

SRP Executive Board Meeting 2/19

17 December 2019 / 15:00-17:00 SE Asia Standard Time

Venue: <https://global.gotomeeting.com/join/545768621>

Participants

Board Members

Matthias Bickel	GIZ (Chair)	Louke Koopmans	Mars Food (Vice Chair)
Colin Taylor	IFC	Adrian Sym	AWS (Secretary)
Jai Sheel Oberoi	LT Foods	Diederik Pretorius	Ebro Foods
Remy Bitoun	IRRI	Keith Jones	Syngenta
Stephan Moreels	Control Union	Simon Mahood	WCS Cambodia
Paul Nicholson	Olam International	Sanjay Sethi	Phoenix Group
James Lomax (proxy)	UN Environment		

Secretariat

Wyn Ellis	SRP Secretariat	Lea Las Piñas	SRP Secretariat
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Invited

Ignacio Antequera	GLOBALG.A.P.
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Regrets

Mark Radka	UN Environment (Observer)
Christ Vansteenkiste	Rikolto (Treasurer)

Meeting Report (draft)

Part 1. Summary of Resolutions and Actions Arising

Resolutions

- Resolution 1:** The meeting resolved unanimously to adopt the meeting agenda as amended
- Resolution 2:** The meeting resolved unanimously to adopt the report of Meeting 1-19 on 18 November
- Resolution 3:** The Board unanimously endorsed the SRP Budget 2020 as proposed (Annex 6)
- Resolution 4:** The Board resolved unanimously to endorse the SRP Assurance Scheme and Internal Management System (Annexes 8-9)
- Resolution 5:** The Board resolved unanimously to establish a Performance Indicators Task Force

Actions Arising

- Action 1:** **(Pending from last meeting):** IRRI to clarify respective roles of IRRI line management and the Board of SRP, as the seconded organization for the Executive Director position, in overseeing the function and performance of the SRP Executive Director.
- Action 2:** MB/SS/PN/WE to discuss with IRRI's legal team regarding transfer of trademark over SRP logo, and intellectual property rights over co-created assets, and provide recommendation to next Board meeting.
- Action 3:** Business Model Task Force to recommend proposed structure to next Board meeting.
- Action 4:** Membership Task Force to finalize dues structure 2020-2022 and table to next Board meeting.
- Action 5:** Treasurer and Secretariat to pursue collection of all remaining 2019 invoices.
- Action 6:** WE and IA to finalize the Assurance Scheme Fee Model and table to next Board meeting.
- Action 7:** Secretariat to issue a call for volunteers to join a new SRP Performance Indicators Task Force.
- Action 8:** Secretariat to conduct a Doodle poll for the next Executive Board meeting.

Part 2. Full Report

1. Chairman's Remarks

- The meeting was called to order at 15:15 SE Asia Standard Time and was declared quorate.
- Following a reading of an Anti-Trust Statement by WE, MB welcomed members of the Executive Board to its last meeting in 2019. On behalf of the Board, he conveyed his deepest condolences to CV for the untimely passing of his mother.
- Invited by MB to offer opening remarks, LK (Vice-Chair) called for stronger collaboration, particularly on topics relating to scaling of impact. LK expressed her commitment to lead and contribute to such initiatives in her capacity as Vice-Chair.
- WE requested two corrections to the Agenda, to read under actions required for Agenda items 5 ("for information") and 6 ("for decision"), before presenting to the Board for adoption.

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

2. Approval of last meeting report and review of actions (Annex 1, for decision)

- MB reported all actions arising from last meeting (1/19) as complete, except for Action 8, now shown as Action 1 below.

Resolution 2: The meeting resolved unanimously to adopt the report of Meeting 1-19 on 18 November as circulated.

Action 1: (Pending from last meeting): IRRI to clarify respective roles of IRRI line management and the Board of SRP, as the seconded organization for the Executive Director position, in overseeing the function and performance of the SRP Executive Director.

3. Legal entity registration (Annex 2, for information)

- A legal opinion from Winheller (legal counsel, Germany) dated 11 November was circulated to the Board, covering the following points:
 - Personal liability of members of the Executive Board and Executive Director; and
 - Minimum requirements for establishing and maintaining an administrative seat of the Association in Germany.
- Registration of the SRP legal entity is expected to be completed in the forthcoming weeks, to be facilitated by Winheller, whose total engagement has to date incurred costs of EUR 30,800, shouldered by GIZ.
- Upon registration, the immediate next steps are as follows:
 - Opening of bank account
 - Application for non-commercial tax-exempt status.

4. Trademarking and intellectual property rights (Annexes 3a-3g, for decision)

- RB claimed that IRRI owns the SRP logo and associated assets including the SRP name. He provided an overview (Annex 3a) of IRRI's participation in SRP logo registration, and informed that IRRI is unable to comply with the Secretariat's request to transfer ownership to the new SRP legal entity due to inadequate supporting documentation, even considering the Report of SRP Advisory Committee Meeting 1-17 on 31 January 2017 (Annex 3b) stating the Advisory Committee's intent that IRRI register and hold the SRP logo under IRRI's name in the Philippines as an interim arrangement pending establishment of the SRP legal entity, as offered by Dr Bruce Tolentino (Deputy Director General of IRRI, representing IRRI at the time). The trademark certificate of registration (for Philippines only) is attached as Annex 3c for reference.
- However, RB also acknowledged additional documentation provided by the Secretariat (Advisory Committee Meeting Report 2-17 on 6 March 2017, SSFA and IRRI Final Expenditure Report showing payment for service of \$3,500 to IRRI to cover registration costs). These are attached to this report as Annexes 3d, 3e and 3f, respectively. RB indicated he would request IRRI's legal department to review IRRI's position in light of the additional evidence.
- While intending to retain ownership over SRP's logo, IRRI offers to grant SRP a royalty-free license for worldwide use, citing para. 8.5 of the bilateral MOU between UNEP and IRRI dated March 2017.
- With reference to the UNEP-IRRI bilateral MOU signed in April 2017, AS noted that this agreement poses no legal obstacles to transfer of ownership since the MOU can be freely amended by mutual agreement, and that IRRI was internally free to gift its IP to any third party. He proposed an addendum to the MOU to effect a joint intent by the Parties to transfer logo ownership to the SRP legal entity as an immediate and simple solution to overcome the legal obstacle cited by RB, and thereby eliminate potential consequences for future collaboration.
- Agreeing with AS, PN noted that IRRI's stance in claiming ownership appears to reflect a business decision rather than a legal position. He therefore requested RB to clarify whether this decision is based on an intent by IRRI to set the scene to monetize value created by the SRP logo for IRRI at some future date, and further, whether the duration of such a license would be time-bound or in perpetuity? RB clarified that the royalty-free license would need to be time-bound but declined to specify the time frame contemplated by IRRI.
- KJ cited a similar case regarding *gratis* transfer of logo ownership by CropLife Canada to CropLife International, demonstrating precedent for a straightforward approach in SRP's case. SS proposed creating new assets should SRP and IRRI fail to arrive at an agreement.
- Reminding the Board of its priority and duty to secure all SRP assets within the SRP banner and legal entity, MB requested volunteers to engage in detailed discussions with IRRI's legal department and recommend options to the next Board meeting. SS, PN and WE agreed to represent SRP in this discussion.
- WE reminded the Board of the need to address a broader potential conflict of interest arising from IRRI's requirement that he sign a pre-appointment 'Intellectual Property Agreement'. This agreement contains ambiguous language (highlighted as per Annex 3g) and lays claim to all data and intellectual assets generated by the Executive Director during the course of

employment, whether created solely or jointly with others, without clear demarcation between SRP and IRRI assets. WE has therefore requested the drafting of an amendment to demarcate IRRI and SRP assets, and to ensure that ownership of assets co-created by SRP and through investment by its members shall remain as SRP assets, not of any single member.

Action 2: MB/SS/PN/WE to discuss with IRRI's legal team regarding transfer of trademark over SRP logo, and intellectual property rights to co-created assets, and provide recommendation to next Board meeting.

5. SRP Business Model (Annex 4, for decision)

- WE presented the draft business model structure, aimed at establishing the underlying logic on which the SRP Business Plan will be based.
- AS stressed the fundamental need to secure ownership over SRP assets as a prerequisite for a system to monetize such assets. He warned that failure to protect SRP's assets would weaken SRP's value offer to stakeholders and deter continued investment and collaboration by SRP members.

Action 3: Business Model Task Force to finalize proposed structure prior to next Board meeting.

6. Member Dues Structure (Annex 5, for information)

- Following discussion at Task Force level, the proposed member dues structure was presented with the following updates from that presented at the September General Assembly:
 - Currency changed from USD to EUR (amounts unchanged)
 - Flat rate fee of EUR1,000 assigned to public sector
 - Nominal fees of EUR500 and EUR1,000 for national and internal civil society organizations respectively.
- Commenting on his proposal to double the maximum private sector dues level to Euros 40,000 p.a., and to introduce tiered membership levels (e.g. 'Platinum membership') with additional privileges, RB offered to share dues structures for the Direct Seeded Rice Consortium and Hybrid Rice Consortium, both convened by IRRI.
- KJ supported the updated dues structure as proposed by the Task Force and expressed concern over RB's proposal for higher fees and tiered membership. He warned that private companies with limited budget must make strategic choices over their participation in a range of platforms and associations, and an increase in dues levels as proposed would lead to withdrawal by the input supply companies represented by KJ. He noted that BASF's withdrawal was made partly on this basis. Secondly, KJ added that tiered membership would undermine SRP's strength as a multi-stakeholder alliance offering equal access and opportunities all members to participate fully in the SRP's governance and programmes, regardless of their financial contributions.
- JL supported the position of KJ (via email due to connection problems), adding that tiered membership giving preference to a certain stakeholder group would hinder progress and transparency of decision-making. He also stressed the urgent need to broaden the revenue base beyond membership dues.

- Responding to KJ, MB clarified his understanding that BASF's decision to withdraw had been made at regional level. The headquarters remains supportive and has expressed its intention to rejoin in 2020.
- Further commenting on proposed dues levels, SS suggested to further strengthen private sector membership. WE responded that at present, the private sector represents 57% of total membership.
- AS seconded KL and JL in their opposition to tiered membership, noting the challenges in articulating tangible benefits e.g. for 'Platinum' or 'Super-members' paying high fees for privilege. Instead, he advocated further strengthening the SRP's overall value proposition, citing as an example the notion: "You're missing out if you are not part of the SRP". He stressed the need to preserve SRP's unique status as a diverse, multi-stakeholder commodity alliance.
- In response to KJ's feedback, RB stressed that the newly proposed dues level was based on the experience of IRRI-convened initiatives, in which private companies are ready to pay higher annual fees.
- LK proposed continuing the discussion at Task Force level, with the aim of finalizing the new dues structure (2020-2022) for Board endorsement in January 2020.

Action 4: Member Dues Task Force to finalize dues structure 2020-2022 and table to next Board meeting.

7. SRP Budget 2020 (Annex 6, for decision)

- In the absence of CV (Treasurer) WE proposed the SRP budget 2020 for endorsement, as developed by CV and the Secretariat.
- AS reiterated concern over SRP's dependence on membership dues and recommended priority on diversification of the revenue base.
- PN inquired about projected income from membership dues. WE pointed out that the estimated income has assumed a conservative estimate of 50% collection upon implementation of the new dues structure. With current collection estimated at 80% (or at least \$275,000), the projected 2020 income and cashflow are considered realistic.
- WE noted that the health of Q1 cashflow will depend upon early collection of three remaining outstanding invoices for 2019 (to be pursued by Secretariat and Treasurer).
- Membership dues review is conducted every three years, with previous dues structures implemented in 2013 and 2016.

Resolution 3: The Board unanimously endorsed the SRP Budget 2020 as proposed (Annex 6)

Action 5: Treasurer and Secretariat to pursue collection of all remaining 2019 invoices.

8. Project Pipeline (Annex 7, for information)

- An updated project pipeline for Q4 was circulated as Annex 7 for information. WE added that additional GEF country projects for Myanmar and Cambodia led by FAO were expected to be

approved by the GEF Council, in addition to those already approved in Thailand and Vietnam. All GEF project documents co-created by the SRL Consortium, together with a status report are freely accessible at <https://bit.ly/35MZLyX>

- The Board acknowledged the pipeline, with no additional comments.

9. SRP Assurance Scheme (Annexes 8 and 9, for decision)

- IA presented the final drafts of the Assurance Scheme and Internal Management System documents for the Board's endorsement.
- He also reported that two Task Forces had been created under his management as resolved by the Board (Resolution 6, 18 Nov 2019) to finalize arrangements for Producer Groups, Internal Management System and Chain of Custody as essential components of the Assurance Scheme. TORs are available on request.
- IA also reported that drafts of two additional guidance documents are currently under review- (a) Communications and Claims Guidelines for the Assurance Scheme, and (2) Assurance Fee model. These will be presented to the next Board meeting.

Resolution 4: The meeting resolved unanimously to endorse the SRP Assurance Scheme (Annex 8) and Internal Management System document (Annex 9) as proposed.

Action 6: WE and IA to finalize the Communications and Claims Guideline and Assurance Scheme Fee Model for presentation to next Board meeting.

10. Optimizing use of SRP Performance Indicators

- SM highlighted the performance indicators as a key part of SRP's unique value proposition. He expressed the view that the indicators are under-utilized and stressed the need to promote and optimize their wider use to drive data gathering and impact monitoring.
- SM proposed creation of a task force/working group to assess ways to encourage wider use of the SRP Performance Indicators. PN supported SM's proposal and volunteered to jump-start this conversation.

Resolution 5: The Board resolved unanimously to establish a Performance Indicators Task Force.

Action 7: Secretariat to issue a call for volunteers to join a new SRP Performance Indicators Task Force.

Action 8: Secretariat to conduct a Doodle poll for the next Board meeting in late January 2020.

11. Any other business

- No other issues were raised for discussion. MB thanked all members of the Board and the Secretariat for their service and commitment over the past year, in driving significant progress on many fronts for the alliance.

- WE voiced his appreciation to all members of the Board for their support and guidance to the Secretariat and pointed to a strong collective performance across 5 major areas- member engagement, organizational development and governance, strategic partnerships, programme implementation and visibility (Annex 11).

The meeting adjourned at 18:25 SE Asia Standard Time.

22 December 2019

Bangkok

Annexes

- Annex 1: Report – SRP Executive Board Meeting 1-19
- Annex 2: Legal Entity Registration Details
- Annex 3a: RB Presentation on Trademark and IPR
- Annex 3b: SRP Advisory Committee Meeting Report 1-17, 31 January 2017
- Annex 3c: Certificate of Trademark registration for SRP logo, Philippines
- Annex 3d: SRP Advisory Committee Meeting Report 2-17, 6 March 2017
- Annex 3e: IRRI-UNEP-SSFA 1 Dec 2017
- Annex 3f: IRRI Final Expenditure Report
- Annex 3g: IRRI 'Pre-Appointment Intellectual Property Agreement'
- Annex 4: Draft SRP Business Model
- Annex 5: Membership Programme Manual with draft Dues Structure
- Annex 6: SRP Budget 2020
- Annex 7: Project Pipeline 2019-2020
- Annex 8: SRP Assurance Scheme (Final)
- Annex 9: SRP Internal Management System (IMS) Standard document (Final)
- Annex 10: Optimizing use of SRP Performance Indicators
- Annex 11: SRP Milestones 2019