat conduct & equal treatment. 2. Board’s decision to the RSPO member who still refuse or not able to submit their map. <p>Decision :</p> <ul style="list-style-type: none"> ● <i>In response to IGC’s email complaint on the matter of e-maps and the secretariats conduct:</i> The BoG resolves that all actions of the Secretariat on the matter of e-maps in Indonesia was endorsed and in full compliance with decisions made in prior board meetings. As a follow up, BW commits to call IGC representative, ES, on the matter of e-maps. ● Indonesian grower members must submit their e-map to the RSPO for later publication. Indonesia grower members that has submitted ACOP with incomplete map will receive letter from the Secretariat to remind the completion within three months. <p><u>Malaysia</u></p> <p>DW briefly mentioned that, thus far, there were no individual RSPO Malaysian grower members who have volunteered to engage with the relevant authorities to submit a cabinet paper on the matter of e-maps publications.</p> <p>The Board also discussed that RSPO need to obtain written response from the Malaysian authority to attain formal ban or permit on the map publication, similar to what secretariat have done with Indonesia authority.</p> <p>The Secretariat will officially write to the appropriate Malaysia government body to clearly let them know that our member constituents would like to submit maps and request for written consent/clarification.</p>	<p>BW</p> <p>TR</p>
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	<p>Decision :</p> <ul style="list-style-type: none"> • RSPO Secretariat to write and obtain written reply from the relevant Malaysian authorities. • The Board encourages all stakeholders from each RSPO membership categories to engage the Malaysian authorities on this issue. 	DW/OSC
5.0	<p>Finance and Administration</p>	
5.1	<p>Financial Update for Q3 FY 2016</p> <p>PC presented on the financial update for the 9 months period ending 31 March 2016.</p>	PC
5.1.1	<p>Overview</p> <ul style="list-style-type: none"> • Ringgit strengthen over Q3 FY2016 and resulting in a reversal of unrealised foreign exchange gain of RM2.4mil previously reported in 31 December 2015. • Net Assets as at 31 Mar 2016 amounted to RM46.9 mil which is represented by Members’ Fund at RM27.4 mil, Smallholders Fund at RM11 mil and Special Projects Fund at RM 8.8 mil. • Cash at bank balances as at 31 March 2016 was at RM46.5 mil including foreign currency balances amounted to Ringgit equivalent of RM32 mil. • Project spending for the period amounted to RM10.7 mil (Dec 2015: RM7.2mil) against total budget of RM13.3 mil, pro-rated to 9 months period. 	
5.1.2	<p>Results of Q3 FY 2016</p> <p>PC reported on the results for Q3 FY 2016 with the following key highlights:</p> <ol style="list-style-type: none"> Operating surplus was RM12.1 mil for the period with income amounting to RM31.2 mil against operating costs of RM8.8 mil, net foreign exchange gain of RM0.4 mil and project costs of RM10.7 mil. Income for the period include Subscription Fees amounting to RM8.6 mil (Mar 15: RM7.2 mil) and contribution from CSPO trade of RM22.2 mil (Mar 15: 21.4 mil). RSPO membership had increased to 2,753 members as at 31 March 2016, comprises of 1,348 Ordinary members, 107 Affiliates and 1,332 Associate members. Total subscription fees have increased YoY and is in line with membership increase. Contributions from CSPO trade saw a 25% YoY increase for the period amounting to USD5.3 (USD4.3 mil) or RM22.2 mil (Mar 2015: RM14.4 mil), The effect of foreign exchange difference is significant in the current period resulting in the disproportionate increase in Ringgit income although somewhat lessened during the Q3 FY 2016 due to the strengthening of the Ringgit. CSPO sales for the period recorded a 	

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	<p>volume of 4.8 MT (Mar 2015: 4.1 MT) with UTZ volume contributing to the total volume increase. UTZ volume increased YoY by approximately 35% while B&C certificate trade saw an insignificant increase. PC further explained that contributions are derived from CSPO trades that are settled or paid, and the differences between traded volume and contributions (based on USD 1 per MT) are due to timing between the dates trades are created/confirmed and settlement/payment dates.</p> <p>iv) Operating costs for the period amounted to RM8.4 mil consisting mainly of staff costs amounting to RM5.3 mil. Project costs increased to RM10.7 mil (Mar 2015: RM5.66 mil) approximately 80% of 9 month budget.</p> <p>v) Subscriptions Due as at 31 March 2016 was at RM2.8 mil (Jun 2015: RM3.1 mil). Finance department has concluded a recovery exercise in Q3 FY 2016 and found potentially unrecoverable long outstanding debts amounting EUR143K made up of 122 members (48 Ordinary, 13 Affiliates, and 61 Associates). The Secretariat will be issuing termination letters to these members and suspensions to members with amounts due of more than 6 months.</p> <p>vi) Cash balances as at 31 March 2016 totalling RM46.9 mil include foreign currency balances of USD4.9 mil and EUR2.9 mil and RM12.2 mil placed in term deposits.</p> <p>vii) Net assets as at 31 March 2016 was RM46.9 million is represented by Members Fund of RM27.1 million, Smallholders Fund of RM11.0 million and Special Projects Fund of RM8.8 million. Disbursements to smallholder projects for the period amounted to RM0.8 mil and the co-funding for High Res Mapping in Sabah of USD300,000 or RM1.26 mil has been completed. Contracted commitments for smallholder projects was RM0.6 mil and projects conditionally approved amounted to RM1.9 mil.</p>	
5.2	<p>Special Projects Fund Up to May 2016, a total of RM1.7 mil was disbursed to 2 projects namely SEnSOR Project - Year 1 of RM1.2 mil and Digital Media Campaign of RM0.5 mil.</p>	PC
5.2.1	<p>OSC updated that SEARRP have now managed to secure USD1.55 mil worth of co-funding, which is more than sufficient to match RSPO's current contribution of RM2 mil for Year, a condition stipulated by the Board previously.. Given this confirmation, the Secretariat recommend that the Board approve the subsequent funding for the Year 2 which is an additional RM2 mil.</p>	OSC/DW
5.2.2	<p>TS reminded that Board that subsequent funding is also subject to SEARRP successfully delivering the outputs for Year 1 and a satisfactory review of these outputs by the Secretariat. DW further informed that Year 1 of the SEnSOR project is scheduled to complete in August 2016.</p>	
5.2.3	<p>DSF Trust Fund Committee requested for the Board to consider a one-off initial funding to the Trust Account of RM0.55 mil. PC updated that the Trust Account has been created with Maybank Trustee Berhad and that a trustee fee</p>	PC/PW/ TS

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5.2.4	<p>of RM24,000 per annum is now applicable. The Finance Committee proposes that this one-off contribution be available through the Special Project Fund.</p> <p>PC puts forward the proposal that the 3 year project for Outreach to Local Intermediary Organisation that was previously endorsed by the Board in 2013 with a total estimated budget of USD3mil be funded as a Special Projects. TS assures that with additional allocation at the end of the current financial year, there will sufficient fund available in Special Project Fund to support this project even after committing to Year 2 of the SENsOR project.</p> <p>There are no objections from the Board and the above proposals are approved in principle. The Finance Committee will review and confirm these proposals before informing the Board when these funding will be committed from the Special Project Fund.</p>	<p>PC/TS</p> <p>BW/TS</p>
5.3	<p>HR Related Matters - Staff Movements</p> <p>5.3.1 The Secretariat to date have a total 50 personnel made up of 43 full time employees and 7 contract staff in all its offices, short of the 63 budgeted headcount for the current financial year.</p> <p>5.3.2 To date the Secretariat has only 5 positions that needs to be filled in KL Office which include the COO position and the currently vacant DSF Manager position. Expected hire in the coming weeks is an Outreach and Engagement Manager in US and a Social Manager in KL Office.</p>	
5.4	<p>Budget FY 2017</p> <p>PC presented the budget for FY 2017 and highlighted the following major items:</p> <ul style="list-style-type: none"> (i) The budget for FY 2017 estimated a deficit after tax of RM1.7 mil and a deficit after allocation to Smallholders fund of RM4 mil. (ii) Subscription income for FY 2017 is projected to increase to RM13.3 mil with expected increases in membership for all categories but estimating a percentage lower increase compared to current period. (iii) Income from contribution from CSPO trade is projected to be at RM23.3 mil, a significantly lower projection compared to previous year with the assumption of only 25% increase in physical trade and no increase in certificates. The assumptions for contribution income also take into consideration of the lost in volume as a consequence of the IOI certification suspension and the withdrawal of Felda certification. The estimated combined volume excluded from the projection is approximately 2.0 mil MT. (iv) The total operating costs are estimated to be at RM16.3 mil for the next financial year with expected expenditure in KL Secretariat amounting RM8.4 mil and Other Satellites Office at RM5.7 mil. Total headcounts in KL Secretariat and Satellite offices are budgeted to increase to 48 (2016: 38) and 18 (2016: 15) respectively. 	

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	<p>(v) The budget for other operating costs of RM3.8 mil include potential legal fees of RM1 mil that may be incurred due to the ongoing IOI lawsuit.</p> <p>(vi) Total Project Costs of RM22.2 mil are budgeted for FY 2017 with the following summary:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Departments/Divisions</th> <th style="text-align: right;">RM mil</th> </tr> </thead> <tbody> <tr> <td>Technical Dept</td> <td style="text-align: right;">8.29</td> </tr> <tr> <td>Impacts Dept</td> <td style="text-align: right;">1.35</td> </tr> <tr> <td>Comms Dept</td> <td style="text-align: right;">9.66</td> </tr> <tr> <td>Strategic Projects Division</td> <td style="text-align: right;">2.48</td> </tr> <tr> <td>Secretariat</td> <td style="text-align: right;">0.47</td> </tr> <tr> <td>Satellites Offices</td> <td style="text-align: right;">0.05</td> </tr> <tr> <td style="text-align: right;">Total Project Costs</td> <td style="text-align: right;">22.19</td> </tr> </tbody> </table> <p>BW expressed his reservations for the Board to approve the budget as presented which shows a budget deficit. BW proposed that the budget be revised to a budget surplus and be resubmitted for approval.</p> <p>TS recommends that Project Costs be further analysed to identify discrete projects and non-project recurring costs when revising the current budget.</p> <p>Decision :</p> <p>The Board decided that the budget be revised and to differentiate project spending between discrete projects and recurring costs. The revised budget is to be resubmitted to the Board for consideration and approval.</p>	Departments/Divisions	RM mil	Technical Dept	8.29	Impacts Dept	1.35	Comms Dept	9.66	Strategic Projects Division	2.48	Secretariat	0.47	Satellites Offices	0.05	Total Project Costs	22.19	
Departments/Divisions	RM mil																	
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<p>6.0</p> <p>6.1</p> <p>6.1.1</p> <p>6.1.2</p>	<p>Communication Updates</p> <p>Endorsement of C&C ToR</p> <p>Stefano presented on the proposed amendment on the claims document.</p> <p>JV suggested to revise below points:</p> <p><i>RSPO Service Providers cannot be members with full voting rights of the RSPO Standing Committee that monitors their contractual relationship with RSPO although they are welcome to participate and provide input.</i></p> <p>REPLACE WITH</p> <p><i>RSPO Service Providers are welcome to participate and provide input to the RSPO Standing Committee except for deliberations about their contractual relationship with RSPO.</i></p> <p><i>4.1 Amongst others, the most critical objectives of this C&C SC include strategies that address these priorities:</i></p> <p>ADD:</p> <p><i>vii. Proactive outreach to affected social groups and intermediate organisations in production countries.</i></p>																	

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	<p>Decision: The document was endorsed in agreement with changes proposed by JV (seen in item 6.1.2).</p>	
6.2	<p>Communication Updates</p> <p>SS briefed the board members of the following:</p>	SS
6.2.1	<p>New Recruits</p> <ul style="list-style-type: none"> i. New recruit in replacement on the ASEAN 9 Outreach Manager – Ms. Gayathri Velayutham. ii. Contract to engage the US Outreach Manager has been finalised and he will commence work in mid July 2016. iii. We have also identified the RSPO Outreach Manager – Mr. Imam A. El Marzuq (whom was previously attached to the RSPO’s smallholders department) 	
6.2.2	<p>ACOP Submission</p> <p>We have increased submission in comparison to last year 2015. Seventy Five percent (75%) of members have submitted their ACOP this year. The non-submitters figures have gone down from Forty One percent (41%) two years back, thirty two percent (32%) last year and twenty five percent (25%) this year.</p>	
6.2.3	<p>ACOP Progress Data Review</p> <p>There is a need to adopt a better process to get the data. SS informs that OSC (Secretariat) is working with LL (ZSL) and the RSPO Secretariat O&E Department to draft a ToR for a consultant to define a platform that allows us to have better control over the data received in terms of quality. Hence, for this reason, the Secretariat would be developing a system to show different categories on our stakeholders group.</p> <p>BW advises that data collection must simplified, relevant & useful.</p>	
6.2.4	<p>Digital Campaign (recap)</p> <p>SS recaps on scope and implementation of the #GoodBadPalmOil campaign that was started by the Secretariat in May 2016, as agreed at the last Board meetings.</p>	
6.2.5	<p>Digital Campaign (results and next steps)</p> <p>This campaign focuses on United States and the English speaking countries. From a month ago, we have 300,000 views for the video projected through facebook, 38,000 views on youtube, 2000 plus engagement on facebook and 4900 likes for the campaign and we almost reach 10,000 visits on the microsites. We have also engaged 45 bloggers (some bloggers were paid and some were not) whom have churned out 210,000 blog posts which reached 6.7million viewers.</p> <p>The second phase is to replicate the campaign in India & China with a slightly different content.</p> <p>JL complimented the Secretariat on the good results of the campaign.</p>	

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7.0 7.1	<p>Resolution 6g-Resolution to improve the ACOP reporting process</p> <p>PW reported on the progress of improving the ACOP. He will write a memo to the board and further proposes to discuss about this topic in the August Concall. The contents will also be explained in the next RT deliveries.</p>	PW
8.0 8.1	<p>Biofuel</p> <p>PW explained that biofuel in Europe are mainly certified under ISCC scheme, which is in compliance with the EU RED requirement but with weak accreditation standards. PW lamented on the opacity in terms of how ISCC's data are being managed.</p> <p>PW encouraged RSPO members to use more credible certification schemes in trading CSPO.</p>	FYI
9.0 9.1 9.2 9.3 9.4	<p>Standard and Certification Standing Committee/Technical Department IT Trading Platform – Update by UTZ</p> <p>HG have given a comprehensive presentation on the upcoming RSPO integrated IT Trading platform, explaining where it has the ability to not only integrate and make conventional sources known by producing the traceability data from mills to the products, traceability of non-certified material and also tracks validity of certificates, repository of certified member, etc. The credit trade will commence on 1st Jan 2017</p> <p>UTZ has committed to start a trial by Oct 2016, to work out any bugs so that they would be ready for full implementation by 1st Jan 2017.</p> <p>Unilever has commissioned UTZ to further develop the eTrace platform in capturing transactions involving conventional and certified sources. This now allows traceability from uncertified mills to be captured as well.</p> <p>We need to make use of all data collected in various fronts for better traceability and as evidence for sustainability practices across the sector as a whole.</p>	FYI
10.0 10.1	<p>RSPO Smallholders Support Fund (RSSF)</p> <p>SY presented the decision paper made by the RSSF Panel for reinstatement of the annual allocation 50% of surplus after tax to the RSSF. PC provided some updates on the current activities of the Panel with regards to projects proposals or applications that have been received and processed to date, and the potential projects that may be approved in the coming months.</p> <p>BW explained that the Board will not agree to the request and that the RSSF Panel should continue working with the current available fund. BW further informed that the RSSF Panel need not be concern with the availability of fund and that the Board will decide on additional allocation to the fund as and when required based on actual disbursements and projects being contracted or committed.</p>	SY/PC

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	<p>Decision :</p> <p>The Board has decided that the RSSF Panel Governance Policy shall be amended to remove the Clause 1.1b which mentions the setting aside of 50% of surplus after tax each financial year. The RSSF Panel have been tasked to continue its work and to report on progress which will allow the Board to decide on future funding.</p>	
11.0	<p>Standard and Certification Standing Committee/Technical Department</p>	
11.1	<p>GreenPalm Decision on whether GreenPalm can contribute beyond 2016</p>	
11.2	<p>TS requested the Board to endorse the continuation of GreenPalm beyond the contract expiry date.</p>	
11.3	<p>OT highlighted his concerns:</p> <ol style="list-style-type: none"> 1) A guarantee of fair representation of the credit and a fair value of the credit 2) Any smallholder would be able get a fair value/better value at all times for their credit. 	
11.4	<p>Having two systems would increase the complexity, hence all board members agree to have only one trading platform.</p> <p>Decision :</p> <p>The continuation of GreenPalm to support RSPO’s book & claim was not endorsed. RSPO will only have with one trading platform.</p>	
12.0	<p>Updates on ASI Accreditation Progress</p> <p>SY updated the Board Members of the following:</p>	SY
12.1	<p>Currently there are 21 accredited CBs; 10 offering Principles & Criteria (P&C) certification and 18 offering Supply Chain Certification Systems (SCCS).</p>	
12.2	<p>Progress on the Suspension of Control Union and Mutuagung</p> <p>Two Certification Bodies remain under suspension.</p> <ol style="list-style-type: none"> 1) Control Union: all the major non compliances that lead to the suspensions are closed. New majors were raised during the recent office assessment. ASI will likely recommend lifting the suspension and argue that the root cause of the new findings are different from the root cause of the findings that lead to suspension. All issues would be addressed and resolved before the end of this month. 2) Mutuagung: all the majors that lead to the suspensions are closed. New majors were raised during the recent witness assessment. ASI is waiting for Mutuagung to provide a root cause analysis and if the root cause presented by Mutuagung is different from the root cause of the findings that lead to the suspension, we would 	

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<p>12.3</p> <p>12.4</p> <p>12.5</p>	<p>propose to lift the suspension. All issues would be addressed and resolved before the end of this month.</p> <p>Progress on new Certification Bodies:</p> <ul style="list-style-type: none"> ● SGS Indonesia accreditation assessment is completed. Hence, there is recommendation for certification. ● Naturacert: desk and office assessments are completed, witness is scheduled for July. Scope : P&C and SCCS. ● BVC Cote d'Ivoire: accepted as applicant, waiting for their documents to conduct the desk review. Scope : P&C and SCCS. ● Icontec: accepted as applicant, waiting for their documents to conduct a desk review. Scope : SCCS. ● KIWA: accepted as applicant, waiting for their documents to conduct the desk review. Scope : P&C and SCCS. ● In the next few weeks, SGS Indonesia would be accredited. ● We also expect Control Union and Mutuagung's suspension to be lifted at the end of this month. ● Towards the third quarter of 2016, there is an expectation of Naturacert to receive their accreditation. <p>Once SGS Indonesia is accredited and Control Union and Mutuagung's suspension are lifted, RSPO certification bodies would operate at full swing again.</p> <p>Progress on transfer of SGS certificates:</p> <ul style="list-style-type: none"> ● SCC SGS transfer status is 136/166. 82% of Supply Chain (SC) certificates have already been transferred. Only 18% (30 SC Certificates) have not been transferred yet. ● P&C SGS transfer status is 11/33 (33 mills including group certification and estate without mills) Principles & Criteria (P&C) certificates have already been transferred. Only left with 4 Groups Certification, 2 Estate without mills and 16 mill P&C Certificates (22 mills). 	
<p>13.0</p> <p>13.1</p> <p>13.2</p> <p>13.3</p>	<p>RSPO NEXT</p> <p>YR have updated the board of the following:</p> <p>Daabon (producer) have committed to go for RSPO NEXT and Loreal (Supply Chain) have also committed to source for RSPO NEXT credit.</p> <p>Upcoming activities:</p> <ul style="list-style-type: none"> - RSPO EU RT - Outreach with Malaysia and Indonesian members – July 2016 - Latin America – August 2016 - Africa – Sept 2016 - China, US – To be confirmed <p>DW further explained that the CB auditors have been trained to conduct RSPO NEXT audits in April 2016.</p>	<p>YR</p> <p>FYI</p>

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13.4	The requirement for supply chain members to participate in the RSPO NEXT was already stated in the eligibility document. To further elaborate on the requirements, RSPO Secretariat is currently developing a guidance document which provide guidelines on compliance directives to RSPO NEXT.	
13.5	The Communication & Claims Standing Committee (C&C SC) is currently working on the claims guidelines to provide more clarity on how to make claims on RSPO NEXT products or usage. Further to their discussion, the C&C SC has also requested for the development of a Term of Reference for RSPO NEXT claims to be brought to the Trade & Traceability Standing Committee (T&T SC) for their decision and action.	
13.6	BH requested for the T&T SC to develop a mechanism in the IT Trading Platform, to accommodate the physical trade of RSPO NEXT.	
13.7	BW wants clarity of the HCS definition and is concern with starting audits without clarity of the definition. SY explained that the expectation was for both HCS groups to converge as soon as possible. However, this has yet to happen and members can choose either HCS Study or HCS approach with additional requirement to fulfil the criteria.	
14.0	Complaints	
14.1	Status of Complaints OSC provided an update on the development of the Independent Appeals Mechanism	OSC
14.2	RSPO Integrated Complaints System (ICS) & Independent Appeals Mechanism (IAM) update	
14.2.1	RSPO Integrated Complaints System (ICS) <ul style="list-style-type: none"> • ICS procedures & flowchart • 1st online public consultation for 60 days, 30th March to 30th May 2016. • Request for extension from stakeholders – 30th June 2016 • On 27th May, extension announcement was made. Public consultation - 90 days.	
14.2.2	RSPO Independent Appeal Mechanism (IAM) <ul style="list-style-type: none"> • Appeal mechanism, TOR for Appeal Panel & Appeal form • 1st online public consultation for 60 days, 1st Oct to 31st Nov 2015. • 2nd online public consultation for 30 days, 12th May to 11th June 2016. • Request for extension from stakeholders – 30th June 2016 • On 27th May, extension announcement was made. • Public consultation - 109 days 	
14.2.3	Statistics of comments received – As of 31st May 2016 i) Integrated Complaints System (ICS) – 1 st PC	

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14.3	There were concerns about the draft produced by ASI which came out with new elements. The document prepared by Holly Jonas was based on a lot of discussion(s), interview(s), etc., whereby some of contents of the document was taken into ASI’s draft.																		
14.4	<p>MRC suggested that Complaints Panel should decide whether a company is in non-compliance with RSPO P&C indicators and another body should decide on appropriate sanction for the non-compliance.</p> <p>Decision:</p> <p>The Secretariat to send out email to members and ask them to refer to their representative board members to seek for input related to the ICS and IAM documents.</p> <p>The Secretariat will contact selected members of relevant constituencies to provide final input for the ICS and IAM documents in the month of July after the public consultation has ended.</p>		<p>OSC</p> <p>OSC</p>																
15.0	AOB																		
15.1	<p>Confidentiality</p> <p>TU proposes that the board create some rules around handling of confidentiality of board discussions. This should be discussed at the next board call.</p>																		