



Minutes 121 - EB Physical Meeting

Date: September 22 & 23, 2015

Venue: Las Ventanas Hotel, Ciudad del Este, Paraguay

Attendees:

Producers: John Landers (APDC); Juliana Lopes (Amaggi) – proxy Gisela Introvini (FAPCEN)

Industry, Trade & Finance: Belinda Howell (Retailers' Soy Group); Olaf Brugman (Rabobank); Terence Baines (Unilever)

Civil Society: Gert Van Der Bijl (Solidaridad); Jean François Timmers (WWF); Oswaldo Carvalho (Earth Innovation System); Ulises Martínez (Fundación Vida Silvestre)

Secretariat: Agustín Mascotena; Daniel Meyer; Enrique Molas; Jimena Couto; Jimena Froján; Marcelo Visconti.

Observers: Alejandra Gómez (Solidaridad Paraguay); Bart Vrolijk (Netherlands Embassy Buenos Aires), Ever Vera (Consultant); Gustavo Díaz (Solidaridad Paraguay); Lorena Ramírez (Solidaridad Paraguay); Marianne Hilders (WWF); Rodrigo Santos (Monsanto).

From APS: Karsten Friedrichsen (President); Onorio Guntzel (Pro-Secretary); Neivo Fritzen; Andreas Winter, Valdecir de Souza

From Green Commodities- PNUD: Eduardo Allende (Project Coordinator), María Zunilda Acosta, Fabian Ruiz.

DAY 1: September 22

Olaf welcomes all representatives present and introduces the participants, especially Jean François Timmers, new representative of WWF and Marcelo Visconti, new Executive Director.

The agenda is presented and checked for further subjects to be included. The meeting begins.

1. Minutes Meeting 120: Minutes are checked for approval.

- Belinda mentions the last sentence from Bayer Agreement topic (point 4) is too speculative and can be deleted. **[A1]**
- John asks about "Produzindo Certo" agreement and its relation to our MoU.
- Terence explains this is just a pilot project and what Bayer is focusing on its own program, Valore.
- Olaf adds the MoU says the agreement is not exclusive.
- Agustín mentions Bayer started working with Unilever before the agreement and now they are looking for the contacts of RTRS producers. They are going for the certified ones first and step 2 is reaching the ones in process of certification. The Secretariat does not recognize a conflict of interest.
- Ulises asks for information on the *syntegration*.
- Olaf explains it was just a proposal. The event is scheduled for the last week of January and it aims to have leading soy people in Europe to come up with a strategy plan to get to the 10 million tonnes. It is expected to also receive 20% of participants from Latin America. It is an experiment.

APPROVED



2. Status of RTRS: Agustín explains the present of RTRS and its objectives, and adds Enrique will be helping Daniel in Brazil, too. The status of each activity is checked.

- Gert asks about the Bel case and if it is a form of cooperation.
- Agustín explains they usually contact us as a reference, RTRS is a facilitator, but we are not included in an agreement.

* ProTerra MoU: Agustín clarifies that ProTerra agreement was mostly a matter of image and no further steps were taken.

- Juliana adds that the aim was to reduce costs but it did not happen, yet.
- Olaf asks Agustín to check with Augusto (ProTerra) the status and availability to continue the MoU and plan the next steps. **[A2]**

* Partnership with other RTs: we are advancing with Bonsucro for potential mutual recognition. They are changing the approach to talk to producers directly.

- Juliana mentions Amaggi is working in the Brazilian network to create the FABPs Brazil. They are going to present the RTs as a good tool in October.
- Belinda says RSPO is starting to partner with RSB and others.

* Market Research: it needs to be done again to see if we have improved. We are working on cases.

- Olaf asks how we can see all of this in the number of members, producers, buying commitments, etc. That is the KPI.
- Agustín says we are improving but we are not getting to the 10 million tonnes objective and we do not have the key on how to do it. Area and volume have increased.
- Juliana asks to provide more time for producers to solve certain issues during the certification process. If not, reaching the 3rd year of certification, some producers drop out
- John asks if RTRS could accept a letter of intent from RTRS to give them 5 years.
- Agustín explains the progressive entry level is not part of the Standard. It is another document that could be changed by another working group or even the EB.
- Agustín adds that in the first year producers are passing higher criteria than FEFAC guidelines and other average requirements from the market.
- Belinda says it is partly EB's responsibility to reach to the objectives.
- Olaf asks about membership loss.
- Agustín explains it is normal to lose some members because of budget and low engagement with RTRS.

* Highlights of the year

- Olaf asks about the reporting process and what can be done.
- Agustín explains this is hard to do, and we cannot be as tough as RSPO. We may have more people leaving RTRS than reporting.
- Olaf asks to send them a letter that they will be released from membership if they do not answer the report.
- Juliana asks for direct contacts by phone. She also suggests sending e-mails to the RTRS contact person with cc: CEO.
- Olaf asks Secretariat to send letters via e-mail and follow up for a month. Then check by phone. **[A3]**

* Budget: Agustín explains how the budget is working and its status.

3. PES Project: Daniel explains the status of the project which is going through a viability assessment to see how it is working. Now it is postponed to October because they are looking for a new consultant. Daniel asks EB for feedback and suggestions.



- Juliana says it is a good idea to discuss PES Projects but we should not work with too much effort on it. The market will only happen in 2017.
- Ulises says funds should go to land holders with native vegetation, mostly non soy producers. We are out of our scope.
- Olaf says CFOs are interested in showing their investors how sustainable their projects are and how they protect biodiversity. Rabobank's Green Bonds are being launched and it could be an attractive opportunity for big companies to be involved directly in jurisdictional approaches.
- Ulises says we could start with PES assessment in key regions.
- Olaf asks Daniel to conclude the project and then the EB can decide next steps. **[A4]**

4. Strategic Discussion: Olaf asks the EB to provide feedback.

- Belinda says we need a big strategic picture, focusing on physical flows and involving feed, food as well as retailers who are the most interested.
- Ulises highlights that 2 or 3 companies commitments can change the whole picture.
- Juliana mentions Aprosoja cannot be an RTRS Member because they say RTRS excludes produces due to the cut-off date. She does not think they will be members again but it would be good to have them as partners of discussions. Juliana adds it really depends on the market but no one can be mainstream. Therefore, we should work together with ProTerra to gain more transparency in the figures and volumes.
- Terence says the biggest issue is how to drive demand.
- Juliana adds it is important to decide what is going to happen with FEFAC guidelines. They will demand it and companies will create its own certifications to achieve these guidelines.
- John suggests including levels of certification and asks what we prefer: to be the number 1 certification in the market or lower standards.
- Jean suggests having a zero deforestation soy mark would be appealing for the market. He says we need transparency, and clear and short and easy to check standards. Commitments are due until 2020 and they are getting mainstream, so we need to work on that. All these strategies are complementary.
- Gert says it is not going to be zero deforestation. What we can do is check how all of these commitments can get together.
- Belinda shares the experience of RSPO. We can put the pressure to the other schemes to be more transparent and work with them. She summarizes the experience between RSG and ITC Standards Map to improve the way it was structured, as there was no difference between the 3 standards in the way ITC had worked on them.
- Juliana mentions Soja Plus is able to get to FEFAC guidelines but it will be a difficult task. We should be very open so that we avoid a proliferation of standards. Regarding zero deforestation, Juliana shares the position of producers and says they cannot be asked for something beyond the law without anything in exchange. That is why we need help from governments. We have to use restoration as RTRS tool, not only zero deforestation. We need to bring all stakeholders and work as a round tales. Check their commitment and work together to see how to achieve it.
- Agustín says producers do not understand FEFAC guidelines. That would be an opportunity to be the reference. Get established.
- Gert adds FEFAC wants to reduce the number of schemes, but what they are generating is proliferation.
- Marcelo says we should not forget this is an RT, an addition of many objectives. RTRS Soy is a product. We need to find what we really want to be. What has been done is the highest more professional way.



- Olaf proposes Marcelo to develop a short paper, 2 pages, on how to follow through, including mapping our partners and how we can work together. We should forget about competition and check where we can move.
- Juliana, Belinda, Gert and Jean volunteer to write the paper, with deadline January.

[A5]

- Marcelo suggests focusing on how to be more proactive about raising funds.
- Juliana says we need to work with China in the things that are important to China: emissions. We can connect both ideas. Amaggi did it as an exercise and their emission is lower than average in Brazil.
- Juliana comments that Basf is elaborating a difference between RTRS soy and non-RTRS soy regarding emissions.
- John Landers states that increasing biological control and decreasing traffic farming are two factors of innovation.

5. Jurisdictional: Oswaldo presents the situation and proposals of Earth Innovation Institute. This is a proposal for the "Mato Grosso Forest Pact". It is expected that deforestation will decrease slowly. Now more attention is given to restoration. A very important step is to have 0 emissions. The proposal is to use CO2 emissions as a better metric.

- Jean mentions absolute zero deforestation is impossible and not suitable social, but decreasing deforestation together with increasing reforestation is good and vital for fragmented areas. This proposal is very good for the planet and the future.
- Oswaldo highlights restoration will help biodiversity in the long term, and reminds that the idea is to apply this in other countries.
- Juliana explains the places that will be reforested are those which are not the most productive for producers. An environmental agency is very important to conduct this to a better restoration system
- Jean asks about the funding of restoration and its importance in the process.
- Juliana says the commitments are due on 2030, so it is a long term process.
- Oswaldo states that they are currently working on how RTRS can contribute
- It is agreed that the environmental agency and thus, the government is a key player in this.
- To bring scale there is a need to have financial institutions to come on board

6. Community Certification: Agustín explains the goals of this model and how a community was defined. To access to this module, all producers need to pass the first audit. How the certification would work is explained.

- Olaf asks if there is a specific percentage of cost deduction we get.
- Agustín says it is as big as the community.
- Olaf shows concern about the RTRS producers asking for discounts.
- Agustín explains RTRS would answer that they can form their own community. Those who may complain are CBs because of invoice reduction
- Juliana says she was thinking of forming a community of all groups or all farmers.
- Agustín explains that getting small and big producers together, helps the community grow. All producers need to have an audit on the 5th year and there is transparency in the community information.
- Ulises suggests implementing a penalty or benefits system for the whole community, not only to the farm that doesn't comply so that the community can develop an internal control system.



- Juliana mentions risk cannot be analyzed each year because producers will be changing priority of audit, but both the weakest and the one which had to make improvements should be audited.
 - Agustín presents the pilot project in India. Goals: reduce costs, recover groups lost and find government support for knowledge transfer activities. The ones that were lost are participating as they only had financial issues to continue with certification. Another pilot could be Aapresid, as there are 1000 potential producers.
 - Marcelo asks for benefits for the demand.
 - Agustín explains there is no difference in the price. In the long term, having much more supply will reduce the costs for everyone. There is one important message, which is that RTRS is aware of the costs and we are working on it
 - Belinda adds the value is the same so the price should be the same and explains that what RTRS has been doing is trying to reduce the barriers for producers. Belinda proposes to test another one: Amaggi.
 - Juliana asks for time to check internally. **[A6]**
- PILOT 2 APPROVED. After pilots are done, EB will make a decision on the community certification. [A7]**

7. Communication: Jimena Couto presents the status and achievements of both agencies: S&P and Alfapress, as well as providing an update on the activities of the area.

Olaf comments that the press has been reached and that newsletters have been improved.

Belinda states that she is disappointed by S&P and their quality and disconnection with RTRS and RTRS members that are making commitments.

Agustin agrees with Belinda and adds that Alfapress has a more proactive approach. RTRS has already asked for a change or improvement in S&P's account managers.

It is agreed that RTRS will ask for a new bid and that S&P should be informed about this and that they can bid. **[A8]**

Also include a clause in the contract that a KPIs should be provided in order to receive full payment.

Suggestions of agencies should be informed to Agustin and Jimena.

Juliana states that Alfapress is part of a large network and they may be reached for a bid.

Regarding Alfapress, it is stated that it is important that they are guided on where RTRS is strategically going so that we convey the right messages. It is added that the main target group of Alfapress is agribusinesses and producers.

It is concluded to continue collaboration with Alfapress until the end of the year and to communicate them that we are progressing as an organization and that with a new Executive Director we need flexibility.

8. P&C Review: Jimena Froján provides an overview of the process and the working group. She explains that the comments received were classified for their review. She mentions the highlights and the situation of 4.4, as the working group representatives were insecure about reaching a decision without checking with their organization. They were asked to come back with a position on this. It was decided to change the wording related to wetlands due to problems of interpretation, and it was considered to provide an exception to family farms in child labour indicators. Jimena shares general feedback on the meeting to keep in mind for future processes. There was lack of commitment from the representatives' side, which lead to lack of quorum. Small producers' representation is missing.



- Jean explains the position of WWF is to maintain 4.4. Weakening it wouldn't help RTRS.
- Agustín explains that we should avoid having a new meeting without discussing 4.4. At the end of the process, the new Standard needs to be approved by the EB.
- Olaf asks if keeping the same level or improving it is a requirement. It is not.
- Juliana says the change for family farms is risky.
- A methodological proposal is presented: In order to support 4.4 discussion by making it public. For this, to submit for this public consultation the different 4.4 proposals the group had already discussed
- Belinda suggests checking the options with a clear definition of 4.4 and making comments on each to send them to the group so that they can work on that.
- Ulises support having a public consultation specific for the issue. He proposes to create a document and add it to the consultation.
- Jimena mentions the three proposals: change cut off date, compensation (they agreed at least to discuss on this one) or leave it as it is.
- Ulises proposes to elaborate a proposition on the definition of 4.4 together with Jean.

[A9]

- John asks to include zero deforestation as an option.
- Olaf proposes to get suggestions on the rephrasing and the 3 alternatives next week, first ask for permission to publish to the working group. **[A10]**
- A third public consultation will be necessary.
- Outcomes of meeting: to reinforce the message to the working group that if it is being too difficult they can come with options for the EB so that the EB can guide the group and decide.

Olaf closes the meeting for the day and reminds the agenda for the following day.

-20:40 CET –

----- FIRST DAY CLOSED -----

DAY 2: September 23

Olaf welcomes all representatives to the second day of meetings and introduces the guests who will be presenting.

The agenda is presented and checked for further subjects to be included. The meeting begins.

1. Paraguay Context: Enrique presents the situation of Paraguay, the 6th global exporter of soy –especially to Europe- and a stable country, which has a great adoption of zero tillage, an advantage in relation to neighbours. The oriental region of Paraguay is expanding over livestock regions reaching a potential of 5 million hectares without deforestation. Paraguay has a law of zero deforestation starting 2004. Most of production is managed by cooperatives, so there are many small producers. On April a physical meeting was held for the NI. All sectors were represented. Enrique is visiting producers to show the benefits of RTRS Certification for them and is providing the opportunity to make a situation diagnosis. The main concern in Paraguay is the market. They don't want to invest unless they have a guarantee that they will gain something for the effort. APS (Soybean Paraguayan Association) is very important as they associate many producers. Enrique presents a plan including the creation of



Paraguayan Task Force, a visibility campaign to announce the benefits of RTRS, and the creation of an agreement with stakeholders to introduce producers to the certification process (with sustainable finance table, APS, etc.)

2. Annual Conference: Jimena Couto presents an overview of the organization of RT11 and a concept proposal to trigger the discussion. **[A11]**

There is not an agreement with the wording of the proposed title (“backwards looking” instead of “forward looking”). It is agreed that the message should focus on the two lines of work of RTRS, certification and alignment with actors of the sector (dialogue), and its link: to position certification as part of the solution.

Topics suggested:

- How can RTRS support forest code compliance and the other way round?
- How can RTRS work with companies that are coming up with commitments?
- Discussions about deforestation should be present
- Include case studies on benefits of certification
- include climate change discussions. It is added that China plays an important role.

It is concluded that the overarching themes are deforestation and climate change and that the RT11 should provide a bigger picture, a planetary perspective

It is suggested to include academics and to show certification as an instrument to implement PES. Also, to position RTRS as a platform that goes beyond a certification scheme.

- Include all initiatives related to sustainability.

“Joining forces” is suggested as the core idea.

Regarding formats of the meeting, it is suggested to enable dialogue and more discussions and less plenaries. The fish bowl methodology is suggested.

High quality plenary speakers should be present. André Kuipers is suggested. Also, Roberto Rodrigues from Brazilian Ministry of Agriculture.

It is also suggested to show how a Round Table works.

A concept note (2 pages) with objectives, target group and formats will be elaborated by Juliana Lopes (with help of Gisela Introvini), Terence Baines, Jean François Timmers and with Olaf Brugman support.

It is noted that 26th of May is a holiday in Brazil.

3. Corn Module: Agustín presents the comments received. The need for such module is explained as well as its use, applying the module only when soy is the first crop certified.

- Ulises asks about his comments.
- Agustín explains they were included in the text prior the public consultations
- Olaf asks for comments that could not be approved.
- Rodrigo suggests checking legislation to decide on the distances that should be included.
- Ulises asks his comments to be included and suggests including an audit of all farm workers.
- Agustín says they did not include this because it is beyond the corn module. Also the standard says you need to follow the same spirit for all activities in the farm.
- Jimena F. explains best practices in social audit point out that most vulnerable employee should be checked.

INCORPORATION OF THE COMMENTS APPROVED [A12]



4. UniSol Agricultura Sustentable: Gustavo presents the project and the cooperatives involved.

- Olaf says we have seen similar initiatives and asks how we could work this as pre-certification activities.
- Gustavo strengthens the idea that government needs to be involved to understand this is sustainability.

5. Monsanto: Rodrigo Santos believes that the only way of facing challenges is through joint efforts, and Monsanto is now trying to get more involved in the debate, under the belief that Brazil could be an example of innovation, technology and sustainability.

- John asks about biotechnology.
- Rodrigo explains they are working in two new platforms, investing in biological and then "climate". The aim is to make recommendations and decisions for the farmers more specifically in the future, reducing emissions.
- Gert mentions the discussion in Europe is that pesticides should be banned. However, the main issue should be how to reduce their impact.
- Rodrigo says the key is to have better information on how to use the products.
- Juliana adds we don't know how to communicate good examples.
- John suggests we are leaving out of the equation the biggest force, the consumers, the human values and what farmers are doing for people.
- Rodrigo agrees we are not getting enough attention from the regular media.

6. WWF: Marianne presents their project to reduce deforestation and improve sustainability forming an alliance. They have two purposes: improve land use and increase supply of sustainable produced soy and beef; and increase demand. Next steps: sign a contract, develop baseline and steering committee.

- Gert asks about the role of RTRS in the programme.
- Marianne explains RTRS is the significant base. In the main criteria RTRS is very much in line as a starting point of the process.

7. APS:

- APS President explains APS is an association representing many small producers who use technology. He explains APS producers are not sure about certification as they are afraid it will turn compulsory and costs will be fixed, but sustainability is an important issue for Paraguay. They would like to include APS as a promoter of certification.
 - Patricia makes the institutional presentation. They have companies as partners which follow the same objectives. The association tries to help impartially. APS organizes meetings to inform producers. Main problem: legal protection.
 - A context is explained where producers suffer invasions of their properties and those invaders deforest, making them work and pay for the damage done.
 - Ulises adds this has been happening in Argentina. Communities are the most vulnerable groups. Responsible production needs to take into account those situations. It needs to come up with a solution transparent that soy production is done without challenging the rights of those communities.
 - APS President mentions they are willing to recognize the communities and even provide them with a small land for them to feel it belongs to them and have their rights.



8. Green Commodities: Eduardo presents the co-financed project. It does not promote a specific certification scheme but it provides the necessary information for the producer to choose.

9. Others: Olaf reminds EB that with Sandra’s departure, a new vice-president should be chosen from NGO constituency.

JEAN FRANCOIS TIMMERS ELECTED AS VICE PRESIDENT

Olaf thanks everyone for their presence and closes the meeting.

**-17:07 CET-
----- MEETING CLOSED -----**

Activity	Responsible	Deadline
1 Correct Minutes 120 and publish	Secretariat	-
2 Contact ProTerra for next steps	Secretariat	-
3 Send letter to members for reporting (cc: CEO)	Secretariat	-
4 Conclude PES Project. EB decision will follow	Daniel Meyer	-
5 Develop Paper on Strategy	Secretariat & EB	January
6 Check possibility of pilot community certification in Amaggi and start the project	Juliana & Secretariat	-
7 Pilot Project of Community Certification with Aapresid	Secretariat	-
8 Create Tender for Comms Agency in Europe and start searching. Notify S&P.	Secretariat	-
9 Proposal on new definition on 4.4	Ulises & Jean	October 2nd
10 3 Proposals for P&CTWG	Secretariat	October 2nd
11 Create a concept proposal for RT11 (2 pages)	EB & Secretariat	October 9th
12 incorporate comments to corn module	Secretariat	-