

RSPO Workshop Bangkok 2nd of June 2009

ProForest 2nd presentation:

Q&A: Transparency: which documents we have to disclose? This is set in P&C but details can be set in NI.

Difference to GAP? RSPO includes social and environmental criteria. There is no mandate between RSPO and GAP but P4 and P5 relate to GAP. If you do GAP RSPO will be close to achieve.

ProForest 3rd presentation:

Compliance: After what time period to members have to comply? This is an issue in RSPO because members so far not have to buy the RSPO oil. There was a resolution brought up in RSPO to implement a system that monitors the purchase of RSPO oil. Also on mill level there is no timeline when members have to get certified. In case of violating RSPO criteria of certified producers there exists a grievance procedure (e.g. Wilmar). Possibility to get expelled.

Thai context: Thailand was not involved in RSPO and the Thai reality is not reflected. That has to be considered. The danger is that smallholders are losing and have to sell their land. RSPO allows mills to buy from uncertified suppliers (mass balance) and the group certification protocol is under development. But it is not the role of RSPO to protect smallholders from multinationals.

Proforest 4th presentation:

NI: We need experts on labor issues, HCV, smallholders and Thai regulations. The private sector will do the NI with support of OAE-GTZ and consult by government agencies. GTZ-OAE wants to finish translation, develop working draft and start NIWG in July.

Q&A: Do we need a RSPO member in each stakeholder group for the NI? Yes, member in each category.

Presentation on Palm Oil in Thailand – Dr. Samai Chai-In:

The productivity of the arable land in Thailand is low compare to other countries. This can't be regarded as sustainable. Thai agriculture is based on rice which offers low returns. The highest income per sqm is in rubber production. Palm oil is second and the income is rising. Another advantage of oil palm and rubber is that they have downstream industries.

According to the gini-index, inequality in Thailand is rising. Unsustainable farm practice should not be maintained especially when looking at the global population growth rates. Palm oil offers a good economic basis and can help to reduce urbanization. Bioenergy will strengthen the market for oil palm products in Thailand to reduce energy dependency. Thailand should aim at a production of oil palm on 15 mio rai because there is a lot of unused land available. Adequate technologies for small-holders, as well as a downstream industry for oil palm has to be developed.

Pannell discussion:

- Khun Sanin: Pathum Vegetable Oil Ltd. Received requests from various customers from food processing and energy companies. The **company realizes the importance** of RSPO and already conducted several test audits with their suppliers.
- Somchai: Thai farmers don't do long term planning. Change has to come from pressure and clear benefits for the farmers. **All stakeholders have to get involved** to improve the quality in oil palm production. The **brokers play a crucial role** as they are responsible for decreasing the quality. 50% of palm fruit sale is handled by brokers. The RSPO criteria are not difficult to achieve. The whole production chain has to go for RSPO so farmers will follow. To handle the cost, **farmers have to get organized in groups**.
- Dr. Qwan: RSPO is similar to ISO and could be a platform for other international standards, e.g. carbon footprint certification. One problem in palm oil production is the use of water and releasing water in ecosystems. Use of chemical fertilizers is another issue which has to be carefully considered (political issue, interest of big companies). RSPO clearly promotes Integrated Pest Management and reduction of chemicals. Can smallholders deal with that? Anyhow the **Thai context is not represented** in RSPO and can't be compared to Malaysia or Indonesia. RSPO requirements for documentation are challenging to **smallholders and they will need some support** from the government also related to long term planning (capacity building on business plan).
- Peb: Smallholder integration is an international issue in RSPO and the standard should not put a burden on smallholders but find ways to support them. Funding mechanisms are discussed in RSPO but benefits can't be expected from the beginning. TH going for RSPO would put credibility on its palm oil sector and strengthen Thailand's position as a palm oil supplier. RSPO does not ask for reduction of fertilizer but for improvement of soil quality.
- Dr. Palat: Fertilizer becomes an issue related to improving soil fertility and water conservation. Attempts to work with smallholders on applying organic fertilizer have not been successful. Will the Thai government take responsibility for smallholders (like Malaysia)? Which institution is in charge? **We have to assure that RSPO is supportive and achievable for smallholders.**

Cost and modes of certification:

Membership fee is around 100,000 THB. This is a lot for smallholders. Peb points out that smallholders don't have to become members to get certified. K. Sawang mentions that the certification will even cost around 80,000 Euro. For smallholders certification will only be possible in a group (RSPO group certification scheme). Dr. Palat adds that the government should support farmers in building groups and offer trainings. Dr. Prakarn holds the view that **OAE should develop support schemes for smallholders.**

Carbon Credit:

Could plantations get certified to receive carbon credits under UN-FCCC? Most mills now go for renewable energies and take advantage of the government support scheme. Peb answers that RSPO does not calculate the carbon balance and has no requirements regarding carbon emissions. Dr. Palat underlines that Carbon Credits for oil palm plantations is far.

Chain of custody and market:

Could RSPO become a domestic market through bioenergy policy or support schemes? For bioenergy RSPO also important because of cooperate strategy of oil companies (Shell). Supply Chain Certification of RSPO not yet in place and so far no commitment for processors to buy RSPO (but now discussed in RSPO). Sanin points out that, even processors don't face many requirements regarding RSPO they can be a key driver.