

Roundtable on Sustainable Palm Oil

NEWSLETTER

For RSPO Members

Issue #14
January - March 2008



"Free, Prior and Informed Consent" & the RSPO
Pages 05-07

Contents

Page 02
President's Welcome Message

Page 03
Secretary-General's Report

Page 03-06
RSPO Projects
- Trial Certification of oil palm smallholdings
- "Free, Prior and Informed Consent" & the RSP

Pages 07-10
The RSPO Audit Programme
- Brief Introduction
- Certification Bodies List
- Planned Audits List
- Application for RSPO Accredited Certification Body
Process Flowchart
- FAQ of RSPO Certification

Pages 11
RSPO Membership
RT6 and GA5

Page 14-15
RSPO Palm Oil Links

News & Views from Members

Page 12-13
WWF
- WWF Q&A on the RSPO Executive's Board's proposal for additional Guidance related to Criterion 7.3 in the National Interpretation Documents

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.

EXECUTIVE BOARD MEMBERS

President

Jan Kees Vis - Unilever

Vice-President I

Darrel Webber - WWF Malaysia

Vice-President II

Derom Bangun - GAPKI

Vice-President III

Mamat Salleh - MPOA

Vice-President IV

Simon Lord - New Britain Palm Oil Ltd

Treasurer

Ian McIntosh - Aarhus Karlshamn UK

Members

Johann Züblin - Migros

Tony Lass - Cadbury Schweppes plc

Johan Verburg - Oxfam International

Rudy Lumuru - Sawit Watch

Fitrian Ardiansyah - WWF-Indonesia

Paul Norton - HSBC

Mohd Nor Kailany - FELDA

Don Grubba - IOI Group

Samantha Lacey - CIS

Advisor to the Executive Board

M R Chandran

Secretariat

Dr Vengeta Rao - Secretary-General

Aimelia Kalsom - Secretariat Administrator

Desi Kusumadewi - Indonesia Liaison Officer

Roslinda Sarmin - Secretariat Assistant

*Ali Baizuri Razali - Projects Co-ordinator /
Communicator*

RSPO Secretariat

Suite A-06-04, Plaza Mont Kiara

2, Jalan Kiara, 50480 Kuala Lumpur

MALAYSIA

Telephone : +60 3 6203 5969

Fax : +60 3 6203 5869

Email : rspo@rspo.org

Website : www.rspo.org

President's Welcome Message



Dear sustainable palm oil supporters,

Even as I write this, the National Interpretation documents are all but completed and endorsed. We had underestimated the complications caused by the fact that both the P&C Review and the NI processes would

present final outcomes at RT5. Of course, the changes in the P&C Guidance (mostly in the number of indicators for several criteria) then had to find their way into the NI documents.

The Indonesian producer members asked the RSPO EB in the meeting of February 28-29 to give special consideration to land already in development at the time the P&C were adopted in November 2005. The argument was that the requirement to have High Conservation Value Forest assessment as part of the EIA was not known then, and not well communicated for some time afterwards. After long debate, the RSPO EB decided on the following:

For land developed between November 2005 and November 2007,

- New plantings / developments between Nov 05 and Nov 07 must have the complete licences including, e.g., AMDAL, and also comply with legal land spatial planning.
- Where it can be proven that the land is not HCV in Nov 2005, it can forthwith enter the RSPO certification programme.
- Where the HCV status of the land was unknown then and/or disputed, it will not be allowed to enter the programme until suitable HCV compensation is worked out.
- Companies owning such land can enter their other estates or an estate with such land can enter its remaining area in the programme.
- This arrangement is valid only for land developed between Nov 05 and Nov 07, the RSPO P&C pilot implementation period.

All in all, the RSPO EB felt this to be a fair compromise, recognising that not everybody could have been aware of the new requirements right away, but without dispensing with the requirement in the agreed P&C that HCVF should be protected.

RSPO members are signing up for the three RSPO EB-led working groups: Certification & Standards, Trade & Traceability and Communications & Claims. There is still time to join. Please see the RSPO website for instructions.

ProForest-led certification auditor training in RSPO P&C is underway in a number of locations. Again, please see the website for details.

Those of you who attended the Price Outlook Conference for Palm Oil in Kuala Lumpur in February will agree that confusion rules. Two speakers predicted a continued rise in the CPO price, while another two that the price would fall, even if ever so modestly. It is clear that the prices of agricultural produce are going up world wide, often to all time highs. It is also clear that this is the result of a complex of factors, difficult to understand and make sense of, even by the best forecasters. In my view, one truth will always prevail irregardless for all oil palm growers: invest in high yield. Speeding up replanting and improving harvesting practices to increase oil extraction will always pay, irrespective of the price.

The Roundtable on Responsible Soy will have its Third Roundtable Conference in Buenos Aires, Argentine on April 23-24, 2008.

I will keep you informed.

Jan Kees Vis

RSPO Projects

Trial Certification of oil palm smallholdings:

Can smallholders be certified?

The Task Force on Smallholders Indonesia (INA-TFS) reconvened on 25th March 2008 at the new RSPO Indonesia Liaison Office (RILO). Attended by 17 participants representing various interests, it was the first INA-TFS meeting in 2008 since the last in December 2007.

The meeting was quite special, being attended by Ms. Marjan Schippers and Mr. Erik Petersen - from the Ministry of Foreign Affairs of the Netherlands - and the RSPO Secretary-General, Dr. Vengeta Rao. The two guests were interested to learn how smallholders are to be certified, and to explore the areas in which they can offer help.

Dr. Rao updated the meeting on the progress made in Phase I (2006/07) by RSPO's TFS, and its programme for Phase II (2008/09). The status of review of INA-TFS's final draft of smallholder P&C was also elaborated on.

To recap, INA-TFS was asked to draw up the P&C for Indonesian oil palm smallholders in 2007 so as to have a RSPO standard by which they can be certified. This was to be done by national interpretation of RSPO's P&C for smallholders, in consultation with national multi-stakeholders, including the smallholders themselves. It is expected to be completed in May 2008, after which INA-TFS will move to its programme for 2008/09.

Dr. Asril Darussamin, chairman of INA-TFS, briefed the meeting on the main activities of the INA-TFS in 2007, and its programme for 2008/09. Following the development of smallholder P&C, INA-TFS will address the questions:

- Can smallholders comply with the requirements?
- What areas need capacity building in order to comply with the P&C?
- What will the mechanism of group certification be for smallholders?

To develop its smallholder certification, INA-TFS will have a trial run in 2008/09. A few oil palm smallholdings will be certified against the smallholder P&C, and from the experience gained a final, or improved, module on smallholder certification will be produced.

Secretary-General's Report



I ask your indulgence to be reflective in my first report.

2008 will be the watershed year for the RSPO. All the definitions, perspectives, concerns and thoughts on sustainable palm oil production, encapsulated in its Principles and Criteria and adapted for local conditions, will be put to the test in the courts of reality. As I write, the production processes are already being visited to be benchmarked against our definition of enduring human harvest from nature. The world watches and waits, although some may already have passed judgement from their cultural take. In time, in 2009 or 2010, it may be possible to look back with satisfaction or embarrassment on how much we have succeeded or failed.

However, the benchmarking - auditing and certification if you prefer - cannot be the 'all and end' of sustainable palm oil or what the RSPO is all about. The increasingly familiar Yin of

P_n_C will draw attention to its Yang of C_o_C, or Code of Conduct, to preserve the aspirations of sustainable harvest and consumption. It is the weakness of the weakest link, not the location, that will diminish or even extinguish yet another fine motive. If the casting of the P&C required every alphabet and comma to be deeply thought out and reflected on, no less will be necessary for every digit and byte in the Trade and Traceability mechanisms. We must prepare for even more work ahead.

Our own words of how we harvest from nature and how we convey the harvest will be the sword by which we live and die by. The Communications and Claims work must safely bring this journey across uncharted waters to the other shore. Other efforts have perished here, and many are still floundering. But pessimism must not pervade us; it has no place in the quest for a better world.

Watersheds are often found in mountain vales, from which one can either follow the water down or ascend to its source. From this watershed, the RSPO will either 'ascend' to 2012 or return to 2004 from where its journey began.

Vengeta Rao

In 2008/09, INA-TFS will:

- Revise and finalise the smallholder P&C, to include the recommendations from the RSPO EB
- Conduct awareness courses for RSPO's P&C
- Run capacity building and training courses for smallholders and smallholders' organizations to prepare them for compliance with RSPO's P&C
- Carry out and document field assessments, gap analysis and trial certification of oil palm smallholdings to assess their present state of compliance with the smallholder P&C
- Draw up a mechanism for group certification of smallholders
- Produce a final module P&C for Indonesian smallholders.

INA-TFS takes this opportunity to invite interested smallholders or organisations representing them to volunteer their plots and expertise for the trial certification.

For further information, please contact the RSPO Indonesia Liaison Office at:

Suite 217, 6th Floor, Wisma Metropolitan II,
Jalan Jendral Sudirman Kav. 29
Jakarta 12920
Tel. +62 21 3004 8080
Fax +62 21 3004 8081
E-mail: desi@rspo.org

Looking forward to receiving your support to make certification of smallholders as sustainable palm oil producers a reality!
Submitted by: RILO



Dr. Asril Darussamin, Chairman of INA-TFS, briefing the INA-TFS meeting.



Participants representing various interests but all concerned for smallholders



Q&A session in the INA-TFS meeting

RSPO Projects

“Free, Prior & Informed Consent” (FPIC) and the RSPO

The idea that communities should have a decisive voice about what happens on their lands is a core principle of the Roundtable on Sustainable Palm Oil. In its Principles and Criteria, the RSPO expresses this principle, which is in line with international law, as a right of indigenous peoples and other local communities to give or withhold their free, prior and informed consent (FPIC) to developments on their lands. The shorthand for this concept is ‘the right to FPIC’. It sounds very correct: but how do companies actually go about observing this principle in practical terms?

On 19-21 February 2008, a three-day workshop sponsored by the RSPO was held in Pekanbaru, Indonesia, to explore this subject. Led by the Forest Peoples Programme and co-organised with SawitWatch and the Riau-based NGO, Scale Up, the meeting brought together about 80 participants including some 30 people from companies, two representatives of the national land agency (BPN) and about 35 community spokespersons from Riau, Kalimantan Timur and Barat, Sumatra Barat and Jambi. Company representatives came from some of the main palm oil corporations in Indonesia: Rajah Garuda Mas, including its paper and pulp arm (PT RAPP/APRIL) and Asian Agri; Musim Mas; Sinar Mas (including PT Smart); London Sumatra; Sampoerna Agri; Cargill; and some members of GAPKI.



The introductions and briefings explained how the principle of ‘FPIC’ is not only referred to in four key criteria of the RSPO standard, but that it is also integrally linked to other key elements of the RSPO standard on land acquisition, transparency, participation, social and environmental impact assessments, the provision and generation of information and conflict resolution. Leading Indonesian NGOs attended the meeting to provide practical insights into critical issues such as how to recognise customary lands, how to carry out participatory mapping, how to identify community representatives, as well as to provide a step-by-step summary of what a proper ‘FPIC-process’ entails. A draft guide provided to the participants set out in more detail the process companies should go through – in line with the principles and criteria – to ensure conflict-free plantations.

The three days of training and discussions generated a number of important insights. Companies complained that they face serious difficulties distinguishing between genuine and spurious community land claims and representatives, and many feel the current lack of clarity exposes them to repeated opportunistic demands for compensation.

For their part, the communities highlighted the vulnerability they feel in the current process of land acquisition, as the government does not effectively protect their rights nor recognise their customary institutions, so lands tend to be allocated to companies without consent or even compensation, a perfect breeding ground for confusion and conflict.

The final day of the workshop was a day-long dialogue between company and community representatives which led to a strong affirmation that FPIC-based processes should help prevent such problems occurring. However, participants thought more detail should be provided on exactly how the RSPO process fits with the legal procedures required under Indonesian law, especially how companies should go about to resolve their existing conflicts in line with the RSPO P&C.

The working draft Guide for Companies on 'Free Prior and Informed Consent and the RSPO' is now available on the RSPO website at:

http://www.rspo.org/resource_centre/FPIC%20and%20RSPO%20-Draft%20Briefing%202023%20feb%2008%20w%20cover.pdf

Comments on the text are welcomed so that the draft may be further improved to the greater satisfaction of the members.



RSPO has secured funds from the Dutch government for at least three further FPIC training events now tentatively scheduled for May and August in Central Kalimantan, Sabah and Papua.

Anyone interested in attending please contact the Secretariat (all@rspo.org) or Forest Peoples Programme (info@forestpeoples.org) - mention 'FPIC training'.

For practical reasons, places at these workshops are limited and priority accorded to RSPO members.

Marcus Colchester, Forest Peoples Programme

The RSPO Audit Programme

Brief Introduction

The RSPO Audit Programme will be carried out by certification bodies approved against guidelines stated in the RSPO Certification System (http://www.rspo.org/RSPO_Certification_Systems.aspx) as extracted below:

"RSPO uses a mechanism for approving certification bodies that is based on accreditation against ISO Guide 65 or ISO Guide 66, where the generic accreditation is also supplemented by a set of specific RSPO certification process requirements.

The accreditation authority itself must be operating in accordance with the requirements of ISO 17011. This must be demonstrated either as a signatory to the appropriate International Accreditation Forum (IAF) Multilateral Recognition Arrangement (MLA) or through full membership of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).

RSPO have supplemented the ISO Guide 65 or ISO Guide 66 requirements with a set of specific certification process requirements. These additional requirements for certification against the RSPO Criteria and the RSPO supply chain standard must be incorporated within the certification body's accredited systems.

Certificates of compliance with the RSPO Criteria cannot be issued on the basis of assessments performed by certification bodies that are not approved by RSPO.

The certification body must demonstrate to RSPO that their accredited systems include all of the certification process requirements. Implementation of these requirements will be reviewed by RSPO annually. Organisations that are certified by RSPO approved certification bodies will be allowed to make public claims relating to their compliance."

RSPO Certification audits need to be initiated by palm oil producer, by contacting one of the approved Certification Bodies. The cost of audits will in principle be carried by the producers.

List of RSPO Accredited Certification Bodies (as of March 2008)

Certification Bodies	Contact Information
Control Union Certifications	http://www.controlunion.com Mr. Manivanan Duraisamy, Control Union Certifications Inspector. Phone : +6 03 3377 1600
SGS Malaysia Sdn Bhd	http://www.sgs.com Mr. Amargit Singh, Division Manager. Phone : +6 03 2095 9200 amargit.singh@sgs.com
BSI Management Systems Singapore	http://www.bsi-asia.com Mr Teo Chin Siong (BSI Malaysia) Branch Manager Phone : +6 03 7662 3311
SIRIM QAS International Sdn Bhd	http://www.sirim-qas.com.my/ Madam Radziah Mohd. Daud Head, Food, Agriculture & Forestry Section, SIRIM QAS International Sdn. Bhd. Phone : +603 5544 6448 Fax: +603 5544 6763

List of Planned Audits

Certification Bodies	Premise to be Audited	Planned Dates
Control Union Certification	Kuala Lumpur Kepong Berhad (East Malaysia) - Kulumpang Development Corporation Sdn Bhd	TBA
	United Plantations Berhad	26.05.2008
	PT Musim Mas	21.04.2008
	PBB Oil Palms Bhd	TBA
BSI Management Systems Singapore	New Britain Palm Oil Limited	TBA
	Sime Darby Plantations Sendirian Berhad	TBA
Sirim QAS International Sdn Bhd	Sime Darby Plantations Sendirian Berhad	Week of 21.04.2008
SGS Malaysia Sdn Bhd	Pamol Sabah Oil Palm Plantation Estates (under IOI Corporation Berhad)	Week of 19.05.2008

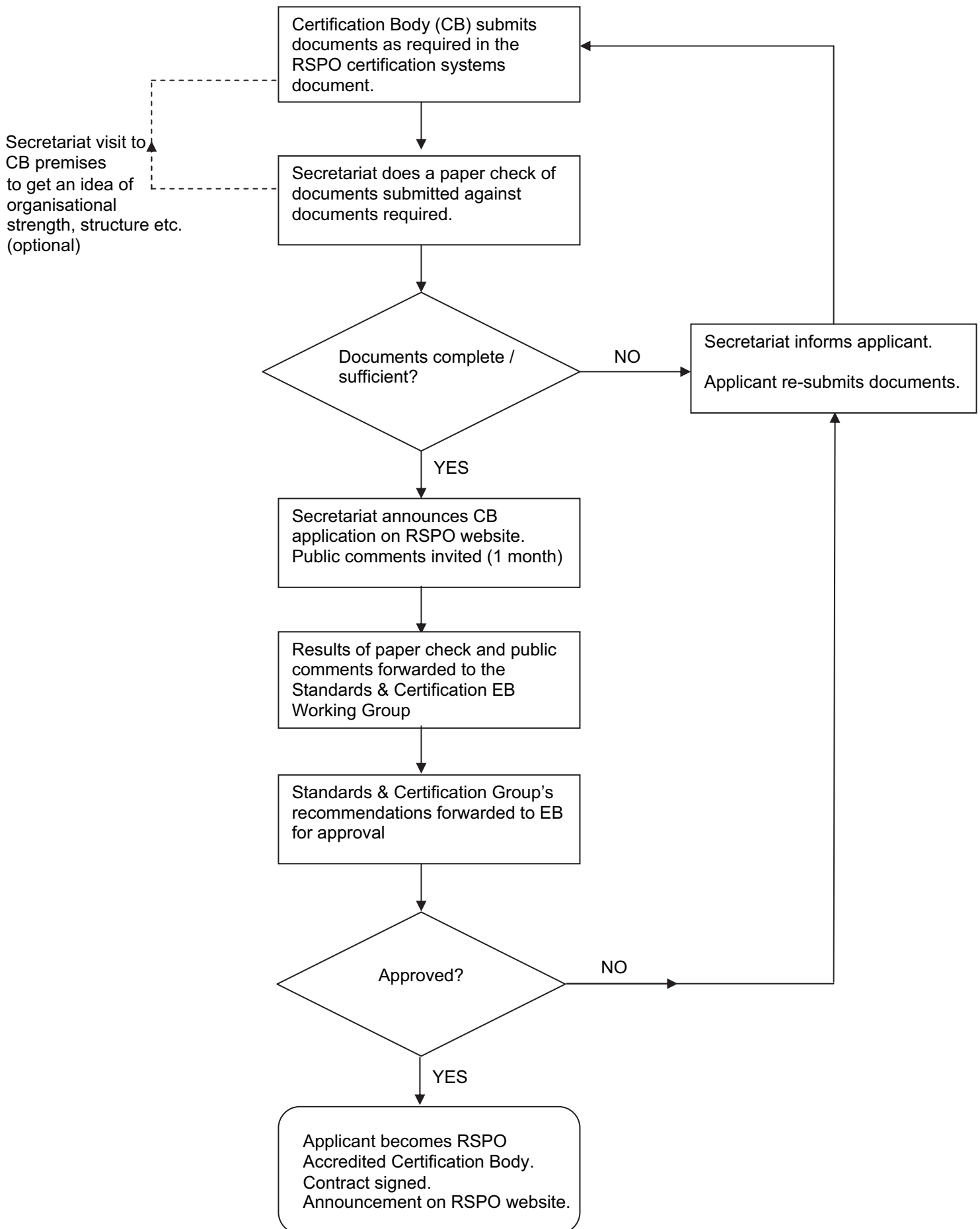
NOTE:

For a detailed list (with tonnage and hectarage) of planned audits please visit : http://www.rspo.org/The_RSPO_Audit_Programme.aspx

List of Certification Bodies Seeking RSPO Accreditation (correct at time of publication)

Certification Bodies	Approval Stage
PT Mutuagung Lestari http://www.mutucertification.com	Public Comment Period - expires 10th May 2008
PT Sucofindo http://www.sucofindo.co.id/	Document submitted - document check by RSPO Secretariat
PT TUV NORD Indonesia	Document submitted - document check by RSPO Secretariat
AGROVET (Austria) http://www.agrovet.at	Pending further documents from applicant
Instituto Biodinâmico Certification Association (IBD), Brazil http://www.ibd.com.br/	Document submitted - document check by RSPO Secretariat
Guardian Independent Certification http://www.gicg.co.uk	Waiting for further documents from applicant
Moody International http://www.moodyint.com	Pending submission of documents
BRS http://www.brsltd.com	Expression of interest
TUV Rheinland http://www.my.tuv.com	Expression of interest

Application for RSPO Accredited Certification Body Process Flowchart



FAQ on RSPO Certification

1. What is RSPO Certification?

In the present world of increasing environmental and social consciousness, there is growing concern that products (agricultural as well as non-agricultural) are produced without undue harm to the environment or society. Obviously, the concerned consumer cannot verify himself whether any product on the supermarket shelf is responsibly produced. In gist, RSPO Certification is a seal of approval that the palm oil (initially, only palm oil, but eventually all things from the oil palm) used in the product is indeed so produced. It is awarded only after strict verification of the production process, to stringent international standards by accredited certifying agencies, and may be withdrawn at any time on infringement of the rules and standards.

2. What is so unique about RSPO Certification?

By and large, any one or any body can certify anything, there being little legal restrictions on that, and, indeed, there are already a plethora of certificates and standards being awarded these days. The crux of the matter is the credibility and usefulness of the certification – basically, who will believe or use it. RSPO's current members comprise organisations, companies and individuals whose reputation decides their standing as global citizens. They produce about 40% of the world's palm oil and are buyers of more than 20%. As all the members are bound to accept RSPO certification on each other, the value of the status is quite universal. A producer of palm oil contemplating certification would have to ponder whether he wants his product to have free access to the global market, and possibly command a premium price, or just to sell to the nether markets. In essence, is the cost of compliance worth the benefits?

3. Who can be certified?

The unit of certification is the unit of palm oil production – the palm oil mill and its supply base. To certify the mill, the supply of all its oil palm fruits must be certified. This would include its own estates (managed directly, ownership unimportant) and those of its suppliers (smallholders and other estates), if any.

4. How can a large organization with several units (mills) be certified?

Organizations with more than one unit can only be certified if:

- (a) they are a member of RSPO;
- (b) they present a challenging time-bound plan to certify all their remaining units during the first certification audit;
- (c) there are no significant land conflicts, no replacement of primary forest or any high conservation value areas (HCVs) since November 2005, no labour disputes that are not being resolved through an agreed process and no evidence of non-compliance with the law in any of the non-certified holdings.

5. Can an organization cheat by putting its uncertified palm oil as the production from a 'certified' mill?

It would be very difficult with the system of certification used. Briefly, the mill being assessed is deemed to have an annual production of, say, 50,000 tonnes palm oil (average of its last few years' production). From assessment of its supply of fruits, only 70 percent (i.e., for 35,000 tonnes of oil) is deemed sustainable. It is thus issued 35 certificates (each for 1,000 tonnes) for sustainability which it can attach to batches of its oil to fetch a premium price. If the organization has other uncertified mills, diverting all their uncertified oils to the certified mill would not benefit him at all because only 35,000 tonnes would be certified. The figures can, of course, be adjusted in time depending on the current status of the mill, the age of the palms supplying the fruit base etc. but all subject to annual scrutiny by certification bodies.

6. What is required to be certified?

Compliance with the Principles and Criteria (P & C), with limited adaptations for National Interpretations, drawn up by the RSPO. The P & C is a set of conditions to satisfy for the production of palm oil to be deemed sustainable. It not only involves good agricultural practices, but also fair treatment of workers and communities as well as proper acquisition of the land and care for the environment and biodiversity. The smallholders and outgrowers are not certified separately, but have to get in compliance together with the mill they supply.

7. What about the other products from oil palm cultivation?

Eventually, of course, all products from the oil palm plantation will be certified – palm kernel oil, palm kernel cake, and possibly even oil palm timber/fibre. But the start of a very long journey is the first step, and by far the most important product from the oil palm is palm oil, so its certification would have to take precedence over all others.

8. Who pays for the cost of certification?

The Company owning the mill which requests the certification.

9. What are the benefits of being RSPO certified?

There are no guaranteed benefits to be had apart from the satisfaction of a job well done and that of being a responsible world citizen. But there are an increasing number of environmentally and socially responsible buyers willing to pay a premium for responsibly produced products. Some of them have even foresworn dealing in non-certified products. In short, any benefit would be for the mill to accrue itself – as a responsible palm oil producer verified by RSPO.

10. Who will certify me?

RSPO will have a list of bodies that can provide the certification. Any of the certification bodies can be asked to do the job. The list is posted on the RSPO website.

11. How does one become an RSPO certifier or auditor?

Any company/institute/etc. feeling that it has the expertise to offer the service can apply to RSPO to be a certifier/auditor. RSPO will assess the applicant to verify its claimed skills and accredit only those who truly qualify. All requests for accreditation and the accreditation process, which includes a 1-month period for public comments, will be transparent (i.e., posted on the RSPO website). The auditor, however, cannot be an individual.

12. What exactly is the Certification Body's role?

It will assess the compliance of a palm oil producer against the RSPO principles and criteria (P&C) with allowance for different national interpretations (NI) and sets of guidance documents to help the process. These form the standards against which a producer is audited. The standards are posted on the RSPO website.

13. Does compliance as assessed by a certifying body mean that the producer will get a certificate of sustainable palm oil production?

No. Not immediately anyway. The assessed compliance can be viewed as tentative approval which, barring any unforeseen circumstance, should lead to certification. The audit report will be reviewed and a summary posted on the RSPO website for public comment. Then, the report and comments (if any) will be submitted to the RSPO Board for final approval/rejection of the certification.

14. After receiving an application and the relevant documents from the applicant, does the RSPO perform an on-site audit?

The RSPO is not involved at all in the process, except that it is kept informed so that it sees all and knows all about what is going on. The request for certification is made to a certifying body, the auditing done and a report submitted to the RSPO for approving the certification. Nevertheless, RSPO may, at its sole discretion, send an observer to advise the RSPO on the processes without weighing in on the audit itself.

15. How long does the audit take and how long before a certificate is issued?

This would depend on several factors, for example, the number of units to be assessed, capacity of the certifying body, location and spread of the relevant areas, whether own crop or purchased from outgrowers, public comments if any, and, of course, rectification of non-conformities.

16. Can I sell the certificate?

The certificate is awarded to the mill, so, obviously, it cannot be sold independent of the mill. However, the mill can be sold, together with the certificate, if the approving conditions have not been substantially altered, e.g. more land acquired without certified production.

17. Is there a certificate or logo that comes with the certification?

A certificate will be awarded. The certified unit or its parent company can claim that its product is certified and use the RSPO logo in its advertisement of quality. However, the logo can only be used if all the batch of palm oil is certified.

18. What exactly is the 30 day public comment period?

This is basically no different from a marriage ban. A couple wanting to marry has to 'advertise' their intention (the ban) for some time for the public to object to any wrong that may be about to be committed, e.g., one (or even both!) still married and bigamy about to be committed.

In applying for RSPO certification, the applicant has to supply various documents and evidence of its claimed activities, processes and procedures. The document(s), activities, processes and procedures may intentionally/unintentionally be inconsistent with its claims, so the public must be allowed its objection. Obviously, this allowance must be time-barred as new objections cannot be continually made on the bad old practices – there must be a cut-off time when all the objections can be collated for assessment so that the certification process can start, or be called off. Of course, complaints can be made at any time later, but this would have nothing to do with the 30-day period.

19. Can I see the public comments?

Yes, they will be on the RSPO website, for at least the full period of public comments.

20. Who decides on the validity, merit or otherwise, of the public comments?

Initially, the Certification Body. If the matter cannot be resolved, the comments are then referred to the Executive Board of the RSPO, which current members are listed on the RSPO website.

21. How long is a certificate valid for?

5 years, after which re-certification is required.

22. What if, after certification, the producer reverts to his old bad ways?

Although the certification is for 5 years, there are annual assessments to monitor continued compliance. Minor infractions must be rectified by the next annual assessment, and major infractions within 60 days, failing which the certification is suspended. If, after suspension, the major infraction remains unrectified for another 60 days, the certification is withdrawn.

23. Would the same certification body that certified a mill have to be the annual assessor?

No, any of the approved certification bodies can be asked to do the job.

24. What happens to the oil from a mill which certification has been revoked?

Any oil produced within six months from the date of revocation of the certification remains certified. After that, it is no longer certified.

25. What can I do / not do that may invalidate my certification or jeopardise any future auditing.

Behave. Be a good boy/girl! There are rules and regulations to follow and not to run afoul of as spelt out in the P&C (NI).

26. How frequently is the RSPO accreditation of certification body reviewed?

The accreditation of the certification body would be reviewed annually. RSPO will review all the information on the certification body, including feedback by the stakeholders, and approve/disapprove the application, with the results conveyed to the body. The RSPO decision will be final.

27. What happens if a certification body loses its accreditation?

Obviously, it cannot certify any more. But the mills certified by it carry on normally, with annual assessments, until the certification eventually lapses.

28. What if there is a complaint about the performance of a Certification Body?

All legitimate complaints will be investigated and addressed by a Grievance panel. Details are available on the website.

29. When does the RSPO Certification audit start?

When the mill requests certification by the certification body. The body then informs RSPO and the request is put up on the RSPO website. In addition, the body has to make a public announcement of the impending assessment (and also post it on its website) at least one month before to inform the relevant stakeholders and invite their possible participation.

30. Will each and every complaint from the public be listened to and acted upon?

All the complaints will be investigated by the Certification Body. If the complainant remains unsatisfied, he/she may take the matter further to the Accreditation Body and/or the RSPO Grievance Panel.

RSPO Membership

NEW RSPO MEMBERS

The Executive Board has recently approved the following organizations as members of the RSPO:

ORDINARY MEMBERSHIP:

- PT Proteksindo Utama Mulia [8/4/2008]
- Palmas del Ixcan [25/3/2008]
- New Biodiesel Co., Ltd [25/3/2008]
- PT. Jaya Mandiri Sukses [21/3/2008]
- PT BW Plantation Tbk [21/3/2008]
- Henkel KGaA [8/4/2008]
- SG Biodiesel [25/3/2008]

AFFILIATE MEMBERSHIP:

- PT Mutuagung Lestari [3/4/2008]
- PT Sucofindo [28/3/2008]
- PT TUV International Indonesia [21/2/2008]

CHANGES IN RSPO MEMBERSHIP

WITHDRAWALS:

- Ecologico Packaging Sdn Bhd (Malaysia)
- CMS Resources Pte Ltd (Singapore)

MERGERS:

- Sime Darby, Kumpulan Guthrie Bhd, and Golden Hope Plantation Bhd

Effective from 1st December 2007, the three companies mentioned above have merged into one entity.

All three companies above have been members of RSPO since before the merger as of commencement date below:

Sime Plantation Sdn Bhd	8th September 2004
Kumpulan Guthrie Berhad	10th September 2004
Golden Hope Plantation	18th May 2004

6th Roundtable Meeting on Sustainable Palm Oil (RT6) & 5th General Assembly (GA5)

The 6th Roundtable Meeting (RT6) on Sustainable Palm Oil is the 6th annual RSPO meeting that brings together RSPO Members, stakeholders and partners to discuss the latest developments on meeting the RSPO objectives as well as seeks inputs, concerns, ideas while building constructive dialogue.

This year's edition of the Roundtable Meeting will be held in Bali, Indonesia at the Grand Hyatt from 18-20 November 2008.

Following the RT6, The Roundtable on Sustainable Palm Oil (RSPO) will hold its 5th General Assembly (GA5) of Members.

In accordance with RSPO Statutes (Article 11) and By-Laws (Articles 5.1, 5.2, 5.3 & 5.4), RSPO Members will be invited to submit issues for discussion.

An official notice for GA5 will be sent out to all members in October 2008.

Further announcements of RT6 and GA5 will appear on the RSPO website.



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 (Apr-June 2008), please submit your contributions to us by **31 May 2008**.



WWF Q&A on the RSPO Executive Board's proposal for additional Guidance related to Criterion 7.3 in the National Interpretation Documents

1. What are the changes that the EB has recommended regarding the Guidance to RSPO Criterion 7.3?

For the National Interpretation (NI) documents for Indonesia, Malaysia and Papua New Guinea National Working Groups (NWG), the RSPO Executive Board (EB) has proposed additional Guidance related to Criterion 7.3: "New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values (HCV)."

The EB has proposed adding specific Guidance related to the 2005-2007 time window. This would be in addition to other existing Guidance addressing Criterion 7.3.

Specific Guidance to 7.3.1:

- *New plantings within Nov 05 and Nov 07 must be in compliance with existing regulatory requirements that relate to social and environmental impacts management i.e. SEIA (ref 7.1) , and with the legalized land spatial planning.*
- *Where it can be proven that the land did not contain HCV in Nov 2005, the land can enter RSPO certification programme.*
- *Where the HCV status of the land is unknown and/or disputed, the land will be excluded from the RSPO certification programme, until an acceptable solution for HCV compensation has*

been developed.

- *Companies owning such land can enter the other estates in the programme. This arrangement is valid only for land development between Nov 05 and Nov 07 which was the RSPO P&C initial pilot implementation period.*

2. What actions led to this special Guidance on the application of Principle 7.3 during the period 2005 to 2007?

This EB proposal came about after the Indonesia NWG proposed to add Guidance to the Indonesian National Interpretation document stipulating that Criterion 7.3 should have modified application to plantings made between 2005 and 2007.

Specifically, the Indonesia NIWG suggested adding the following additional Guidance to Criterion 7.3:

- *New plantings within November 2005 and November 2007 must have the complete licenses including AMDAL and also comply with the legalized land spatial planning*
- *New plantings within November 2005 and November 2007 without HCV identification must fulfill HCV identification within two years from December 2007.*
- *New plantings since November 2007 must fulfill HCV identification and must have not replaced any area having one or more High Conservation Values.*

The Indonesia NIWG proposal was the subject of vigorous debate within the EB. In order not to lose support of the Indonesian producers, the EB made the decision to propose the additional Indicators and Guidance as outlined in Question 1. The EB decided to propose this additional guidance for all current NI documents (Indonesia, Malaysia and PNG).

3. What reasons did the Indonesia NIWG give for wanting to make these changes to the application of Criterion 7.3?

The Indonesian NIWG asserted that since Nov 2005, 1.2 million hectares of new plantation permits were issued by the Indonesian government, of which 700 thousand hectares have already been planted as of November 2007. During that time, there was little understanding of the HCV concept or capacity to undertake HCV assessments in palm oil plantations.

4. Why did the EB change the guidance to Criterion 7.3 with respect to the 2005-2007 time window?

The clear message from the Indonesia NIWG was that this was a major issue for Indonesian producers and a number of RSPO members were prepared to resign if this issue was not addressed. The Indonesia NIWG's original starting point would have allowed companies that cleared HCVF between 2005 and 2007 to be certified without any consequence. The subsequent compromise proposal from the EB states that new plantings without HCVF protection between 2005 and 2007 are not certifiable, and that any future certification of such plantings would depend upon RSPO developing rules for HCV compensation and that companies must be prepared to undertake such compensation.



News & Views from Members

5. What is WWF's view on this revision?

In principle, WWF is opposed to any "watering down" of the P&C or their guidance, therefore WWF's institutional view is that there should be no compromise. However, recognizing the RSPO as a consensus process, we think the EB compromise is a vast improvement on the original proposal from the Indonesia NIWG. Without a compromise, RSPO risks losing the Indonesian palm oil companies and thus any prospect of reforming industry practice in Indonesia. We note that companies involved in clearing between 2005 and 2007 will need to take compensatory action to offset whatever HCVs have been lost, if they wish to pursue certification of the plantations involved in clearing. From the perspective of the RSPO objective of promoting sustainable palm oil production, this presents a way to bring more companies into the RSPO fold while generating additional conservation actions that may otherwise not have occurred.

WWF will work with the RSPO to ensure rigorous standards are developed to define what constitutes adequate HCV compensation. See Question 7 below for WWF's policy on conservation offsets.

6. Originally the RSPO guidelines indicated that companies pursuing certification must commit to having all their estates certified within a sufficiently challenging time scale. How does this new EB proposal change this guidance?

The RSPO Certification Systems document, approved by RSPO Executive Board on 26 June, contains the following text:

4.2.4 Organizations with more than one management unit and/or that have a controlling holdings in more than one autonomous company will be permitted to certify individual management units and/or subsidiary companies only if

.(a) the organization is a member of RSPO; and

.(b) a time-bound plan for achieving certification of all relevant entities is submitted to the certification body during the first certification audit. The certification body will be responsible for reviewing the appropriateness of this plan (in particular, that the time scale is sufficiently challenging), and verifying and reporting on progress in subsequent surveillance visits; and

.(c) there are no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labour disputes that are not being resolved through an agreed process and no evidence of non-compliance with law in any of the non-certified holdings.

New acquisitions which have not replaced primary forests or HCVs are required to comply with these requirements within three years

Certificates for all of the company's holdings shall be suspended if there is noncompliance with any of these requirements.

The effect of this rule is that one case of HCVF clearing in a company group or in the different plantation units held by a company would disqualify this company from RSPO certification.

The new guidance modifies this rule with respect to clearing that occurred between 2005 and 2007. Companies involved in clearing forests with HCVs in this period will be able to certify other plantations where RSPO criteria are met.

In WWF's view, this has implications for the RSPO claims policy. The RSPO system should only allow companies to make statements with respect to specific plantations that meet RSPO criteria. Provisions are needed to prevent "greenwashing," i.e. a scenario where a company could use RSPO certification of a showcase plantation to imply company wide sustainability, despite the fact that forests with HCVs were cleared in some of its holdings or plantations between 2005 and 2007.

7. What is WWF's view on the RSPO's proposed solution for HCV compensation?

In developing an HCV compensation mechanism, WWF urges the RSPO to undertake a stakeholder-based process to create and field-test the mechanism. WWF will contribute to the process based on the principles and guidelines outlined in the WWF Position Paper developed for the Conference of the Parties to the Convention on Biological Diversity Eighth meeting, Curitiba, 20-31 March 2006.

RSPO Palm Oil Links (1)

As a service to RSPO members, the Secretariat lists below websites and webpages that have news in the reporting quarter (or earlier) on palm oil, on sustainability, and on the RSPO

Things Worse for the Environment Than Driving...Kinda : Environmental News Blog | Environmental Graffiti

<http://www.environmentalgraffiti.com/offbeat-news/things-worse-for-the-environment-than-drivingkinda/569>

Many things are claimed to be worse for the environment than driving. One of them may be the production of biofuels.

Bio-fuels and Supermarkets kill orangutans : Environmental News Blog | Environmental Graffiti*

<http://www.environmentalgraffiti.com/ecology/bio-fuels-and-supermarkets-kill-orangutans/201>

Bio-diesel from palm oil has been described as "deforestation diesel", because producing the fuel has led to heavy deforestation in Southeast Asia, as forest is razed to plant oil palm. The orang utan is rapidly losing its habitat. In 2004 the RSPO was set up to bring together retailers, producers and NGOs involved in palm oil to create certified plantations.

Exchange Morning Post

<http://www.exchangemagazine.com/morningpost/2008/week10/Wednesday/0305014.html>

Dutch environmental advisory body MNP warned the European parliament that EU plans to cut greenhouse gas emissions using biofuels will increase food prices and threaten biodiversity.

European Parliament - News - Headlines - Article - Workshop on biofuels - eco saviours or destroyers?

http://www.europarl.europa.eu/news/public/story_page/064--22625-064-03-10-911-20080229STO22603-2008-04-03-2008/default_en.htm

Scientific evidence has indicated that biofuels may not be as good for the environment as was once thought

Biofuels and Rainforests - Science - redOrbit

http://www.redorbit.com/news/science/1284262/biofuels_and_rainforests/

To expand production of biofuels massively and, at the same time, protect the forests and savannas from agricultural expansion would raise world commodity prices to unacceptable levels.

Rush for biofuels threatens starvation on a global scale - Times Online

<http://www.timesonline.co.uk/tol/news/environment/article3500954.ece>

The rush towards biofuels is threatening world food production and the lives of billions of people.

Biofuels: Fields of dreams - Times Online

<http://www.timesonline.co.uk/tol/news/environment/article3489640.ece>

Widespread conversion to plant-based fuels would increase, rather than reduce, the output of greenhouse gasses, and take food from the poor.

Comment is free: Stop the bandwagon now

http://commentisfree.guardian.co.uk/mark_lynas/2008/03/stop_the_bandwagon_now.html

The tide of public and expert opinion has been turning inexorably against biofuels in recent months. The UK government must quickly abandon its national targets for biofuels use, and urge its EU partners to remove the target across all Europe.

Biofuels, food prices and malnutrition - Ethical money - MSN Money UK

<http://money.uk.msn.com/guides/ethical-money/article.aspx?cp-documentid=7723245>

China's booming economy, a spate of poor harvests across the world and the growing trend to turn food into biofuels are causing millions of people to go hungry.

Chief scientist slams biofuels - 07 Mar 2008 - Business-Green

<http://www.businessgreen.com/business-green/news/2211519/chief-scientist-slams-biofuels>

The growing opposition to the UK's biofuel targets gains impetus after the new chief scientific advisor admitted "real problems" with the sustainability of biofuels.

The Times - Article

<http://www.thetimes.co.za/News/Article.aspx?id=722306>

The UN agency in charge of alleviating world hunger has warned the EU that the fast-growing use of biofuels is driving up food prices for the world's poor.

RSPO Palm Oil Links (2)

Ban expansion of agrofuels | The Japan Times Online

<http://search.japantimes.co.jp/cgi-bin/ea20071105a1.html>

Growing agrofuels is already jacking up food prices, depleting soil and water supplies, destroying forests and violating the rights of indigenous and local people. Moreover, they don't necessarily reduce greenhouse gas emissions especially if they are produced in unsustainable ways. A moratorium should be observed on the conversion of land for agrofuel production.

Environment high on corporate M'sia agenda

<http://thestar.com.my/news/story.asp?file=/2008/3/10/business/20550108&sec=business>

MALAYSIAN companies are increasingly aware of the detrimental effects of global warming, and some have been actively addressing its impact via systematic initiatives over the past three to five years. IOI's practice of sustainable agriculture and sustainable palm oil production has intensified with its participation in the RSPO.

BBC NEWS | Science/Nature | Biofuels bonanza facing 'crash'

<http://news.bbc.co.uk/2/hi/science/nature/7096819.stm>

The biofuels bonanza will crash unless producers can guarantee that their crops are produced responsibly - rainforests not destroyed and net CO2 sequestration.

Big food companies accused of risking climate catastrophe | Environment | The Guardian

<http://www.guardian.co.uk/environment/2007/nov/08/climatechange.biofuels?gusrc=rss&feed=networkfront>

The rush to palm oil and biofuels threatens to release 14 billion tonnes of carbon from Indonesia's peatlands.

EU plans tougher environmental criteria for biofuels - International Herald Tribune

<http://www.ihrt.com/articles/2008/01/14/business/14webbiofuel.php>

The European Union will set tougher environmental criteria for biofuels as planting the crops has done unforeseen damage.

Conscious Choice: Biodiesel

<http://seattle.consciouschoice.com/2007/12/greenscene0712.html>

Can biodiesel remain a sustainable fuel and still meet increasing consumer demand? The worst biodiesel crop environmentally is oil palm because of deforestation.

Technologies to combat climate change could cause wider environmental damage, investors warned | Forum For The Future

<http://www.forumforthefuture.org.uk/node/1137>

Technologies to combat climate change can cause wider environmental damage.

Palm Oil Action

<http://www.palmoilaction.org.au/index.html>

Orang utans are killed with the development of oil palm. Planting oil palm also causes deforestation, fires, social conflict and human-rights abuses, and environmental pollution.

Threat to rain forests isn't easing

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/02/29/BAOHV0EJR.DTL>

Rain forests are still being destroyed despite decades of work to prevent deforestation. The economic pressures are great: a desire to expand cropland, the need for more cattle-grazing pastures and the production of timber, to name a few.

Digital Chosunilbo (English Edition) : Daily News in English About Korea

<http://english.chosun.com/w21data/html/news/200803/200803210011.html>

European countries supposedly use biodiesel to help prevent global warming, and doing so does indeed reduce the quantity of carbon dioxide emitted in Europe. But in consequence, South-east Asia, on the opposite side of the globe, emits more carbon dioxide.

Biodiesel in the dumps | Gristmill: The environmental news blog | Grist

<http://gristmill.grist.org/story/2008/3/21/81937/3097>

Global grain stocks are at all-time lows and prices at all-time highs. This is a great incentive to clear rainforest in South America and Southeast Asia that sustains indigenous peoples and stores vast amounts of carbon. These lands are also concentrated centers of biodiversity. Sacrificing them for fuel is a heinous crime.

WW3 » Blog Archive » Resnica o biogorivih

<http://samsara.tuditi.delo.si/2008/03/23/resnica-o-biogorivih/>

Each day, many people in the developing world do not have enough food to eat. Food prices around the world are shooting up, but the wealthiest countries are burning food as fuel. But not all biofuels are bad. What's needed are strong global standards that encourage better biofuels and shut down the trade in the bad ones.

Taipei Times - archives

<http://www.taipeitimes.com/News/taiwan/archives/2008/03/15/2003405610>

An increasing proportion of greenhouse gas emissions is from deforestation. At present it is 80:20 energy sources: deforestation. The three countries producing the most emissions through deforestation and forest degradation are Indonesia (35 percent of such emissions), Brazil (19 percent) and Malaysia (10 percent). Oil palm plantations in Indonesia and Malaysia are a source of concern.

A Climate Of Fear - Commentary: The Post Chronicle

http://www.postchronicle.com/commentary/article_212136959.shtml

The way we do science today creates a culture of exaggeration. Environmental organizations such as Greenpeace, Friends of the Earth (FOE), Wetlands, et al have been blaming oil palm cultivation for contributing to deforestation, destruction of habitat for the orang utan and to global warming. There is a suspicion that they are motivated more by the funding than purely altruistic and conscionable work.