

SRP Board Meeting 4/19

29 April 2019 15:00-17:00 SE Asia Standard Time

Venue: <https://global.gotomeeting.com/join/610578077>

Participants

Board

Matthias Bickel	GIZ (Chair)	Jai Sheel Oberoi	LT Foods
Mark Radka	UN Environment (Co-chair)	Natasha Straker	Westmill Foods
Jackie Hughes	IRRI (Co-chair)	Adrian Sym	AWS
Diederik Pretorius	Ebro Foods	Keith Jones	Syngenta (Proxy)
Sanjay Sethi	Phoenix Group		

Secretariat

Wyn Ellis	SRP Secretariat	Bernadette Bodenmueller	SRP Secretariat
Peter Sprang	SRP Secretariat	Sukumar Verma	IBC Asia (Item 6 only)

Regrets

Huynh Van Thon	Loc Troi Group	Paul Nicholson	Olam International
Louke Koopmans	Mars Food	Ladda Viriyangkura	Rice Department, Thailand
Christ Vansteenkiste	Rikolto	Charlie Butcher	Syngenta
James Lomax	UN Environment		

Meeting Report

1. Chairperson's remarks

- The SRP Board meeting 4-19 was called to order at 15:02 SE Asia time.
- The meeting was declared quorate with a total of 9 voting members in attendance.

2. Approval of report of last meeting and adoption of agenda

- The report of the last meeting of the Board (3/19, 22 March 2019, Annex 1) was approved with two corrections: Executive Director position: salary costs will be covered by SRP with top-up from BMZ/GIZ. The 2-year contract will be renewable for up to 4 years (not 6).
- The agenda as circulated was adopted unanimously.

3. Secretariat Report (Annex 2)

- **Milestones:** WE presented the SRP Secretariat Report for Q1 2019. Progress has been made on a several important fronts, with milestones as follows:

- **Membership:** New member applications received from Control Union (Thailand), CropIn and Atlas Foods (Pakistan), and a new inquiry from REWE (Germany). Kellogg's confirmed to rejoin the SRP, while BASF has notified its intent to leave.
- **Legal entity:** Further analysis of legal entity options (to be presented under Agenda Item 4).
- **SRP reorganization:** Ongoing, with a new Secretariat organizational structure drafted (Annex 3), proposed Secretariat TORs (Annex 4), draft Membership Programme Manual (Annex 5), 2019 Communications Plan (Annex 8) circulated for Board review ahead of next meeting 5/19. A draft business plan and back office management platform and website rebuild are also in progress.
- **SRP Project Registration Form:** Circulated to members in January to allow official recognition of member-led outreach projects, support sourcing by downstream buyers and aggregate project impact data.
- **Human resources:** Bernadette Bodenmueller (Consultant for retailer engagement) rehired under Syngenta support until end April; and Tobias Vomberg (GIZ intern assigned to SRP) joined on 1 April for 6 months, responsible for social media and ICT).
- **Standard and Performance Indicators v 2.0:** Now available online at the SRP website, and data collection tool updated.
- **Assurance Scheme:** presented by GLOBALG.A.P. to UK retailers on 8 April. A stand-alone brochure was developed and circulated. Auditor training materials under development by GLOBALG.A.P.
- **Retailer engagement:** already operationalized but requires additional funding (covered under Agenda Item 5).
- **SRP National Chapters:** Inaugural meeting of Thailand National Chapter held on 25 March (covered under Agenda Item 6)
- **Events:** Following the 8th Plenary/General Assembly in Siem Reap, SRP participated in the Responsible Business Forum for Food & Agriculture (Bangkok), WAPRO Steering Committee (Abu Dhabi) and the Sustainable Rice Landscape Initiative Signing Ceremony & Closed Consortium Partner Meeting (Bangkok).
- **SRP conference planning:** Preliminary programme and thematic tracks agreed (proposed to Board for decision under Agenda Item 7).
- **Financial Report (Annex 7):** Q1/19 financial report shows income received during Q1 of only 20k from member dues (Olam). All other invoices remain pending, with an unallocated balance of 56k available. Pending income for 2019 (payable in Q2) is 160k from current members plus 50k in Q3 from 4 new members (Buhler (20k), Jain (10k), CU (10k) and Atlas Foods (10k)), totalling 210k. BASF income remains in question pending discussions on membership renewal.

- The process flow for invoicing is shown in Annex 5 (draft SRP Membership Programme Manual).
- **Executive Director position:** MB reported that the position and funding have now been approved by BMZ and will be advertised in May. BMZ will then prepare a shortlist of candidates for IRRI's review. The shortlist will be shared with the SRP Board, since the post is partly funded by SRP members.
- **Key challenges:** WE summarized current challenges as follows:
 - Dues collection
 - Retailer engagement – funding to ensure continuity of contract for BB
 - Resource mobilization for projects
 - Establishment of a registration system to monitor and showcase member projects
 - Brand value: prevention of unauthorized use/claims.
- **Discussion:** MB stressed the need to resolve the cashflow issue and urged Board members to follow up urgently on settlement of invoices. Funding of the Executive Director position will free up some funds; however, a stronger effort on resource mobilization is called for on the part of Board members.
- DP questioned the omission of Ebro from the Financial Report; WE clarified that Ebro's contribution will be recorded in the Q2 report as the invoice was raised on 2 April.
- KJ inquired about payments pending for Syngenta: WE confirmed that payment remains pending for 2019, with Corteva and Bayer payments for 2018 and 2019 also pending.
- MR proposed that the Secretariat prepare a table of contributions for the past 3 years, to facilitate monitoring and allow SRP to achieve a stable financial status.
- KJ/JH requested clarification of member categories and suggested that the typology in Tables 1 and 2 (Annex 5) should be adjusted.
- AS inquired about the use of on-pack labels and on-pack claims, and whether members may make on-pack claims. WE responded that this would be discussed under Agenda Item No 5.

[Action: Secretariat to prepare schedule of dues payments for past 3 years]

[Action: Secretariat to analyze and revisit typology of member categories to ensure clarity]

4. Legal entity options: (Annex 7)

- MB noted the Board's resolution at its last meeting mandating the Secretariat to research additional legal entity options and present a single recommendation to the Board. A recommendation has been prepared for information and discussion at the current meeting, with additional open questions to be raised and addressed ahead of a final decision to be made at the next Board Meeting 5-19.
- WE briefed the Board on the current status of legal entity options, as follows:

1. A survey of Board members following the last Board meeting revealed a small majority in favour of Germany as the preferred jurisdiction. Two options were discussed with a German law firm: (1) the not-for-profit Association (e.V.); and (2) the not-for-profit limited company (gGmbH).
 2. The second option was rejected because (a) all Board members would need to be corporate shareholders; and (b) Board members would be exposed to significant legal liability. Considering the SRP's membership base, both these constraints would be expected to be limiting factors for the gGmbH structure.
 3. The e.V. structure allows the Board and membership to define an optimal governance structure (e.g. Board size, composition and decision-making processes). WE pointed out that most questions on governance under the e.V. modality are answered in the relevant clauses of the German Civil Code.
 4. A brief has been provided to the law firm (see Annex 7) to address other questions raised by Board members in an official legal opinion. GIZ will cover costs of this legal consultation. The legal opinion will be shared with the Board ahead of its next meeting in order to facilitate a final decision.
- **Discussion:** DP requested clarification on the definition of the term "economic activity". MB explained that provided the economic activity did not constitute the organization's core activity, and that revenues from such activity were essentially non-commercial in nature, the e.V. structure could accommodate this. SRP revenues from training, assurance, conferences etc. will be re-invested in public interest activities, so can be legitimately categorized as non-commercial under the e.V. legal entity structure.
 - AS noted that the legal entity's board should ensure balanced representation of stakeholder interests, and that the proposed organizational structure may therefore require review since the current structure specifies permanent representation and leadership by UN Environment and IRRI. Responding, MB pointed out that the General Assembly will elect the board of the new legal entity. The current board can offer recommendations in this regard. In repeated consultations, members have stressed their desire for continuing permanent representation and leadership by UNEP and IRRI. Nevertheless, this question is always open for discussion. MB proposed that the Secretariat conduct a new analysis of membership and recategorize members as necessary. AS offered his assistance in this process, based on AWS experience.

[Action: WE to review membership categorization, liaising with AS]

- JH requested three additional questions to be posed to the lawyer:
 1. Is there a problem if the Executive Director is a staff member of another institution?
 2. Can bank accounts be opened in any jurisdiction in any currency?
 3. Are there any differences in IP rights management in Germany?

- JSO commented that in his view, the process of deciding upon a German legal entity has proceeded too rapidly. He asked if a German legal base offers SRP any advantage when most activities take place in Asia? MB responded that Board members had expressed their preference for Germany in the survey. He also pointed to numerous examples of successful precedent with this modality under German law. Third, facilitated engagement with European retailers could help drive global recognition; and fourth, a EU-based legal entity is likely to enhance resource mobilization for SRP.
- JSO stressed that SRP needs a presence in S/SE Asia where rice carries importance for production and markets. SRP will need to cooperate with governments of these countries to drive adoption of sustainable best practice. WE noted that the Secretariat will continue to be hosted by UN Environment in Bangkok, regardless of the jurisdiction of the legal entity. MB added that in-country presence of SRP will be vital in key countries. – hence the prioritization of establishment of National Chapters. Once these are established, they may also become incorporated as legal entities.
- DP supported the rationale for Germany, noting the large number of donors and grant funding opportunities in Europe that prioritize Asian countries.
- As precedent, MR reported the positive experience with the REN21 Project- a joint venture established between UN Environment and GIZ with a legal entity in Germany, a Secretariat hosted by UN Environment in Paris, and a large global inter-governmental member network. MB added that REN-21 Statutes and Bylaws may provide useful learnings for SRP and are available on request from the Secretariat.
- Closing the discussion, MB informed that the legal opinion will be circulated ahead of the next Board meeting, when a final decision would be anticipated.

5. Retailer engagement strategy (Annex 9)

- The General Assembly (24 January 2019, Siem Reap) endorsed a proposed SRP Retailer Engagement Strategy as a key pillar to drive downstream demand for sustainable rice produced under the SRP umbrella, incentivize recognition and adoption of the SRP Standard and maximize the utility and relevance of SRP tools and the Assurance Scheme. A number of SRP corporate members pledged their commitment to provide financial support to implement the Strategy as proposed. To date, GIZ, Syngenta, Westmill and Galaxy Rice have all fulfilled those commitments.
- BB presented activities undertaken to operationalize the strategy, as follows:
 - WE/BB led a meeting with top UK food retailers held at the Ethical Trading Institute in London on 8 April 2019. As anticipated, the response was positive but there remain a number of questions in regard to the Assurance Scheme. Annex 9 summarizes key outcomes.
 - The Secretariat has produced a FAQ brochure aimed at retailers, to assist in their internal discussions.

- The Secretariat is now following up with most of the participant retailers, in some cases together with some Board members whose support is greatly appreciated. Next steps are to engage with Waitrose, Tesco and M&S, who have expressed the strongest levels of interest. Meetings / calls are also planned with Ahold (Albert Heijn), Migros, Coop (Switzerland), REWE and Tesco-Lotus (Thailand). BB will be in Europe end May-June and Board members based in, or travelling to Europe at that time are invited to contact BB should they wish to join any of these meetings.

[Action: BB to share meeting schedule with the Board]

- Retailers expressed interest in on-pack labels based on the Assurance Scheme. BB clarified that in order to use the on-pack label, every member of the supply chain will need to be a member of SRP. Under the Assurance Scheme, only if 3rd party verification is implemented (Level 3) can on-pack claims be made.
- The Secretariat has consulted with a number of members to seek key contacts and entry points to retailers. These are being collated in a database, Board members are encouraged to support this process of network development by sharing their retailer contacts with BB.

[Action: Board members to share key retailer contacts /make introductions to BB]

- BB noted the need to engage with retailers in producing countries as well as in developed markets. SRP Secretariat is reaching out to potential entry points e.g. via GreenInvest Asia (Asia and USA) CP (Thailand) and Tesco-Lotus in Thailand.
- On the communication side the following activities have been initiated:
 - A logo for verified rice is being designed based on survey feedback, together with a Brand Manual to specify rules and how / when to use the logo.
 - The SRP website is being redeveloped completely with funding provided by Galaxy Rice and GIZ for a graphic and web designer, and in-kind support from Olam. The Secretariat is renewing its member outreach to build a library of success stories and demonstrate impact.
 - SRP's social media presence is being reviewed with a view to engage an agency to maintain/leverage our social media channels and expand the overall footprint. This activity will be activated when additional budget becomes available.
- **Discussion:** MB congratulated BB on a strong operationalization of the retailer engagement strategy; the UK retailer meeting was an important first step; with two retailers (Tesco and M&S) expressing strong interest, follow up meetings are needed.
- MB called attention to the fact that BB is now about to complete her second short-term contract, which means that a sponsor for a 3rd contract is urgently needed. He called upon Board members to consider contributing in order to ensure BB's continuing engagement.
- AS thanked the Secretariat for its efforts thus far, while expressing concerns about the credibility of claims, contending that more work is needed e.g. on SRP's policy for use of its

IP (on-and off-pack). In AWS' experience, German retailers have expressed greater concerns over sustainability of their supply chains, and recommended a focus on engaging with these downstream actors.

- MB concurred, noting that before moving to execution, establishment of the legal entity should be finalized to allow IP to be protected and rules enforced. He called attention to some incidents where members had communicated very high scores under Assurance Level 1, when the Assurance Scheme specifically prohibits such external communication. SRP needs to safeguard its assets and brand value by strict enforcement of the policy under the Assurance Scheme. Although no membership has so far been cancelled due to violations, sanction processes need to be clearly stipulated. Given the possibility of litigation in such circumstances, a legal entity is a prerequisite to fully empower and implement such sanctions.
- WE pointed to existing requirements / policies clearly stipulated in the SRP Publication Policy, the Assurance Scheme and the forthcoming Brand Manual. All policies will be aligned and brought together under a comprehensive Member Programme Manual (now under development).
- AS/JSO left the meeting at 16:20pm SEA.

6. SRP National Chapter for Thailand (Annex 10)

- WE briefed the meeting that the Secretariat had approved an expression of interest from GIZ to lead the establishment of a Thailand National Chapter for SRP (following the approved SRP Protocol for Establishment of National Chapters),
- GIZ has also submitted a formal expression of interest to host the National Chapter, also in compliance with the above Protocol.
- An inaugural meeting of rice stakeholders in Thailand was convened by GIZ in Bangkok on 25 March to discuss the objectives, roles and opportunities to establish a Thailand National Chapter, and to solicit interest of key actors across the stakeholder spectrum. (See Meeting Report- Annex 10).
- The Protocol was amended to stipulate a fixed 3-year initial term for hosting, to be reviewed thereafter by the Board and to allow other interested parties to express interest in hosting, Board endorsement of National Chapter hosts is required.
- JH commented that it is unfortunate that only GIZ expressed interest in hosting, and expressed concern that this may set the wrong precedent if this is repeated in other countries.
- MB responded that two additional organizations initially expressed interest in hosting; one (AFMA) withdrew when reminded of the requirements. The other agency, the National Bureau of Food & Commodity Standards, ACFS) under the Ministry of Agriculture & Cooperatives expressed interest in hosting the Chapter in the medium term, when government budget has been secured. This could take 2-3 years.

- MB also pointed to the diversity of potential hosts identified at the bottom of the proposed SRP Organization Chart (Annex 3). He also stressed that he sees selection of host organizations as an important role for the Board, in order to ensure that the Board is satisfied that candidate host organizations can fulfill their roles effectively.
- MB stated his desire to establish 6 national chapters over the coming year in key countries. Considerable efforts are needed to drive buy-in and scale at national level, which will necessitate direct country-level leadership and stakeholder engagement, rather than attempt to drive the process via the global Secretariat.
- MB asked for the Board's endorsement of GIZ's proposal to host the Thailand SRP National Chapter for an initial period of 3 years. Supporting the motion, KJ noted that once the Chapter is established and functioning effectively, we may see greater interest from other national-level organizations in hosting the national chapter.
- MB added that GIZ stands ready to hand over the hosting role as soon as an interested Thai government agency is ready to take over this responsibility. He added that in Vietnam, IPSARD is said to be interested in hosting.
- MR suggested active monitoring of implementation in order to share lessons learned. He requested that National Chapter development and implementation be included as a standing agenda item in future Board meetings.
- There were no objections and the motion to endorse GIZ as host of the Thailand National Chapter for an initial period of 3 years was adopted unanimously.

7. 2nd Global Sustainable Rice Conference and Exhibition (Annex 11)

- WE welcomed Sukumar Verma (CEO, IBC Asia) to the meeting as the event management organizer for the conference.
- WE presented a draft preliminary programme (Annex 11) developed by the Conference Steering Committee, with 6 parallel thematic tracks proposed, designed to cater for the interests of the conference's target stakeholder demographic. He requested the Board's endorsement of the preliminary programme, noting that this would continue to be refined. The final narrative of the programme will be designed to feed into a second 'Bangkok Declaration' as issued in the first conference in 2017. He added that a strong governmental presence will be sought through the policy track, and that the Conference Steering Committee has been tasked with mapping the conference topics to major global campaigns in order to maximize leverage and visibility.
- SV summarized progress to date from IBC Asia's perspective, as follows:
 - IBC was responsible for managing the First Conference and Exhibition in 2017, which was acknowledged as a major success. IBC hopes to build on this experience and achieve more in the forthcoming event.

- Good progress has been made in event planning, guided by the Conference Steering Committee. Some sponsors and exhibitors have already been acquired (confirmed: Olam, Phoenix, CP and DSM).
- With the Board's endorsement of the preliminary programme, IBC will be able to update the conference website and issue a call for papers/presentations. The detailed programme will be finalized by early June, when a major marketing and promotion drive effort will be launched.
- MB commented that the programme is broad enough to accommodate the interests of SRP members but also that it will require elaboration.
- JH supported the draft programme design and reported that the contract with IBC Asia has not yet been signed pending agreement on IRRI's liability. SV responded that a call was scheduled on 30 April to finalize this question.
- There were no objections and the Board duly endorsed the draft preliminary programme on the understanding that it will continue to evolve. The Board will be updated at its next meeting (5-19).

8. Any other business

- Secretariat will set up a Doodle poll to finalize the date of the next Board meeting 5-19.
- WE informed the Board of his annual leave from 6-25 May (note: now rescheduled for 21 May-13 June).

The meeting was adjourned at 17:04 SE Asia Standard Time.

Annexes

Annex 1	Meeting Report – SRP Board meeting 3-19
Annex 2	Secretariat Report Q1
Annex 3	Organization Chart
Annex 4	SRP Secretariat Terms of Reference (draft)
Annex 5	SRP Membership Programme Manual (draft)
Annex 6	Financial Statement Q1 2019
Annex 7	Legal entity structure options
Annex 8	Communication Plan 2019
Annex 9	Meeting Outcome – UK Retailers Meeting
Annex 10	Meeting Report – SRP National Chapter Thailand Inaugural Meeting
Annex 11	Preliminary Programme – 2 nd Global Sustainable Rice Conference and Exhibition (draft)