**P&C issues:**

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| Comments Received | Stakeholder Group |
| Comments From: Dr Junaidi Payne, BORAIn my opinion, the main Malaysian issues for sustainability of palm oil production in Malaysia are1.  LABOUR IN PLANTATIONS - failure of government to seriously address labour shortage, and instead to muddle through with inadequate labour, issuance of insufficient numbers of work permits, and the potential abuses of power that that engenders, while at the same time talking about increasing productivity, plus erratic policies on families of migrant workers, and the bizarre reluctance of MPOA, MPOC and the plantation companies in not forcing government to address this issue.PROPOSED SOLUTION : RSPO to offer to assist the Malaysian industry, via RSPO palm oil producer members, in outlining possible approaches, marshalling argumentation, and bringing recommendations to National Cabinet2. TAXATION (only indirectly related to sustainability) – complex array of taxation which irritates the producers but allows them to argue that they are "over-taxed". In fact they should be taxed heavily because of the off-site adverse impacts on water quality and because the great opportunity costs imposed on other potential land uses and land users (including sustainable production forestry) and also because they can afford it better than ordinary citizens. Do we needmore studies to show that the less equitable societies become, the greater the social problems? But the tax should (a) be much simplified and (b) a chunk should go to nature conservation (i.e. compensation for forest and biodversity loss, but imposed by government and not just voluntary)PROPOSED SOLUTION : RSPO to seek a way to open up the taxation on the palm oil sector debate and commission a study group or independent experts to seek options that might satisfy the industry and State governments (it cannot satisfy those two and federal government). The study should addess the facts that (a) complex multiple taxation should be simplified, (b) a greater % of tax on palm oil should go to the State governments than to federal government because it is the States that lease or alienate the land for oil palm, States have locked themselves in to ridiculously low annual land rents on plantation land, and the people at State level that suffer the offsite adverse effects. A high State level tax on palm oil can act as a convenient proxy for land rent and compensation for externalities. Also, a part of State tax on palm oil should be allocated specifically for nature conservation, to remedy the adverse offsite effects. This could be done via a body such as MPOC, but before that, the body needs to have a transparent and defensible governance structure, policies in place on what sorts of actions will be funded, and qualified staff who are not closely linked to politics.3. MISUNDERSTANDING - profound confusion exists in corporations and government alike on the difference between the sustainability concept (e.g. as advanced by RSPO), corporate social and environmental responsibility (e.g. advanced by some member companies), and giving money for conservation projects (e.g. MPOC).SOLUTION : RSPO to carry on regardless, but bring in more corporate support by proposing solutions to issues 1 and 2 above, so as to engender a steady growth in corporate appreciation of the potential value and positive power of RSPO. | ENGO |
| Comments from : Ben RidleyRegional Head, Sustainability Affairs, Asia / PacificCredit Suisse AGLevel 88, ICC, West KowloonHong Kong SARTel: +852 2101 6872First of all, our apologies for this late submission. The Review was only just brought to our attention, and we would like to offer brief feedback as follows:-We feel that there is a need for the RSPO to increase its focus on theconservation of peatlands and high carbon stock forests. The threshold of 35 ton C/ha to define high carbon stock would appear to be appropriate.- We broadly support the recommendations of the RSPO GHG Working Groupand would like to see - We believethere needs to be greater emphasis on thedevelopment and ongoing implementation of management plans, including for HCVs. In this regard, we believe it would be appropriate to ensure employees selected for this management role can demonstrate, or commit to undertake, training in environmental and social issues awareness and management. Details of this training can be developed as appropriate to ensure their practicability, but might involve for example completion of on-site training delivered by a certified RSPO auditor. | Banks and Investors |
| Comments from: Union of Concerned Scientists, January 2012The review of the RSPO Principles and Criteria (P&C) should result in RSPO standards that ensure sustainable palm oil results in zero deforestation and zero net emissions (or even better, a net carbon sink) when including accounting for land use change, plantation practices, and production. Currently, without a carbon threshold to determine which land is converted to palm oil plantations, it is possible that much of the sustainable palm oil being certified by the RSPO has a large carbon footprint due to the deforestation of secondary forests and the decomposing of shallow peat that are not currently protected by the standards. This lack of GHG accounting means that current RSPO certified sustainable palm oil cannot in fact be guaranteed to be sustainable. With ample non-forest, low carbon stock land in Indonesia, Malaysia, and around the globe to ensure that production of palm oil can continue to grow without resulting in deforestation[[1]](#endnote-1) and with technology and data becoming more easily available to the public (with projects like WRI’s Project POTICO[[2]](#endnote-2) and accessible satellite maps like Google Earth[[3]](#endnote-3)), it is possible to identify low carbon land to use for plantations and to monitor and verify that forests and peat lands are not being destroyed. The RSPO must strengthen the P&C to ensure that deforestation of both primary and secondary forests and the destruction of other high carbon stock lands are avoided with a carbon threshold that determines which land can and cannot be converted based on total carbon (both above and below ground). This should not replace other assessments like high conservation value (HCV) and free, prior, and informed consent (FPIC), but rather should be an additional layer added to the process of choosing land for plantations. The Greenhouse Gas Working Group 2 (GHG WG2) made recommendations[[4]](#endnote-4) to the Executive Board in November which could potentially commit producer members to a zero net change in carbon stocks when establishing new plantations and strengthen RSPO standards considerably. However, it is important that those recommendations are implemented using the best available data which is supported in current scientific, peer-reviewed literature. Requiring new plantings to be on ‘low carbon stock or degraded land’ is critical to ensuring that palm oil production is sustainable. Within the GHG WG2 recommendations, one important factor that will determine the strength of their implementation will be the determination of the ‘default coefficients for carbon stock change between different land-uses’. These default coefficients should be based on current scientifically agreed upon data[[5]](#endnote-5), and accurately reflect the large amounts of carbon that can be stored in various types of land that are often converted to palm oil plantations. There also must be careful consideration of how the land type will be assessed. For example, there are many cases of land being categorized as “degraded land” by the governments, but many in the scientific community would refer to the same land as “secondary forest” which has a considerable carbon value. There must be a clear carbon threshold to provide guidance when categorizing land. Additionally, some maps may be out of date or categorize based on inaccurate data. The best land categorization sources and maps should be made clear to growers and there should be a mechanism for third-party verification of land categorization. Verification is critical for ensuring the accuracy of carbon accounting. Thus, it is critical that RSPO standard be verifiable and based on scientific evidence so that inaccuracies are limited. If the RSPO plans to base updates to the P&C on data and research from the Greenhouse Gas Working Group, the Working Group should submit its findings to well-known scientific journals for rigorous peer reviewing, enabling the information to be vetted by the scientific community and published by a reputable source. The RSPO certainly does not want to face criticism for faulty accounting, which would hurt the RSPO brand and hinder the ability of RSPO members to link into other systems like REDD+  | ENGO |
| Comments from: Michal Zrust, Laura D’Arcy & Dolly Priatna*Zoological Society of London*General Comments * ZSL feels that the current P&C are process, rather than outcome, based. This gives rise to the production of the required management or monitoring documents, with few checks on their effectiveness. Management documents must have clear, time-bound targets set and the achievement of these must be subject to measurable key performance indicators. This should be made explicit within the P&C.
* Explicit requirement for HCV management plans should be made within the P&C.
* The current HCV approach, based on the concepts laid out by the FSC, is ineffective given the differences in palm oil plantation and selective logging contexts. A mechanism should be put in place to facilitate adjoining RSPO certified plantations to work together to design a landscape-level HCV management plan in order to ensure connectivity. Ideally in the context of Indonesia, we would like to see active participation of growers in the spatial planning process to ensure connectivity with nearby protected areas.
* Operational monitoring of all of the P&C indicators should be undertaken by a third party and the results should be made freely available to allow lessons learnt and good practices can be adopted and shared by all.
* Standardised, and RSPO approved, monitoring and evaluation should be paramount by all the P&C.

Specific P&C*Principle 1 - Commitment to transparency**Criterion 1.1 –* A timeframe should be included on acceptable response times to requests for information within guidance.*Criterion 1.2 –* An explicit requirement that HCV assessments, HCV management plans, and HCV monitoring plans as well as the initial impact assessment are publicly available on the RSPO website with commercially and sensitive (as per guidance) information taken out. Release of geographical referencing and species distributions within HCV areas should be dealt with on a case by case basis. Explicit requirement should also be made for the public release of operational monitoring (as requested under Criterion 4.1) as well monitoring documentation required under Criterions 4.2, 4.4, 4.5, 5.1, 5.3, 5.4, 5.6, and 8.1. *Principle 4 – Use of appropriate best practices by growers and millers**Criterion 4.1 – “Records of monitoring & the actions taken are maintained.”* This is a process, rather than outcome based key indicator. The indicator should require that documentation is available that all standard operating procedures have been followed. *Criterion 4.2 – “Evidence of periodic tissue and soil sampling to monitor changes in nutrient status.”* This is a process, rather than outcome based key indicator. The indicator should require that documentation is available to demonstrate that all agricultural best practices are followed (as in Criterion 4.1) and that the structure, organic matter content, nutrient status and microbiological health of the soil *have been maintained*. Use of the word “should” replaced for “is” in third indicator. Indicators are compulsory and thus this gives a contradictory impression.*Criterion 4.3 – “A management strategy should be in place for other fragile and problem soils”.* Replace “should” for “is”.*Criterion 4.4 –* “*Monitoring of effluent BOD”* and *“Monitoring of mill water use per tonne of FFB”* These are process, rather than outcome based key indicators. The indicator should require evidence that standards on water quality and availability are being met (i.e. the given standard targets should be placed within the indicators). *Criterion 4.*5 - These are process, rather than outcome based key indicators. Indicator should require documented evidence that agreed standards have been met. *Criterion 4.*6 – A follow up here to the 2007 P&C. The indicator should specify that the use of WHO Type 1A or 1B chemicals, or those listed under the Stockholm or Rotterdam Conventions has been completely eradicated. Thus the wording of the Criterion itself should change.*Principle 5 – Environmental responsibility and conservation of natural resources and biodiversity**Criterion 5.1 –* Replace “should” in second indicator for “has been”. Whilst the criterion itself mentions monitoring, documented monitoring is then not mentioned as an indicator. It would be better to state that “*time-bound remedies for the negative environmental impacts documented within the initial EIA are developed and included in the management plan. A standardised monitoring protocol is in place to monitor the effectiveness of the management plan to remedy the negative impact*.” ZSL would also suggest that as a follow up, steps to find offsets are made for those negative impacts for which functional remedies cannot be found.*Criterion 5.2 –* The objective of this Criterion should be clarified. At the moment, “*taken into account in management plans and operations*” seems without purpose. Within the first indicator, the words “should” and “should cover” be replaced with “is” and “covers” respectively. As a suggestion, the indicator could read: “*Management plans make clear steps to avoid loss of high conservation values. SMART goals are set for the maintenance and improvement of these values. Standardized monitoring is in place to evaluate management practices and the achievement of these goals.*”*Criterion 5.6 –* ZSL hopes that the GHG Working Group and other peat-land specialists will be proposing new indicators to ensure no new planting takes place on peat soils and identify processes through which existing ones can be rehabilitated. *Principle 7 – Responsible development of new plantings**Criterion 7.1 –* Use of the word “*appropriate*” should be defined or replaced within second indicator. *Principle 8 – Commitment to continuous improvement in key areas of activity**Criterion 8.1 – “Action plan containing SMART objectives is in place”* instead of *“The action plan for continual improvement should be”.* Further, *“the action plan and the achievement of the stated objectives are monitored using standardised protocols.”*  | ENGO |
| Comments from: Johan Verburg, Oxfam Please find our indication of the most important topics for the review of relevance and effectiveness of the RSPO Principles and Criteria.1. FPIC GuidanceThe most relevant topic to be addressed in order to improve the palm oil sector’s sustainability, according to Oxfam is land use change, notably the social dimensions from expansions. Although on paper palm oil development can also benefit communities, it is crucial their right to be heard and to decide their own economic development is crucial. This should build on respecting the communities’ land rights, especially in the case of indigenous peoples. In addition, water rights need additional attention in this context.The requirement for FPIC (Criterion 7.5), however, is not yet effectively implemented at scale. Indicators currently seem to focus on process and insufficiently on additional indicators for outcomes for communities. Guidance which was developed in an RSPO sponsored project by FPP and Sawit Watch has not been made easily accessible to the membership, notably growers and communities. The P&C Review can correct this in order to ensure genuine FPIC and prevent land conflicts. In addition, guidance is needed how the long list of existing disputes can be settled (including but not limited to financial compensations (see also Criterion 7.6)). RSPO should also embark on better impact measurement, including the number of historical land conflicts that have been resolved.2. Productivity The palm oil sector is expected to continue growing rapidly, probably doubling in 10 to 15 years or even tripling in the medium term. This can only happen sustainably if the land use is not growing at the same speed, to the detriment of people’s subsistence farming land (“land grabbing”) or forest land (deforestation and climate change), but rather existing land is used to produce higher yields of palm oil. Agronomical opportunities are not adequately used. This applies most noteworthy in the case of oil palm smallholders whose productivity could be increased significantly, also to their own economical benefit, if the milling companies they supply to take the responsibility to build their capacities (see also Criterion 4.8) and provide access to technology, finance, market etceteras in an equal partnership approach with smallholders. This is particularly relevant in relation to replanting and “enhanced replanting”. The investment dimensions of this topic are crucial.The requirement for conducting impact assessments (Criterion 7.1) should be extended to include a requirement for growers to assess and decide on the expansion option that increases yields in the existing supply base, from the perspective of economics (see also Criterion 3.1), environment and social benefits notably for smallholders (see also Criterion 6.10). Obviously, outcome indicators that show that the sector has increased the speed of replanting and the average productivity (while improving environmental standards) would be welcomed. We propose RSPO considers a new criterion 3.2 to cover replanting, including best practices in investments in productivity and replanting.3. New plantingsIn general, new plantings procedures as already developed, need to find their way into the Principles and Criteria in order to apply effective, participatory land use planning, which in a practical but preventative way should help avoid (among others) land grabbing and the loss of environmental and social High Conservation Values. In addition, improved guidance and outcome indicators on both conducting assessments as well as managing conservation of HCVs 4, 5 and 6 would be welcomed.4. Food securityAt the macro level, the expanding palm oil sector potentially undermines local food security, especially if plantations are directly replacing subsistence farming land, but also if indirect land use change leads to replacement of local food production or otherwise puts constraints on resources (forest, land, water) that people depend upon for sustaining their livelihoods. Commercial pressures on land (“land grabbing”) by export crop production will increasingly have to be justified in the light of both the local and the global food security and the right to food. Some of the biofuel standards have already developed useful elements to incorporate such macro level issues, including the related issue of Indirect Land Use Change (ILUC). The local dimension, at regional or national scale, is suggested to be incorporated into the Social and environmental impact assessment requirements (Criterion 7.1).5. Partial certificationBetter guidance for both growers as well as CBs for applying the “anti-flagship requirement” in the Certifications document (4.2.4) is needed, in order to continue allowing partial certification but preventing as well as correcting situations (see some of the complaint cases) in which holding companies turn out to have not met the bottom-line criteria of this certification requirement. RSPO should be stricter and push for faster resolution of existing land conflicts in all operations, especially of the larger holding companies facing such risks.6. Security and Human RightsUnlike in other sector standards dealing with resources, e.g. oil and gas or mining, the RSPO has failed to include requirements to prevent human rights abuses related to the deployment of private or public security forces, especially in relation to protests around land conflicts. However, in practice plantation companies are at risk of getting involved in human rights abuses directly and indirectly. It has proven to be quite common that people who claim their rights are criminalised, ending up in jail, shot at or prosecuted. The best practice standard on this issue is probably the Voluntary Principles on Security and Human Rights, which the RSPO standard could draw from. We recommend to add a new criterion under principle 2 (international human rights regulations) or principle 6 (social) for this issue, which is even more prominently relevant in some smaller production countries where internal conflicts and lack of rule-of-law are at stake.7. SmallholdersThe fair treatment of smallholders (Criterion 6.10) has not been very effectively implemented. The requirement in the Certifications document that the scope of verification is “the mill and its supply base” was designed in order to put a certain level of responsibility on the scheme manager, i.e. the milling company, to support the smallholder supply base (both schemed and independent) in implementing sustainable practices. The government policies in the past aimed at privatisation of extension services to these same companies has not proven to be effective and milling/plantation companies in general seem to treat their smallholder suppliers as a burden rather than partners. Apart from the smallholder interpretation documents of the P&C, more specific Outcome Indicators and Guidance are needed to implement and determine fair treatment of smallholders. RSPO is also encouraged to evaluate to what extent those growers who have so far certified their operations including smallholder bases, but applying the “3 year grace period” to get the smallholders to the required compliance level as part of the mill’s certificate, have been effective in achieving implementation of the RSPO standard among their smallholders. Additional guidance and/or indicators may be needed for CBs how to assess and – when needed – correct non-compliance with these certification rules.8. Labour rightsThe area of labour rights, although it seems to be covered comprehensively in the Principles and Criteria (Criteria 6.5 – 6.9), does not seem to have been effectively implemented and verified. This reveals that RSPO should review the relevance of the labour issues in the sector. When doing so, our expectation is that additional, more specific criteria will be needed to address issues around e.g. migrant labour, child labour (resulting from their “illegal” status and therefore denied access to education, violating UN's child rights convention, while that access is the only efficient way to prevent child labour), debt-bonded labour (also in relation to smallholders who have effectively become debt-bonded contract workers), subcontractors, piece-rate wages, etc. The expertise of labour unions and other labour focused organisations seems to have remained untapped. A specific research and taskforce in this field are recommendable, also collecting pieces of work prepared earlier by the broader social/development NGO constituency, including Oxfam. These same experts could help the RSPO and its service providing CBs to develop better practices in social auditing, not only with regards to labour at the plantation but also in other social issues “beyond the farm fence” including community land rights.9. GenderGender aspects, in relation to land, labour and smallholder production require more specific attention. Additional guidance and indicators are needed (e.g. in positive outcome indicators – rather than lack of discrimination – need to be added to Criterion 6.8).10. Corruption The sector’s sustainability initiative faces serious credibility risks, especially in relation to verification activities by third party auditors and in relation to expansions, which do not seem to have been addressed in the P&C or Certifications document. Anti-corruption criteria are suggested to be added as a new criterion to Principle 1.11. TransparencyAccess to information and in particular access to plantation sites remains a challenge. Principle 1 does not seem to be effectively operationalised, leading to serious challenges for social / development NGOs to help build capacity and play its countervailing power role. Civil society should be enabled to have access to information to check implementation and verification of RSPO standards.12. Alternatives to the use of pesticidesThe promised and long-overdue guidance on the use of alternative pest/weed management should now be introduced into the Principles and Criteria (Criterion 4.6) with more force.13. Greenhouse GasThe already developed criteria and other additions to cover this crucial issue, developed into a set of recommendations by the GHG working group, need to be all incorporated in the RSPO Principles and Criteria. This includes existing plantations and new plantings on peatland and the process of peat subsidence (the environmental counterparts undoubtedly will be able to provide more technical input on these). As for the issue of food security, addressing the greenhouse gas criteria at macro level including ILUC remains a challenge that RSPO should at least clearly flag in its standard for those users that source palm oil for biofuel applications.14. Responsible sourcing and investment Last but not least, in addition to all the suggestion above which relate in particular to grower members directly, Oxfam feels that more explicit requirements and accompanying guidance need to be developed for buyers and investors in order for these other stakeholder groups in the palm oil value chain to effectively contribute to positive impacts.For example, the role of investors, traders and brands in providing positive incentives for addressing land conflicts and preventing undesired “commercial pressures on land” would range from first of all sourcing 100% CSPO to also other measures that are increasingly incorporated or further developed at the international level by FAO, Worldbank, IFAD etc., such as the “Voluntary guidelines on the responsible governance of tenure of land, fisheries and forests” and the “Principles for responsible agricultural investment that respects rights, livelihoods and resources”. These have among others been inspired by RSPO P&C, which I believe in their turn could be further inspired by those instruments in this review.Like the anti-flagship requirement that applies to growers, similar measures may be needed for buyers to prevent they source less than 100% or as long as they do, while building up their sourcing volumes and different supply chain models, minimum requirements are set for the non-RSPO part of the palm oil they buy (cf. FSC's controlled wood). | SNGO |
| Comments from: Beth Gingold, World Resources Institute The World Resources Institute (WRI) appreciates the Roundtable on Sustainable Palm Oil (RSPO)’s invitation for input to Phase 1 of the Review of the Generic Principles and Criteria of the RSPO[[1]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn1%22%20%5Co%20%22) and would welcome an opportunity to further discuss these ideas. In Phase 1 the Steering Committee has asked stakeholders to submit a short written response to the question “What is the continuing relevance of RSPO’s Generic Principles & Criteria to delivering sustainable palm oil?” The following response is based on WRI’s experience under Project POTICO;[[2]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn2%22%20%5Co%20%22) attendance at multiple roundtables;[[3]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn3%22%20%5Co%20%22) and participation in the New Planting Procedures Working Group.[[4]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn4%22%20%5Co%20%22) Please contact Beth Gingold [beth.gingold@wri.org](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/?&v=b&cs=wh&to=beth.gingold@wri.org) with questions or comments.Overall, the RSPO’s Generic Principles and Criteria remain highly relevant to delivering sustainable palm oil—the review process should minimize changes to the Principles and Criteria. [[5]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn5%22%20%5Co%20%22)The Principles and Criteria already broadly cover a wide range of sustainability issues. There is no need to significantly change them. Major changes will increase the burden of certification on companies already making a good faith effort to comply and may be politically contentious. Where decisions have already been made to incorporate new Principles, Criteria, Indicators and Guidance (i.e. regarding GHGs and pesticides) these changes should focus as much as possible on Indicators and Guidance. The RSPO’s major challenge is translating good intentions to effective implementation resulting in measurable, credible, and demonstrable “sustainability”[[6]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn6%22%20%5Co%20%22) benefits, including benefits to members. Although the Principles and Criteria remain relevant, the RSPO faces many challenges to ensure that they are consistently followed in practice, resulting in measurable, credible, and demonstrable sustainability benefits. For example, our pilot project experience indicates there is ongoing confusion among producers, including RSPO members, regarding the meaning of “free prior and informed consent” (FPIC) and how to achieve it in practice. There are also major discrepancies in understanding regarding what constitutes an adequate high conservation value (HCV) and social impact assessment.[[7]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn7%22%20%5Co%20%22)Meanwhile, producer companies have questioned the benefits of certified production in the absence of a price premium, while buyers and investors have questioned the benefits of buying certified products and/or considering certification in investment decisions in the absence of credible and transparent internal auditing or monitoring systems.In order to address challenges to effective implementation, the RSPO should prioritize the following:1) In the review of the Generic P&C, clarify certification requirements through a process that focuses primarily on: Indicators and Guidance; the process for National Interpretations; and the role of the New Planting Procedures.The review of the RSPO’s Generic Principles and Criteria document should focus primarily on Indicators and Guidance rather than Principles and Criteria. Indicators should be appropriate,[[8]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn8%22%20%5Co%20%22) measurable, and verifiable; Guidance should be clear and/or clearly referenced. To avoid unnecessary political wrangling, when issues can be addressed primarily by adding or improving Indicators or Guidance, they should be. For example, many GHG concerns can likely be dealt with by adding or improving Indicators and Guidance to existing Criteria (See Criterion 5.6).[[9]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn9%22%20%5Co%20%22)Guidance should include specific instructions regarding the process of National Interpretation, since implementation on the ground is directly guided by National Interpretations. Guidance of this type would include highlighting which terms need to be defined on a country-specific basis. For an example, see the Roundtable on Responsible Soy standards. [[10]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn10%22%20%5Co%20%22)The review can also and specifically clarify what constitutes a requirement (i.e. reflected by an Indicator that must be fulfilled to be certified) vs. helpful guidance (i.e. additional information on how to fulfill the Indicators). For example, the review can make sure that the New Planting Procedure is a guidance document that is referred to in and is consistent with the Generic P&C, rather than a separate additional requirement for producers to fulfill. Guidance for National Interpretation of the New Planting Procedure should also be provided.2) Help producers meet certification requirements by providing comprehensive, clear, and accessible country-specific guidance for implementation; provide evidence of financial benefits for producers; and develop innovative mechanisms for sharing the cost burden certification.The success of the RSPO depends heavily on the ability and willingness of producers to comply with certification requirements. Since many of the certification requirements – such as conducting quality HCV assessments and achieving FPIC—are inherently difficult to achieve, the ability of companies to deliver will depend on easy access to comprehensive, clear, and country-specific guidance. Therefore in addition to providing Guidance in the document, the RSPO will need to develop comprehensive, clear and accessible country-specific guidance. In some cases, guidance that has already been developed can simply be clearly referenced in the document with an active link.[[11]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn11%22%20%5Co%20%22) In many cases additional guidance will need to be produced. In addition to providing documents on the website, the RSPO can invest more in staff dedicated to outreach and capacity building. When developing guidance, the RSPO can draw on products such as WRI and Sekala’s Suitability Mapper, a web application that maps potentially suitable areas for oil palm expansion according to RSPO and Indonesian legal criteria.[[12]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn12%22%20%5Co%20%22) To address producers’ willingness to comply with requirements, the RSPO will need to convince producers of the financial benefits of certification. So far, many producers have expressed dissatisfaction with the costs of certification and skeptical of the benefits given the well-documented lack of uptake and small price premium.[[13]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn13%22%20%5Co%20%22) However, preliminary results from a WWF study indicate that the financial benefits can outweigh the costs in the long term.[[14]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn14%22%20%5Co%20%22) Better communication of the financial benefits besides price premiums could help reduce skepticism.Producers have also expressed dissatisfaction with the distribution of the costs of certification. Given that buyers are unlikely to pay a significant price premium in the long run,[[15]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn15%22%20%5Co%20%22) the RSPO could consider more innovative methods of sharing the cost burden. An example of an innovative mechanism for cost sharing would be to set up a fund to allow buyers and/or investors to offset specific upfront costs of certification and publicly take credit for it. Costs of certification that could be covered by this fund include the cost of HCV assessments and audits. This would have the added benefit of reducing conflict of interest of assessors and auditors, who are currently paid by the producers they are auditing.3) Enhance benefits for all members by strengthening the credibility of the RSPO certification system, through transparent monitoring and evaluation.All members would benefit from a more credible RSPO certification system. Enhanced credibility contributes to increased buyers’ willingness to purchase and/or pay a premium for certified palm oil; investors’ interest in providing preferential loan terms or treatment; social and environmental NGOs willingness to provide public support and other contributions of staff time/research resources—and therefore producers incentives to participate. A major challenge to the credibility of the system is the lack of a transparent internal auditing and monitoring evaluation systems. Of particular interest to many buyers and investors is whether they can be assured that their suppliers/clients have complied with RSPO Criterion 7.3 regarding avoiding the replacement of primary forest and areas required to enhance HCVs. This assurance could be provided if the RSPO developed an internal monitoring mechanism that combines up-to-date forest cover change data with information on concession boundaries of certified members. WRI and partners have produced a beta website that could help the RSPO develop such a system.[[16]](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/%22%20%5Cl%20%2213535e04a7a19568__ftn16%22%20%5Co%20%22) The Forest Cover Analyzer allows users to assess past forest cover change and present forest cover within an area of their choice. The user can compare current and historic satellite imagery of Indonesian forests, and determine when and where deforestation has occurred. Users are able to explore over 190 field points and panoramic images collected to verify maps. To further discuss these ideas and how the web applications currently under development can contribute to advancing the RSPO’s mission and the P&C review, please contact us.Beth Gingold, Research Team Leader, Washington D.C. [beth.gingold@wri.org](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/?&v=b&cs=wh&to=beth.gingold@wri.org)Moray McLeish, Project Manager, Jakarta [mmcleish@wri.org](https://mail.google.com/mail/x/e4drkxwg57zo-/gp/?&v=b&cs=wh&to=mmcleish@wri.org)  | Affiliate member |
| Comments from: Simon Perry, Global Sustainable Palm Oil Johnson & Johnson Consumer EuropeDivision of Cilag GmbH InternationalLandis + Gyr-Strasse 1CH-6300 Zug / SwitzerlandPhone: +41 41 725 5414 Mobile: +41 79 750 00 99Email: [sperry6@its.jnj.com](https://mail.google.com/mail/x/db4kiiapfkuo-/gp/?&v=b&cs=wh&to=sperry6@its.jnj.com)  1. Include a requirement to eliminate harmful pesticides from use by certified plantations;
2. Include all the recommendations of the second GHG working group
3. Include all recommendations of the RSPO’s new planting procedure review
4. Include a requirement for certified plantations to have completed & provided evidence of due diligence of their sourcing of third-party fruit and oil
5. Improve guidance on free, prior, informed consent
6. Improve guidance on publishing plans, reports etc in appropriate languages;
7. Improve guidance on the level of monitoring and reporting expected;
8. Introduce a requirement to invest in and demonstrate productivity and yield increases – particularly for smallholders that certified companies source from;
9. Strengthen how High Conservation Values are dealt with, including:
	1. Stronger guidance on the need to monitor and report on outcomes;
	2. Clearer guidance on the benefits of river edge habitat conservation; Clearer guidance on minimum size of HCV areas that it is worth conserving;
	3. Clearer guidance on the need to manage HCVs and areas – rather than just set them aside;
	4. Clearer criteria for assessors to measure company performance against;
10. Introduce criteria on anti-corruption;
11. Introduce measures to address the food security impacts of palm oil production;
12. Introduce Principles & Criteria for all parts of the supply chain
13. Introduce measures to encourage or require collaboration between neighbouring certified plantations to deliver larger scale impacts
14. Introduce a standard for water quality impacts on communities;
15. Introduce principles & criteria on banning forced and child labour

Best wishesSimon Perry | Non member |
| Comments from: Fiona Wheatley, Mark Spencer**Priority issues the RSPO principles & criteria review should consider within the P&C consultation:**1. Incorporate all the recommendations of the second GHG working group into the mandatory principles & criteria, including the following:
	1. Require reporting on emissions using the RSPO approved tool (Palm GHG);
	2. Require timebound plans to reduce these emissions and the report on progress in reduction;
	3. Requirement to use best management practice to reduce emissions in plantation and mill operations and for existing plantations on peat;
	4. New plantations and mills should include measures to minimise emissions;
	5. Total carbon emissions (above and below ground) from expansion should not result in a carbon debt greater than that which can be paid back in the period of one rotation over the whole management unit;
	6. Requirement to use low-carbon land to expand and to not use peat areas;
2. Include a requirement to eliminate harmful pesticides from use by certified plantations;
3. Strengthen how High Conservation Values are dealt with, including:
	1. Stronger guidance on the need to monitor and report on outcomes;
	2. Clearer guidance on the benefits of river edge habitat conservation;
	3. Clearer guidance on minimum size of HCV areas that it is worth conserving;
	4. Clearer guidance on the need to manage HCVs and areas– rather than just set them aside;
	5. Clearer criteria for assessors to measure company performance against;
4. Introduce criteria on anti-corruption;
5. Seek ways to introduce standards that measure the impacts on the ground rather than whether there are plans and procedures in place– for example set a standard for levels of pollution and how quickly they should be reduced rather than a requirement to have a pollution plan in place?
6. Introduce principles & criteria on banning forced and child labour
 | Retailers |
| Comments from: Nestle Nestle’s **submission to the Review of the Generic Principles and Criteria of the RSPO** 31st January 2012 Background: Nestlé views destruction of tropical rainforests and peatlands as one of the most serious environmental issues facing us today. In 2010, Nestlé has established Responsible Sourcing Guidelines (RSGs) and has committed to ensuring that its products are not linked to deforestation. The RSGs apply to all countries Nestlé sources palm oil from. Nestlé commits that the palm oil it buys will: 1. Not come from areas cleared of natural forest after November 2005 2. Be derived from plantations and farms operating in compliance with local laws and regulations 3. Protect high conservation values 4. Support the free prior and informed consent of indigenous and local communities to activities on their customary lands where plantations are developed 5. Protect peatlands 6. Protect forest areas of ‘high carbon’ value Nestlé is working proactively with suppliers in high risk regions to help them comply with these guidelines. It has been carrying out field assessments against these RSGs since 2010. Nestlé is a member of the RSPO. In 2012, 54% of Nestlé’s overall palm oil purchases came from certified RSPO sources. RSPO certification is the Nestlé benchmark demonstrating responsibly grown palm oil, and is being accepted as verification of compliance with the first 4 requirements. Nestlé requests for the review of the RSPO P&C: Reflecting the Nestlé RSG for Palm Oil, and taking into account the RSPO GHG Working Group’s recommendation 4.2. (minimising emissions from new plantations), Nestlé considers that GHG emissions from peatlands and forest areas of ‘high carbon’ value (Nestle RSG requirements 5 and 6) should be incorporated into the revised RSPO P&C. Nestlé is working with stakeholders to set a provisional definition of ‘**high carbon’ value**. As at February 2011 the provisional definition is for 35 tonnes of carbon/ha above ground carbon. The recommendation of the RSPO GHG working group that no expansion of plantations should take place on **peatland** should also be incorporated in the revised RSPO P&C. Nestlé supports the development of an RSPO definition of peatland supported by maps to ensure there is no doubt in the classification of land. This would parallel the RTRS process of producing maps of natural forest. A starting point could be the Wetlands International definition of 30cm of peat. For further information on priority countries see page 7 of the below WI report. http://wetlands.40fingers.eu/LinkClick.aspx?fileticket=o%2bd%2bTaPldLI%3d&tabid=56 Nestlé looks forward to continued engagement and knowledge sharing with RSPO members and other stakeholders to support the preservation of peatlands and forest areas of high carbon value which Nestlé considers as a prerequisite for a sustainable development of the palm oil sector. | CGM |
| Comments from: Anna Bexell, IKEA - IKEA’s input to the review of the RSPO P&C for sustainable palm oil. IKEA find the RSPO P&C to still be of high relevance and very needed to move the palm industry towards sustainability. However, to ensure the continued existence of good quality rainforests with maintained high biodiversity, we feel that a stance on non deforestation, protection, management and restoration of forests needs to be taken. Our view is that: RSPO needs to only all...To: pcreview@rspo.org<pcreview@rspo.org>Date: Wed, Feb 1, 2012 at 12:41 AMIKEA’s input to the review of the RSPO P&C for sustainable palm oil.IKEA find the RSPO P&C to still be of high relevance and very needed to move the palm industry towards sustainability. However, to ensure the continued existence of good quality rainforests with maintained high biodiversity, we feel that a stance on non deforestation, protection, management and restoration of forests needs to be taken.Our view is that:RSPO needs to only allow new plantations on degraded land which requires RSPO to set a definition for “degraded land” and have a cut off value for high carbon lands where palm plantations are allowed or not.No new palm plantation development on peat and a requirement of best management practises on existing plantations on peat to reduce GHG emissionsReview the functionality of HCV areas, their protection and management.Review the potential for landscape planning in-between plantations within a province including management and restoration.Criterions on pesticides should be strengthened and not allow the use of any banned chemicals. Not even in small amounts.Overall we find quite a few of the criterions to be a bit vague in terms of that rules should be “understood” or that there should be “information” regarding the status. IKEA would prefer the requirements to state that it should be implemented. | Retailers |
| Comments from: May, Daniel GIZ TH - Dear P&C Review Team in RSPO, Please find attached suggestions for the RSPO P&C Review. As communicated by Mr. Merlin Koene from Unilever Germany, please accept those suggestions for the P&C Review process as part of the just starting work of the ‘German Forum Sustainable Palm Oil’. For the future we are striving for joint feedback and joint communication towards RSPO with the aim of supporting RSPO and increasing the demand for RSPO-Oil in Ge...To: pcreview@rspo.org<pcreview@rspo.org>Date: Tue, Jan 31, 2012 at 11:23 PMPlease find attached suggestions for the RSPO P&C Review.As communicated by Mr. Merlin Koene from Unilever Germany, please accept those suggestions for the P&C Review process as part of the just starting work of the ‘German Forum Sustainable Palm Oil’. For the future we are striving for joint feedback and joint communication towards RSPO with the aim of supporting RSPO and increasing the demand for RSPO-Oil in Germany, Austria and Switzerland.As we are still in the founding phase, those suggestions are supported by (in alphabetical order) Dailycer Holding GmbH GIZ GmbH Griesson – de Beukelaer GmbH & Co. KG Henkel AG & Co. KGaA Neste Oil Rewe-Group Unilever Deutschland Holding GmbH Westfälische Lebensmittelwerke Lindemann GmbH & Co. KG WWF GermanyWe are looking forwards towards this Review process and will try to support as much as we can. Please don’t hesitate to get back to us.  | Non member |
| Comments from: Jan Kees, Unilever**Issues to consider for the RSPO principles & criteria review:**1. Incorporate all the recommendations[[6]](#footnote-1) of the second GHG working group into the mandatory principles & criteria, including the following:
	1. Require reporting on emissions using the RSPO approved tool (Palm GHG);
	2. Require time bound plans to reduce these emissions and the report on progress in reduction;
	3. Requirement to use best management practice to reduce emissions in plantation and mill operations and for existing plantations on peat;
	4. New plantations and mills should include measures to minimise emissions;
	5. Total carbon emissions (above and below ground) from expansion should not result in a carbon debt greater than that which can be paid back in the period of one rotation over the whole management unit;
	6. Requirement to use low-carbon land to expand and to not use peat areas;
2. Include a requirement to eliminate harmful pesticides from use by certified plantations, i.e. specifically to submit time bound plans to phase out Paraquat;
3. Incorporate the recommendations of the RSPO’s new planting procedure review into the mandatory principles & criteria making it clear that they apply to all members – and not just to certified plantations;
4. Introduce a requirement for certified plantations to undertake due diligence of their sourcing of third-party fruit and oil;
5. Improve guidance on free, prior, informed consent in the principles & criteria;
6. Improve guidance on publishing plans, reports etc in appropriate languages;
7. Improve guidance on the level of monitoring and reporting expected;
8. Introduce a requirement to invest in and demonstrate productivity and yield increases – particularly for smallholders that certified companies source from;
9. Strengthen how High Conservation Values are dealt with, including:
	1. Stronger guidance on the need to monitor and report on outcomes;
	2. Clearer guidance on the benefits of river edge habitat conservation;
	3. Clearer guidance on minimum size of HCV areas that it is worth conserving;
	4. Clearer guidance on the need to manage HCVs and areas – rather than just set them aside;
	5. Clearer criteria for assessors to measure company performance against;
10. Seek ways to introduce standards that measure the impacts on the ground rather than whether there are plans and procedures in place – for example set a standard for levels of pollution and how quickly they should be reduced.
 | CGM |
| Comments from: Sumatran Orangutan Society Although we recognise the progress made by the RSPO, we feel that some significant challenges remain with regards to the sustainability of palm oil production and the current definition of sustainable palm oil. We welcome the opportunity to take part in this consultation to address these matters. **Greenhouse Gas Emissions** A significant gap in the current standard concerns the lack of reference to greenhouse gas emissions from existing and new plantations. The RSPO definition of sustainable palm oil is incomplete as long as this continues to be the case. We commend the work carried out by the GHG WG2, and strongly urge the P&C Review Steering Group to adopt their recommendations. A pragmatic approach is necessary when it comes to historical forest conversion, and the Biodiversity and HCV Working Group and Compensation Task Force are undertaking detailed work to address these issues. When it comes to new plantings, whilst we appreciate that a grievance procedure is in place to handle individual breaches of the P&Cs regarding the development of high conservation value land, each instance erodes trust in the RSPO’s ability to deliver real change in the way the palm oil industry operates. We therefore recommend that more explicit criteria are placed on the development of new land by member companies. The GHG WG2’s recommendation that the RSPO develops a definition of low C stock (‘degraded’) land, and that new plantings should be restricted to this land, should be adopted and incorporated into the revised P&Cs. Development on peatlands should be explicitly prohibited. **Land Use Change** As the existing P&Cs do not provide adequate protection for forest ecosystems and peatlands, a zero deforestation policy should be considered a priority. It is inconceivable for environmental NGOs to be expected to endorse the RSPO standard whilst member companies are still involved in opening new forest land and peatland areas. The development of new oil palm plantations does not need to entail the conversion of forests. Research has shown that millions of hectares of fallow land are available for cultivation in Indonesia alone. It is estimated that the amount of land growing oil palms in Indonesia could quadruple without impacting forests 1, enabling the industry to grow whilst drastically reducing its environmental footprint. The RSPO should take a leadership role in directing new plantation development by member companies to this fallow land, whilst of course also taking into account the boundaries of community-owned land and FPIC. 1 www.projectpotico.org **Membership** The RSPO membership is dominated by palm oil growers, processors and traders. The Executive Board represents all sectors equally, but when it comes to voting at General Assembly meetings, each member has one vote, and NGO representation is dwarfed. We would like to see a new membership policy that offers free membership to stakeholder NGOs in palm oil producer countries. Local NGOs concerned with protecting the environment or the rights and interests of local communities should not be expected to divert often limited, restricted funds in order to participate in the RSPO. The contributions of these stakeholders should be valued irrespective of the organisations’ ability to pay for membership. **Members’ Commitments to Sustainable Palm Oil** Some detractors consider the RSPO to be a flawed forum which enables companies to ‘greenwash’, using their membership as a public declaration of their commitment to sustainability in the palm oil industry. Being a member of the RSPO does not in fact imply anything about a company’s operations: in reality many members are making no real changes, and in some cases are actively trying to water down the certification standard. This statement applies to both growers, many of which are not working towards certification of their plantations, and retailers and consumer goods manufacturers, many of which are not fully living up their commitments to purchase CSPO. Each member is supposed to report annually and show continuous improvement towards supporting the mission and goals of the RSPO, but in reality compliance is incredibly low, with no penalties for non-reporting. The RSPO has traditionally welcomed any company or organisation that wants to become a member, and the multi-stakeholder model should be maintained, but those members which are not demonstrating any real commitment to sustainable palm oil, or are blocking moves to make the standard stronger, are fundamentally damaging the entire RSPO mission. There is a perception that the majority of members are not fully committed to helping to prove the business case for sustainable palm oil; many companies are waiting for others to take the lead before investing time and money in going through the certification process. This is evidenced by the fact that less than a third of grower members have either had their operations certified, or submitted time-bound plans to do so. There is a risk that only the larger companies will make any meaningful commitments and changes, and the rest will carry on with business as usual. Although it is the larger companies that control the largest plantations and landbanks, changing the way these companies operate is still worthwhile, but in order to improve the credibility of the RSPO it is necessary to ensure that all members are actively participating and progressing along the road to sustainable palm oil. We would like the EB to consider introducing a deadline for grower members to submit time-bound plans to begin the process of certification, and sanctions for failure to meet this deadline. In addition, all new members should be required to submit an appropriate time-bound plan for producing or buying CSPO before their membership is approved. Several retailers and consumer good manufacturers have made commitments to source 100% of their palm oil from certified sources, but there need to be assurances that enough growers will be producing CSPO in order to be able to meet this anticipated spike in demand. Retailers and manufacturers are much more ‘visible’ as companies than many of the grower members, so breaking their promises on palm oil would be highly detrimental to their brands. The majority of growers, on the other hand, have made no solid commitments to produce CSPO. 2 **Wider context** The RSPO needs to engage much more closely with government policies in both producer and consumer countries in order to remove barriers to the growth and trade in CSPO. European governments, for example, could incentivise the use of CSPO through policies such as reduced import duties. The problem of HCV set-asides in Indonesia being excised from concessions and given to other non-RSPO member companies also needs to be addressed in the context of maintaining landscape-level networks of HCVs. In his keynote address at the Business for the Environment global summit held in Jakarta on 28th April 2011, Indonesia’s President Susilo Bambang Yudhoyono announced new policies and incentives for palm oil companies to “turn unproductive grasslands into high-yielding and productive assets”. He stated that redirecting future expansion of the industry onto Indonesia’s 30 million hectares of degraded land would be “critical to our success in pursuing a green economy”2. The RSPO network includes organisations and individuals with significant expertise that could be applied to supporting such plans. The advent of the ISPO and MSPO schemes presents an opportunity for the RSPO to differentiate its standard as going beyond existing national laws, to addressing the broader sustainability issues pertinent to the industry as a whole. RSPO members should embrace opportunities to set themselves apart from the rest of the industry. This P&C review presents an opportunity for the RSPO standard to stop being a ‘work in progress’ and for the members to approve a robust definition of sustainable palm oil that leads the way for all other agricultural commodities. Whilst deforestation and the development of plantations on peatland are still permissible within the standard, the RSPO’s definition of sustainability is unacceptable. | ENGO |
| Comments from: Bread for the World, Germany**Social Criteria Need to Be Strengthened, Monitored and Strictly Put in Place****Accountability*** To us it seems very important, that the Anti-Flagship-Clause is being put in place at short term. The whole company needs to be assessed, so not only one plantation is being certified, while in other regions the criteria do not apply. These results need to be publicly available.
* The accountability of RSPO members need to be increased. For this, clear guidance incl. sanctions are needed if members are not taking actions.
* Much quicker resolution of not yet solved grievances and set up clear processes to quicker resolve them, or even consider outsourcing them in order to avoid conflict of interests.
* Although the social aspects are key for sustainability many social criteria are open for individual interpretation by the certifiers (p.e. criteria 2.1, 2.3 and 6). These criteria need to be on one hand easier to handle on the other of more objective evidence.
* There needs to be scientific evidence that RSPO plantations are more sustainable than non- certificated plantation.
* Transparency means, that civil society in the region can easily check the implementation.

**Principle 1: Commitment to transparency*** Make assessments on ecological, social impacts as well as high conservation value publicly available; as well as the plans and the monitoring of dealing with these topics.

**Principle 2: Compliance with applicable laws and regulations*** Formal or customary land rights of the local communities seem to us as the central element to avoid land conflicts. The procedures of the free, prior and informed consent need to be followed (also criterion 7). Consultation of individuals alone is not enough. Communities have to have access to all relevant information on both impacts and benefits that could result from plantations. They need independent consultancy and independant legal advice. FPIC should apply to all plantations, not only when indigenous people are effect, although human rights of indigenous people need special protection.
* All existing land conflicts need to be resolved. This includes conflicts that persisted before 2005.
* Affected communities need to receive adequate compensation for the losses and damages in the past.
* The violation of human rights by staff of the company, private security firms, state forces need to lead to an immediate exclusion of the company from RSPO.

**Principle 4: Use of appropriate best practices by growers and millers*** It is very important that the local communities are not affected by water shortage or water pollution. As this is not only a big health hazard but also affects the livelihood of the people a close independent and standardized monitoring is needed (Criterion 4.4.)
* Agrochemicals that are dangerous to health such as Paraquat and Endoquat need to be banned completely.

**Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills*** Negative impacts need to be avoided not improved (criterion 6.1)
* Communication needs to be enhanced by allowing unions or groups of workers, that strengthen the bargaining position of workers
* Workers must be registered officially, as half of the workers are not listed as a labourer.
* Officially employed workers and subcontractors (kernet-worker who help the employed staff to meet the targets) need to be both protected (protective clothing, social security, decent wages, etc.)
* There shall be no work of children, also not unofficially (50 percent of the kernet-worker are children).
* Daily targets need to be achievable without the exploitation of family members; better would be the transition to a adequate wages on the basis of working hours.
* There needs to be evidence that the workers’ wages is above average.
* In remote areas where workers are far from the markets, companies need to ensure, that workers have access to adequate, sufficient and affordable food.
* The special situation of women in the plantations (health hazard, discrimination, harassment, violence) needs more attention. A gender policy and a grievance mechanism are key, but it needs to be in participation with women, which need to be organized for this purpose in their own women’s workers association (Criterion 6.9).

**Principle 7: Responsible development of new plantings*** Negative impacts on food security in the region shall be prevented.
* Participatory planning of land use changes shall be implemented and documented.

Comments by Brot für die Welt, Carolin Callenius, C.Callenius@brot-fuer-die-welt.de, January 2012 | Non member |
| Comments from: PT. Inti Indosawit Subur1. Additional P&Cs such as: NPP, HCV, GHG, etc
	* Endorsement of additional requirements e.g. NPP, HCV, GHG, etc which developed after the P&Cs was done without considering the practicability and company’s ability to adapt with the RSPO P&Cs. These additional requirements should be incorporated within the P&Cs rather than creating many guidelines. This will simplify the RSPO process as well.
2. GHG-WG II
	* RSPO should set up the cut off date of doing the GHG emission calculations after all the system is established to support growers to do GHG calculations.
	* This should only apply for new planting.
3. HCV compensation mechanism – Compensation Task Force
	* The ‘multiplier’ factor which will be used to determine the value of compensation should be informed to the stakeholder before the EB make an endorsement.
	* CTF should provide justification / parameter before deciding the value of ‘multiplier’ factor.
4. New Planting Procedure
	* NPP should be incorporated in the RSPO P&C rather than creating a separate guideline.
	* RSPO Grievance Panel should provide assurance that any minor / major complaints / grievances provided by the stakeholders is accurate and credible before deciding to delay the company operations activities / plans. Any complaints / grievances should be communicated to the party concerned for clarification before come into such decision. The party who raises the issues whereas the issues proved to be incorrect, should bear the cost of verification.
5. Certification bodies
	* RSPO should provide trainings to CBs to avoid multi-interpretations of the RSPO P&Cs.
 | Growers |
| Submitted by: Verité**Introduction**This document responds to the open call for submissions to the RSPO Phase 1 Review of the Generic Principles and Criteria. It assesses the existing normative framework of the RSPO and provides key recommendations to strengthen its provisions on labor and employment practices, in particular those addressing the core issues of forced labor and human trafficking. It also provides key recommendations on programmatic and structural changes that RSPO could make to reinforce such policy improvements. Verité welcomes the opportunity to provide these comments and values RSPO’s transparency during the review process.The submission that follows reflects Verité’s view that the private sector, alongside other key stakeholders, has an essential role to play in combating the worst forms of labor and human rights abuse in the world of work, including in palm oil supply chains. These abuses have been repeatedly linked to palm oil production in recent years, most notably in a series of human rights reports revealing the vulnerabilities and risks that migrant workers face in countries such as Malaysia and Indonesia. This points to the urgent need for policy, programmatic and structural changes within RSPO to better meet these challenges. Such changes are discussed below.This submission begins with a brief description of the context and rationale that has informed Verité’s review, and is followed by an analysis and recommendations on the RSPO framework.**Context & Rationale**Reports from international, government and non-governmental organizations have highlighted the nature of human and labor rights abuses on palm oil plantations in recent years, including the risks of forced labor and human trafficking and the particular vulnerabilities of migrant workers. The points below provide a top-line review of existing research that lays out the context and rationale for Verité’s analysis and recommendations.The **US Department of State**, in its 2011 GTIP report, indicates that many migrant workers on plantations across Malaysia are subject to practices indicative of human trafficking, including restrictions on freedom of movement, deceit and fraud in wages, passport confiscation and debt bondage at the hands of labor brokers or employers.Research conducted by **Verité** in 2007 on the trafficking of Philippine males in the maritime,construction and agricultural sectors revealed cases of forced labor among workers on palm oil plantations in Malaysia. These cases involved informal labor brokers, passport confiscation, deception in recruitment and hiring, the promise of high wages, and fraud in wage payment.he **International Trade Union Confederation** also reports common abuses facing migrant workers in Malaysia, including wage deductions for non-existent loans, deception in recruitment, passport confiscation and non-payment of wages.**Amnesty International**, in a recent publication on migrant workers in Malaysia, reports on the abusive conditions they face in seeking work on palm oil plantations in the country. These conditions include:o Deception in recruitment with the promise of high wages that do not materialize;o Exorbitant debt taken on to cover travel costs, with workers commonly selling their land orhomes and taking out loans;o Excessive and illegal interest rates on these loans that further trap workers in situations akin to debt bondage;o Wage manipulation involving salary deductions, with some workers reporting that they do not know how much is deducted from their wages or even what their wage rates are;o The levying of miscellaneous and often illegal charges that substantially reduce workers takehome pay; and the o Withholding of passports or other valuable documents.**Oxfam Novib**, a member of RSPO, has also reported conditions akin to forced and child labor among other labor abuses found on palm oil plantations in Indonesia.**Analysis & Recommendations**Analysis: Weaknesses in RSPO Coverage of Human & Labor RightsVerité’s understanding of the RSPO Principles & Criteria is that there are four, tiered levels of policy and guidance for members. They are (in descending order): Principles, Criteria, Indicators and Guidance.Within this framework, the **prohibition of forced labor** – one of the ILO’s four core labor standards – is not addressed as a principle or criterion, but rather as guidance under the criterion of “pay and conditions for employees”. This guidance states that “forced labor is not used”, with notable reference to the relevant ILO Conventions. This positioning of the issue as guidance rather than as a principle or criterion (the highest normative levels within RSPO) diminishes the seriousness of the crime and the stature of freedom of choice in employment as one of the fundamental principles and rights at work.Verité’s review also indicates that the RSPO framework does not explicitly address a growing abuse in global supply and commodity chains: the **trafficking in persons for labor exploitation**. Under the same criterion of “pay and conditions for employees”, RSPO members are given guidance that concerns migrant workers. This is an important element of the RSPO’s normative framework. However, the term “human trafficking” or “trafficking in persons” is not explicitly used nor is the concept directly addressed or reference made to the UN Palermo Protocol1 that establishes its international legal framework. Key elements (or indicators) of coercion that face migrant workers – both internal and crossborder – and involve the end-employer or labor “supplier” are not included in the RSPO Principles & Criteria, with the exception of “contract substitution”. As with forced labor, where the vulnerability ofmigrant workers is addressed, the recommendations provided are treated not as core principles or criteria but as “guidance”. This diminishes the importance of the humane treatment of migrant workers within the RSPO framework, a particular weakness given the significant numbers of internal and crossborder migrant workers on palm plantations worldwide.Finally, Verité’s review takes into account the treatment of **labor standards** generally within the RSPO Principles & Criteria. It acknowledges that this framework includes the principle of “responsible consideration of employees” as well as criteria focused on:o Wages;o Employment conditions;o Child labor;o Freedom of association;o The right to collective bargaining;o Equality at work; and theo Prohibition of sexual harassment.These are essential elements of the RSPO standard. However, these principles and criteria are not addressed independently within the RSPO framework, but rather as part of a general provision that considers employment conditions alongside community, land and indigenous peoples’ rights and the rights of small-holders and local businesses. This implies that labor and employment standards do not share the same level of importance within RSPO as other core principles – for example, “long-term economic and financial viability” and “environmental responsibility” – both of which are treated as independent standards alongside the “commitment to transparency” and others.Policy: Recommendations to Strengthen the Labor Dimension of RSPO Principles & CriteriaRSPO’s policy framework would be significantly strengthened with an explicit and top-levelconsideration of both **forced labor** and **human trafficking**. It would be further strengthened with a provision setting out the rights and protections of **migrant workers**, acknowledging the significance of labor migration to the sector. These considerations should be anchored in a core principle addressed exclusively to labor standards and the “responsible consideration of employees”.This approach would enable RSPO to broaden and deepen its coverage of **labor and employment issues**, making the social dimension of sustainable palm oil more robust and credible, and creating the space needed to tackle the worst forms of labor abuse effectively.With an independent principle addressed to labor standards in place, RSPO could then formulate explicit criteria on both forced labor and human trafficking at the same level of consideration as it now provides for child labor, equality at work, freedom of association and collective bargaining. This would enable a more consistent treatment of forced labor and human trafficking alongside the companion core ILO standards. Such consideration would also enable the RSPO to develop comprehensive and **detailed indicators** to measure compliance to the principles and criteria, thus elevating the treatment of forced labor and human trafficking to a level commensurate to their place in international human and labor rights law.RSPO’s consideration of forced labor and human trafficking could be further strengthened with recognition of the common forms of abuse that have been identified in the private economy, in particular but not exclusively those facing migrant workers. These include:o Debt bondage resulting from excessive recruitment fees, deception in wage payments or non-payment or delayed payment of wages;o Passport retention or withholding of other personal documentation;o Physical or sexual abuse, or threat thereof;o Threats of abuse, deportation or denunciation to authorities, in particular targeting irregularmigrants;o Restrictions on freedom of movement;o Contract substitution;o Deception in recruitment, hiring or employment; and/oro Deprivation of food, water, shelter or other necessities of life.RSPO might further consider integrating criteria on the labor and employment conditions of workers hired and placed by so-called “labor brokers” or **private employment agencies**, given the role that these entities can play in introducing vulnerability to abuse.Programs: Beyond Policy Improvements to Enable Sustainable Change on the GroundIn line with recommended policy changes, the RSPO framework could be further strengthened with the development of **tools**, **guidance material**, **capacity building efforts**, **stakeholder engagement** and the **pilot programs** to eliminate the risks of trafficking and forced labor in palm oil supply chains. These might include:o Stronger benchmarks to measure company performance and compliance with RSPO principles and criteria;o Improved risk assessment measures to help companies identify and prioritize potential locations of abuse in the supply chain;o Reliable auditing tools and protocols to improve identification of potential cases of abuse,including auditor training and capacity building programs;o Effective policies and guidance on corrective action measures and remediation to meet theneeds of identified victims of trafficking or forced labor, including short-, medium- and long-term considerations; ando Enhanced capacity building and awareness raising programs to better enable all actors in palm oil supply chains to understand and address the risks of labor exploitation.**Auditing tools and protocols** to detect potential cases of forced labor, human trafficking or noncompliance with provisions concerning the rights of migrant workers are a key element of effecting change on the ground. These protocols should be robust and comprehensive, addressing all indicators and risks of forced labor and human trafficking, and utilizing recognized best practice in audit methodologies, for example prioritizing the checks and balances of gathering information from different sources that include workers, managers, relevant third parties, site visits, company and worker documentation, and others. Audit tools and protocols should, at a minimum, integrate coverage of the following to ensure compliance with anti-trafficking and forced labor criteria:o Do all workers have the right to enter into and terminate employment freely, without the threat of a penalty?o Is there evidence of the use or threat of physical or sexual violence, harassment or intimidation against workers or their families?o Is there evidence of delayed, deferred or non-payment of wages; use of non-cash or “in-kind” payments; mandatory “security” deposits; unlawful, unauthorized or unexplained deductions from workers’ wages; or the provision of excessive wage advances or loans to workers?o Do workers retain control over their personal documents (e.g. passports, work permits, etc.) or is there evidence that the employer withholds or confiscates such documents?o Have workers paid a fee to the employer or an intermediary to get a job?o Is there any evidence of deception in the recruitment or hiring process concerning the terms and conditions of employment (e.g. contract substitution)?o Is there any evidence that workers are physically confined to the workplace or employer operated residences, or any other form of restriction on freedom of movement?Structure: Institution-building to Reinforce Policy ImprovementsRSPO could reinforce these recommended policy and program improvements with a structural change to give greater visibility and strength to the labor dimension of sustainable palm oil. This could involve the creation of a **labor standards working group** or sub-committee anchored in the RSPO’s existing structure, for example as part of the current standards and certification working group. A formal structure of this kind could act as a venue to:o Review the labor dimension of existing RSPO standards, consult members and stakeholders on strengthening this aspect of the normative framework, and identify consensus recommendations for revised principles and criteria;o Examine and revise the existing indicators of compliance within the RSPO framework and develop stronger social and labor benchmarks for measuring performance;o Review and strengthen existing guidance on auditing and risk assessment procedures to better enable Certification Bodies to identify cases of risk;o Examine current certification procedures to strengthen coverage of the social dimension of sustainable palm oil;o Lead pilot projects to identify and disseminate good practice in mitigating key issues of risk (e.g. passport retention or excessive fee-charging); oro Exploring potential partnerships to tackle labor abuse at all stages of the palm oil supply chain. RSPO may also wish to consider the formal integration of labor representatives or advocates within its governance structure and/or technical programs. Such representatives could come from global, national or sectoral organizations with expertise on labor standards in agricultural supply chains, thus reinforcing the policy recommendations made here and bringing greater credibility to RSPO’s respect for the social dimension of sustainable palm oil. | Non member |
| *Comments by OAE-GIZ Project on Sustainable Palm Oil Production in Thailand[[7]](#footnote-2)*Looking in the future, efficient use of resources will more and more become an issue. It has to be ensured to maximize output without depleting the resources (water, soil, land). Palm oil has a high potential to provide vegetable oil for a variety of uses with a very high productivity per area. However it is **challenged by a bad reputation** compared to other vegetable oils. The RSPO plays a critical role in providing a mutually agreed definition of sustainable palm oil and the certification system to proof compliance to those sustainability criteria. In the future, the **food versus fuel discussion** and food security issues will gain more and more relevance. Many countries are using palm oil for bioenergy purposes and have ambitious plans for its further role in the energy mix of their economies (e.g. Indonesia). There are currently a variety of standards and regulations for bioenergy evolving and the RSPO should make sure that its members and users can also get certified for bioenergy use. Benchmarking and co-recognition activities with existing standards would be useful also to bring more transparency into the variety of existing standard systems.Climate change issues gained even more importance in the last decade and **GHG emission monitoring / carbon labeling** is becoming more and more required in the market place as an integral part of sustainability. The RSPO should recognize this development by fully integrating this topic. Hence it should offer its members tools from GHG monitoring along the supply chain and declare the conversion of lands with high carbon stocks (e.g. peatland) as not sustainable. Besides, oil palm production is expanding into **new countries** and areas, especially in Africa. In many of those countries governance is weak which increases the risk of palm oil production being unsustainable. The RSPO can’t address the increasing challenges for sustainable palm oil alone but should **partner more than in the past with other institutions and initiatives** and lobby for the sustainable production around the world. It would be good to give more roles to Rest of the World (ROW) group by increasing the number of EB in quota of ROW. Governments often play a crucial role in setting the framework conditions for sustainable production of palm oil and the RSPO can play an active role in promoting sustainable palm oil. The RSPO should aim for recognition of other sustainability initiatives like voluntary guidelines or industrial standards (e.g. sustainable investment guidelines etc.), as well as taking part in benchmarking processes towards other sustainability standards. A benchmark towards RSB, ISCC etc. would ease the burden of coordination etc. at mills and plantation level, as well as for the smallholders. The **RSPO should separate its certification and services unit from its general organizational structure** to ensure less conflict of interest, gain trust and get more active in promoting sustainable palm oil.The main sustainability issues are the loss of natural forests, carbon emissions from deforestation and land use change, loss of biodiversity as well as human rights and the impact on the livelihoods of small famers and the community. What are the main challenges to the sustainability of palm oil production that the P&Cs should address: Zero deforestation  GHG emission and climate change  Peat and Peatlands Pesticides  Landscape level impacts Water Soils New plantings and expansion Any otherTo address every issue above and any others in concept of sustainability, it is just like two-edged sword. It could be the model of good practice and image for palm oil production but we have to carefully consider when into implementation. If it is too many and more and more details to complete the criteria, the RSPO members would give up and might select other options to go for at last. Then it would be not easy for RSPO moving so fast to be recognized as successful sustainability standard of palm oil production. The review group should allow simplifying the issues. The most challenges are GHG emission and climate change -- it is still needed a lot of discussion to find the consensus and also the backdate/transition period of New plantings and expansion which is somehow still unclear. What suggestions do you have for how these could be addressed in general? What are the main challenges to the sustainability of palm oil beyond the producers: Is there a need for P&Cs for downstream and upstream members?It is not quite fair that only producers have to be in accordance with the P&C. Carbon monitoring as well as human rights/workers rights and environmental performance are also relevant in downstream processing. This could for example be addressed by requiring them to join existing sustainability initiatives like the (GRI, SA8000 etc). Besides, there should be a stronger mechanism to monitor downstream actors regarding the promotion and use of sustainable palm oil in accordance with the RSPO code of conduct. If upstream actors are members of the RSPO they should as well promote sustainable palm oil in regard to its operations, e.g. for pesticide producers to find alternatives to harmful pesticides etc.  How can the RSPO expand membership?By addressing the upcoming issues outlined above, the RSPO can gain more relevance and recognition and hence also increase its membership base. Some concrete steps would be to **get recognized by EU for EU RED** and include GHG emissions in its standard. Besides it should further **expand the market** beyond Europe and make the RSPO more accessible for smallholders. To separate the certification unit, the RPSPO could more freely and actively promote sustainable palm oil around the world. What other changes are needed in the RSPO to address the sustainability challenges to palm oil?Integrating smallholders and capturing the different realities of growers in different countries. Currently the RSPO certification system does not recognize **independent smallholders as well as independent medium growers and stand alone mills**. There are no clear procedures on how they can get involved in sustainable palm oil production and access the market for sustainable palm oil. **Human rights issues** need to be stronger recognized by the RSPO and its members have to be made accountable for respecting human rights in their operations.  How can the RSPO monitor and evaluate the impacts of certification?Maybe by evaluating the regular reports of its members or by commissioning regular independent studies on the impacts? How can the RSPO best enforce the P&Cs?Increasing the relevance of RSPO certification in the market place, strengthening the certification and accreditation system, as well as the capacity and accountability of certification bodies. Support transparency in oil palm production and actively report about unsustainable practice and promote sustainable practice. All this will lead to more pressure on procedures and by implication to the enforcement of the PC.  How can the RSPO best ensure that smallholders seek certification?**Create incentives** for smallholders to join. This could be achieved by promoting the market for sustainable palm oil from smallholders which leads to sustainable premium prices or financial support for certified oil which can cover the cost of compliance. Besides the RSPO should provide support for smallholders to achieve certification and comply with the PC or make support part of the RSPO certification system. Capacity building and outreach programs need to be intensive and continuous and hence go beyond existing initiatives like POPSI. The current requirements on the P&C and the guidance for smallholder require immense efforts, for example for training members of smallholder groups. Without external support there is no way that the roughly one third of oil palm production which comes from smallholders can get certified. Different models for providing this support should be discussed and agreed upon. The RSPO should promote **yield intensification**, productivity and efficiency to make it more appealing to smallholders. Necessary trainings on good agricultural practices and substitution of inorganic fertilizers should be integral part of the requirements for smallholders and there should be mechanisms to provide the necessary trainings for smallholders and build up the capacity of smallholder groups. RSPO members purchasing from smallholders should be better checked on the relevant RSPO criteria on fair pricing and provide **transparent, quality based pricing mechanism** to encourage smallholders to produce good quality FFB. The **documentation and administrative burden** for smallholder certification should be reduced and handled flexible in accordance with the capacity and organizational structure of groups of smallholders. It should be recognized that often smallholders are an integral part of the community and some RSPO requirements might not match with their reality (e.g. social impact assessment). Need to develop **simplified and integrated HCV, social and environmental impact assessments**.Provide **clear, simplified and practical training materials / guidelines** which can be used by smallholder groups or supporting organizations.  Other issues? Outsource the grievance panel from the RPSO to ensure its independence.  The wider strengths and weaknesses, opportunities and threats to the P&Cs: Amongst Government policies in both producer and consumer regions – what needs to change to better deliver sustainable palm oil? What practices within the whole palm oil supply chain from finance to retailers would better support sustainable palm oil? | *Non member* |
| Comments from; PepsiCo In thinking about the part of the palm oil crop utilized by food businesses, and given company commitments and government/NGO pressures to reduce saturated fat in the diet, PepsiCo believes if RSPO is reviewing the nature and scale of sustainability challenges facing palm oil, that consideration be given to how RSPO may consider positioning on saturated fat in the diet, which is a health sustainability concern. Realizing that RSPO has largely focused on environmental issues and impacts on grower communities, but also understanding RSPO may get questions in this area as the issue increases in visibility, we wanted to raise this point for discussion.  | CGM |
| Prepared by Herwin Nasution, Secretary Executive of Lentera Rakyat**Labors Have to be Included in Palm Oil Talks\*****Introduction**These comments are provided in order to the comments call by the RSPO ended in January 2012.We are concern to the RSPO as the leading and promising global organization toward sustainability of palm oil industries. In our part, one of the sustainability aspects is the fulfilment of the rights of labor in palm oil plantation, where we are working for. Please be considered the comments below as our inputs toward the better role of the RSPO.**Comments**1. The idea in establishing the Roundtable Sustainable of Palm Oil (RSPO) incorporates some important principles of human rights, particularly in recognizing the human rights and environmental considerations, but RSPO has not had an appropriate mechanism for implementing the principles, so that the principles and criteria implementation can not be checked in the ground. The existing bodies in dealing with the members disputes in the field, such as Grievance Panel of the RSPO and other, have no clear capacity to enforcethe principles and criteria of RSPO.2. The membership of the RSPO is needed to be reorganized by involving broader other important stakeholders, such as local communities and the worker unions. As an example, 2,5 million Indonesian workers in the large scale plantations are not considered and excluded by the RSPO.3. Lentera Rakyat found in the ground that labor faced very weak bargaining position which was not able to access their rights. Million labors face improper documented as labor, undecent wages, unproperly protected, easily laid off, include children workers. The RSPO has to take role to respect the rights of Labor in the palm oil plantations by its members.4. A research done by Lentera Rakyat in Indonesia shows that in the large scale plantations, an estate (in some places is called "division") consists of 600 hectares to 1000 hectares, with SKU (permanent worker) and BHL (casual worker) of 250 to 300 people, not including the undocumented assistants or helpers. If the area of large scales nationwide covers 4 million hectares, it can be estimated that the number of SKU and BHL workers are as many as 1.2 million people, not including helper. All workers, estimated to have at least one helper, so that the total minimum number of workers in the Large scale plantations is as much as 2, 4 million people across Indonesia.5. Child labor contained in the undocumented BHL and the helpers. If only 50 percent of the helper consists of the children, then the number of child laborers nationwide at least as many as 600,000 people. If the entire palm plantations both large scale and noncorporate and small farmers counted, then child labor will reach millions of people.6. Labor has to be the main stakeholders in the oil palm industry chains, and should be involved in discussing their own future at the organization which claims to have all stakeholders of palm oil chains globally. The RSPO has to start to talk about the labor in the next roundtable meetings.Thank you very much,Medan Indonesia, January 24, 2012.\* | Non member |
| Comments by: Marieke Leegwater - Dears, Maybe this is stating the obvious, but just in case: I think for consistency the new P & C should include: - The SCCS requirements for mills - that are now included in the SCCS rewrite (Most easy option to me seems to include Modules D & E of the new SCCS Standard rewrite in the P & C ) - Some detail on requirements for the production of certified PKO and possible other certified oil palm products (Palm Kernel Expeller). I hope this is ...To: pcreview@rspo.org<pcreview@rspo.org>Cc: Salahudin Yaacob (Salahudin.Yaacob@rspo.org)<Salahudin.Yaacob@rspo.org>,Hidde-van Kersen (Hidde-van.Kersen@croklaan.com)<Hidde-van.Kersen@croklaan.com>Date: Tue, Jan 17, 2012 at 6:44 PMMaybe this is stating the obvious, but just in case: I think for consistency the new P & C should include:- The SCCS requirements for mills - that are now included in the SCCS rewrite (Most easy option to me seems to include Modules D & E of the new SCCS Standard rewrite in the P & C )- Some detail on requirements for the production of certified PKO and possible other certified oil palm products (Palm Kernel Expeller). |  |
| Comments from: GreenpeaceFor your information Greenpeace has submitted the following recommendations:* The current P&C is not strong enough as it fails to address GHG emissions resulting from deforestation and peatland clearance. The P&C review must take into account the GHG Working Group’s recommendation that palm oil expansion should only take place on low carbon land (degraded). <http://www.rspo.org/sites/default/files/Final%20Recommendations%20to%20EB%20RSPO%20GHG%20WG2.pdf>
* The RSPO should develop a clear and agreed definition of low C land as soon as possible and include this in the P&C. Golden Agri Resources has adopted a provisional threshold of 35 ton C/ha for the definition of high C stock land, and Greenpeace believes that this cut off should be adopted by the RSPO.
* The recommendations of the GHG working group with regard to no development on peatland should also be incorporated in the new RSPO P&C.
* Within the RSPO P&C the focus is still on doing HCV assessments rather than the development and implementation of actual HCV management plans. As a result HCV areas are often defined but not protected. Greenpeace is urging the RSPO to incorporate a requirement for HCV management plans in the P&C.
* Another issue is the lack of effectiveness of the current HCV approach. When the RSPO developed their P&Cs the decision was made to use the concept of HCV already being used by other organisations like the FSC. While the concept of HCV is useful in the context of timber certification for low impact logging, it has proven to be problematic for agricultural commodities. This is because palm oil plantations are in many cases the result of conversion of natural habitat into plantations. In the context of selective logging the forest remains, and will support the ecosystems within the HCV area being set aside. This is not the case in the context of forest conversion for plantation development. The set-aside HCVs become fragmented patches of forests within a plantation that cannot support or sustain the rich biodiversity within the HCV area. A solution for this would be to include in the RSPO P&C the requirement for HCV management on a landscape level.

In addition to the above recommendations Greenpeace also raised the issue of palm oil for biofuels and the limitation of the RSPO certification system in assuring sustainable biofuels. The RSPO has applied for accreditation under the EU’s RED but has yet to address the issue of Indirect Land Use Change (ILUC). Until this has been remedied RSPO certified palm oil should not qualify under the scheme. We realise that it is very difficult to deal with this issue effectively within a certification system that works at the plantation level, and we therefore urge the EC to deal with the issue of ILUC urgently. Until this is done, biofuels based on palm oil – whether RSPO certified or not- should not be qualified under RED. |  |
| Shell:

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| **Question** | Response |
| 1. Is the definition of sustainable palm oil in the document still relevant?
 | Definition remains largely up-to-date but needs to be updated in line with topical sustainability issues such as impact of climate change, iLUC mitigation, water scarcity, etc.  |
| 1. What is the nature and scale of the sustainability challenges facing palm oil now?
 | * Manageable certification of Smallholders
* Lack of approved HCV experts
* Non EC-approved for RED
* New planting on peatlands
* Greenhouse (GHG) gas emissions
 |
| 1. Are the challenges different, better or worse than when the P&Cs were developed?
 | * There has been a broadening of the sustainability challenges over recent years, e.g. in the past, GHG was not such a key issue as it is now
* P&Cs have to be nimble in order to adapt to changes in government policy
 |
| 1. Can a voluntary business standard address those issues?
 | There needs to be an incentive in order to drive and transform the industry into making sustainable palm oil the baseline situation. The incentive could be in the form of regulatory compliance, customer demands, premiums, improved brand image, etc. Without these incentives, voluntary actions may be restricted. |
| * 1. Alone?
 | Yes, but limited to regulatory requirements |
| * 1. Alongside other initiatives and efforts?
 | Collaborative projects on smallholder development; HCV |
| 1. What are the top 5 sustainability issues facing palm oil?
 | * Deforestation
* Peatlands
* Land/labour rights
* GHG emissions
* Smallholder Productivity Gap
 |
| 1. What are the suggestions for how the P&Cs could address them?
 | * **Peatlands:** Introduce a standard for peatlands (carbon) and incorporate the BMPs from the peatland working group; RED requirements are currently stronger in this area
* **GHGs**: include specific GHG elements in the P&C (currently very general) and prescribe a method to measure GHGs. Consider incorporating the recommendations from the GHG Working Group 2.
* **Smallholder productivity gap**: Publicise methods for improving productivity for smallholders (i.e., sharing of best practice management practices, use of best planting material, guide on access to funding and management of finances etc.). If done effectively, this can result in increased FFB yield, OER and improved oil quality.
 |
| 1. What are the main challenges to the sustainability of palm oil production that the P&Cs should address:
 | * Zero deforestation
* GHG emission and climate change
* Peat and Peatlands
* Landscape level impacts (e.g., monoculture MLY)
* Biodiversity
* Continuous improvement
 |
| 1. What suggestions do you have for how these could be addressed in general?
 | * Awareness/sharing of techniques for increasing yields – reduces demand for plantation expansion.
* Consider approach of ‘tiered’ certification standard; Existing P&C can be entry level, leading to a ‘gold’ standard (e.g., include GHGs etc) for the advanced level companies. That way we promote continuous improvement consistent with the concept of sustainable development.
 |
| 1. What are the main challenges to the sustainability of palm oil beyond the producers:
 | * Lack of locally-based certified CB auditors
* Availability of an off-the-shelf traceability system that can relieve administrative burden for smallholders
 |
| * 1. Is there a need for P&Cs for downstream and upstream members?
 | We see issues with sustainability of palm oil relating to agriculture. Social issues do not appear to be the main concern with palm, whereas GHGs need to be taken into account throughout the whole supply chain. |
| * 1. How can the RSPO expand membership?
 | * Setting up a tiered membership system could make it affordable for smallholders to become members of RSPO; extending membership to the complete supply chain
* Cater more towards the needs of biofuels industry (incl. making it RED compliant)
 |
| 1. What other changes are needed in the RSPO to address the sustainability challenges to palm oil?
 | **Complaints and grievances procedures**: The credibility of RSPO appears to have been undermined by (a) non-compliant organisations getting certified and (b) slow/weak response of RSPO to such challenges. Complaints need to be robustly investigated and firm action taken if applicable. |
| * 1. How can the RSPO monitor and evaluate the impacts of certification?
 | Include requirement for monitoring and reporting of elements contributing to GHG emissions; enable quantification of impact of certification on climate change and support related claims, e.g. "RSPO certification has resulted in a GHG savings of about X% relative to the industry norm".  |
| * 1. How can the RSPO best enforce the P&Cs?
 | Independent auditing |
| * 1. How can the RSPO best ensure that smallholders seek certification?
 | * Keep cost to a minimum;
* Support ‘partnership farming’ model and enable group management for smallholders within the P&C
* Encourage larger companies to identify, work with and guide smallholders through certification process, e.g. customer-client relationship between mills and farmers
 |
| * 1. Other issues?
 | * **Regulatory framework to support sustainability:**
1. RSPO should engage more with local governments to align policy and institutional systems to support sustainability efforts
2. More actively counter negative publicity on palm oil; advocate based on sound science.
* Greater clarity over requirements for palm derivatives (e.g., residue oil, palm kernel expeller, etc).
 |
| 1. The wider strengths and weaknesses, opportunities and threats to the P&Cs:
 |  |
| * 1. Amongst Government policies in both producer and consumer regions – what needs to change to better deliver sustainable palm oil?
 | Put in place regulations covering sustainability, rather only being voluntary (e.g., bonus credits for use of degraded land, other iLUC mitigation techniques/tools, favourable export tax, etc) |
| * 1. What practices within the whole palm oil supply chain from finance to retailers would better support sustainable palm oil?
 | Simplicity; accommodate breaks in supply chain under certain conditions (e.g., flash transfers - Trading) |
| Specific comments to Principle 4: Use of appropriate best practices by growers and millers* Need for stronger regulations incl. possible ban on use of agrochemicals (listed as WHO 1A and 1B) and chemicals (as per Stockholm and Rotterdam conventions, e.g., Paraquat und Endoquat)

Focus and Guidance on Yield Improvements and OER (Oil Extraction Rate):* Include clear guidance on further improvements towards higher yields and higher OER, especially for Mills sourcing from Smallholders, but also for Plantations as such (see also Principle 8).
* Work towards closing the yield GAP through ecological intensification by complementing inorganic fertilisers with organic matter where economically viable
* Provide guidance on good harvesting standards to increase efficiency and oil yield
* Encourage mills to focus on delivered quality of FFBs from smallholders

Additional focus on Smallholders:* Set up the necessary certification system elements (e.g. group auditing) to further include and support smallholders into the certification system and the entire supply-chain, as they account for approx. 1/3 of the global supply base.
* Assure consistency Further harmonise existing definitions of smallholders in documents (associated, schemed, independent, etc.)
 |  |

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| **From:** Hidde van Kersen, T&T SC Chair**Date:** 25 January 2012**Regarding:** contribution to P&C reviewStakeholders are asked to submit, by 31st January 2012, short, written comments addressing the question:* What is the continuing relevance of the RSPO’s Generic Principle & Criteria to delivering sustainable palm oil?

From the T&T meeting 1st February, our input for the review is as follows:* Main challenges to the sustainability of palm oil production that the P&Cs should convincingly address are:
	+ ENV: responsible deforestation / high carbon forests / GHG emission / peatlands
	+ SOC: forced labor / land use policy
* Main challenges to the sustainability of palm oil beyond the producers that RSPO should convincingly address are:
	+ First: scarcity of CB capacity in the supply chain
	+ Second: watertight traceability system / stimulate uptake by lowering administrative burden for smaller market parties
* New P&C to include the SCCS requirements for mills - that are now included in the SCCS rewrite (Most easy option to me seems to include Modules D & E of the new SCCS Standard rewrite in the P & C )
* New P&C to include some detail on requirements for the production of certified PKO and possible other certified oil palm products (Palm Kernel Expeller).
* Broaden RSPO scope from PO to other palm based products that should be RSPO certifiable, such as FFB, expeller, cellulose, etc:
 |  |
| *WWF:** *Is the definition of sustainable palm oil in the document still relevant?*
	+ We would suggest the following definition based on that in the document: “Sustainable palm oil production is comprised of legal, economically viable, environmentally and socially beneficial management and operations”.
	+ We suggest that sustainability is better defined as delivering environmental benefits rather than just being ‘appropriate’. CSPO should deliver tangible benefits to wildlife and climate – rather than just minimising impacts.
	+ Some people/NGOs maintain that monoculture production will never be sustainable. However we would tend to retain the word “sustainable”. Perhaps it should be defined in the context of intensive monoculture production systems.
* *What is the nature and scale of the sustainability challenges facing palm oil now?*
	+ The sustainability challenges facing palm oil are as much to do with drivers outside the control of growers as it is to do with the practices that those growers implement in plantations;
	+ Hence, global expansion is created by high demand, a shortage of edible oils and a strong profit margin driving increasing investment and interests in the palm oil industry.
	+ Governmental policy to drive economic growth in countries may also facilitate expansion of oil palm plantation. This may be further exacerbated with stronger autonomy of governance - where regional and district government hold a stronger authority to give away some permits and licenses for oil palm plantation rights.
	+ The lucrative industry of palm oil has also attracted many smallholders and speculators, with some occupying the land and forest irresponsibly. Unlike big growers, smallholders are not as impacted by permits and licenses which may result in wanton expansion and massive forest area encroachment. Some smallholders may also be supported by companies (even RSPO members) in some cases, to cut HCVF. The companies then accuse them of destroying the forest.
	+ We would ask the RSPO to consider whether it needs to develop policies and programmes of work to address these wider policy and financial drivers of unsustainable palm oil and possibly even develop elements of a standard that do so?
		- For example, all members should have CoC procedures to insure the legality of their FFB sourcing. Currently a plantation can certify its own operations, but the mill may also be buying FFB volumes from illegal or protected areas. The plantation may be certified, but it also enables illegal expansion.
* *Are the challenges different, better or worse than when the P&Cs were developed?*
	+ The issue of high carbon areas (such as peat, and other habitats which would release substantial volumes of GHGs if converted to oil palm) has gained prominence within the RSPO and the development of the P&Cs and we fully support their inclusion within the standards.
	+ However working conditions have not really been looked at i.e. no clear analysis on the labour issues relative to Freedom of Association, Disciplinary Practices, discrimination, compensation and benefits, etc.
	+ For RSPO members who are becoming certified, the sustainability challenges have started to be addressed since the P&C were developed. Members have improved their practices thanks to RSPO certification, but there is still a need to better assess and communicate these improvements.
	+ There are some weaknesses remaining in this process that involves the RSPO P&C auditors and HCVF independent auditors performances, who sometimes fail to fulfil the expected criteria and objectives on sustainability.
	+ Other weaknesses include a lack of efficient identification and on-going management/protection of the HCV by companies.
* *Can a voluntary business standard address those issues?*
	+ The RSPO should consider how policies and regulation can underscore CSPO and the performance of RSPO members and should lobby to ensure supportive policies are in place.
	+ For instance, some legal requirements such as the Renewable energy directive for biofuels in Europe could support CSPO if they can be aligned;
	+ Equally Government endorsement of the RSPO P&Cs in producing regions would encourage reluctant members to certify. One example would be a recognition of HCVs within land use planning systems in producing regions.
* *Alongside other initiatives and efforts?*
	+ The main HCV issue is the lack of legal recognition of HCV by Indonesia. Indonesian federal and local authorities also need to develop procedures to ensure that HCV areas are recognized and maintained under existing concessions.
	+ Government support through recognizing the standard and providing facilities for growers to comply with these standards.
* *What are the top 5 sustainability issues facing palm oil?*
	+ 1) Deforestation; destruction of HCV even in National Parks and other protected areas
	+ 2) Development on peat / leading to GHG emissions
	+ 3) Social conflict and Land/Human rights
	+ 4) Smallholder certification / Lack of implementation of Good Agriculture Practices in independent smallholders (e.g. spurious seeds, low productivity, low focus on yield improvement, etc.)
	+ 5) POME emission and Pesticide uses
* *What are the suggestions for how the P&Cs could address them?*
	+ ***Specific recommendations on P&C as noted in second section – Suggested changes to the current principles.***
	+ Tightening existing P&Cs and creating other specific requirements such as for peat.
	+ The P&C have to be implemented and the auditors have to do their best and be beyond reproach when they perform audits and surveillance assessments. Any auditors breaching the code of conduct should be sanctioned. A peer review should be added including NGOs in the table at the end of the audit process (such as for FSC at the end of certification process).
	+ The P&Cs should include a requirement to increase productivity especially for independent smallholders with connectivity to market. This will help give farmers motivation to implement the P&C.
* *What are the main challenges to the sustainability of palm oil production that the P&Cs should address:*
	+ Ensuring zero (net ?) deforestation
		- This is and should remain top priority. Major issue for WWF and other ENGOs, but also most critical reputational risk for RSPO.
		- The HCVF identification must be carried out accordingly in detail and transparently.
	+ GHG emission and climate change
		- Mostly linked to deforestation and peat. Other topics such as methane capture in effluent ponds are being addressed.
	+ Peat and Peatlands
		- Second priority but linked with zero deforestation. There is overlap with deforestation and GHG emissions
	+ Pesticides
		- Major reputational risks surrounding use of paraquat. The RSPO has been slow and ineffective in dealing with pesticides.
		- WWF urges the RPSO again to ban the use of agrochemicals listed as WHO Type 1A or 1B, listed by the Stockholm and Rotterdam conventions and paraquat and glyphosate by 2013. Focus should be on better agriculture practice to be carried out i.e. productivity and yield potential.
	+ Landscape level impacts
		- Impacts of secondary forest should be better included in HCV identification in order to decrease conversion of good secondary forest.
		- The cumulative impacts of certification at a wider scale should be encouraged.
	+ Water and soils
		- Water and soil conservation should be well maintained. There is a need to standardize the maximum permissible slope.
	+ New plantings and expansion
		- Related to HCV (deforestation) producers should embrace NPP or face sanctions such as exclusion of RSPO if NPP is not put in place. If NPP is not put in place in a robust and transparent manner, criticism may arise that the global RSPO concept is weak.
	+ Starting to move the P&Cs from a process standards to an outcomes one
		- Across all elements of the standards the RSPO should consider how the P&Cs can be better focused on delivering outcomes rather than ensuring that plans and processes are in place;
		- This will make the P&Cs easier to implement and to assess as well as make it easier to ensure that positive outcomes are being delivered.
	+ Monitoring of grievances
		- To strengthen the credibility of RSPO ongoing grievance cases should be published on the RSPO website.
* *What suggestions do you have for how these could be addressed in general?*
	+ Existing P&Cs should be made more specific and concise to address these impacts.
	+ All changes need to be communicated clearly and comprehensively to avoid delay and confusion.
	+ Changes such as those arising from discussions on compensation for land cleared without prior HCV need to be rapidly finalised and clearly communicated about to growers. An open-ended compensation mechanism for conversion of HVC is not acceptable. Likewise clear requirements concerning prohibition of pesticides listed under Stockholm and Rotterdam conventions and paraquat by 2013.
	+ The P&C RSPO should be well implemented in every step of oil palm plantation operations. Those implementations should be well monitored and evaluated and more efficiently address and sanctioned when there is a breach.
* *What are the main challenges to the sustainability of palm oil beyond the producers:*
	+ The RSPO should consider introducing P&Cs for downstream and upstream members if progress cannot be made through the Code of Conduct and Annual Reporting requirements:
		- Sourcing requirements should be specified along the supply chain. Just like a plantation company needs to develop a time-bound certification plan for its holdings, something similar should be required for down-stream users – for example covering 90% of the average volumes of the past 5 years.
	+ Any other
		- The reporting requirements should finally be enforced. Members that do not report adequately are in violation to the CoC and should be expelled.
* *What other changes are needed in the RSPO to address the sustainability challenges to palm oil?*
	+ *How can the RSPO monitor and evaluate the impacts of certification?*
		- RSPO should collect and publish information about the impacts of certification including the positive impacts such as economic benefits of certification, HCV areas which are protected and maintained, improvements in OHS (accident rates), reductions in GHG emissions, pesticide use, social impact, etc. These reports could be studies commissioned by RSPO or compiled from regular reporting by members.
		- RSPO-approved certification bodies should either agree to voluntary peer review of assessments, or ASI should periodically carry out witness audits with experienced auditors.
		- RSPO can randomly monitor and evaluate impacts of certification by independent parties in order verifying the RSPO certified grower’s sustainability performances.
	+ *How can the RSPO best enforce the P&Cs?*
		- Rapid resolution of grievances. More drastic sanctions. By making time-bound plans for certification of other holdings public and by critically evaluation the speed at which members certify their holdings (check how good the time-plan is, and how it is adhered to). The Code of Conduct needs a clearer definition of ‘sufficiently challenging’ in relation to timebound plans.
		- RSPO should strengthen the RSPO auditors and other accredited assessors performances and keep it at a robust requirement.
		- Training of auditor to improve quality.
		- Increase communication on BMP/NPP/efficiency of RSPO on the ground through case study, etc.
		- Strengthen the requirements for transparency of plans but also of monitoring of progress so that stakeholders are better able to scrutinise member progress and outcomes.
	+ *How can the RSPO best ensure that (independent) smallholders seek certification?*
		- Either through tightening the requirements of RSPO-certified mills concerning extent to which entire supply base must be certified (i.e. not only associated smallholders), or though an effort to certify independent millers. RSPO could develop a separate supply chain and label for smallholder CSPO.
		- RSPO should provide sufficient support for smallholder such as becoming a facilitator between smallholder and business entities, asking respective government to seek support for smallholder to follow the certification process.
* *The wider strengths and weaknesses, opportunities and threats to the P&Cs:*
	+ *Amongst Government policies in both producer and consumer regions – what needs to change to better deliver sustainable palm oil?*
		- RSPO needs to position itself against competing standards such as ISPO, Rainforest Alliance and others. A benchmarking of various palm oil standards, taking into account ISEAL best practice recommendations and efficiency of the certification on the ground should be commissioned. Results should be published.
		- Some policies are created to encourage the sustainability in the producers regions such Indonesia Sustainable Palm Oil (ISPO), but we need to make sure that RSPO remains one of the best standard and offers best benefit compare to other certifications. It is through showing the mutual benefit of the RSPO that respective government would be inclined to support RSPO though policy intervention.
	+ *What practices within the whole palm oil supply chain from finance to retailers would better support sustainable palm oil?*
		- Greater efforts need to be taken to address the finance sector. Funding for the palm oil sector, as well as new developments must follow transparent and credible investment screens.
		- Financers to retailers should see the RSPO P&C as the requirement when they provide investment or buy the product from, it is in order to encourage the implementation of the P&C RSPO by all members and to encourage non-member RSPO becoming RSPO member.
		- Buyers of palm oil using more than 50,000 t of PO/year should support a local PO project towards sustainability (such as Carrefour do in Sumatra) with ISH for example in order to increase smallholder certification and buyers consistency.

**Suggested changes to current principles and criteria:*****General comments on the P&Cs:**** There is a need to reformulate a number of the indicators to improve consistency and clarity. Some are written in shorthand more like verifiers.
* More importantly several (e.g. 4.2; 4.3; 4.4) contain the word ‘should’ – this is not consistent with ISO guidelines and also quite confusing as the indicators are mandatory.
	+ ISO uses “shall” to indicate mandatory nature of criteria and indicators
* There is also a lack of clarity as to which indicators apply to ‘company’ operations and which to smallholders, respectively, the latter often decoupled from preceding indicators by a smallholder clause at the end. RSPO may consider merging the smallholder part of the P&C with the smallholder taskforce guidance into a separate version of the P&Cs to increase clarity and facilitate uptake and implementation by smallholders.
* Many P&Cs would be improved by incorporating more outcome based elements as opposed to process ones. For instance a standard on acceptable levels of pollution would be clearer to implement, to assess and to monitor than one that requires a pollution control plan to be in place.

***Principle 1: Commitment to transparency.*****Transparency on assessment:*** There are new mapping tools to show certified RSPO areas publicly (e.g. satellite images). Real-time remote sensing could be used to show that members are complying with the P&C especially for HCV areas and areas of high biodiversity and high carbon stock. GPS data of RSPO certified plantations could also help to answer criticism and show that deforestation didn´t happen on a certified area.
* Suggest an explicit requirement that HCV assessments as well as HCV management/ monitoring plans (stripped of any commercially sensitive information) are made publicly available as an indicator under 1.2 – this would greatly improve transparency and drive more consistent, quality application of the HCV concept.

**Transparency in general:*** RSPO related documentation only in English is an inhibition for new members such as African and south American growers or even global buyers. A requirement to publish information in an appropriate local language should be included in the Criteria 1.1.

***Principle 2: Compliance with all applicable laws and regulations*** * A new criterion on anti-corruption may be useful as RSPO spreads more widely, e.g. in line with the first sentence of the new proposed FSC 1.7: *The Organization shall publicize a commitment not to offer or receive bribes in money or any other form of corruption, and shall comply with anti-corruption legislation where this exists”.*
* Ensure that Free, Prior and Informed Consent procedures require that communities are ‘properly’ informed of all consequences of such consent. Also ensure third party involvement to guarantee openness, fairness and transparency of the consultations as based on the recently accepted FPIC guidance available from RSPO.

***Principle 4: Use of appropriate best practices by growers and millers**** Several indicators (e.g. 4.2; 4.3; 4.4) contain the word ‘should’ – this is not consistent with ISO guidelines and also quite confusing as the indicators are mandatory.
	+ ISO uses “shall” to indicate mandatory nature of criteria and indicators

**Criterion 4.4*** One of the current indicators of 4.4 reads: *“Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones”.* However, as this indicator is linked to a criterion specifically focused on maintaining availability and quality of water, what’s ‘appropriate’ could be interpreted in a strict water quality perspective, rather than in a more multifunctional one where other important ecological aspects of riparian zones, such as constituting habitat per se and forming elements of natural landscape connectivity are also taken into account. This could be addressed by clearer guidance?
* More comprehensive and more auditable formulations, preferably under Principle 5, would also help to narrow down interpretations of HCV 4 – often stereotypically applied to all rivers – to such that are critical providers of ecosystem services in line with the HCV definitions.
* RSPO should also look into taking on board water topic of managing contaminated water and leakage of contaminated water for domestic and / or small scale subsistence farming and also to reduce sedimentation cause by plantation.

**Criterion 4.5 and 4.6*** ***Strengthening the criteria.*** There is a somewhat unclear separation of scope between the indicators of these two criteria.
* The formulations on ‘minimizing’ should be elevated from guidance to indicator status. We suggest a dual approach that combines explicit prohibition of the most hazardous substances (agrichemicals listed as WHO Type 1A or 1B, as outlined by WHO and the Stockholm and Rotterdam documents and paraquat and glyphosate by 2013) with a focus on minimizing (and mitigating) the negative *impacts* of pesticide use, rather than the use itself, as this encourages a much wider range of meaningful (and auditable) activities from growers (including switching to less toxic substances that target a more narrow range of organisms)

**Suggested New Criterion 4.9:*** A requirement on mills to implement due diligence to control their sourcing of FFB. For instance to prevent sourcing of illegal palm oil by RSPO members and increase safeguards in order to monitor such a potential sourcing especially for RSPO PO mills close (say within 30km?) to national parks and others forest reserves. This should not only apply to mills supplying mass balance (where this could be included in rules for mass balance: excluding illegal palm oil. An example of which is FSC's controlled wood model), but also to producers selling book & claim certificates as this has too much potential to stay a niche market. It should also apply to companies down the supply chain.
* Such a principle could become a useful preliminary step towards the certification of the entire production base.
	+ By way of an example FSC’s controlled wood model aims to eliminate from labeled products contentious materials:
		- HCVs illegally harvested wood
		- Wood harvested in violation of traditional and civil rights
		- Wood harvested in forests in which HCVs (areas particularly worth of protection) are threatened through management activities
		- Wood harvested from conversion of natural forests
		- Wood harvested from areas where genetically modified trees are planted

***Principle 5: Environmental responsibility and conservation of natural resources and biodiversity*****Criterion 5.2*** Currently reads *“The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations”.*

***Actions of growers and companies*** * The aim of this criterion is unclear, lacks ambition and the wording is difficult to audit. It is unclear what growers are required to do in order to take conservation ‘into account in management plans and operations’. It is also unclear what the intended outcome is meant to be. Compare the more explicit language of the proposed new FSC 6.4 (first sentence) and Principle 9:
	+ *“The Organization shall protect rare species and threatened species and their habitats in the Management Unit through conservation zones, protection areas, connectivity and/or (where necessary) other direct measures for their survival and viability”.*
	+ *“The Organization shall maintain and/or enhance the High Conservation Values in the Management Unit through applying the precautionary approach”*.
* Recommendation that when HCV are identified, the company is required to maintain or enhance them. This criterion must be strengthened to be more ambitious than just ‘taking into account’ with a more robust field assessment which would be to “avoid, decrease or compensate” for negative impacts through for instance local restoration if the operation did not avoid or decrease their impacts..
	+ We recommend RSPO P&Cs to adopt a focus on maintaining the HCV itself, moving away from less outcome-oriented formulations based on HCV areas or HCV management areas
* Also clarify the Guidance and Indicators so that the requirements provide clearer indications on what companies need to do to ensure that HCVs are identified, secured and managed. This may also include obliging companies to manage HCV areas identified in their concessions.
	+ Suggestion that companies identify to RSPO areas identified as HCV to be secured and maintained
	+ Clarify acceptable plan of action for companies who may chose to create conservation area within concession
* The RSPO could seek to encourage collaborative HCV area management between neighboring members, with local Government and communities to achieve more worthwhile outcomes.
* Monitoring of species and habitats to be added to criterion 5.2 to also take into account consideration leakages.
* To also ensure criterion 5.2 takes into account reduction of the removal of wildlife (ERTs) from forest adjacent to plantations.
* ***Clarifying indicators and audit***
	+ Develop better guidance for the third party auditor in order to get a robust consistency in their check list. Maybe launch an assessment of their robustness in the field (based on check list AND field consistency)
	+ Review and clarify the guidance given for the development of management plans for identified HCVs. RSPO approved HCV assessors must submit their reports to the peer-review mechanism of the HCV-Resource Network. The accreditation body needs to perform surveillance monitoring of CB’s when they are certifying.
	+ For indicators of criterion 5.2 - it states: *"If rare, threatened or endangered species, or high conservation value habitats, are present, appropriate measures for management planning and operations will include*" - proposed to change to "measures for management planning, operations and *monitoring/surveillance* will include.”
	+ For HCV, long term monitoring should be established and the progress of improvement of HCV management should be documented. There should be a need to report if HCV areas have been encroached or otherwise degraded.
	+ Ensure that there is a public consultation on the outcomes of the HCV assessments with affected stakeholders.

**Criterion 5.6*** There should be an explicit indicator on no clearing and planting of peat-lands – either linked to minimizing GHG emissions under P5.6, or as an indicator of soils unsuitable for planting under P7.4.
1. Recommendations[[8]](#footnote-3) of the second GHG working group should as a priority be incorporated into the mandatory principles & criteria, including the following:
	1. Require reporting on emissions using the RSPO approved tool (Palm GHG) – P5.6;
	2. Require time bound plans to reduce these emissions and the report on progress in reduction – P5.6
	3. Requirement to use best management practice to reduce emissions in plantation and mill operations and for existing plantations on peat – P5.1 and others;
	4. New plantations and mills should include measures to minimize emissions;
	5. Total carbon emissions (above and below ground) from expansion should not result in a carbon debt greater than that which can be paid back in the period of one rotation over the whole management unit – P7;
	6. Requirement to use low-carbon land to expand and to not use peat areas – P7;

**Additional suggestions*** Currently the RSPO standard is silent on other aspects of biodiversity conservation other than those to do with rare, threatened and endangered (RTE) species and HCVs. Additional criteria are needed to expand the scope of P5 and to address also:
	+ The conservation / restoration of multi-functional riparian zones and other aspects of landscape connectivity (see also 4.4 above); and
	+ Reasonable conservation of remnants / fragments of natural ecosystems even where these do not qualify as HCV 3 (some assessors consider most fragments to be HCV 3 as this is the only mechanism for their conservation in the RSPO standard – however this tends to stretch and ‘overburden’ the HCV concept as well as increase assessment costs for growers). Comparable FSC language (first part of new 6.5) reads:
		- *“The Organization shall identify and protect representative sample areas of native ecosystems and/or restore them to more natural conditions. Where representative sample areas do not exist, The Organization shall restore a proportion of the Management Unit to more natural conditions”.*

***Principle 7: Responsible development of new plantings**** Formulations on preferential expansion on degraded lands should be elevated from guidance to criterion level. A very flexible indicator may require growers to demonstrate to CBs what measures they’ve taken to achieve this goal, rather than success per se. New plantations should preferably be developed on degraded land, where land rights issues are settled and previous concessions have been revoked, however a sound definition of degraded land would also be needed or to otherwise set a conversion cutoff point e.g. 35 tons. A first ‘working’ definition of degraded land could be based on issues already within the P&Cs and/or emerging – so for instance using criteria on HCVs, FPIC and carbon?

**Criterion 7.1*** Suggestion to also reference and apply best/high standard for an SEIA assessment. For example, add that SEIA should meet the IFC performance standards

**Criterion 7.3*** ***Definition of forests and primary forests*** - Primary forest is very narrowly defined – few areas are pristine enough to qualify and even e.g. selectively logged forests may contain lots of biodiversity (see also points raised on 5.2 above). A clear definition on forest density may be beneficial in clarifying ‘primary forest’. Recommend to include “high carbon areas” within Criterion 7.3 or under criterion Principle 5.
* ***Differences on HCVs*** - Assessors and growers are confused over differences between HCVs (the values themselves), HCVAs (areas where HCVs occur) and HCVMA (areas that needs specific management in order to maintain / enhance HCVs), as well as what’s supposed to be achieved (see also 5.2 above). Clarity may be improved by adding a new, complementary criterion with a focus on the future, e.g: 7.X: *“Assessments of High Conservation Values (HCVs) and primary forest are undertaken prior to all new clearing and planting. New plantings are allocated, designed and managed so as to maintain or enhance all HCVs and primary forest areas identified in the assessment”*.
* ***Reviewing the time frame to fit the NPP*** e.g: “New plantings November 2005 – [month of endorsement of the revised P&Cs] have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values”.
* Guidance on the liability for clearance of HCVs and/or clearance of land without prior HCV assessment by third parties after November 2005 needs to be made clearer.
* Current indicator and guidance for Criterion 7.3 states that *"High Conservation Values (HCVs) may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCVs to be maintained or enhanced",* however this would also allow developers to continue developing within areas of HCV
	+ i.e. in the context of the Congo Basin, Palm Oil companies have identified HCV (gorilla's) in a restricted area of the concession. Only acceptable solution here is not to plant any oil palm at all in this area. It should not be acceptable for new plantings in that area with a plan to maintain or enhance HCV
	+ Therefore suggest changing this to *"and in such cases, new plantings should be planned only outside of the identified HCV areas*".
	+ We again re-iterate recommendation in P5 that RSPO P&Cs adopt a focus on maintaining the HCV itself, moving away from less outcome-oriented formulations based on HCV areas or HCV management areas

***Principle 8: Commitment to continuous improvement in key areas of activity**** Crierion 8.1 – add need for ‘A regular and scientific-based monitoring process for all certified plantation and COC mill. A baseline study prior to certification (to determine the status quo and show improvements after/ due to certification) should be a mandatory part of the certification process.’

**3. General suggestions for changes to the RSPO and its systems*****Improvements on monitoring and communications**** RSPO can push further for effective monitoring of the impacts of CSPO. RSPO could put in place an M&E system that it is able to regularly collect data providing information on the key impacts the standard aims to address. A step-wise process can be adopted whereby focus first on 2 to 3 issues that matter most (e.g. forest clearing; GHG emissions and pesticide use) and monitor whether use and adoption of the standard is helping reduce these threats. Second, RSPO should partner with other organizations to gain a better understanding of its 'one the ground' impacts.
* Besides the number of the certified area the RSPO could show the impact of certification by showing the HCV area saved through certification and the rare and endangered species that survived in these areas. These numbers would also help significantly to show the successes of the RSPO in the public and spread around CSPO use and RSPO plantation certification.
* RSPO should also discuss HCV issues openly and transparently which include the use of online maps that can create problems with government, and also lead to encroachment and land grabbing.
* Buffer zones created should be documented to share impact (HCV saved) and to also show areas that have been improved.
* Promote case study of RSPO conservation successes. These numbers would also help significantly to show the successes of the RSPO in the public and spread around CSPO use and RSPO plantation certification.

***Improvements on transparency and traceability of members:**** RSPO needs to hold members accountable and require them to be more transparent and set and stick to timebound plans. Suggestion that RSPO members publish their progress and activities.
	+ At the retailers/buyer end, they should be reporting the volumes of certified oil they are buying, and what percentage of their total buy is certified.
	+ At the producer end, they should be reporting their estimated timeline of certification, and where they stand, and issues they’ve encountered.
* From a trader standpoint, they should report their volume and percentage of total volumes certified.

***Multistakeholder balance**** The RSPO was established as a balanced, multistakeholder initiative. This is evidenced by the fact that four of the 16 members of the EB are from environmental or social NGOs. This balance needs to be maintained and strengthened to keep the RSPO strong and credible especially in the public perception*.*
* **Suggestions:**
	+ RSPO to develop safeguards to keep balance between NGOs and growers (even other groups which may be assimilated as a grower such as VIC) within at least in the EB and maybe in the GA. Potentially to also look at the FSC model for an example of a more balanced governance structure.
	+ Others stakeholders should be present and RSPO should try to involve them such as workers representatives, others users of “remaining” forest (e.g. fishermen, hunters, etc.)

***RSPO membership expansion**** Given RSPO already has more than 500 members, suggestions for membership expansion to be focused on increasing demand i.e. to increase membership from China, India and Indonesian retailers as well as European retailers. Stronger presence is needed from the key markets to help influence the markets there.
	+ Presently the bottleneck is not the supply of CSPO, but rather the demand. Some retailers in Europe are still reluctant to buy and promote RSPO certified palm oil (publicly) they will also be in the spotlight whenever an RSPO member does not stick to RSPO rules.
* RSPO should also focus on the quality of members and balance of the GA/board. RSPO should expel members that are not “serious”, no matter from which sector they are. The RSPO needs to attract a wide range of actors in the palm-oil industry, but giving an ordinary membership to underperforming producers and processors threatens to erode the RSPO´s credibility and other cases of “no quorum” could occur in the GA.
	+ What are RSPO’s plans for China? Are there plans in place to set-up an office? What are CSPO projections and goals for China and India? Will this be communicated to the members?
	+ Apart from increasing membership from the demand side markets, suggestion for RSPO should to try to get more NGOs members
* RSPO could also consider having governments as observer members so that there is greater day-to-day interaction between RSPO and governments and the related policy context. This would help in providing input to government policies that will hopefully help increase uptake of CSPO and not hinder its development.

***Smallholders**** RSPO should really promote and support RSPO certification for independent smallholders and bring up a sort of group certification for smallholders, independent from mills, just for FFB in order to increase their independency.
* Suggestion: ask the CSPO buyers to support some of the smallholder RSPO certification process (such as Carrefour do around TessoNilo in Sumatra with ISH)

**General improvements*** Recommend to also look at improving key gaps in the following areas
	+ GHG life cycle assessment
	+ Working hours
	+ Disciplinary practices
 | ENGO |
| Retailer PO group:What are the main challenges to the sustainability of palm oil production that the P&Cs should address? How can these be addressed?The current P&C is insufficient as it fails to address greenhouse gas (GHG) emissions resulting from deforestation and peat land clearance. Points 1-3 (below) address these issues.1. Deforestation
	1. Introduce a criterion of zero deforestation. This must include a clear definition of what is (and is not) defined as deforestation by RSPO, drawing from the prior experience and outcomes of RSPO resolutions, standing committees, working groups and taskforces.
2. Requirement to use low-carbon land to expand and not to use peat areas:
	1. Develop a clear and agreed definition of high vs. low carbon land and include this in the P&C[[9]](#footnote-4).
	2. The recommendations of GHG Working Group 2 with regard to no development on peat land must be incorporated in the new RSPO P&C.
3. GHG emissions and climate change (criterion 5.6)

The P&C Review must incorporate all the recommendations of GHG Working Group 2 into the mandatory P&C, including the following:* 1. Require reporting on emissions using the RSPO approved tool (Palm GHG);
	2. Require time-bound plans to reduce these emissions and the report on progress in reduction;
	3. Requirement to use best management practice to reduce emissions in plantation and mill operations and for existing plantations on peat;
	4. New plantations and mills should include measures to minimise emissions;
	5. Total carbon emissions (above and below ground) from expansion should not result in a carbon debt greater than that which can be paid back in the period of one rotation over the whole management unit.
1. Pesticides (criterion 4.6)
	1. Include a requirement to eliminate harmful pesticides – applying a clear definition developed and agreed by an RSPO working group - from use by certified plantations.
2. Landscape level impacts
	1. Strengthen how High Conservation Values (criterion 5.2) are dealt with, including:
		1. Stronger guidance on the need to monitor and report on outcomes;
		2. Clearer guidance on the benefits of river edge habitat conservation;
		3. Clearer guidance on minimum size of HCV areas that it is worth conserving;
		4. Incorporate a requirement for HCV management plans in the P&C with clearer guidance on the need to manage HCVs and areas – rather than defining them and then simply setting them aside, not protecting them;
		5. Clearer criteria for assessors to measure company performance against;
		6. Include in the RSPO P&C the requirement for HCV management on a landscape level.
	2. Introduce measures to encourage or require collaboration between neighbouring certified plantations to deliver larger scale impacts.
3. Water (criterion 4.4)
	1. Introduce a standard for water quality impacts on communities.
4. New plantings and expansion
	1. Incorporate the recommendations of the RSPO’s new planting procedure review into the mandatory P&C - making it clear that they apply to all members, not only to certified plantations.
5. Free Prior & Informed Consent (criterion 2.3)
	1. Improve guidance on free, prior, informed consent in the P&C.
6. Labour rights and working conditions

RSPO should update and strengthen its principles and criteria on labour rights and working conditions, using guidance from the experience of organisations developing and monitoring labour standards, and recognising that auditing these issues presents different types of challenges for auditors. This should include:* 1. Introduce criterion on banning forced labour (principle 6);
	2. Strengthen criterion by banning child labour (criterion 6.7).
1. Corruption
	1. We recommend that a principle of anti-corruption be introduced in to the RSPO P&Cs; alongside a clear definition of what is (and is not) regarded as corruption.

What are the main challenges to the sustainability of palm oil beyond the producers? 1. There is a blockage and/or loss of supply of physical certified sustainable palm oil (CSPO) produced getting through to the general supply chain and into ingredients and end-products, beyond those major Processors & Traders and Consumer Goods Manufacturers who can command annual procurement rounds of million(s) of tonnes of CSPO. This is severely hampering the ability of smaller Consumer Goods Manufacturers and Retailers to source CSPO in their ingredients and products
	1. We urge RSPO Standing Committees to change the Rules on **Supply Chain Certification Systems** and **Communications & Claims** so that these are less restrictive, time consuming and costly to implement – this can be done without losing any control or increasing risk to RSPO. This includes, but is by no means limited to, removing the requirement to be an RSPO member before a company can achieve both RSPO Supply Chain Certification and an RSPO Trademark Licence;
	2. We urge **Processors & Traders** and **Consumer Goods Manufacturers** to make physical CSPO ingredients and products widely available to the general market – and to promote these proactively to their markets and customers;
	3. We urge the **RSPO Secretariat** to develop a marketplace focussed area on its website where members with physical CSPO products and ingredients can market these effectively to other members and indeed non-members.
2. There is a persistent lack of engagement by two of the largest and fastest growing categories of RSPO membership, i.e. Processors & Traders and Consumer Goods Manufacturers. This is demonstrated through these categories’ low registration rate at General Assemblies; low response rate to submitting Annual Communication of Progress (ACOP) reports; and often the complete absence of challenging time-bound plans when ACOP reports are submitted by these members.
	1. We urge **RSPO** to implement strict measures that the EB has discussed on members who do not meet the Code of Conduct, including completing Annual Communication of Progress Reports and who have not published a sufficiently challenging time-bound plan;
	2. We believe RSPO should invest its efforts in **capacity building throughout the supply chain** to implement its Code of Conduct and source Certified Sustainable Palm Oil in their ingredients and products; rather than consider developing P&Cs for downstream and upstream members.

What other changes are needed in the RSPO to address the sustainability challenges to palm oil?1. Seek ways to introduce standards that measure the impacts on the ground, rather than whether there are plans and procedures in place.
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1. at http://www.ncbi.nlm.nih.gov/pubmed/187545. [↑](#endnote-ref-1)
2. http://www.wri.org/project/potico [↑](#endnote-ref-2)
3. http://googleblog.blogspot.com/2009/12/seeing-forest-through-cloud.html [↑](#endnote-ref-3)
4. RSPO GHG WG2: Outputs and Recommendations: Final Version for Submission to the RSPO Executive Board, November 2011 Online at: http://www.rspo.org/sites/default/files/Final%20Recommendations%20to%20EB%20RSPO%20GHG%20WG2.pdf [↑](#endnote-ref-4)
5. For example:
Saatchi, S. S., N. L. Harris, S. Sandra Brown, M. Lefsky, E. T. A. Mitchard, W. Salas, B. R. Zutta, W.

Buermann, S. L. Lewis, S. Hagen, S. Petrova, L. White, M. Silman, and A. Morel, 2011. Benchmark map of

forest carbon stocks in tropical regions across three continents.
Online at: http://www.pnas.org/content/early/2011/05/24/1019576108 [↑](#endnote-ref-5)
6. <http://www.rspo.org/sites/default/files/Final%20Recommendations%20to%20EB%20RSPO%20GHG%20WG2.pdf> [↑](#footnote-ref-1)
7. The Office of Agricultural Economics under the Thai Ministry of Agriculture and Cooperatives and GIZ (Deutsche Gesellschaft fuer internationale Zusammenarbeit) are jointly implementing a project on smallholders certification. This project is funded by the German Federal Ministry of Environment. [↑](#footnote-ref-2)
8. <http://www.rspo.org/sites/default/files/Final%20Recommendations%20to%20EB%20RSPO%20GHG%20WG2.pdf> [↑](#footnote-ref-3)
9. Note: Golden Agri Resources is trialling a provisional threshold of 35 ton C/ha for the definition of high carbon stock land. It will damage the credibility of RSPO to provide the definition of sustainable palm oil without a similar threshold. [↑](#footnote-ref-4)