



The RSPO New Planting Procedure: ensuring responsible expansion by palm oil producers

In January 2010, the Roundtable on Sustainable Palm Oil introduced a new procedure to make sure that members which expand their plantations do so responsibly. Introduced to help show that the RSPO is effective in controlling damaging deforestation, the so-called New Planting Procedure (NPP) is not an addition to the RSPO guidelines for sustainable palm oil production, but rather helps reinforce the RSPO's already existing criteria governing responsible expansion. In its first year, growers and companies were slow to adopt the NPP, claiming it is time-consuming, poorly understood and unnecessary. However, companies that have undertaken the procedure, and in particular Sipef, a Belgian agro-industrial company operating in Indonesia, have shown there is nothing to be afraid of.

Palm oil demand to treble

Palm oil is a product that's in demand. By 2030, consumption levels are expected to have doubled compared to the turn of the century, and trebled by 2050. Over 70% ends up in food, while the biofuels industry is expanding rapidly. Indonesia already has six million hectares of oil palm plantations, and has plans for another four million by 2015 dedicated purely to biofuel production.

But land is at a premium and many of the remaining suitable areas for plantations are forests (1). A report published in 2007 by the United Nations Environment Programme (UNEP), acknowledged that palm oil plantations are already the leading cause of rainforest destruction in Malaysia and Indonesia. As well as the impact on local wildlife and people, deforestation also contributes to climate change. Meanwhile, the clearing and burning of peatland – a carbon sink – to establish oil palms, releases yet more carbon into the atmosphere.

Aerial photo of smallholder oil palm plots in western Sumatra that have been planted on peatland and/or cleared with fire.



The Roundtable on Sustainable Palm Oil (RSPO) was set up in 2004 to establish clear ethical and ecological standards (or 'principles') for producing palm oil. In 2008, the first Certified Sustainable Palm Oil (CSPO) became available. Uptake was slow at first, but has, encouragingly, gained pace as more companies have committed to sourcing 100% CSPO. This has given more growers the confidence to adhere to the standards and produce certified palm oil.

It is never easy to affect change – especially on such a large scale. Accusations have been levied at members of the RSPO that they are not “walking the walk.” There has been criticism, for example, that some companies are not taking steps to avoid large-scale forest clearance when expanding into new areas. There is no doubt that in parts of Indonesia and Malaysia rapid expansion is taking place – much of it on peat land. This is having a devastating impact on local environments, as well as fuelling climate change. The RSPO principles on new planting are robust and clear. What has not always been clear is whether all of the RSPO members have been following those principles.

“The RSPO isn’t there to halt the expansion of the palm oil industry,” says Adam Harrison, senior policy officer at WWF-UK and WWF’s representative on the RSPO Executive Board. “The expansion of the palm oil industry will continue – the laws of supply and demand will ensure as much and the growth of the industry can create rural jobs and national wealth in countries where it is produced. What the RSPO seeks to do is ensure that palm oil production is sustainable – both environmentally and socially. Part of that is making sure that land which is needed by wildlife and local people is not converted to new plantations. That’s why the membership of the RSPO agreed to implement the ‘New Planting Procedure’.”

Responsible expansion

The NPP was proposed to the RSPO General Assembly in November 2008 by WWF and New Britain Palm Oil (an RSPO member and palm oil producer). Formalized in May 2009, it was approved by the RSPO Executive Board four months later and was implemented from January 2010. The aim is to ensure that the social and environmental requirements of the RSPO are taken into account before new plantations are developed. “It’s an additional safeguard so that new plantations follow the criteria of responsible expansion,” says Harrison, “and that they do so wherever they operate in the world.”

The NPP requires impact assessments (both environmental and social), an implementation plan to account for any high conservation value (HCV) areas identified, verification from an RSPO certification body and a 30-day public consultation. (see below and (2)). The process ensures that areas of primary tropical forest and other areas containing HCVs are excluded from development. There is also the need for the member to show that they have ‘Free, Prior and Informed Consent’ from communities impacted by the project before they start development. These requirements are already part of the RSPO standard – but they were previously only verified when a plantation was being certified – that is, after its oil palms had matured and were producing fresh fruit bunches (at least 3-5 years after initial planting).

“In essence, the NPP is simply a safeguard ensuring the RSPO principles are implemented at the very beginning of a plantation’s existence,” says Harrison. “It helps ensure that from January 2010 all the new plantations owned by all RSPO members will eventually receive certification, because it demonstrates that from the start the plantation will be compliant with the RSPO standard.”

Apprehension by growers

Some growers claim the NPP process is too arduous and is slowing expansion, particularly in Indonesia. This, they say, will lead to higher prices in the longer-term as global demand rises. A key issue has been the legal requirements associated with land acquisition and permitting – most notably in Indonesia.

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According to Indonesian law, a company must develop at least 50% of the land given by the government within three years of the initial application to use land for palm oil and the receipt of a ‘location permit’; failure to do so could result in the land being re-distributed to competing companies. Some growers have complained that carrying out the environmental and social impact assessments and community engagement required by the NPP, on top of the legal processes required by the Indonesian government, takes too long and can lead to them having land taken away.

Indeed, the perception among some plantation companies is that the NPP requires them to “do things twice,” for no benefit and at extra cost.

However, the RSPO guidance indicates that companies should not wait for one process to end before starting the next; instead they should, as part of

being a responsible company, make sure that they are ensuring legal and RSPO compliance at the same time, says Harrison.

One suggestion by planters that have already undertaken the NPP is to better align the legal requirements with the requirements of the NPP. Part of the NPP requires the RSPO member to post a notice of its intention to open a new plantation on the RSPO website 30 days before develop-

ment begins. This type of public announcement is unfamiliar to many of the companies involved – this is a sector that likes to go about its business away from the spotlight, as Olivier Tichit, General Manager for Environment and Conservation at Sipef, explains.

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The NPP in practice

Sipef is one of the few companies to have followed the NPP in its first year (3); Tichit says the process is more straightforward than many growers believe. “For us, it wasn’t a time-limiting issue. Yes, it’s a shame that there are two different processes – one for the government and one for NPP – but it is possible to be working on the two in parallel. The AMDAL [the environmental and social impact assessment required by Indonesian law] can be done at the same time as the HCV and SEIA [the social and environmental impact assessments required by RSPO] – you just have to be well prepared and very committed.”

According to Tichit, the 30-day public consultation should be embraced rather than shunned. “This kind of public announcement allows many problems to be nipped in the bud. I’ve heard from other plantation companies who are fearful that once in the RSPO they must open their books to anyone and everyone. This isn’t the case – the RSPO, including the NPP, is about transparency. It’s about how you manage and communicate what you are doing.”

Olivier Tichit points to where Sipef plan to create a new wildlife corridor on their land.



Sipef followed the NPP for a new site in Bengkulu, Indonesia, a province with extensive palm oil developments. The new expansion will add around 7,000 hectares to Sipef’s holdings. Following the RSPO’s standards and the NPP procedure, 12% will remain un-developed, managed and monitored by the company moving forward. While Tichit admits that it can be difficult for some growers to understand why land can’t be developed, he is keen to stress that the NPP process isn’t there to block progress. In fact, carrying out the required assessments in advance of development was beneficial.

“The social impact assessment required by RSPO is more participatory than that required by the AMDAL. When you engage thoroughly with affected communities at the outset, a company is much more likely to avoid problems around land tenure claims later on,” says Tichit. “And on the environmental side, if you carry out a good quality HCV assessment as soon as possible, you can plan your development a lot better, as you know clearly how many hectares you can and cannot plant – it’s much more efficient.”

The HCV requirement means RSPO member companies go beyond legal requirements by not only setting aside, but managing and monitoring areas that are the most environmentally and socially valuable. One of the HCV areas in Sipef’s new development includes a wildlife corridor for gibbons that connects a conservation area in its existing concession with a government-protected forest. This 50-metre-wide section of degraded forest will be managed by Sipef and thus protected from smallholder encroachment and illegal clearing.

Supporting smallholders

Sipef staff consult regularly with member of a smallholder cooperative in Bengkulu province, in advance of the planned oil palm development.



RSPO member plantation companies are also required to carefully manage relationship with their associated smallholders throughout the establishment of new developments. In Bengkulu, where Sipef is expanding, the local government required that 40% of the area must be made available to smallholders (national regulations request a minimum of 20%). The company is required to support the smallholders to develop their plots, provide access to better management practices and better quality planting materials. From the 'Free, Prior and Informed Consent' sessions through to monthly meetings with cooperatives once the plantation is up and running, companies that follow RSPO protocol ensure that smallholders and community representatives are treated equitably and understand the RSPO process. This includes raising awareness of the perils of slash and burn clearance techniques and developing on steep slopes, as well as the importance of HCVs.

RSPO member 'nucleus' plantation companies like Sipef are required to bring all associated smallholders to RSPO certification within a specified time frame. As the RSPO process brings better management practices, the smallholders reap better yields and more profits (4). "We provide the smallholders with sufficient resources and are committed to buying their end produce at the going market rate," says Tichit. "The system works well and gives the growers the opportunity to make decent money, but we do have to keep educating them – over and over – about the concepts and principles of RSPO. This continuous education eventually means they accept this way as the norm."

A way to go

Unfortunately, there are only a handful of other companies with the same vision as Sipef management. Only 29 out of the 97 grower groups on the RSPO have any certified plantations at all, and there is mounting pressure on the Roundtable to up the ante. Sipef has been "100% committed" since it signed up to the Roundtable back in 2005. Indeed, Tichit suggests that the RSPO is a "one way street" and those involved need to be totally committed from the outset. Given that it is part of the RSPO, this commitment should extend to the NPP, he adds.

"Principle 7 of the RSPO guidelines is clear in that new plantings must be responsible. Perhaps the NPP was not explained as well as it could be, and perhaps it was introduced in a way that made it look like another set of measures. But it's there, and growers and plantation companies shouldn't be afraid of it."

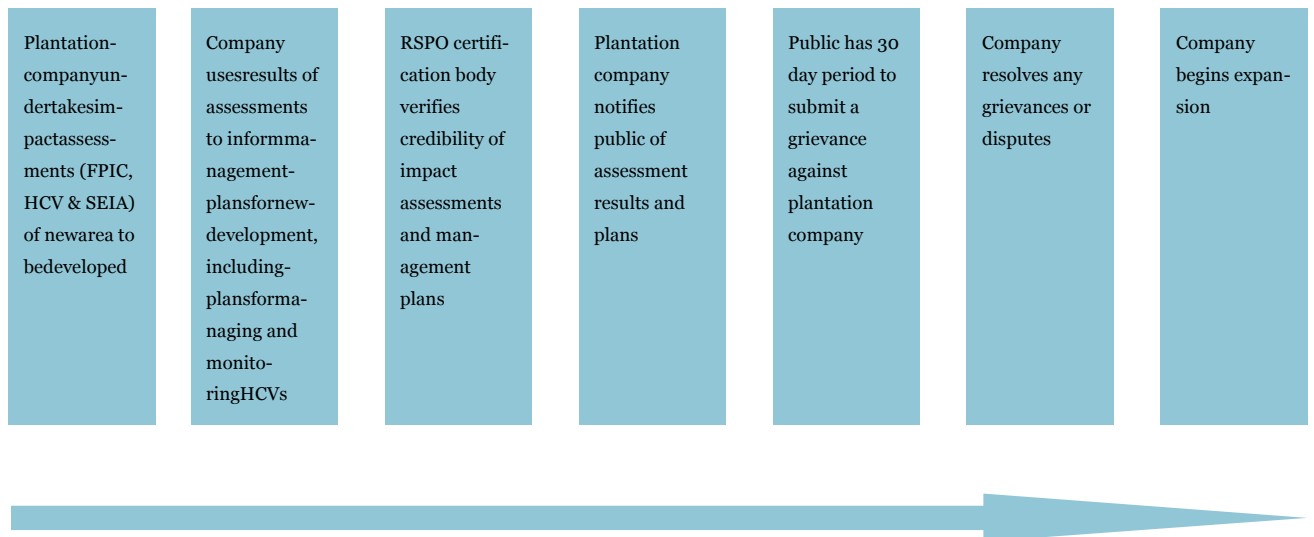


A conservation area at Sipef's plantation is clearly marked

According to WWF, the NPP simply adds a layer of transparency, and one that those sourcing and using palm oil are increasingly demanding. In Europe, retailers and manufacturers want to identify the ‘safe buys’ – those companies that can supply palm oil with assurances. Top of that list of assurances is that there is no deforestation involved. “That’s the big issue for the companies at the top end of the supply chain,” says Harrison. “They can’t afford to be linked with deforestation and their suppliers following the new planting procedure is the only sure-fire way to ensure that is the case.”

1. Fitzherbert EB, Struebig MJ, Morel A, Danielsen F, Brühl CA, Donald PF, Phalan B. 2008. How will palm oil expansion affect biodiversity? *Trends in Ecology and Evolution* 23(10) pp 538-545
2. <http://www.rspo.org/files/project/NPWP/RSPO%20Detailed%20Process%20Flow%20for%20New%20Plantings%20Procedures.pdf>
3. <http://www.rspo.org/sites/default/files/RSPO%20NotificationNP%20PTMM121210.pdf>
4. http://wwf.panda.org/what_we_do/footprint/agriculture/palm_oil/solutions/roundtable_on_sustainable_palm_oil/ for more information on RSPO smallholders)

The NPP process



For more information on the NPP see the RSPO website:
<http://www.rspo.org/page/535>

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