

Minutes of the EXECUTIVE BOARD MEETING EB 05-10

Date : 12 November, 2010

Venue : Mulia Hotel, Jakarta

Starting Time : 09.00 a.m.

Confirmed attendance	
EB members	Alternates/advisor
AAK - Ian McIntosh (IM)	AAK - Tim Stephenson (TS)
Cadbury - Tony Lass (TL)	Cadbury - Neil La Croix (NLC)
Carrefour - Faisal Firdaus (FF)	Carrefour – Paul Rowsome (PR)
Conservation Intl - Tim Killeen (TK)	Conservation Int- Jatna Supriatna (JS)
GAPKI - Derom Bangun (DB)	HSBC -Wei Kwang Chong (WKC)
HSBC - Paul Norton (PN)	GAPKI – Edi Suhardi (ES)
IOI - Marc den Hertog (Mdh)	IOI - Patrick Corbussen (PC)
MPOA - Jeremy Goon (JG)	Oxfam Intl – Kate Geary (KG)
Oxfam Intl - Johan Verburg (JV)	MPOA – Puvan Selvanathan (PS)
Rabobank – Jose den Toom (JdT)	Sawit Watch - Norman Jiwan (NJ)
Retailers Palm Oil Working Group	WWF - Cherie Tan Li Jie (CT)
- Belinda Howell (BH)	Advisor - M R Chandran (MC)
SIAT – Gert Vandersmissen (GV)	
Unilever - Jan Kees Vis (JKV) – Chair	Secretariat Staff
WWF - Adam Harrison (AH)	Rikke Netterstrom (RN)
	Conrad Savy (CS)
	Desi Kusumadewi (DK)
Excused	
Sawit Watch - Abetnego Tarigan (AT)	
FELDA - Mohd Nor Kailany (MNK)	Invited
NBPOL – Simon Lord (SL)	Jan-Maarten Dros (JD), Solidaridad
	Sam Ponder (SP), ASI
	Neil Judd (NeJ), ProForest
	Gabriel Chong, CSR Asia
	Darrel Webber
	Marieke Leegwater(ML)

Agenda – 12 November 2010		
09.00-09.15	Introduction <ul style="list-style-type: none"> • RSPO Antitrust Laws • Minutes of previous meeting – EB4 • Matters arising 	JKV
09.15 – 10.30	Post-mortem RT8 and GA7 <ul style="list-style-type: none"> • EB changes • Election of office holders • Follow-up on resolutions passed • General feedback – improvements for RT9 and GA8 • Date/place RT9 	JKV/RN
10.30 -11.00	Governance/Secretariat – next steps <ul style="list-style-type: none"> • Secretariat post 30 November • Future management/governance 	RN
11.00-11.15	Break	
11.15-12.00	National and local interpretations <ul style="list-style-type: none"> • Colombia • MYNIWG - smallholders • Update on Thai NI and Agropalma LI 	RN
12.00-13.00	Proposals <ul style="list-style-type: none"> • Solidaridad 	RN/others
13.00-14.00	Lunch	
14.00-17.00	Open <ul style="list-style-type: none"> • External content on website • Membership of other orgs • Annual reporting and database tracking • Compensation WG/Technical Committee 	
17.00-17.30	AOB <ul style="list-style-type: none"> - Date for next EB 	
17.30	Close	

1. Introduction

JKV introduced the new representative of the producers in Rest of the World (RoW), Gert Vandersmissen. He introduced himself and gave a background into his work history as a planter in Africa. Alternate for RoW will be Dr. Simon Lord, NBPOL. JKV also highlighted that Puvan J. Selvanathan will replace Chew Jit Seng as MPOA alternate.

2. Matters arising: Secretary General

JKV went through the process of selecting a new Secretary General (SG).

Once it became apparent that Dr. Rao was stepping down, RN was asked to step in as Interim Secretary General (ISG). A selection of EB members volunteered to support recruitment process. The advertisement and job scope was put together incorporating changes such as that the SG would be supported by senior management team. 44 candidates applied, of which five were shortlisted. Egon Zehnder (international executive search firm) interviewed and weeded down to top three. A 360 degree review of the top three was conducted. .

The interview panel for the SG consisted of DB, JG, JV, JKV, AH and FF. JKV then invited each of the panel members to give their assessment of the candidates (omitted to ensure confidentiality of recruitment)

PS highlighted that he did not have concerns with the candidates but had concerns raised by stakeholders on the transparency of the screening process. Suggest that when making the announcement of the new SG, the process of how the short listing was carried out and candidates reached be made.

JKV agreed with proposal but emphasised that EB was kept in loop as to the process and they should keep their respective constituents informed. Applicants identities cannot be shared as it is confidential. The criteria used were in the ad. The only new element was the profiling done by Eagon Zehnder to help form image and view of candidates to help the EB make a decision on shortlisted candidates.

The meeting agreed to appoint Darrel Webber, and he was invited into the meeting to be informed of the decision.

Decision: Appoint Darrel Webber as new Secretary General of the RSPO.

3. Election of office holders

Presidency: JKV offered to step down as President and made himself for re-election. Several EB members said that this was not a good time to change President due to the uncertainty and other changes. JKV accepted, but reflected that it would be good for RSPO as an organisation if someone takes over in the future. Meanwhile, he would invite others to be involved.

Treasurer: IM was re-elected. JKV thanked both IM and TS for the extra work they have had to put in recently. With the appointment of a Finance Director, their roles will reduce.

Vice Presidents: Tradition is for three growers (MPOA, GAPKI, RoW) and one NGO. All agreed to keep the status quo.

Decision: JKV is President, IM is Treasurer, GV, JG, DB and AH are Vice Presidents for 2010/11

4. Follow up on resolutions

6a Appointment of auditors

To thank McMillan for their work and henceforth work with Pricewaterhouse Coopers.

6b To require twenty eight days notice for submission of members' GA resolutions

New SG would review statutes and bylaws as this is up for review. AH all that of decision at the EB after GA6 to start a process of dialogue between the Secretariat and people who place resolutions on wording of their resolutions, which is often stumbling block. JKV agreed that this needs to be done. RN highlighted that Secretariat had reviewed and advised on resolutions prior to GA7

Action: Secretariat to use additional week granted under resolution 6B to review and advise on clear voting points

6c To reduce the requirements for a quorum in the RSPO's statutes and bylaws to thirty five per cent of the Ordinary membership

Resolution withdrawn – no discussion

6d Preserving the Integrity of the Standard setting process in RSPO

JKV stated that there is no agreed process to review P&C. He interpreted this resolution as an invitation to the EB to design process for review of P&C and all three standing committees as a change in one will affect other.

DB agreed to this interpretation but added that this would be used as framework to guide incoming resolutions. JKV agreed. AH cautioned that this should be postponed till new Technical Director and SG are in place.

JKV highlighted that this is not a review of the P&C but a process to review the P&C, certification framework and everything that comes with it. All three standing committee have to be involved in this because claims could change if certification framework or supply chain guideline change.

DB said that the emphasis in the resolution is to establish a procedure for the coming GA, so that resolutions cannot modify the P&C.

JKV said that three things cannot be changed in GA: the standards (unless first having gone through the due process of stakeholder represented working groups, and then endorsement by the Executive Board.), certification framework and antitrust regulation.

DB said that there are two intents of the resolution: The system must tolerate the shocks that resolutions at a GA might impact onto technical standards, which is the P&C. The GA can put forward resolution to change, but cannot automatically adopt such changes because technical standards have been adopted. Therefore protection must be across all technical standards.

Action: The Secretary General and Technical Director should develop a procedure of the RSPO P&C review by GA8 (Nov 2011)

6e Ensuring Balance between Producer and Non-Producer Stakeholders

JKV suggested that the EB leads on addressing this resolution. There was discussion if it was possible for EB to do evaluate itself or should a review be done by external agency. Suggestion was to sit down in a sub group of half the EB to see what the people who submitted resolution have in mind.

MRC to be invited on because not many of current EB were present at the original discussion that took place on the current EB composition and do not know the history. The conclusion might be that we need external professional advice.

TL enquired whether the review would include a representation for biofuels representation. They are currently not in the same place as some are in producers and traders and some in retailers.

JKV highlighted that there are two bodies that can make decisions in the RSPO. The GA is done by one member one vote. This is unusual if compared to other roundtable where there are additional rules for decision to be carried, such as 50% of votes in every constituency. The other is the EB, which operates by consensus. If this cannot be reached then a simple majority with President's vote being the decisive vote. If EB will be discussing in view of how membership has changed, and how it affects how RSPO governance, then this should include the composition of the EB and the voting procedure of the GA. This was supported by PR.

JKV suggest that the EB should organise a retreat and a invite professional facilitator who understand multi stakeholders' processes. There was discussion of approaching IFC for financial support.

Action: EB governance retreat to be organised. Facilitators and funding to be explored by all EBMs.

6f. Postponement of the implementation and Review of New Planting Procedure (NPP)

Resolution withdrawn

6g Ensuring Balance between Producer and Non-Producer Stakeholders

JKV felt that implementation of the the code of conduct on annual progress by members, particularly for processors and traders, retailers, manufactures, and compilation of all time bound plan, published together with supply chain systems, chain of custody requirements, RSPO guidelines and claims, use of trade mark and accompany it with a dashboard of indicators (volume of CSPO produced, how much is bought etc.) would be very close to meeting this resolution.

Various EB members agreed that figures are available on how much CSPO is produced and bought up but it has not been compiled and communicated across to members. JV brought up the fact that information on rsपो.eu website which contains market information is not found on the RSPO.org site.

MDH suggested that based on rough calculations, by 2015, if this rate of certification continues, there would be a shortage of CSPO.

AH said that WWF has been working on reporting requirements and tracking of progress, including adherence to reporting requirements by all members. RSPO should use existing tools to force members to comply before creating new tools.

JKV added that RSPO could also consider denying voting rights to members who have not submitted reports for two years.

MDH said that there is currently more supply than demand in the market. By providing transparent data on how much will be needed in the market, it would help growers see what the demands are several years down the road. Although investment made upstream and low financial commitment downstream does not reflect the credibility of palm in food ingredients.

DB and PS clarified felt that the resolution was asking for other supply chain actors to introduce or make time bound programme, just as growers are required to comply in the process of certification. PS stated that for growers, certification has costs attached and that growers have invested a lot to get certification, while downstream it is by how much market will bear. As RSPO is operating in a closed voluntary market and members both up and downstream have made the commitment, growers are asking for members within the system to honour their commitments. Rules for downstream do not exist. There are no ultimate consequences for downstream.

AH pointed out that of the 90 growers, only 32 have time bound commitments.

TL argued that there is no such business model of “you will buy it if we produce it” but recognise that there is pent up demand for CSPO. Need time to change systems. JKV said that there are customers who are concerned about the commitment of growers to the RSPO, due to actions such as demonstrated by the New Planting Procedure resolution which was withdrawn. So they are not fully committing because they are not sure if they would be able to obtain CSPO if they do commit.

MDH asked whether consumer goods manufacturers must have a time bound plan when they sign up as members. JKV referred to 3.7 of the Code of Conduct.

Action: The C&C Working Group, AH and JV look into developing a dashboard reporting mechanism to extract information from the markets. It is also the responsibility of EB to promote and encourage reporting by their constituents.

6H High Conservation Values in non-primary forests

JKV propose that Schuttelaar & Partners (S&P) draft a statement to reiterate what RSPO does in terms of HCV assessment and the HCV toolkit which means that all landscape are checked for the presence of HCV.

TK highlighted that there is a second part to this resolution asking for a detailed public guidance document for RSPO stakeholders and industry bodies clarifying the importance of non primary forest in conservation. This is partly the confusion that surrounds HCV assessment process. There is currently no guidance in the BTC but this is something to be included in the terms of reference for HCV working group as one of three work streams.

Action: S&P to draft statement to reiterate what RSPO does in terms of HCV assessment and that RSPO applies HCV toolkit which means that all landscape are checked for the presence of HCV. To include in the position statement that BTC will look at second part of the resolution.

5. General feedback on RT8 and GA7

JKV noted an overall a smoothly run meeting. There was a lack of growers in the presenters' line up. GA7 voting reasonably smooth but need to consider possibility to abstain on voting for EB seats.

MRC noted that voting maybe too transparent. JKV that voting should be transparent, but that voting for people (EB seats) should be confidential.

JdT noted few people at the RT dinner. JKV added that a lot of food was wasted. JKV said there should be separate charge with payment in advance.

JKV asked RN to please leave notes for next SG on how to run a smooth RT8. MRC asked to note EB thanks to RN. JK seconded and extended this to CSR Asia and support staff.

Action: RN to produce RT/GA Manual for new SG

6. Date & place RT9

CT suggested Phuket. RN agreed since this was in the region but would be the RT held in RoW.

JKV agreed that meetings should remain in region given membership base but perhaps consider an event in Europe. MRC noted need for a big Thai company to support organisation in country but that much could be done by the Secretariat from KL. He also noted Thai government and Embassy might be supportive. JKV agreed the need to get local support. DB suggested having it somewhere near plantations to facilitate visits. JKV asked how many plantation visits requested during current RT. RN said many were interested but suggested rather than offering organised trips it may be better to have roster of companies ready to host. JKV suggested hiring a local conference organizer in Phuket but perhaps with supervision.

Decision: RT9 to be held in Phuket. Date close to MPOB conference to enable travel synergy (NB: date now agreed for 14-17th November 2011)

DB said a four day meeting was too long. JKV suggested creating a more modular timetable so people can choose to attend certain chunks and avoid irrelevant parts based on their interests. Day before GA should be weighted for most important/relevant topics. Only other way to make it shorter is parallel panels. RN said this was considered but everyone noted they wanted to attend all panels. Ian suggested pre-meetings are announced in time to adjust flights.

For Information:

Some lessons to be learnt from RT9:

1. Addressing highly technical topics in a World Cafe format should be avoided.
2. Careful thought must go into communicating technical topics. Deciding on an effective mode of communication for technical topics are essential
3. The World Cafe could best be used for the pre-meetings prior to RT9 and be used as a basic/quick introduction to RSPO.

Action item: JKV asked Rikke to consider/recommend options for alternative scheduling of sessions, including how long it should be and whether to use parallel panels.

7. Governance/Management at secretariat – closed session.

8. National interpretation

RN explained that the Colombia NI was finalised and had been reviewed by ProForest. It was aligned to requirements, but had an unclear process. Standards and Certification Standing Committee (S&C SC) recommends approval. AH highlighted that there is a demand for greater support to NI processes.

Decision: Approve Colombia NI, but with note on clarity of process.

RN reported on Malaysian Smallholder NI. This was posted on website and reviewed with ProForest. There were no issues and the S&C SC recommends approval. JKV noted no objections.

Decision: Approve Malaysia Smallholder NI

RN reported on Thailand NI. This was approved in principle by EB in July, subject to addressing 42 comments from the Secretariat. Second review shows they moved 2005 cut off to 2010. ProForest has met with representatives and supported redrafting. Subject to these revisions and 2005 cut off date, the S&C SC recommends approval. Noted need for improved process to catch such mistakes. MRC enquired whether the NI was available in Thai. RN confirmed. JKV noted no objections.

Decision: Thai NI approved, subject to final changes recommended by ProForest

RN reported on Agro Palma's LI. Content satisfactory, but format and process unclear. Recommends that the document is approved once it is presented in a standard format. RN asked for confirmation that S&C SC can approve LI's. JKV confirmed this.

Decision: AgroPalma LI to be approved by S&C SC once adjusted for final approval

JV suggested that guidance on NI and LI process needs improvement. There are examples of simple language translations. In other cases, significant elements were added – which are good – but cannot be checked for their sufficiency. Johan recommends we review NI and LI process guidance. JKV agreed on review but disagrees with addition of significant additions – this defeats the point of standardized P&C.

JKV asked S&C SC to address Simon Lord's recommendation of adopting generic P&C with limited edits. The process for NI needs national consultations but replacing this with national consultation on RSPO rather than requiring a P&C NI. JV noted that the legal differences are important. How these are implemented in practice qualifies the need for NI, noting need for new guidance in that context.

Action: S&C SC to review NI guidance and process, including Simon Lord's recommendations

RN noted that NI reviews by EB take too long and need to get approved faster. Request quick response. JKV supported this.

Decision: EB to prioritise NI approval requests

9. ASI (Accreditation Services International)

JKV invited NeJ to join meeting.

AH introduced NeJ background. Helping steering committee on trade and traceability, and is now guiding certification process. NeJ gave an overview of the ASI proposal which is in 3 phases. Phase 1 was to work with five CBs chosen by RSPO steering group to understand process needs. This is done. Some delays due to previous Secretariat issues but now underway with two CBs. AH asked whether there is sufficient level of understanding to move to the next phase. Main questions from CBs was to clarify what they need to contribute to ASI and questions about level of knowledge/experience of ASI with oil palm sector.

AH proposed moving to phase 2 with conditions to ASI, including some sort of liaison in the region with oil palm expertise. Noted that NeJ's capacity has been made available for longer than planned to manage this process.

Action: S&C SC to support ASI process – GV to follow up.

NeJ explained that agreement with ASI exists for 3 phase report. With regards to phase 2 (roll out to all CBs), NeJ proposed to move forward despite delay, as it is important to get independent oversight of CBs ASAP because credibility of RSPO rests on that. Also to work with ASI to ensure they have necessary expertise in place and have them demonstrate capacity to do this. NeJ has made simple recommendations in relation to this: over 12 month period, roll out to all CBs, evaluation of CB based on office and field witness assessment where necessary. ASI will demonstrate commitment as partner by developing presence in regions to keep costs down. ASI are natural partners as they are the international accreditation body of choice but have limited capacity in region and lack of OP expertise.

JKV said ASI need understanding of oil palm to level where they can assess that CBs are good enough assess. Don't need planters. NeJ said ASI keen to do this.

JKV said some accreditations are given for limited period and hence some accreditations are up for review. He enquired whether this review part of phase 2. NeJ said RSPO does not have formal contracts and suggested adding this into commitment for ASI to assess in next phase.

JKV asked if in giving accreditation approval to 12 CBs there was no review or dates. ML said they prolong with month on a rolling monthly basis. AH emphasised that is exactly what pilot will address.

ML highlighted that this will need capacity from RSPO, but it is not in budget. Must extend mandate for NeJ or ensure capacity in RSPO.

JKV said that this should be addressed by Technical Director plus certification managers. Strong recommendation to get these in place to keep costs down. NeJ: some CBs are not FSC approved and have to pay a fee to get accreditation. JKV said issue was communication of that fact. This may slow things down. NeJ said CBs were not aware of costs and need to be notified.

JKV said that many standards already certify supply chains. Asked if there was a way to use these for supply chain certification rather than by RSPO by adopting list of chain of custody controls and accreditations.

JV said that there is a need for more clarity on Control Union case. EB asked that they be one of two pilots and hence complaints were not taken up. They were left to be part of ASI phase 1. Now very unclear if the issue has been addressed. Recommends addressing soon in phase 2.

NeJ said that CU approval was not conditional on joining phase 1, due to miscommunication by Secretariat. ML added that the EB took the decision of approval with conditions. She verbally informed Control Union of this. SG subsequently sent email that approved without condition.

MRC highlighted that there is a risk if in process of CB audits, the review is not in their favour. What happens to P&C approvals. MdH stated that this should be included in phase 2.

JKV invited Sam Ponder (SP), MD of ASI, to join the meeting

SP gave an overview of ASI. Based in Bonn, part owned by FSC, conducts activities on behalf of FSC and MSC. In process of developing accreditation processes for aquaculture groups and CCCC. Discussed components with other groups including RSPO. Set up to service this sector in oversight capacity. ISEAL associate member, moving to member.

DB asked about the project scope and status. SP clarified that there is a service agreement with RSPO with aim of moving to an accreditation scheme on behalf of the RSPO in 3 phases. Phase 1 is the approval process. Phase 2 includes a snapshot assessment of two CB's against ISO 65. Subsequent desk review supported by field assessment of all CBs being planned under phase 3.

NeJ mentioned need for ASI to be RSPO partner. Others want ASI to show expertise in oil palm. He asked whether in other instances (FSC, MSC), does ASI include foresters and fishers. SP said that this happens to some extent, but ASI also include legal auditors. ASI wants to be sector specific but also to build up the regional auditor capacity in Asia. By 2011 ASI aims to have four (1 China, 2 Hong Kong, 1 Bangkok) in place. Will continue to build capacity over time.

JKV asked whether ASI offers auditor training. SP said that only internal training is offered. MSC and FSC about to launch this.

MdH asked about the adequacy of geographic coverage and whether a person in Indonesia would be necessary. SP explained that the aim is to have one in Indonesia or Malaysia. Moving to a virtual process but good to have on the ground presence in some areas to support field witness reports.

JKV asked NeJ to clarify how ISO 65 will influence RSPO revenue model. NeJ explained that ISO65 is the standard for CBs. There is a clause that CBs can't restrict certification based on membership to an organization. On the face of it that placed issues with companies being part of RSPO. ISO65 is a recommendation not a standard and so this may not be a problem. ASI who work with ISO 65 has confirmed this. Where there are variances they will defer to scheme requirements. This was also confirmed with ISEAL, who also defers to schemes.

JKV concluded that RSPO is not forced by content of ISO65 to review revenue model. Trademark issue was raised in GA7. Decision was not taken and deferred until we knew more about ISO65. JKV requested to include in minutes that it is unacceptable that chair of MPOA makes public comments that are completely incorrect. ISEAL is useful and may be good for RSPO to be member. They are working with all members to quantify impacts. JKV is on their council to look at this and have been very impressed.

10. Certification harmonization and S&C SC participation

RN explained that the Secretariat has been alerted to discrepancies between certification documents. GSA has been appointed to harmonise these. She highlighted that this is a temporary measure to provide immediate fixes and clarification.

Action: Secretariat to share harmonisation exercise with S&C SC

AH briefed on 9th November S&C SC. One issue is assuring growers' involvement in S&C SC. Simon Siburat (Wilmar) may join the S&C SC but needs further Malaysian/Indonesian representation. National interpretation is one of the areas needing harmonization, as is the annual surveillance process. The big job coming up will be the NPP review and P&C review.

Action: MY/INDO growers to nominate S&C SC member

11. Compensation

AH raised the issue of how to deal with HCV both in various national groups and BTC. Proposed to reconvene this as an HCV working group to broaden focus to include social issues and bring together these various related work streams, including compensation.

JKV asked about the role of the current members/Chair of BTC. TK clarified that this reconvening would be inclusive of current BTC rather than instead of current BTC.

CT explained that there is a proposed BTC strategy, but this does not reflect discussion by broader BTC. Challenge is to work out if they are advisor or implementer. HCV is being addressed in many groups – needs stream-lining under S&C SC. It also does not address social issues. It makes more sense to reconstitute this group.

TK said that the first question is governance and propose a chairing system similar to GHG, with a corporate chair and an ENGO chair. The current Chair would be invited to be corporate chair. TK asked for EB approval to explore this model.

Action: ENGOs to propose new compensation committee set-up, including consultation with current BTC Chair.

CT provided an update on the Sime Darby compensation process. SD has proposed a remediation process, an 8 step process that includes hiring an independent consultant. SD is at step 1, sent out TOR for consultant. Timeline is 12 months. Step 1 of hiring consultants and detailed outline is due in first 2 months. Assume there will be report back to board at the end of this period.

CT highlighted that there is a need for a facilitated compensation workshop. AH added that that this process is being shaped by RILO work – so need to be monitored. Also need to bring in PT SMART case. The process should include a mapping exercise and then a pilot phase to test. Finally conclude with experience-based guidance that CB and members have majority of involvement rather than an ongoing panel. Facilitation is needed for first phase. Need input from growers and others.

ML enquired how many compensation cases are involved. AH said there are two on the ground, two in the pipeline.

BH asked about the timeline, and highlighted that the SMART case required six months for guidance. AH said that two phases are proposed. First phase is get to a good enough guidance for starting point to guide current cases. But this would be refined/adapted by subsequent pilot stage. CT added that it would depend on detail. A 6-8 months guidance would lack in detail.

JKV said that a lot of the questions raised are same as in Bali (2008). If a facilitator is needed, a budget, plan and deadline is required.

CT asked for EB support. GAPKI, MPOA, RoW volunteered. JKV volunteered Unilever expert Dr Gale Smith, subject to budget and timeline.

Action: CT to submit proposal to EB with budget for compensation facilitated process by mid-end December. EB decision in January.

12. Solidaridad proposal

Jan-Maarten Dros (JD), Solidaridad was invited to join the meeting to present a proposal on POPSI (Palm Oil Producer Support Initiative).

TL asked for clarification on the workings and composition of the Steering Committee of POPSI. JD explained that the structure is operational, meeting twice a year. President of RSPO attends the group but free to send alternates or nominate alternate.

TK enquired how RSPO funding would be distributed. JD explained that this is based on RSPO assessment of where smallholders need support, with Indonesia as a priority.

DB asked who benefits and how. JD said that current examples from soybean. It will take time for palm oil to show benefits, and that a combination of organisational and technical support can help increase benefit.

JKV asked whether a baseline assessment and monitoring part of the approach and what were donor requirements. JD said that no money is allocated for this. Current donor is lenient with regards to impact indicators and monitoring.

JD added that the RSPO contribution will leverage more funds from other companies and donors. Lack of expansion is a pity and it complements the wishes of the smallholders' taskforce and RILO.

CT asked whether funding requests should come through working groups or direct to EB. Also whether TFS supports this process and will be involved. JKV said that the project is a platform. Solidaridad is requesting funds from governments and have done this for 12 projects (7 in oil palm). This is an additional approach.

IM said that RSPO is raising money via supply chain to spend on such causes. Must ensure value for money. Why train smallholders from mills, as this is mills' responsibility. Also would like to see KPIs for effectiveness of training. JKV said that this was discussed this in the Steering Group. The project delivers certified smallholders, the first such proposal, and action is needed.

JD said that it is difficult to develop smallholder efforts for independents. Smallholders linked to mills are more organized. But there are different kinds of independent smallholders. If RSPO want to use this for independent smallholders then this can be targeted.

KG agreed with IM. Need more info on ROI. Suggest a tendering process, rather than choosing the only project on the table. JKV said there have been issues over the year that have not allowed this. This program delivers on RSPO smallholder certification through 1) Program and partners to do this and 2) Matching funding from an investment over 3 years.

Puvan enquired whether this is classified as an RSPO or Solidaridad project. Is RSPO appointing SOL to train or enable RSPO to better understand smallholders, and is RSPO a grant giving organization.

MRC requested an estimate of cost per smallholder certification. JD explained that there is a lot of heterogeneity in smallholders. Scale of operation is a factor – economy of scale. Also depends on fund contribution from private funder. ROI is higher than in sugar and soy. Cost of training per household is 10 to 45 euro. Value of Solidaridad comes from presence in consumer countries.

TK enquired if Solidaridad had asked IFC to co-finance. JD said that IFC is a co-funder in Ghana. They would rather do this on a project by project basis.

JV said there is a need for this type of project. But that must be spent on right project. Our discussion suggests this is not clear.

JKV said that after 2 years nothing has happened. If there was a fund and a smallholder coop had applied it would be great. Scholkland (?) fund however has structure for it. RSPO could use their infrastructure. MRC agreed that this is an opportunity to show RSPO are moving towards this.

JD said that supporting specific smallholders is good but there is a trade off due to more time needed to get independent smallholders organized and certified, rather than through a mill. Specifically chose projects where there are RSPO members to lead and support them to get something that delivers results. Constrained by most donors with 4-5yr grants but for oil palm 5yrs is the bare minimum time to show success. If RSPO needs to approve applications this will add time and create demands. Anything not spent will be returned.

Vote was taken and project funding agreed. The funding agreed is for Euro 600,000 over a 3 year period.

Action: Secretariat to process funding for Solidaridad POPSI programme

13. Progress tracking

JKV introduced a document on tracking of members' progress produced by AH. Idea is to get data on members onto the RSPO website to strengthen existing reporting with time bound plans and data. Secretariat funds and IOI offer to help still both exist. The Secretariat staff will chase up on reports and provide IT support. JKV then asked the EB to support by promoting progress reporting in the sector.

PN asked whether there would be feedback, including percent response per sector and a dashboard.

BH emphasised the interest from the retailer sector to see what it will come back with and be able to take action

JKV concluded that there was agreement to go ahead.

Action: Secretariat to implement members' tracking

14. GAR membership

JV explained that Golden Agri Resources (GAR) had applied for membership. As part of the agreement with GAR, membership is conditional on detailed plan to address all issues including pre-audits, and time bound plan for certifying all estates, including smallholders. Hence, status of member application is pending till end of March. The joint RSPO/GAR statement describes the conditions. Business Times made a quote on GAR becoming a member, but GAR themselves have corrected that which shows good faith on their side.

TK asked whether the membership application of GAR is provisional or suspended and also asked to the status of PT Smart which are current members.

JV re-emphasised that GAR membership is pending. PT SMART is a member, but suspended from joining or chairing RSPO Working Groups. The case is a first, and there is nothing in the statutes and by-laws on this issue, so the EB needs to decide if this is the right course of action.

JKV agreed to give time to prepare and respond to conditions that allow membership.

Action: Grievance Panel to review progress in March 2011

15. AOB

Next meeting agreed (30 March-1 April)

AH raised the issue that it is difficult to attend remotely due to poor quality of telecons etc

Action: Secretariat to address remote attendance issues

RN recommended that no external content (other conferences, guidelines etc) are posted on rspo.org to safeguard integrity of content. JKV agreed. External content can be in newswatches only.

Decision: No external content to be posted on rspo.org or rspo.eu

NJ said that not all certification reports are posted on rspo.org. JKV agreed and added that contact details should be updated.

Action: Secretariat to update contact details and certification reports on rspo.org.

RN asked whether RSPO would consider membership of other bodies, such as a new initiative by FAO. JKV suggests waiting until new SG is in place.

Decision: No external membership until February 2011

RN asked IOI to give an update on grievance raised. MdH explained that IOI had a meeting on 10th Nov with the complainants about the issues raised. Both parties wish for amicable out of court settlement. As the cases are in the formal grievance process, updates will be sent to JV and shared in the overview on rspo.org.

Action: IOI to update JV on progress. Secretariat to post status on rspo.org

DB stated Indonesian growers are restless with ISPO and calls for withdrawal from RSPO. He suggested more investment in communications to growers from the Secretariat or RILO, particularly to show progress on other side of supply chain. JKV agreed and added that there is a need for a comms person in RILO. The agreement with POPSI also creates a new avenue to reach growers.

Action: SG to appoint Comms person in RILO

Meeting ends.