

EB-02: Minutes of Executive Board Meeting by Phone Conference on 28 May 2004 at 08.00 GMT

Participants

1. Jan Kees Vis (Unilever - President)
2. Wilko-Jan Balkema (IOI/Loders)
3. Fausta Borsani (Migros - Treasurer)
4. M R Chandran (MPOA)
5. Patrick Cooper (WWF)
6. Matthias Diemer (WWF - Vice-President)
7. Christopher Donough (IOI/Loders)
8. Khairudin Hashim (Golden Hope)
9. Jan-Olof Lidefelt (Karlshamns)
10. Rikke Netterstrom (Body Shop)
11. Vengeta Rao (MPOA)
12. Joseph Tek (MPOA)
13. Teoh Cheng Hai (RSPO Secretariat - Moderator)
14. Si-Siew Lim (RSPO Secretariat - Secretary)

Absent with apologies

15. Ian Rowland (Pacific Rim Palm Oil)
16. Ian McIntosh (Aarhus)

AGENDA

1. Introduction
 - Welcome new participants
 - Confirmation of changes to Board membership and substantive members
 - Duration of teleconference
2. Confirmation of Minutes of Zurich Meeting (7-8 April 2004) and Matters Arising
 - Statement of Intent (SOI) – decide on cut-off date for new signatories
 - Opening of RSPO bank account
3. Update from RSPO Secretariat
 - RSPO Website
 - EB member profiles
 - RSPO Factsheet – feedback on design and content
 - Affiliate Membership – discuss and decide on status and fees
 - Criteria and procedure for assessing membership applications
4. Preparations for RT2
 - RSPO representation on RT2 Steering Committee
 - Objectives, outputs and structure format for RT2
 - RT2 profit/loss sharing
5. Update on Projects
 - Development of criteria for sustainable palm oil
 - Proposal for development of criteria for existing plantations (Aarhus)
 - PRAIT proposal by CI/WRI
 - IIED proposal
 - CABI proposals
6. Any Other Matters



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MINUTES

1. Introduction

Welcome new participants

In opening the meeting welcomed the following new members, who in turn introduced themselves:

- Rikke Netterstrom (Body Shop)
- Wilko-Jan Balkema (IOI/Loders)
- Christopher Donough (IOI/Loders)
- Si-Siew Lim (RSPO Secretariat)

Confirmation of changes to Board membership and substantive members

IOI/Loders:

Chris Donough advised that he is the main representative for IOI/Loders and Wilko-Jan Balkema is the alternate representative. "IOI/Loders" remains the official name representing IOI Corporation Berhad and Loders Croklaan in the RSPO.

ACTION:

- ***IOI/Loders:** Confirm to the RSPO Secretariat, any further changes to the above

* Done as of 31 May 2004

2. Confirmation of Minutes of Zurich Meeting (7-8 April 2004) and Matters Arising

Confirmation of Minutes

All present confirmed the minutes of the OC meeting (7-8 April 2004) and the 1st Executive Board meeting (8 April) in Zurich.

Statement of Intent (SOI) – To decide on cut-off date for new signatories

Unilever:

SOI signatories and RSPO members should be listed side-by-side on the RSPO website. This will entice more organisations to be members. In addition, a list of organizations which have applied for RSPO membership should also be posted on the website to draw comments (i.e. endorsement/opposition) from the general public.

MPOA & Karlshamns:
Agreed.

IOI/Loders:

The number of lists on the website should be limited to avoid confusion. The cut-off date for new SOI signatories should take place sometime in June 2004.

WWF:

Too short a cut off time may deter companies who are currently considering membership. These companies should be given sufficient time during the transition period from being SOI signatories to RSPO members.

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Unilever:

Proposed that RT2 should be the cut-off date for new SOI signatories and an explanation of this should be posted on the website along with the list of present SOI signatories and RSPO members.

ALL: EB members unanimously agreed with this proposal.

ACTION:

- **RSPO Secretariat:** Update RSPO website to reflect the above comments and decision.

Opening of RSPO bank account

ALL: EB members unanimously agreed that the RSPO Secretariat should open a new bank account with HSBC and the following resolution was passed:

1. *The meeting resolved that a banking account be opened under the name of "Roundtable on Sustainable Palm Oil" with the following bank:*

*HSBC Bank Malaysia Berhad
Level 1 Annexe, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
MALAYSIA
Tel: 1-300-88-0181 (+603-20507676)
Fax: +603-20701146*

2. *The signatories who are authorised to operate the above account are:*

- A. *FOR AMOUNTS UP TO AND INCLUDING RINGGIT MALAYSIA TWENTY-FIVE THOUSAND (RM 25,000.00) IN A SINGLE TRANSACTION:*

To be signed solely by Teoh Cheng Hai (NRIC: 450207-07-5033)

- B. *FOR AMOUNTS EXCEEDING RINGGIT MALAYSIA TWENTY-FIVE THOUSAND (RM 25,000) IN A SINGLE TRANSACTION:*

To be signed JOINTLY by

*Teoh Cheng Hai (NRIC: 450207-07-5033) AND
Fausta Borsani (Passport No: F0409586)*



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3. Update from RSPO Secretariat

RSPO Website

The first draft of the new RSPO website is now currently posted on a temporary site (www.aloofhosting.com/sisiewlim/). Members are invited to comment on the draft website based on the following criteria: overall design, layout of pages, structure and colour scheme.

ACTION:

- **ALL:** Send comments and suggestions regarding the new RSPO website to Si-Siew Lim (slim@sustainable-palmoil.org) as soon as possible before Friday, 4 June 2004.
- **ALL:** Members should also assist with appropriate photos that would illustrate the philosophy, work and activities of the RSPO along the supply chain for inclusion in the new web site. Deadline is also Friday, 4th June, 2004

EB member profiles

To date, the RSPO Secretariat has received profiles from MPOA, WWF, Unilever and Aarhus.

ACTION:

- **Migros, Karlshamns, Golden Hope, Pacific Rim Palm Oil, Body Shop, IOI/Loders:** Send 150-word organization profile and 75-word personal profile (of main representative) + photo to Si-Siew Lim before Friday, 4 June 2004.

RSPO Membership

ALL: EB members agree that RSPO membership numbers should be given out on a first-come-first-serve basis.

ACTION:

- **ALL:** Submit completed RSPO membership application form (available at www.sustainable-palmoil.org) to RSPO Secretariat as soon as possible.

RSPO Factsheet – feedback on design and content

Unilever:
Nice, modern design.

Body Shop:
The factsheet is too focused on RSPO as an organisation and should contain more detail on the issue of sustainable palm oil and the reasons behind RSPO's existence.

IOI/Loders:
The factsheet should contain guidelines on what happens if an organisation wishes to support the RSPO via the SOI, membership, etc.

MPOA:
The use of "Associate Member" should be changed to "Affiliate Member" to reflect the words used in the RSPO By-Laws and Statutes.

ACTION:

- **ALL:** Send any further comments and suggestions regarding the draft RSPO Factsheet to Si-Siew Lim before Friday, 4 June 2004.

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- **RSPO Secretariat:** To finalise the RSPO Factsheet and post it on the website and distribute to prospective members ASAP.

Affiliate Membership – discuss and decide on status and fees

- Eligibility for Affiliate Membership

Unilever:

Affiliate membership was created for organisations that do not fit into the 7 stakeholder groups recognised by RSPO. There should not be further requirements for affiliate membership.

Body Shop & MPOA:

Agreed with Unilever that all peripheral organisations and individuals can join RSPO as affiliate members.

ALL: EB members agreed that the text used in the draft RSPO Factsheet to describe affiliate membership, should be the official description of RSPO Affiliate Members.

- Fees for Affiliate Membership

Unilever:

Fees have to be generally low to encourage membership applications but high enough to serve its purpose of maintaining the RSPO Secretariat. The fee should be €200.

MPOA:

Based on MPOA's experience in running a secretariat in Kuala Lumpur, the fee should be a minimum of €250.

ALL: Agreed that the fee for RSPO Affiliate Membership should be €250.

- Discounts for early payment

ALL: Agreed that no discounts should be given out to reduce accounting complications.

Criteria and procedure for assessing membership applications

Unilever:

RSPO should be mindful of applicants with ulterior motives for joining and a proper procedure for vetting applications be put in place. In addition, RSPO Secretariat should post a list of membership applicants on the RSPO website to allow the public to comment.

ALL: Agreed that the RSPO Secretariat should provide the Board with a checklist to aid decisions regarding membership applications.

ACTION:

- **RSPO Secretariat:** Send a checklist (for approving membership applicants) to Executive Board Members.



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4. Preparations for RT2

Report on meeting with the Ministry of Agriculture on 25th and 26th May, 2004 in Jakarta

MPOA:

The outcome of meetings between RSPO and Indonesian stakeholders was beyond expectations. Thanks to Dr Delima Hasri Azahari (Ministry of Agriculture - Indonesia), the entire procedure went smoothly. The entire Indonesian palm oil supply chain is represented in the newly formed RT2 Organizing (OC) and Steering Committees (SC). The RT2 meeting has been set for 4th to 6th October, 2004 in Jakarta.

Unilever:

Thanks to M R Chandran and Teoh Cheng Hai for making the trip to Indonesia.

RSPO representation on RT2 Steering Committee

ALL: Agreed that Migros (Fausta Borsani), WWF (Matthias Diemer) and MPOA volunteer to represent RSPO on the RT2 Steering Committee. The RSPO Secretariat (Teoh Cheng Hai) will represent RSPO in the RT2 Organising Committee.

ACTION:

- **MPOA:** To advise RSPO Secretariat on their representative on the RT2 Steering Committee by Friday, 4th June, 2004..
- **RSPO Secretariat:** To inform the Chairmen of RT2Sc and RT2OC of the Board's comments and decisions, if possible before 4th June as the RT2OC plans to have its first meeting then.

Objectives, outputs and structure format for RT2

Unilever:

Offered the following suggestions:

What do various organisations mean by sustainable palm oil?

RT2 needs to gain more clarity on sustainable palm oil.

RT2 needs to get more practical projects, covering all sectors, off the ground.

WWF:

RT2 should serve as a platform to recruit as many new members as possible.

Unilever:

It must be made clear in RT2 that RPSO does not have sufficient funds to run projects. Potential funders must be invited and RSPO Board Members should pay special attention to funders during RT2.

MPOA:

RT2 must draw as many diverse views as possible. This provides potential fund providers with a chance to take in these views and move forward. People who are keen to take on projects should also be allowed to present their cases during RT2.

ACTION:

- **ALL:** Due to time limitations of the teleconference, EB members should send their suggestions and responses to the following questions by Friday, 4th June, 2004.

Q1: What should RT2 achieve (Objectives)

Q2: What are the expected results? (Outputs)

Q3: How are we going to get the results? (Approach and structure of RT2)



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RT2 profit/loss sharing

MPOA:

There was a suggestion by the Indonesians that the share of profits from organising RT2 should be retained by them. Will the entire profit from RT2 go to RSPO Secretariat or as a percentage retained by host organizations? As background, the fee for participating in RT1 was € 100/participant for one and a half days. RT2 will incur higher costs as costs in Jakarta are substantially higher than Kuala Lumpur.

ALL: Agreed that profits should be split 50/50 between the RSPO Secretariat and the RT2 OC.

ALL: Agreed that the RSPO Board should await results of RT2OC discussions regarding budget and finance before commenting further on the issue.

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5. Update on Projects

Development of criteria for sustainable palm oil

WWF:

ProForest should be given preference to do the work even though they are more expensive as they have a proven track record and has the ability to deliver results on time.

Unilever:

Every Board Member is responsible to think about how to procure funding for the criteria project.

All: Agreed that ProForest should be awarded the criteria project.

ACTION:

- **RSPO Secretariat:** To contact ProForest and begin moving forward on the criteria project. Future discussions will include the issue of fundraising for the project itself and formation of the Criteria Working Group.
- **WWF:** Volunteered to approach GTZ regarding funding for the criteria project.
- **Unilever:** Volunteered to approach the IFC, Rainforest Alliance and World Bank in Washington, USA, regarding funding for the criteria project. Also volunteered to approach DOEN of the Netherlands for support.

Proposal for development of criteria for existing plantations (Aarhus)

WWF:

WWF does not support having two criteria development processes (i.e. one for existing plantations and another for new plantations). Two criteria processes will be confusing.

Unilever:

Do not agree with WWF. Every criteria-setting process has to have the following: entry level for joining certification scheme, interim level, and stakeholder consultation as well as recognising different sets of criteria for both existing and new plantations.

WWF:

Both criteria will need to be developed together, at the same time.

ALL: Agreed to drop proposal for development of criteria for existing plantations and instead, to concentrate on development of criteria for sustainable palm oil. Priority would have to be given to produce the first version of the criteria for discussion at RT2.

PRAIT proposal by CI/WRI

Unilever:

The proposal should be included for the time being since RSPO needs a diversity of views. However, it has to be made clear that RSPO is NOT going to run projects. RSPO can only endorse and help source for funding for these projects.

ALL: Endorsed the PRAIT project proposal but members should come up with ideas regarding potential partners and funding.

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IIED proposal

Unilever:

RSPO has no objections to the revised project concept. However, the proposal remains low on our priorities for RSPO to support. We should wait for them to submit the budget.

ALL: Agreed to endorse the IIED proposal. However, RSPO will wait for a submission of a project budget.

CABI proposals

MPOA:

RSPO should endorse the proposal. The Malaysian Palm Oil Board (MPOB) should also come into the picture as there have also been talks of MPOB developing a similar manual.

ALL: Agreed to endorse the proposal.

ACTION:

- **RSPO Secretariat:** To advise CABI to approach IOPRI and MPOB to be partners and for potential funding.

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6. Any Other Matters

Deficit of € 3,000 in RSPO Organising Committee (OC) Budget

WWF:

WWF needs to reconcile the above account by the end of June 2004.

Unilever:

If the RSPO account is not ready in time, WWF can invoice Unilever first and Unilever will settle the payment later with the rest of the Board.

Payment of € 2,500 by RSPO Interim Board Members

MPOA:

As of today (28 May 2004), only payments have been received from MPOA and Unilever.

ACTION:

- **ALL (except Unilever & MPOA): To pay up dues immediately.**

Emails to Wilko-Jan Balkema

IOI/Loders:

Please ensure RSPO emails are sent to Wilko-Jan Balkema (Wilko-Jan.Balkema@crokiaan.com) and NOT to Fred Cain.

RT2 Chair

MPOA:

Leave the chairmanship of RT2 to the discretion of the RT2 Steering Committee.

RSPO Secretariat:

The election of a chairperson for RT2 is already in the agenda of the next RT2 SC and OC meetings.

Next RSPO Executive Board meeting by teleconference

ALL: Agreed that there is a need for another teleconference and that one and a half hours should be allocated for it. The next meeting date and time will be set by the RSPO President and Secretary-General.

Si-Siew Lim

Kuala Lumpur, 31 May 2004

Jan Kees Vis
President

Roundtable on Sustainable Palm Oil (RSPO)