

Roundtable on Sustainable Palm Oil

NEWSLETTER

For RSPO Members

Issue #15
April - June 2008



“Half Day Certification Bodies Forum”

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RSPO

Roundtable on Sustainable Palm Oil

RSPO

Roundtable on Sustainable Palm Oil

The Roundtable on Sustainable Palm Oil (RSPO) is a global multi-stakeholder initiative on sustainable palm oil that was formally established under Article 60 of the Swiss Civil Code on 8 April 2004. The not-for-profit Association will have members representing major players along the palm oil supply chain. The RSPO is a unique platform for pragmatic co-operation to contribute to the expansion of sustainably produced palm oil and its uses.

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President's Welcome Message



Dear Sustainable Palm Oil supporters,

Some say that we are in the midst of a global food crisis. FAO, OECD and IFPRI are all concerned that the recent jump in commodity prices marks a step change in food price developments. In other words,

global commodity prices will henceforth be much higher than what they used to be. Several causes are blamed for this, including soaring demand for food on the world markets as a result of population growth in combination with economic growth (India, China), impact of climate change on agricultural productivity (droughts in Australia, flooding in Europe), low stocks for most commodities which leads to higher volatility, and increased feedstock demand for biofuels (65% of rapeseed production in Europe, 34% of corn production in the USA).

Although one would think this to be good news for farmers, it is not necessarily so, or at least not yet. The costs of farm inputs have soared as well (in some parts of the world, nitrogen fertiliser has risen over 800%) and, in many cases, forward sales have been made at the old commodity prices.

The FAO organised a summit in Rome, on June 2-5, to discuss the global food crisis (High-Level Conference On World Food Security: The challenges Of Climate Change And Bio-energy). No real commitments resulted. The final declaration merely called for "urgent and coordinated action to combat the negative impacts of soaring food prices on the world's most vulnerable countries and populations" and to "embrace food security as a matter of permanent national policy, renew our commitment to achieving the World Food Summit objectives and the Millennium Development Goals". The Declaration then lists a number of measures. The total financial commitments made were \$18.36 billion.

One thing is clear for the businessman. If prices go up, new investments will beckon. As President of RSPO, I do hope that most of the investment in oil palm will be to increase yields, and where expansion is planned, it will be in deforested areas. We all know that oil palm plantations par excellence can yield five or more tonnes of CPO a hectare, a yield no other oil crop can match.

Speaking of other crops, the Roundtable on Responsible Soy met on April 23-24 in Buenos Aires, Argentina. The conference had a lively discussion on the Principles & Criteria which are being drawn up, and several interesting presentations on new approaches to agriculture (bio-refining) and global retailing. It is expected to take another year for their P & C to be finalised.

I will keep you informed.

Jan Kees Vis

RSPO Activities

The RSPO Audit Programme

Half Day CB Forum On RSPO P&C, Verification & Certification

Certification bodies (CB) represent the RSPO from the time they are RSPO accredited and more importantly from the time they take on an RSPO P&C assessment assignment. As a large number of assessments were about to commence from May, 2008 the Secretariat considered it important and the timing opportune to 'touch base' with certification bodies. The objective was to promote a common understanding of some more difficult aspects of the P&C, the competencies that RSPO would demand and to share auditing experiences from other sectors and their relevance or otherwise.

The Proforest and KAN/IPOB training courses and the audit at NBPOL which had all just been completed provided useful early learnings that could be shared. The event was specifically limited to CBs - RSPO accredited as well as those seeking accreditation and those who had expressed interest at that point in time. Each CB was invited to nominate up to a maximum of two persons for the forum - one or both of whom would be actively involved in the RSPO processes or will be during assessments. Invitations were also extended to Standards Malaysia and National Accreditation Body of Indonesia (KAN). RSPO was represented by RSPO Board members in the Standards & Certification Working Group and Secretariat personnel.

The Agenda below shows the topics covered:

Time	Item	
1400	Welcome and Introduction	RSPO - Dr Vengeta Rao
1405	Overview of current RSPO certification system	RSPO - Dr Vengeta Rao
1430	Announcing an upcoming audit	RSPO - Ali Baizuri
1450	Some finer points of the P&C and NI	MYNIWG - Chew Jit Seng
1515	Experiences from the first RSPO P&C audit - the auditor's perspective	BSI - Philip Kees
1540	Experiences from the first RSPO P&C audit - the auditee's perspective	NBPOL - Petra Meekers
1625	Experiences from the first RSPO P&C audit and others - Observer's perspective	AidEnvironment - Eric Wakker
1655	Involvement of Independent Observers	RSPO - Dr Vengeta Rao
1715	Improving the RSPO certification system	RSPO - Dr Vengeta Rao

(Continued overleaf)

Secretary-General's Report



Even as you read this issue of the RSPO newsletter, specialists engaged by RSPO and a sub-group of the RSPO Board are pouring over the first P&C assessments, or audit reports - the home stretch in what has, perforce, been a long journey to sustainable palm oil. And a ceaseless flow of producers are moving towards this stretch and beyond - some well on their way, some just setting foot and yet others now preparing for the travel.

It is realized that the journey of smallholders will be the more difficult. So, to facilitate their entry, a raft of projects are slated for the coming months to bring their production, which totals nearly as much as that of the large growers, into the RSPO process. These include adapting the P&C and NI to smallholder realities in different regions, and the development of group certification mechanisms. Similarly, to grapple with the biodiversity issues, RSPO and BACP (Biodiversity in Agricultural Commodities Programme) will be calling for project proposals

on studying, conserving and enhancing biodiversity in the oil palm landscape.

Even as the RSPO initiative approaches the first significant milestone, there are the inevitable some who feel it deficient in particular aspects. It is human nature that one's concern(s) is the most important in the world, and that one's stand is immutable with compromise having to come from the other side. But two (or more) immutable stands will not a solution make, which is why we have a Roundtable. Round gatherings have no abrupt corners to negotiate, affording everyone the chance to mould around the problems to move forward with a greater sense of camaraderie.

I would like to take this opportunity to invite you to Bali, from 18-20th November 2008, for RoundTable 6.

Vengeta Rao

Besides a very useful forum for a frank exchange of views, some of the main points that arose out of the forum were:

- ⊗ Recognition of companies preparedness of P&C assessments through internal pre-audits.
- ⊗ That CBs need to be knowledgeable of the larger (parent) company and not just the estates that are being audited. These may require declarations etc.
- ⊗ That CBs provide adequate time for field audits as the training has shown this to take longer than expected.
- ⊗ That auditors may have to make value judgements on extent of compliance with some indicators.
- ⊗ Initial experience suggested that the main weakness may be inadequate social auditing capacity.
- ⊗ Auditors/CBs need to ensure that all relevant stakeholders were adequately informed. The T&C and conditions for stakeholder consultations also need to be spelt out.
- ⊗ Environmental gaps should be solved in set time frames.
- ⊗ One subject item such as OSHA cannot become two majors.
- ⊗ In-situ corrections are acceptable to address unsafe or environmental / social issues if they are recognised and corrected rightaway.
- ⊗ The cultural and social context must be clearly understood by the auditors.
- ⊗ The importance of the auditor remaining an auditor and not slipping into becoming a 'consultant'.
- ⊗ At what point does a minor become a major with some Criteria and Indicators e.e. C5.2, definition of decent living wage, HCV implementation.
- ⊗ Clarification that the CB does not issue a 'certificate' but that volumes of palm oil are certified.
- ⊗ That the RSPO P&C require an assessment of both processes as well as products.
- ⊗ That auditees need to be clear which supply chain option(s) they are considering.

List of Attendees

No.	Name	Organization
1.	Dr Vengeta Rao	RSPO Secretariat
2.	Petra Meekers	NBPOL
3.	Chew Jit Seng	RSPO EB / MYNIWG
4.	Andy Chang Kwong Chong	RSPO Secretariat Comms. Support
5.	Ganapathy Ramasamy	Independent Observer
6.	Alex Sayok	Independent Observer
7.	Desi Kusumadewi	RSPO Indonesian Liaison Officer
8.	Ali Baizuri Razali	RSPO Secretariat
9.	Robert CY Cheong	TUV Rheinland
10.	Salahudin Yaacob	SGS Malaysia
11.	Radziah Daud	SIRIM QAS
12.	Sabarinah Marzuky	SIRIM QAS
13.	Mr. Chin Miew Lim	Moody International
14.	Mr. Alocious T. Fernandez	Moody International
15.	Mr. Augustine Loh	Moody International
16.	Ms Yap Siow Ling	BRS (Malaysia)
17.	Feliza	BRS (Malaysia)
18.	Manivannan Duraisamy	Control Union Certifications
19.	Roger Coasby	Guardian Independent Certification Ltd.
20.	Ms. Tan Sim Bee	Guardian Independent Certification Ltd.
21.	Roslee Saad	Standards Malaysia
22.	Bernados	Standards Malaysia
23.	Bayu Wicaksana Jr	TUV NORD Indonesia
24.	Ellys Simamora	TUV NORD Indonesia
25.	Mr. Tony Arifiarachman	Mutu Certification
26.	Mr. M. Syarip Lambaga	Mutu Certification
27.	Eric Wakker	AidEnvironment
28.	Phillip Kees	BSI Singapore
29.	Joko Prayitno	SAI Global
30.	Chong Wei Kwang	RSPO EB / HSBC

*Snapshots from the Half Day CB Forum On RSPO P&C, Verification & Certification
16 May 2008, Kuala Lumpur, Malaysia*



RSPO P&C Assessments Recently Completed, In Progress or Due Soon

Company	Parent Organisation / Company	Mills	Estates	Certification Body	Dates
NBPOL	Kulim (M) Bhd	NBPOL mills	NBPOL estates	BSI (S)	4/5-18/5
Sime Darby (various subsidiaries)	Sime Darby	Binuang, Mostyn, Giram, Merotai	Binuang, Mostyn, Giram, Merotai	SIRIM QAS	12-23/5
United Plantations, United International Enterprises	United Plantations Bhd	Jendarata, Seri Pelangi, Ulu Bernam, Ulu Basir, Lima Blas, UIEM	Jenderata, Seri Pelangi, Changkat Menteri, Ulu Bernam, Erong, Ulu Basir, Lima Blas, UIEM Estate 1, UIEM Estate 2	Control Union	26-31/5
Pamol Estates Sabah	IOI Corporation	Pamol Sabah Oil Mill	Ulu, Tindakon, Rungus, Meliau & Bayok Estates	SGS (M)	26-29/5
PPB Oil Palms	Wilmar Group	Sapi, Reka, Sabahmas	Sapi, Reka, Sabahmas	Control Union	8-17/6
PT Musim Mas	PT Musim Mas	Sorek, Pangkalan	Sorek North, Sorek South	Control Union	1-7/6
Hargy Oil Palms Limited	S.A. SIPEF	HOPL Mills (2), Bual	HOPL estates, Bialla, PNG	BSI (S)	30/6
Sime Darby (various subsidiaries)	Sime Darby	Seri Intan, Tanah Merah, Kempas	Selaba, Seri Intan, Sogomana, Sabrang, Bukit Pelandok, Tanah Merah, Sua Betong, Kempas, Merlimau, Kemuning, Tangkah, Pagoh	SIRIM QAS	12-23/5
Kulim (various subsidiaries)	Kulim (M) Bhd	Sindora, Tereh and Sedenak	Ulu Tiram, Basir Ismail, Bukit Layang, REM, Labis Bharu, Sg Sembrong, Mutiara, Kuala Kabong, Tereh Utara, Tereh Selatan, Selai, Enggang, Sedenak, Rengam, Umac, Sepang Loi, Sindora and Spg Kiri	BSI (S)	14-24/7

For more details on the RSPO Audit Programme, log on to:
http://www.rspo.org/The_RSPO_Audit_Programme.aspx

RSPO Activities

RSPO publishes draft Supply Chain Certification Requirements

The RSPO has published the draft RSPO Supply Chain Certification Requirements. The draft is based on the outcome of the supply chain options study adopted at RT4 (November 2006) and further prepared by the RSPO Trade and Traceability Working group that was set up after RT 5. The draft is open for public comments until July 18.

The draft RSPO Supply Chain Certification requirements contains among other things:

- *Requirements for accreditation and approval of certification bodies (Chapter 2)*

- *Supply Chain Certification Requirements (Chapter 3)*

- *Supply Chain Certification Process Requirements (Chapter 4)*

- *Interim Procedure (Chapter 5)*

- *Factsheets on the RSPO approved supply chain options (Identity preserved, Segregation, Mass Balance, Book and Claim: Annexes 2-5)*

One of the toughest things about drafting the protocol was the definition of the unit of certification. After intensive discussions, the RSPO Trade and Traceability Working Group came to the conclusion that when the Identity Preserved, Segregated or Mass Balance options are used, supply chain certification needs to be obtained by all 'permanently located processing facilities' (oil mill, refinery, end-user) involved in the supply chain of RSPO Certified Sustainable Palm Oil. When the Book and Claim option is used, supply chain certification needs to be applied by those companies that purchase and redeem certificates. More information on this can be found in Chapter 3 on the Supply Chain Certification Requirements.

A further complexity related to drafting the document was that it needs to fit all RSPO approved options for supply chain organisation (Identity preserved, Segregation, Mass Balance, Book and Claim), while the requirements differ for the different options. To ensure the document remains easy to read, the Trade and Traceability Working Group has decided to use the format of a table to describe the requirements for the different mechanisms. This table can be found as Annex 6 of the document.

Just like the certification for the Principles and Criteria for Sustainable Palm Oil, supply chain certification can only be done by RSPO approved and accredited certification bodies. However, realising the approval of certification bodies takes time, and RSPO certified palm oil is expected to come to the market soon, the Trade and Traceability Working Group decided to allow companies to act as a certified supply chain player for the period of one year, if they do a self-assessment against the supply chain

requirements and deposit this at the RSPO secretariat. This is arranged in the 'Interim Certification Procedure' that can be found in Chapter 5.

The RSPO Trade & Traceability Working Group was composed of Johan Verburg (Oxfam Novib), Don Grubba (IOI/Loders Crocklaan), Tony Lass (Cadbury Schweppes), Matthias Diemer (WWF), Nienke Pek (Unimills/Sime Darby), Sietse Buisman (Cargill), Hugo Byrnes (Ahold), Tim Stephenson (AAK), Bob Norman (Greenpalm), Jacob Rookmaaker (Essent), Marieke Leegwater (MVO), Manuel Pisa (Lipidossantiga), Gerrit van Duijn (Unilever), Sophie Hartfield (RWEnPower), Radziah Mohd Daud (Sirim), Marrit Rooda and Peter van der Laar (Utz Certified).

MVO participated in the development of the RSPO Supply Chain Certification Requirements because it believes that it is crucial for the entry on the market of Certified Sustainable Palm Oil that all the RSPO approved supply chain organisation mechanisms are fully clear when they need to be used by operators in the supply chain of palm oil. Realising this is still challenging, MVO hopes that this document contributes to increasing clarity and the promotion of the use of RSPO Certified Sustainable Palm Oil.

More information and the call for comments can be found on the RSPO website via http://www.rspo.org/CALL_FOR_PUBLIC_COMMENT_@@_RSPO_Supply_Chain_Requirements.aspx

Prepared by:
Marieke Leegwater,
member of the RSPO Trade and Traceability Working Group/Dutch Product Board MVO

RSPO Activities

News from RILO

Indonesian RPSO Members Meeting

by Desi Kusumadewi

The Indonesian National Interpretation of the RSPO P&C (INA-NI) was endorsed by the RSPO Executive Board on the 27th May 2008, clearing the way for audits to start. The Indonesian RSPO membership has shot up significantly, especially by growers joining. As of June 2008, there are 40 ordinary members and 9 affiliates. Thirty of the ordinary members are growers, and their number will likely increase in the near future with another seven companies awaiting approval to join.

The RSPO Indonesia Liaison Office saw the soaring membership as an opportunity to hold an Indonesian members' meeting to build up camaraderie in their joint effort to produce sustainable palm oil. The meeting was to beshrew all formality and be just an open and friendly discussion.

Held on the 25th June 2008 at the Mercantile Athletic Club, Jakarta, it was attended by about 43 people - Indonesian members (both ordinary and affiliate), pending members and interested/potential members.

The programme was:

<i>Time</i>	<i>Activity</i>
1400 – 1500	<ul style="list-style-type: none">• Welcome address by Desi Kusumadewi, RSPO Indonesia Liaison Officer• Update on Sustainable Palm Oil Production Dr. Vengeta Rao, RSPO Secretary-General• Challenges of RSPO Audits – Lessons learnt from previous audits Dr. Vengeta Rao, RSPO Secretary-General Discussion, Q&A, focus on RSPO Audits
1500 – 1615	Challenges in the Implementation of RSPO P&C by the Producer Sector – Support Needed Panelists: <ul style="list-style-type: none">• Bp. Bambang Dwi Laksono, PT. PP London Sumatra Indonesia Tbk• Dr. Gan Lian Tiong, PT. Musim Mas• Bp. Hendi Hidayat, PT. SMART Tbk• Bp. Simon Siburat, Wilmar International/PPB Oil Palms Bhd• Bp. Rafmen, PT. Inti Indosawit Subur (special attention to the implementation of RSPO P&C with smallholders)
	Discussion, Q&A, focus on the challenges to implementation of specific RSPO criteria and support needed
1615 – 1715	Together towards Sustainable Palm Oil – Support and Contribution from Non-Producer Sector Panelists: <ul style="list-style-type: none">• Bp. Thomas Barano, WWF Indonesia• Bp. Rudy Lumuru, Sawit Watch
	Discussion, Q&A, focus on the support and contribution expected for successful implementation of RSPO Criteria in Indonesia
1715 – 1730	Summary and Closing address by Desi Kusumadewi, RSPO Indonesia Liaison Officer
1730 – onwards	Dinner

Salient points from the panel discussions:

- Companies should make their own self assessment a priority as it will afford them the chance to remedy their weaknesses in preparation for RSPO audits. Compliance to ISO 9001 and ISO 1400 is not a must for RSPO audit, but should help the company organize its documentation system better and align its thinking and working to the RSPO requirements

- There may be potential conflicts between some indicators.

For example,

Indicator 1.2 – Compliance with national regulations,

Indicator 4.4 – Maintaining and restoring appropriate riparian buffer zones at or before replanting, and

Indicator 3.1 – Economic viability.

If the company waits until its replanting to restore the riparian zones, it will not comply with the National Regulations, but if it fells the oil palm immediately, its economic viability will be affected from the loss of crop, and even more seriously so for smallholders (in plasma areas).

There are indicators in need of clearer definition, e.g., significant land conflict and extensive planting on marginal lands. What is significant and extensive?

It was suggested that there should be a technical regulation drawn up by the RSPO secretariat to settle the 'conflict' between indicators and clarify the grey areas.

- There is a need for proper guidelines for Social Impact Assessment (SIA). Unlike AMDAL, which has a standard format, there is no standard framework for SIA. Hence, the SIA results will depend very much on the interpretation of the criteria by the CB.

- Guidelines are needed on FPIC. What applies to estates developed over 20 years ago when FPIC was not even in existence? How would they have complied with an unknown set of guidelines then? It is well nigh impossible now to obtain consent from the original landowner.

- **HCV issues:**

- there is no toolkit for HCV assessment in oil palm plantations. At present, most companies use the forestry toolkit. There is urgent need to develop a toolkit for oil palm plantations.

- WWF Ina and Tropenbos International informed the meeting that a revised HCV toolkit (to replace the 2003 version) had recently been launched, and proposed its use for oil palm plantations, although developed for forestry and mining.

However, the audience did not agree as no oil palm people were consulted in its development. RSPO was then asked to develop a dedicated HCV toolkit for oil palm plantations, in consultation with the multi-stakeholders along the palm oil supply chain.

Given that INA-NIWG has formed the HCV working group, the RSPO secretariat suggested that it develops the HCV

toolkit, and for it to include identification, management and monitoring of HCV and a HCV compensation mechanism, involving the multi-stakeholders (and members of the HCV revision toolkit team). However, for the time being, companies are advised to use the latest HCV toolkit (2008 version) for any new plantings or expansion until the HCV toolkit for oil palm plantations is available.

- there are still very limited credible consultants for HCV assessment
- HCV assessment is costly, and given the scarcity of consultants, can a company do its own HCV assessment and then get it verified by an auditor?

- **Smallholder issues:**

- there is need for RSPO to quickly endorse the RSPO P&C and Indicators for smallholders.
- failure to do so will affect RSPO certification of estates/companies, which requires that a company have all its smallholders certified within 3 years
- there is no guarantee that smallholders receive a premium for producing sustainable palm oil
- who will pay for auditing smallholders?

RSPO Audit with Smallholders: from theory to practices

Following final drawing up of the INA-NI for smallholders, the Indonesian Smallholder Working Group (INA-SWG) now awaits its RSPO endorsement. While waiting, INA-SWG will socialize the standards with smallholders in different provinces, and plan a few trial audits of smallholdings by RSPO-approved (national) CBs.

INA-SWG will reconvene tentatively in:

- | | |
|---------|---------------------------------------------------------------------------------------------------------------------------------------|
| Date : | 2nd week, July 2008
(date to be confirmed) |
| Venue : | RSPO Indonesia Liaison Office,
Suite 217, Wisma Metropolitan II,
6th Flr, Jalan Jendral Sudirman Kav. 29
Jakarta, Indonesia. |
| Agenda: | To discuss details of the next step forward in socialising the standards, and planning trial audits of volunteer smallholders. |

INA-SWG is calling for smallholders (through nucleus estates and/or smallholders' organisations) to volunteer their plots for trial audits against INA-NI for smallholders once it is endorsed by RSPO.

*Snapshots from the Indonesia RPSO Members Meeting
25 June 2008, Jakarta, Indonesia.*



Dutch Minister of Agriculture supports RSPO

On 22 May the Dutch Minister of Agriculture Gerda Verburg was questioned on the Dutch government policies regarding the production and Dutch import of palm oil and its effects on the conservation of Orang Utangs and biodiversity. The questions were posed by Mrs. Esther Ouwehand, member of the Dutch Party for Animals.

When asked if the Dutch government considers setting sustainability criteria for the Dutch imports of palm oil, Minister Verburg responded that to ensure a more sustainable palm oil chain, the Dutch government supports the Round Table on Sustainable Palm Oil, as she is confident this is both the most promising and most realistic approach to address matters related to palm oil sustainability.

Prepared by:

Reported by Marieke Leegwater, Dutch Product Board MVO

The 6th Annual Roundtable of the RSPO & 5th Annual General Assembly of Members

18-20 November 2008, Grand Hyatt, Nusa Dua, Bali - Indonesia

RT6 THEME

In 2008, the RSPO has entered a new chapter in its short but eventful history. The first few tons of palm oil, certified produced to comprehensive sustainability benchmarks, is trickling in and promises to be a deluge as ever larger volumes of production and use align to the RSPO initiative. The 6th Annual Roundtable meeting will preview this rising tide. RT6 will be held from 18th to 20th November 2008 in Bali, Indonesia with the theme:

*"RSPO Certified Sustainable Palm Oil
- The Gathering Momentum"*

THE ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

Palm oil is the foremost edible oil in the world, being the most produced and widely used. The Roundtable on Sustainable Palm Oil (RSPO) is the global, equal rights, multi-stakeholder organization dedicated to the sustainable production of this oil. This is to be achieved by following comprehensive sustainable production criteria supported by the supply chain.

The RSPO journey started in 2004 when leaders of civil society, growers and palm oil users got together to dream a common dream - to support production of palm oil to meet the world demand without despoiling earth or a being a bane upon people. A strong vehicle was crafted in the ensuing three years - the RSPO Sustainability Principles and Criteria - by which the path to sustainability was charted by adoption of a Code of Conduct. The first milestone will be passed this year with the first certified sustainable production, but the journey is yet long with many more miles still to travel. The 6th annual roundtable will discuss the gathering momentum and the way ahead.

RT6 will focus on:

- Trading in RSPO certified sustainable palm oil and keeping track of it
- Promoting honest communications about RSPO certified sustainable palm oil
- Bringing smallholders more centre stage in sustainable production
- Working more closely with governments

Highlights of RT6

- Meeting the twain?
 - *RSPO and governments*
 - *Smallholders in RSPO*
- Not old oil in new bottles?
 - *Augmenting credibility - lessons from initial certification assessments*
 - *Trading and Tracing RSPO Certified Sustainable Palm Oil*
- Sustaining communications

Who should attend?

Government representatives of producing and consuming countries, large and small oil palm growers, palm oil processors and/or traders, consumer goods manufacturers who use palm oil, retailers with palm-oil-containing-products on shelves, bankers and investors with interest in the palm oil supply chain, environmental / conservation NGOs and social/developmental NGOs, consumer groups, research and development organizations, organizations with international influence.

For more information contact:

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Telephone : +62-21 5705800 ext. 214
Email : tiara_hsb@cbn.net.id

Download the RT6 and GA5 announcement at :
http://www.rspo.org/resource_centre/RT6_First%20Announcement_A.pdf

This includes accomodation details and other related information.

Annual Communication of Progress

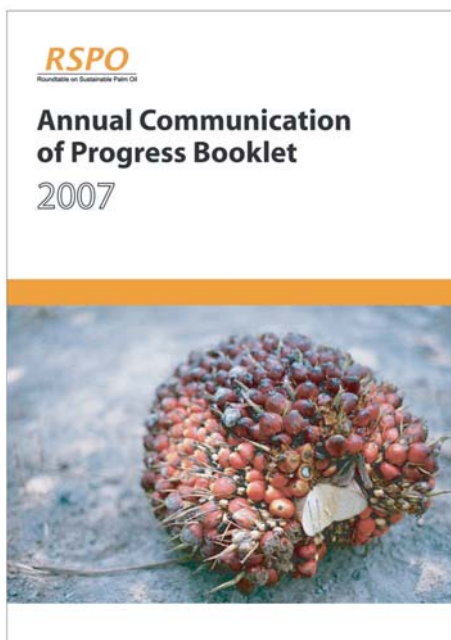
Dear Members

Being all so busy, in the blink of an eye RT6 and GA5 will be upon. The events are an opportunity for members to tell about their sustainability initiatives and efforts, an increasing imperative as the fragility of the planet and the need to care for its citizenry become ever evident.

Your stories will be compiled into the RSPO's members' Annual Communication of Progress booklet.

This is a well read document, it appears, for we have been asked both about the stories in the book as well as those which should be in but are not. Please send your 2007/8 reports to, rspo@rspo.org.

(The frontpiece of last year's report is shown below)



RSPO Projects

Free, Prior and Informed Consent and RSPO

Report of 2nd Series of Training Workshops on Free, Prior and Informed Consent and RSPO

30th April – 2nd May 2008

by Marcus Colchester

Introduction:

The second of four planned series of workshops being carried out for the RSPO on 'Free, Prior and Informed Consent and the RSPO' was held in Palangkaraya, Central Kalimantan, in Indonesian Borneo between the 30th April and 2nd May.

The workshop series was organised by the Forest Peoples Programme and Sawit Watch in coordination with the local 'Multi-stakeholder Working Group on Palm Oil of Central Kalimantan' (POKJA SM-KT), with the local administrative burden being carried with great efficiency by the community support organisation, LAMAN, a member of the Working Group.

The workshop series ran over three days. The first day workshop was attended by about 30 community representatives from West Sumatra, Riau, Jambi, West Kalimantan, Central Kalimantan, South Kalimantan and East Kalimantan provinces, as well as several NGO resource persons. The focus of the day was the training of community representatives in the principle of Free Prior and Informed Consent and an examination of how this principle fits with their own experience, with customary systems of decision-making, and with local and national laws and procedures of land acquisition.

The second day, attended by some 25 company representatives, again explored the RSPO Principles and Criteria in some detail and explored how companies thought that the RSPO procedures requiring Free, Prior and Informed Consent could be implemented. Particular attention was paid to the local realities in Central Kalimantan the importance of addressing conflicts over land. There was also further examination of how FPIC fits with their own procedures and with local and national laws and procedures and practices of land acquisition.

The third day brought all the participants together along with government officials and a representative of the RSPO Jakarta Office, with the aim of finding a common understanding of how to ensure the application of the principle of FPIC in the context of the RSPO process in Central Kalimantan.

The main purpose of the training workshops was to provide detailed information to the participants about the RSPO Principles and Criteria and to explore the procedures that should be used for the recognition of communities' right to give or withhold their free, prior and informed consent to proposed oil palm developments on their lands.

The workshops were highly interactive and exploratory and so allowed participants to relate these principles and procedures to their local and company realities and see how

these fitted with actual laws, policies, procedures, customary laws and actual practice. While the workshop materials in the attached files provide full details of the information provided in the training, these notes summarise the main issues that came out in the discussions.

Expectations:

At the outset of Day 1 and Day 2, participants were invited to state briefly their expectations of the workshop. These included:

1st Day: community training:

- Return of land
- Secure land rights
- Resolution of land conflicts
- Reconciliation
- Justice for indigenous peoples
- Respect for rights
- Information
- Successful outcomes
- Better production for farmers

2nd Day: companies training:

- Safe investments
- Safe working environment
- Better management
- Win-win solutions / mutually beneficial outcomes
- Overcoming misperceptions
- Better mutual understanding with communities and NGOs
- Conflict resolution
- Just solutions that include governments, companies and communities working together
- Developing clear guidelines for problem solving



Download the complete report at
[http://www.rspo.org/resource_centre/
2nd%20Interim%20Report%20to%20RSPO.pdf](http://www.rspo.org/resource_centre/2nd%20Interim%20Report%20to%20RSPO.pdf)



News & Views from Members

This column provides the platform for discourse among members to share experiences and ideas on the achievement of RSPO's objective of promoting the growth and use of sustainable palm oil.

Members could use this space to:

- Communicate their views and experiences on sustainable palm oil
- Critique on RSPO activities or decisions
- Provide suggestions for new projects
- Provide ideas for funding of new projects or activities
- Solicit partners for collaborative projects or activities
- Network, etc.

We invite contributions from all members, in any form they consider appropriate. Articles could include pictures, graphs, figures, etc. For inclusion in the next issue of the RSPO newsletter (Jul - Sept 2008), please submit your contributions to us by **30 Sept 2008**.



RSPO SG informs European RSPO members on RSPO State of Play

On June 5 the Dutch Product Board for Margarine Fats and Oils (MVO) organised a meeting for European RSPO members with RSPO Secretary-General Dr. Vengeta Rao. The meeting was attended by about 30 people coming from companies like KOG, Unimills/Sime Darby, Cargill, Fuji Oils, Romi Smilfood, Unilever, Glencore, Rabobank, Cadbury Schweppes, Argos Oils and Biopetrol.

During the meeting Dr. Rao informed the audience on:

- *Progress of RSPO Certification Programmes in Indonesia and Malaysia*
- *The Approval of Certification Bodies*
- *The State of play in the Wilmar complaints case*

Dr. Rao reported among other things that twelve estates have already been audited against the RSPO Principles and Criteria and that eight more are lined up for audits in the very near future. He further announced that the actual certification of estates may still take some time as the audit reports will be scrutinised through peer reviews before certificates are awarded.

Dr Joerg Eggers of OVID Germany – The German association of Oilseed crushers – stressed that in Germany many companies in the oils and fats industry are anxiously looking forward to the entry on the market of RSPO certified sustainable palm oil. He said he is often questioned when the industry can start physically delivering RSPO Certified Sustainable Palm Oil.

Marieke Leegwater of MVO presented an update on the State of Play in the RSPO Working Groups Trade and Traceability and Communication and Claims. She reported among other things that the Trade and Traceability Working Group has prepared a new draft of the RSPO Supply Chain Certification Protocol and that this will be opened up for public comments on the RSPO website shortly. (NB: This has now has been done see: RSPO publishes draft Supply Chain Certification Requirements)

More information can be found in the presentations of both speakers:

Presentation, Dr. Vengeta Rao

http://www.rspo.org/resource_centre/SG_MVO_Meeting_Presentation.ppt

Presentation, Marieke Leegwater

http://www.rspo.org/resource_centre/State_of_Play_Trade_and_Traceability.ppt

Prepared by:

Reported by Marieke Leegwater, Dutch Product Board MVO



News & Views from Members



Musim Mas Group's Stakeholders Activities

In this issue of the RSPO Newsletter, the activities of the Musim Mas Group in support of stakeholders' projects are reported.

Orangutan Projects

Four six year-old infant orangutans were repatriated from Thailand to the Orangutan Care Center and Quarantine (OCCQ) facility in Pasir Panjang, Central Kalimantan, Republic of Indonesia on 16th December 2007. The transfer was managed by the Orangutan Foundation International (OFI) in collaboration with the Indonesian Forestry Ministry. The OCCQ is a certified quarantine facility for orangutans, currently holding 320 orphans in rehabilitation for return to the wild. Musim Mas Group Plantation was the main sponsor of the event.



Dr. Birute Mary Galdikas of OFI discussing final details with an official from the Wildlife and Plant Conservation Department, National Park of Thailand and Indonesian Embassy officials before repatriation of the orangutans. The orangutan infants were recovered from smugglers and kept at the Kao Prathubchang Breeding Center under custody of the Indonesian Embassy in Bangkok



Musim Mas was also the main sponsor for repatriating 20 orangutans from Bangkok to Central Kalimantan in 2006. The event was organized by SWARASHIAU and the Borneo Orangutan Society in collaboration with Departmen Kehutanan, Direktorat Jenderal Perlindungan Hutan and others.

The Musim Mas Group is one of the sponsors for the Sumatran Orangutan Society-Orangutan Information Centre (SOS-OIC) to manage the Community-Based Forest Rehabilitation Programme in Gunung Leuser National Park in Langkat District, North Sumatra from 1 August 2007 – 31 July 2008.

The programme seeks to:

- 1) rehabilitate areas in the Park degraded by illegal agricultural encroachment by replanting indigenous trees,
- 2) work closely with stakeholders by SOS-OIC identifying communities in the park to be stewards of the replanting programme,
- 3) supply the seedlings for reforesting the Park, and
- 4) establish community forestry schemes in target areas to reinforce the Park buffer zones and provide sustainable alternative incomes for communities living adjacent to it.



Visit to project site at Langkat District on 9th April, 2008 with SOS project team members.



News & Views from Members

WWF Human-Elephant Conflict Project

Musim Mas also participated in WWF's Tesso Nilo Flying Squad by funding the educational programme on human-elephant conflict in Riau Province, Sumatra. The objective of this WWF initiative, which started in 2006, was to instruct local farmers on how to protect their crops from elephant damage without harming the animals.

Schools For The Children

The Group has built four schools in its estates to provide kindergarten and primary education to the children of its staff as well as those from the local community.

The Group finances these schools which follow the curricula and syllabi of the top private schools in Indonesia. The students have won awards for regional and national academic excellence, athletic prowess and formed one of the top school bands in the region.



A new school in Central Kalimantan



School library in Riau Province, Sumatra



School band playing



Primary class in session

The Musim Mas Group contributes to community development in various ways, such as by awarding scholarships, offering assistance to the under-privileged, running orphanages in local villages, financing village projects and developing smallholders' oil palm projects.



Rice donation to the under-privileged



Smallholder oil palm scheme



Donation of school uniforms



Sponsored community activity

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