

Sustainable Rice Platform

Report: Executive Board Meeting 1/20

30 January 2019 15:00-17:00 SE Asia Standard Time

Venue: Skype for Business

Participants

Board Members

Matthias Bickel	GIZ (Chair)	Louke Koopmans	Mars Food (Vice Chair)
Christ Vansteenkiste	Rikolto (Treasurer)	Adrian Sym	AWS (Secretary)
Remy Bitoun	IRRI	Keith Jones	Bayer, Corteva, Syngenta
Stephan Moreels	Control Union	Sanjay Sethi	Phoenix Group
Mark Radka	UNEP (Observer)	Simon Mahood	WCS Cambodia

Secretariat

Wyn Ellis	SRP Secretariat	Lea Las Piñas	SRP Secretariat
-----------	-----------------	---------------	-----------------

Invited

Ignacio Antequera	GLOBALG.A.P. (Agenda 9)	Sukumar Verma	Informa Connect (Agenda 10)
Marina Bortoletti	UNEP (Observer)		

Regrets

Colin Taylor	IFC	Diederik Pretorius	Ebro Foods
Paul Nicholson	Olam International	J S Oberoi	LT Foods

Part 1. Summary of Resolutions and Actions Arising

Resolutions

- Resolution 1:** The meeting resolved unanimously to adopt the meeting agenda as circulated.
- Resolution 2:** The meeting resolved unanimously to adopt the report of Meeting 2-19 on 17 December 2019 (Annex 1).
- Resolution 3:** The Board unanimously approved the SRP Annual Financial Report 2019 (Annex 5).
- Resolution 4:** The Board resolved unanimously to approve IRRI's request for an additional \$39k in extra-budgetary costs to recover Technical Coordinator salary contributions for 2019, subject to fund availability after covering budgeted obligations in Q1-2, adjusting total contribution to \$70,000.
- Resolution 5:** The Board voted to accept proposed new dues structure and membership manual, with the following amendments: (1) waived dues for public sector and civil society partners and replace with a requirement for in-kind contributions; and (2) maintain the current maximum dues level of Euros 20k for input, equipment and service providers with T/O > 50 million.
- Resolution 6:** The Board resolved unanimously to endorse the SRP Assurance Scheme Fee Model with review end 2021 (Annex 8).

Actions Arising

- Action 1: (Pending from last meeting):** IRRI to clarify role of SRP Executive Board as ultimate authority in overseeing the function and performance of the SRP Executive Director.
- Action 2:** Business Model Task Force to recommend proposed structure to next Board meeting.
- Action 3:** LK to introduce Emma Peacock (Global Vice President, Commercial, Mars Food) to the Board, and share TORs/roadmap of Food Loss and Waste Task Force.
- Action 4:** Secretariat to issue a call for nominations for Vice-Chair.

- Action 5:** CV to request IRRI to issue letter confirming final amount of total reimbursements.
- Action 6:** WE to draft agreement between SRP and IRRI covering terms of transfer of trademark over SRP logo.
- Action 7:** IRRI to inform on process, timeline and cost breakdown for transfer of ownership of the TM.
- Action 8:** LLP to prepare proposed 2020 Plenary Meeting and 2021 Conference plans.
- Action 9:** Secretariat to conduct a Doodle poll for next Executive Board meeting 2/20.

Part 2. Full Report

1. Chairman's remarks

- The meeting was called to order at 15:00 SE Asia Standard Time and was declared quorate.
- Following the reading of an Anti-Trust Statement, MB welcomed members of the Executive Board to its first meeting of 2020.
- On behalf of the Board, MB announced the departure of LK who is leaving Mars for another role. He conveyed his appreciation on behalf of the whole Board for her many contributions to the SRP- her long-standing commitment, passion and strategic leadership will be greatly missed. The Board wished her well in her future challenges.
- MB called for adoption of the agenda for the current meeting; no objections were raised.

Resolution 1: The meeting resolved unanimously to adopt the meeting agenda as circulated.

2. Approval of last meeting report 2/19 and actions arising (Annex 1)

- MB reported all actions arising from last meeting (2/19) as complete, except for Actions 1 and 3, now repeated as Actions 1 and 2 below.

Resolution 2: The meeting resolved unanimously to adopt the report of Meeting 2-19 on 17 December as circulated.

Action 1: (Pending from last meeting): IRRI to clarify role of SRP Executive Board as ultimate authority in overseeing the function and performance of the SRP Executive Director.

Action 2: Business Model Task Force to recommend proposed structure to next Board meeting.

3. Mars handover brief (Annex 2)

- LK expressed her appreciation to all members of the Board and Secretariat for their longstanding collaboration in shaping SRP's trajectory. She will introduce Emma Peacock (Global Vice President, Commercial, Mars Food) to the Board, and share TORs/roadmap of the recently-established Food Loss & Waste Task Force, which she initiated and chaired. Mars and Olam are developing a practice-based methodology for assessing FLW and the Task Force is collaborating with a wider coalition including WRI as a contribution to the 12.3 Champions initiative (SDG 12.3). A series of learning webinars is also planned.

- LK shared her recommendation that the Board consider electing an independent member of the Board.

Action 3: LK to introduce Emma Peacock (Global Vice President, Commercial, Mars Food) to the Board, and share TORs/roadmap of Food Loss and Waste Task Force.

Action 4: Secretariat to issue a call for nominations for Vice-Chair.

4. Secretariat report (Annexes 3-4)

- WE presented the Secretariat Report for January, highlighting the following:
 - **Legal entity:** registration expected late February 2020, with bank account by early March. GIZ has so far covered legal costs of €30,000.
 - **Members:** 106 members with 6 more expressions of interest.
 - **Training:** AIZ has trained 51 Master trainers to date, with 27 prospective Verification Body trainers; SRP has renewed status of AIZ and GLOBALG.A.P. as SRP Authorized Training Providers.
 - **Business Model (Action 2):** Business model drafted, assurance fee model agreed (pending Board approval), and next Task Force meeting to be held early Feb.
 - **Task Forces:** A total of 6 SRP Task Forces are operational with 1 (Training) now concluded.
 - **National Chapters:** Of the 9 countries reported, possible funding sources have been identified for Cambodia, India, Myanmar and Vietnam.
 - **Secretariat Action Plan 2020:** Annex 4 defines activities under 4 Key Result Areas (KRA) for 2020. Priority activities were presented for Q1-2 under KRAs 1 and 2.
 - **Project pipeline:** The #100andchange \$100 million proposal has passed peer review and has progressed to the next phase of evaluation. New opportunities include 'Lever for Change' (\$1-5-10m, CN submitted); DeveloPPP.de (€2.4 m, submitted), and GreenInvest Asia (80-120k) for 2 programmes (Food Loss & Waste and SRP-SDG study with Oxfam).
 - Upcoming events and ED travel plan for Q1 were also reported.

5. Financial Report 2019 (Annex 5)

- CV presented the 2019 consolidated annual income and expenditure report based on latest data as received from UNEP.
- Actual 2019 income was recorded as 240k, with 85k dues payments still outstanding, representing a total income for 2019 of 325k against a total of 327k expenses. (This excludes profit from conference amounting to 7,723\$). Also not included are \$3,723 legal fees for IFS incurred by IRRI (to be paid directly by UNEP), *ad hoc* contributions by GIZ (legal fees) and individual Board members (retailer engagement).
- Projected Q1 cash inflow is based only on receipts of outstanding dues for 2019 (85k), which will still be channeled via the UNEP a/c. 2020 invoices will be raised in early March once the bank a/c for SRP e.V. is opened in Germany.
- All current and new members will be requested to submit new financial reports to verify T/O and enable assessment of annual dues levels.

- CV also proposed a change in accounting method to the accrual system when the new entity is in place.
- MR expressed UNEP's commitment in providing the necessary administrative and financial support to SRP in coordination with CV.
- AS stressed that design of future SRP donor-funded projects should incorporate budgetary contributions to the Secretariat.
- WE noted the urgency of raising 2020 invoices and requested cooperation of companies in registering the new SRP entity in their respective vendor databases. He also reported that UNEP had been requested to provide a Letter of Intent to transfer on request all SRP assets held by UNEP on its behalf.

Resolution 3: The Board unanimously approved the SRP Annual Financial Report 2019 (Annex 5)

6. IRRI SSFA

- CV reported a request from IRRI for an additional 39k in funding to cover Technical Coordinator salary contributions for before 2019 (13 months). It was noted that this was extra-budgetary but legitimate.
- Nevertheless, noting the current cashflow constraints, it was agreed that the request could not be immediately accommodated until 2020 dues are received. It was therefore proposed to proceed with a new SSFA, replacing the one approved by the Board on 17 November 2019, reducing the amount to cover 6 months of the ED's salary instead of 10 months as planned, including allowances and travel costs. An amendment to the SSFA will then later be made to cover continuing ED salary and travel commitments, plus the new 39k payment, making a total contribution of \$70,500. This was agreed unanimously.
- However, the Board also agreed that it will not consider reimbursement of any further retrospective claims brought forward by IRRI. MB requested written confirmation from IRRI to this effect, to be coordinated through CV as Treasurer.

Resolution 4: The Board resolved unanimously to approve IRRI's request for an additional \$39k in extra-budgetary costs to recover Technical Coordinator salary contributions for 2019, subject to fund availability after covering budgeted obligations in Q1-2, adjusting the total contribution to \$70,000.

Action 5: CV to request IRRI to issue letter confirming final amount of total reimbursements.

7. Process for trademark and IPR (Annex 6)

- MB reported on bilateral discussions with IRRI's legal office and further inquiries made to UNEP and former Deputy Director General (Bruce Tolentino) as to their understanding of the original intent of the trademarking process as assigned to IRRI in 2017 with SRP funds.
- RB informed that these two interventions, including additional documentation provided by the Secretariat confirmed the original intent that IRRI would hold the Trademark until establishment of SRP's legal entity, upon which IRRI would transfer ownership. He announced that IRRI was therefore now ready to fulfil the Secretariat's request, provided SRP meets the following conditions:

- The new SRP is fully registered
- All costs incurred by IRRI and linked to the assets are fully refunded to IRRI at or before time of transfer
- "follow-up clause": In case SRP's Articles of Association are changed and/or in case SRP ceases to actively use the transferred assets, and/or in case SRP is in receivership, then the transferred assets would be swiftly returned to IRRI
- A formal agreement covering the above points is executed between SRP and IRRI
- AS challenged the need to specify a beneficiary organization so early on in development, indicating that the beneficiary institution should only be designated as and when dissolution was under consideration.
- MB requested RB for a cost estimate and timeline for the transfer of ownership.
- WE reminded that in order to maintain the listing of the TM, IRRI will need to submit an affidavit as a "Declaration of Actual Use" of the TM to the Philippine Intellectual Property Office by 25 April 2020, being the 3-year anniversary of the filing date (NOT the registration date). RB confirmed he would take this up with the IRRI Legal Office.
- WE was tasked with drafting a formal agreement between SRP and IRRI. AS clarified that the agreement would cover only assets currently held by IRRI on SRP's behalf, and would exclude any future assets generated.

Action 6: WE to draft agreement between SRP and IRRI covering terms of transfer of trademark over SRP logo.

Action 7: IRRI to inform on process, timeline and cost breakdown for transfer of ownership of the TM.

8. Member dues structure (Annex 7)

- WE presented a revised proposal and Member Manual, being the recommendation of the Membership Task Force. He noted that this topic has been the subject of member consultation since the Visioning Exercise and was also discussed at the 2019 General Assembly.
- He reported that the Task Force members had voted conclusively on all points under discussion, except the proposal to raise dues levels for input, equipment and service providers, where under the current proposal, members in the highest category (T/O >50 million) would be assessed at €10k (these members are currently assessed at \$20k).
- The Board was therefore asked to vote on whether proposed dues for this category should be brought back into parity with supply chain actors in this same T/O bracket, i.e. (€20k).
- While KJ expressed his objection to the change, the vote was passed, with 5 voting members in favour and 2 against.
- RB inquired whether it was still possible to debate a proposed increase of maximum dues for all private sector members from 20k to 40k. Responding, MB noted that the Task Force had already voted 8-1 against this proposal, which therefore was not tabled to the Board as a Task Force recommendation. This question is therefore considered as closed.
- In addition, Board members likewise voted 5 to 0 with 1 abstention in favour of eliminating annual dues for governmental and civil society organizations, on condition that they are required to commit to clearly defined, specific in-kind contributions to the work of SRP.

Resolution 5: The Board voted to accept proposed new dues structure and membership manual, with the following amendments: (1) waived dues for public sector and civil society partners and replace with a requirement for in-kind contributions; and (2) maintain the current maximum dues level of Euros 20k for input, equipment and service providers with T/O > 50 million.

9. SRP Assurance Scheme Fee Model (Annex 8)

- IA presented the proposed Fee Model (Annex 8) for the SRP Assurance Scheme, following intensive bilateral consultation with key supply chain actors within the membership.
- Although unable to participate, PN expressed his support for approval of GLOBALG.A.P.'s proposed fee model via email.

Resolution 6: The Board resolved unanimously to endorse the SRP Assurance Scheme Fee Model with review end 2021 (Annex 8).

10. SRP Conference 2019 wrap-up (Annexes 9-10)

- SV presented overall conference outcomes as per Annexes 9 and 10. The conference was profitable despite adverse business conditions, resulting in a gross profit of US\$, with US\$ passed to IRRI to be held on behalf of SRP, to be credited against next SSFA.
- The Conference Outcome Document "Bangkok Declaration 2.0" is now available for distribution as per Annex 10.
- LLP informed that the Secretariat would present a proposal to the next Board for the 2020 Plenary and General Assembly, and also for the 3rd Global Sustainable Rice Conference & Exhibition in 2021, which will celebrate the SRP's 10th Anniversary.

Action 8: LLP to prepare proposed 2020 Plenary Meeting and 2021 Conference plans.

11. AOB

- **None. The meeting adjourned at 17:25 SE Asia Standard Time.**

Action 9: Secretariat to conduct a Doodle poll for next Executive Board meeting 2/20.

Secretariat
5 February, Bangkok

Annexes

- Annex 1 : Draft Report – SRP Executive Board Meeting 2-19
- Annex 2 : Letter from Mars and Oxfam re social inclusion for SRP network
- Annex 3 : Secretariat Report
- Annex 4 : Secretariat Action Plan 2020
- Annex 5 : SRP Financial Statement 2019
- Annex 6 : IRRI IPR presentation
- Annex 7 : Membership Programme Manual (Recommendations of Membership Task Force)
- Annex 8 : SRP Assurance Scheme Fee Model
- Annex 9 : SRP Conference Bangkok Declaration on Sustainable Rice 2.0
- Annex 10 : Conference Financial Statement (audited)