

CHARTER OF THE ESTABLISHMENT OF THE COUNCIL OF PALM OIL PRODUCING COUNTRIES (CPOPC)

PREAMBLE

The Government of Member Countries to this Charter,

RECOGNIZING the significant economic contribution of the oil palm industry to the oil palm cultivating and producing countries especially in the economic and social development and generation of export revenue;

RECOGNIZING also that the oil palm cultivation has contributed significantly towards raising the income level of rural small farmers, addressing poverty, employment generation, and creation of new business opportunities;

RECOGNIZING further that palm oil is an important component of the global food supply chain from developing countries in particular among the vegetable oils traded globally;

RECOGNIZING that the future development of oil palm cultivation and palm oil industry be based on sustainable practices that takes into account environmental as well as social considerations in order to create a balance between economic growth, better employment and income for the small holders;

NOTING the existence of trade impediments in major importing markets for palm oil and the need to undertake collective measures among the oil palm cultivating countries to address such impediments;

CONVINCED that such efforts can be carried out through mutual cooperation;

DESIRING to strengthen cooperation and collaboration in the palm oil industry and for this purpose agree to establish the Council of Palm Oil Producing Countries (hereinafter referred to as the "Council"); and

HEREBY DECIDE to establish, through this Charter, the legal and institutional framework for the Council.

CHAPTER I OBJECTIVES

ARTICLE 1 OBJECTIVES

The objective of the Council is to promote, develop and strengthen cooperation in the oil palm cultivation and industry among the Member Countries as well as to ensure long term benefits of such palm oil endeavours to the economic development and well being of the people of the Member Countries.

CHAPTER II DEFINITIONS

ARTICLE 2 DEFINITIONS

For the purposes of this Charter:

- (1) Palm oil means the oil derived from the *mesocarp* of the oil palm fruit, while palm kernel oil is obtained from the kernel.
- (2) Council means the Council of Palm Oil Producing Countries.
- (3) Member Country means the Country that is admitted in accordance to the membership requirements of the Council.
- (4) Secretariat means the office of the Executive Director of the Council.
- (5) Host Country means the domicile of the Secretariat.
- (6) Calendar year and Financial year is from 1st January to 31st December.

CHAPTER III SCOPE AND FUNCTIONS

ARTICLE 3 SCOPE AND FUNCTIONS

The scope and functions of the Council are the following:

- (i) promote consultation on the development of the palm oil industry among the stakeholders in the oil palm cultivating countries;
- (ii) enhance the welfare of the oil palm smallholders;
- (iii) develop and establish a global framework of principles for sustainable palm oil;
- (iv) promote cooperation and investment in developing sustainable and environmentally friendly oil palm industry zones, including green economic zones;
- (v) address impediments to palm oil trade;
- (vi) cooperate in research and development, and training; and
- (vii) undertake activities and functions as may be deemed desirable in the interest of the palm oil industry.

CHAPTER IV GENERAL PROVISIONS

ARTICLE 4 LEGAL PERSONALITY

- (1) The Council shall have juridical personality and such legal capacities as are necessary for the exercise of its powers and the performance of its functions in accordance with this Charter.

- (2) Without prejudice to the generality of clause (1) of this Article, the Council shall have the capacity to:
- (a) enter into contract;
 - (b) acquire, hold and dispose of movable and immovable property; and
 - (c) institute legal proceedings.

ARTICLE 5 PRIVILEGES AND IMMUNITIES

- (1) The Council shall enjoy in the territories of Member States such legal personality and privileges and immunities as are necessary for the exercise of its functions and fulfillment of its purposes and objectives in accordance with the domestic law, rules and regulations of the respective Member Countries.
- (2) The representatives of the Member Countries, officials of the Council and the staff of the Secretariat shall enjoy such privileges and immunities as laid down in the Host Country Agreement.

CHAPTER V MEMBERSHIP

ARTICLE 6 MEMBERSHIP OF THE COUNCIL

- (1) The Founding Members of the Council are Indonesia and Malaysia.
- (2) The Membership of the Council shall be opened to all oil palm cultivating countries.
- (3) Each Member Country shall constitute a single Member of the Council.

CHAPTER VI ORGANS

ARTICLE 7 ORGANS OF THE COUNCIL

The organs of the Council shall be the following:

- a. Ministerial Council;
- b. Senior Officials Meeting; and
- c. The Secretariat.

ARTICLE 8 MINISTERIAL COUNCIL

- (1) The Ministerial Council shall be the supreme body and shall meet annually in the territory of one of the Member Countries by rotation. It may meet more than once in a year if it so decides.
- (2) The Ministerial Council shall elect the Chairman among the Member Countries.
- (3) The Chairmanship of the Ministerial Council is for a calendar year and shall be rotated among the Member Countries in an alphabetical order.
- (4) The Ministerial Council shall consist of Ministers responsible for oil palm cultivation or industry of all Member Countries.
- (5) The Ministerial Council shall develop policy and directions of the Council, including budgetary matters.
- (6) The Ministerial Council shall be supported by the Senior Officials Meeting.
- (7) The Ministerial Council shall establish a forum for associations, private sectors and smallholders.
- (8) The Ministerial Council may request for inputs from advisory panel, association of private sectors and smallholders forum.
- (9) The Ministerial Council shall establish its own rules and procedures.

ARTICLE 9

SENIOR OFFICIALS MEETING

- (1) Senior Officials Meeting shall meet no less than twice a year or more as it deemed necessary in the territory of Member Country Chairman in office or any Member Countries or any other places to be agreed upon.
- (2) Senior Officials Meeting shall assist the Ministerial Council.
- (3) Senior Officials Meeting shall implement and monitor decisions made by the Ministerial Council.
- (4) Senior Officials Meeting shall carry out any other tasks entrusted by the Ministerial Council.
- (5) Senior Officials Meeting shall formulate decisions, recommendations as well as annual planning of the Council that would be submitted to the Ministerial Council Meeting for their consideration.
- (6) Senior Officials Meeting will submit periodic and annual reports to the Ministerial Council Meeting.
- (7) For the purpose of carrying out aforementioned functions Senior Officials Meeting may establish *ad hoc* working groups.
- (8) The rules and procedures of the Ministerial Council shall be applied *mutatis mutandis* to Senior Officials Meeting.

ARTICLE 10

THE SECRETARIAT AND STAFFING

- (1) The Secretariat shall be seated in Jakarta.
- (2) The Secretariat shall perform functions formulated or directed by the Ministerial Council.
- (3) Staff of the Secretariat shall be appointed by the Executive Director in accordance with the Staff Regulations as determined by the Ministerial Council Meeting.
- (4) The Secretariat shall have the function as the Depositary.

ARTICLE 11

EXECUTIVE DIRECTOR

- (1) The Executive Director shall be the chief administrative officer of the Secretariat, and shall be responsible for the day-to-day operations of the Secretariat.

- (2) Executive Director shall be appointed based on a rotation basis from Member Countries by the Ministerial Council on a three year term and shall be based on merit. Further extension shall not exceed three (3) years.
- (3) The Ministerial Council may terminate the employment of the Executive Director prior to the expiry of the term of appointment.
- (4) Executive Director will be assisted by Directors who are appointed based on merit and subject to approval by the Ministerial Council Meeting.

ARTICLE 12

ASSOCIATION, PRIVATE SECTOR AND SMALLHOLDER FORUM

- (1) The Forum shall be attended by representatives of association, private sector and smallholder from the palm oil industry who are endorsed by the respective Member Countries.
- (2) Association, private sector and smallholder representatives will provide advise and recommendations to the Ministerial Council Meeting.
- (3) The Ministerial Council Meeting shall decide the representatives of the Forum.

CHAPTER VII

RELATIONSHIP WITH THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES

ARTICLE 13

RELATIONSHIP WITH THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES

- (1) The Council shall maintain relations with United Nations Bodies and the related Specialized Agencies subject to the decision of the Ministerial Council.
- (2) In carrying out its functions in any particular field, the Council may cooperate with the United Nations Bodies or relevant Specialized Agencies subject to the decision of the Ministerial Council.

CHAPTER VIII
DECISION MAKING PROCESS

ARTICLE 14
DECISIONS, RECOMENDATIONS AND VOTES

- (1) Ministerial Council Meeting shall endeavor to make all decisions and recommendations by consensus.
- (2) The Founding Members shall make all decisions by consensus until admission of new Members pursuant to Article 25.
- (3) Upon admission of new Members, if consensus cannot be reached, decision shall be taken by at least 70 percent of the total vote of Membership.
- (4) Each Member Country shall have one basic vote and additional votes will be based on annual palm oil production of each Member Country with the scale by 1 (one) vote for 1 (one) million metric ton (MT) of palm oil produced during the previous calendar year and based on official data published by the respective Member Countries.
- (5) Decision is a legal instrument that shall be binding to all Member Countries.
- (6) The Council may take into account the advice and recommendations from association, private sector and smallholder representatives when making any decisions.

ARTICLE 15
VOTING PROCEDURE

- (1) Upon admission of new Members, the quorum required for voting in order to make decisions shall be 70 percent of total number of Member Countries present in a meeting.
- (2) This provision shall only be applied to the decision making process in the Ministerial Council Meeting.

CHAPTER IX
BUDGET AND FINANCE

ARTICLE 16
COMMENCING FUND

- (1) Indonesia and Malaysia, as Founding Member Countries of the Council, to jointly contribute an initial sum of USD5 (five) million each to fund initial operation of the Secretariat.

- (2) The initial operation of the Secretariat shall commence after the entry into force of this Charter.
- (3) Such contribution shall cease to exist within 12 months, after the implementation of Article 16(2).

ARTICLE 17 CONTRIBUTION

- (1) Member Countries shall make annual contribution to the budget of the Council's financial year and shall be payable in freely convertible currency by 31st January.
- (2) Annual contribution by each Member Countries to the Council shall comprise of basic contribution and additional contribution.
- (3) The Ministerial Council shall decide on the basic annual contribution. The additional contribution is based on the annual weighted percentage of production and export value of the previous calendar year based on official data published by the respective Member Countries.
- (4) The Council subject to the approval of the Ministerial Council may accept a non-binding third party contribution.

ARTICLE 18 FINANCIAL MATTERS

- (1) The expenses of delegations to the meetings of the Council shall be borne by their respective Member Countries.
- (2) The Council shall bear the traveling expenses and remuneration of the Executive Director, Directors and its staff who attend the Council Meetings or other related assignments. The Council shall also bear travel and other related costs for invited participants to its meetings.
- (3) The Executive Director shall develop an appropriate regulation on financial matters to be endorsed in the Ministerial Council Meeting.
- (4) The operations of the Secretariat shall be funded by the Member Countries.
- (5) The operation of the Secretariat relating to provision of building, renovation and maintenance shall be borne by the host country.
- (6) The operation of the Secretariat shall be subject to a separate Host Country Agreement.

**CHAPTER X
ADMINISTRATION AND PROCEDURE**

**ARTICLE 19
WORKING LANGUAGE OF COUNCIL**

The working language of the Council shall be English.

**CHAPTER XI
IDENTITY AND SYMBOL**

**ARTICLE 20
COUNCIL IDENTITY**

The Council shall promote its common identity and a sense of belonging among its Member Countries in order to achieve its shared objectives and goals.

**ARTICLE 21
FLAG AND LOGO**

The flag and logo of the Council shall be endorsed by the Ministerial Council Meeting.

**CHAPTER XII
SETTLEMENT OF DISPUTES**

**ARTICLE 22
SETTLEMENT OF DISPUTES**

Any differences or disputes between the Member Countries arising from the interpretation or implementation or application of any of the provisions of this Charter shall be settled amicably. In cases of disputes not resolved, it shall be referred to the Ministerial Council Meeting for a decision.

**CHAPTER XIII
FINAL PROVISIONS**

**ARTICLE 23
SIGNATURE**

This Charter shall remain open for signature by duly authorized representative of the Member Country until its entry into force.

**ARTICLE 24
RATIFICATION AND ENTRY INTO FORCE**

- (1) The Charter shall be subject to ratification for the entry into force.
- (2) This Charter shall enter into force 30 days after the date of deposit of the second instrument of ratification by Indonesia and Malaysia.

**ARTICLE 25
ACCESSION**

- (1) Any oil palm cultivating country may become Member of this Council subject to accession procedures and terms and conditions as determined by the Ministerial Council.
- (2) Instruments of accession shall be deposited with the Secretariat.
- (3) The Charter shall have legal effect to the acceding Country on the 30th day upon the receipt of instrument of accession by the Secretariat.

**ARTICLE 26
WITHDRAWAL**

- (1) A Member Country may at any time after the entry into force of this Charter withdraw from the Council by giving written notice of withdrawal to the Secretariat. Withdrawal shall be effective 90 days after the notification of withdrawal is received by the Secretariat.
- (2) In the event of any Country having ceased to be a Member Country of the Council, its re-admission to membership shall be made in accordance with the relevant provisions of this Charter.
- (3) All remaining obligations, including financial obligations, shall remain valid until they are all fulfilled.

**ARTICLE 27
AMENDMENT**

The Ministerial Council Meeting may amend the provisions of this Charter by consensus.

**ARTICLE 28
AUTHENTIC TEXT OF THE CHARTER**

This Charter is drawn up in one original copy in English. The original shall be deposited with the Secretariat.

IN WITNESS WHEREOF, the undersigned, having duly authorized to this effect by their respective Governments, have signed this Charter.

DONE in Kuala Lumpur, Malaysia on this Twenty First day of November in the year Two Thousand and Fifteen.

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA**



.....
Dr. Rizal Ramli

Coordinating Minister for Maritime
Affairs, Republic of Indonesia

**FOR THE GOVERNMENT OF
MALAYSIA**



.....
~~Minister of Plantation Industries and
Commodities, Malaysia~~