

## SECRETARY GENERAL'S REPORT TO GA6

### Dear RSPO Members,

Welcome to the 6<sup>th</sup> General Assembly of your organisation, the one which you helped found, nurture and grow, whether knowingly or not.

Since the last GA, there has been progress made by RSPO, at a phenomenal pace to some, and a snail's crawl to others, but undeniably progress nevertheless, borne on the shoulders of small teams of persons in Jakarta and Kuala Lumpur, with support from the various Working Groups and the Board, and all of you providing guidance through the GAs.

The Secretary-General's report in 2005 reads *“As a point of achievement, the membership base surpassed the 80 mark, going from 76 to 83 total members, including 62 Ordinary and 21 Affiliate Members”*. Today the number is inching towards 400.

Where previously, the organisation depended on the goodwill of donors for much of its activities, today the membership dues support the administration and most of the projects. But we need to move further forward to finding support from sustainable certification all along the supply chain. Two years ago, at a venue not far from where this GA is held, the Malaysian Minister responsible for the palm oil industry voiced his concerns over smallholders. He wrote to RSPO *“With regard to the smallholder issue I am glad to note that you agree much work needs to be done to bring on board these entities under the RSPO framework. However, I wish to reiterate that currently close to 40% of the oil palm planted area in Malaysia is undertaken by smallholders. As such, as a responsible Government, we have a duty to ensure that this sub-sector of the industry is not disadvantaged by, among others, cost constraints and standards to comply with RSPO criteria. This was my bone of contention in flagging out this issue”*. Today, the standards for certifying scheme smallholders are in place, a trial assessment completed in Indonesia and another about to start, and the world's largest grouping of small growers – Malaysia's Felदा – en route to certification of its first group of scheme smallholders. The standards for independent smallholders - group certification and incentives for certification - are the quiet work in the room next to the noisy heated debates over GHG criteria, etc.

And yes, the GHG criteria, but not only them. Which agrochemicals to use and which not, etc? It is a given that the mother of all RSPO documents, “RSPO Principles & Criteria for Sustainable Palm Oil Production”, is live, and, like a ship crashing into tempestuous waves, all parts need constant scrutiny and the occasional patch up. The key word is ALL, not ANY part, however important. And if a leak is sprung, it is to be plugged by everyone working together – for it matters not where the leak is, nor at which end one sits nor how the leak looks from different ends of the boat, but that the leak does not sink the boat.

If the milestone in 2007/8 was the first certification of sustainable palm oil, 2008/9 saw both increasing palm oil certification and the start of Supply Chain certification. The 1.7 million tonnes palm oil now certified to RSPO P&C will rise to 2 million tones if the current audits are approved, although some still think this not fast enough and the certification cumbersome. However, passing the world's toughest agricultural sustainability standards will neither be quick nor easy, the zestful young organisation opting for painstaking scrutiny over expediency to obviate the risk of losing all on charges of 'green-washing'.

Through its work on Supply Chain Certification and Control of Claims, RSPO is taking command of the pipeline from oil on the palm to oil in the palm, sustainably produced and control-delivered to the end user. The pendulum just now has swung to the users of sustainable palm oil due to the current excess of production. It is incumbent on RSPO to reverse the swing, whether by scorecards or annual reporting, to require that the ‘talk be walked’. We must all endeavour to manage the pendulum swings, so no one side gains excessively at the expense of the other, so that together we can move forward, even if it is to be by lurching.

Vengeta Rao