

RSPO Principles and Criteria for Sustainable Palm Oil Production

**Definition and Guidance for
PNG Associated Smallholders**

Final Draft

Prepared by the

PNG National Interpretation Working Group

18 October 2010

RSPO

Roundtable on Sustainable Palm Oil

Introduction:

The RSPO currently classifies smallholders into two categories for certification purposes, those being 'scheme' smallholders and 'independent' smallholders. The PNG National Interpretation Working Group (PNG NIWG) has long held the view that this binary classification system has a tendency towards exclusiveness and does not fit well with the smallholder reality in Papua New Guinea.

The PNG NIWG during its meeting on 19 June 2009 agreed that PNG needed to develop a third category of smallholder that sits between the current definitions of 'scheme' and 'independent' smallholders.

For the purposes of the PNG National Interpretation, the PNG NIWG developed a definition for an additional category of smallholders that it refers to as PNG 'Associated' smallholders. It developed the first draft guidance for its Associated smallholders on 22 October 2009. The first draft was prepared based on the '4th draft guidance for scheme smallholders', the guidance for independent smallholder (as it appears in the '3rd draft guidance for smallholders' Sep'08), and the RSPO generic definitions of scheme and independent smallholders.

A second draft guidance document was prepared by the PNG NIWG on 27 April 2010. It represents a refinement of the first draft based on consideration of the 'approved generic guidance for scheme smallholders', and the 'consultation draft documents for independent smallholders under group certification'. This draft was further assessed in light of the final RSPO approved generic guidance for 'independent' smallholders and the resulting consultation draft was posted on the RSPO website on 11 August 2010.

On 11 and 12 August 2010 a sub-working group of the PNG NIWG prepared draft trial indicators to accompany the guidance for PNG Associated smallholders.

The PNG NIWG met again on 18 October 2010 to finalise the consultation draft guidance based on feedback received from the 60-day public consultation period. In addition the NI definitions section was updated and the trial indicators were finalised. This document represents the final draft guidance for PNG Associated smallholders and the PNG NIWG wishes to submit this to the RSPO Executive Board for approval.

The RSPO currently defines smallholders as:

Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size.

This definition is regarded by the PNG NIWG as being appropriate for PNG smallholders.

Defining Independent and Scheme smallholders [from the Generic Guidance for Scheme Smallholders]

In the context of RSPO systems, *independent smallholders* while very varied in their situations are characterised by their: freedom to choose how to use their lands, which crops to plant and how to manage them; being self-organised, self-managed and self-financed; and by not being contractually bound to any particular mill or any particular association. They may, however, receive support or extension services from government agencies.

Scheme smallholders, while also very diverse, are characterised as smallholders who are structurally bound by contract, by a credit agreement or by planning to a particular mill. Scheme smallholders are often not free to choose which crop they develop, are supervised in their planting and crop management techniques, and are often organised, supervised or directly managed by the managers of the mill, estate or scheme to which they are structurally linked. In accordance with the RSPO Certification Protocol, whereas scheme smallholders should be certified along with the mill with which they are associated, independent smallholders, who may sell their fresh fruit bunches either directly or through intermediaries to a number of mills, are to be certified on their own. As the costs of audits are likely to be too high for any one smallholder to afford, the Task Force on Smallholders and the Certification Working Group have recommended that a Group Certification Protocol should be developed to allow independent smallholders to share these costs.

Differentiating a third category of associated smallholders from current definitions for scheme and independent smallholders

The PNG NIWG developed a list of characteristics that help differentiate Associated smallholders from the existing binary smallholder classification:

PNG NIWG – Defining PNG ‘Associated’ smallholders:		Smallholder Type		
Group	Characteristic	Scheme	Associated	Independent
Certification	Is the smallholder’s FFB certified (as opposed to CPO at Mill)?	No	No	Yes
	Are the smallholders themselves certified?	No	No	Yes
	Do smallholders pay for certification themselves?	No	No	Yes
FFB market	Does the mill collect & transport smallholder’s FFB?	Yes	Optional	Optional
	Does the mill represent the only available market place for smallholder FFB?	Yes	Yes ¹	No
Rights & obligations	Do the smallholders have a contractual obligation regarding FFB supply to mill?	Yes	No	No
	Does the mill have legal or contractual right to force (or demand) smallholder RSPO compliance?	Yes	No	No
	Do smallholders have legally protected customary or	No	Yes	Yes

	leasehold usage rights to the land (independent of any involvement by the mill)?			
	Does the mill fully acknowledge the customary rights of smallholder landowners?	Yes	Yes	Yes
	Are the smallholders fundamentally 'independent' in terms of their rights of choice?	No	Yes	Yes
	Are the credit systems available to smallholders on a secured basis?	Yes	No	No
Support	Does the mill, either through Government or some other parallel process, make provision for full and complete technical support to smallholders? And...	Yes	Yes	No
	...is this technical support limited to influencing (as opposed to enforcing) compliance through education and awareness?	No	Yes	n/a
	Is a 'scheme' or project manager responsible for compliance?	Yes	Yes	No
<i>¹ By current circumstances only; not legally binding; could change; in most cases no alternative outlets</i>				

This analysis showed that for characteristics that relate to certification issues and smallholder support services, Associated smallholders have more in common with Scheme smallholders. However in terms of smallholder obligations and rights of choice, Associated smallholders have more in common with Independent smallholders. In PNG, the FFB market availability to smallholders is closer to that of Scheme smallholders, however this situation reflects current circumstances and is not legally or contractually binding; the situation could change e.g. the PNG Government has approved the establishment of independent CPO mills in some of the current oil palm areas

The PNG NIWG holds the view that exclusion of smallholders from their only available FFB market should not be used as a means of enforcement of RSPO conditionality; to do so would negatively impact livelihoods and could drive many to a situation of poverty.

Definition of Associated Smallholders:

PNG's Associated smallholders retain legal authority over their land and farming systems choice without any mandatory or contractual obligations to the mill. In most cases the milling company represents the only available FFB market. The milling company and the statutory extension service have a significant level of responsibility for supporting and encouraging the smallholders in being able to meet RSPO requirements. Credit from financial institutions and milling companies is unsecured and land cannot be forfeited for default on repayment or other non-compliance.

Smallholder Project Manager:

The Smallholder Project Manager can be the statutory smallholder extension agency (OPIC) and/or the RSPO certified milling company. Where overall responsibility is shared, each will take sole responsibility for specific Indicators and a register will be maintained for each project area outlining specific responsibilities. An up-to-date copy of this register will be held by each Project Manager.

Cost of certification and surveillance audits for PNG Associated smallholders:

PNG Associated smallholders are part of the supply base of the RSPO certified milling companies. These milling companies will cover the costs of the certification and surveillance audits for the Associated smallholders.

Indicators

The PNG NIWG meeting of 18 October 2010 established trial indicators to be used with this guidance. These indicators will be used and further refined during trial audits of PNG Associated smallholders.

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Roundtable on Sustainable Palm Oil

GUIDANCE FOR PNG ASSOCIATED SMALLHOLDERS TO FULFIL THE PRINCIPLES AND CRITERIA FOR SUSTAINABLE PALM OIL PRODUCTION

Principle 1: Commitment to transparency

Criterion	Guidance on Associated Smallholders
<p>Criterion 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation on decision making.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must ensure that smallholders:</p> <ul style="list-style-type: none"> • Have land titles/Customary Land Use Agreements (2.2) • Have access to training in IPM and the safe use of agro-chemicals (4.6) • Have access to training in occupational health and safety (4.7). • Have access to plans and impact assessments relating to environmental and social impacts (5.1, 6.1, 7.1, 7.3). • Have access to pollution prevention plans (5.6). • Have access to complaints and grievance procedures (6.3). • Have access to information relating to negotiation procedures (6.4). • Have access to current FFB prices calculations (6.10) • Have access to the periodic price formula review documentation and any amendments (6.10) • Are provided with up-to-date records of debts and repayments, charges and fees (6.10) • Are aware of the continuous improvement plan (8.1). <p>TRIAL INDICATORS:</p> <p>1.1.1 The Project Manager holds copies of the documents outlined in the guidance, which are available to smallholders or their representatives (i.e. Growers Associations) on request [MAJOR]</p> <p>1.1.2 Records of training & awareness events, smallholder requests and responses are maintained [MAJOR]</p>
<p>Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where</p>	<p>Guidance for smallholder project managers: Smallholder project managers have shared and explained management plans to smallholders and/or their Grower Associations, including documents summarising complaints and grievance procedures.</p>

<p>disclosure of information would result in negative environmental or social outcomes.</p>	<p>TRIAL INDICATORS:</p> <p>1.2.1 LPC approval (minuted) of annual smallholder management plan exists [MAJOR]</p> <p>1.2.2 Complaints & grievance procedure documents are available at nominated & accessible public locations. A list of the nominated locations is held by the Project Manager [MAJOR]</p> <p>1.2.3 Records of awareness activities provided to smallholders or their Growers Associations are maintained [MAJOR]</p> <p>1.2.4 Where there is dual project management (i.e. milling company and OPIC), a register will be maintained for each project area outlining specific compliance responsibilities. An up-to-date copy of this register will be held by each Project Manager [MAJOR]</p>
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Principle 2: Compliance with applicable laws and regulations

Criterion	Guidance on Associated Smallholders
<p>Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must hold an up-to-date list & copies of applicable laws, which is known to be available for reference to smallholders and/or their Grower Associations. Associated smallholders should be aware of the applicable laws and regulations. Training of smallholders is required under 4.8.</p> <p>TRIAL INDICATORS:</p> <p>2.1.1 The Project Manager holds an up-to-date list & copies of applicable laws, which is available to smallholders or their representatives (Growers Associations) on request [MAJOR]</p> <p>2.1.2 Records of communications to smallholders are kept by the Project Manager [MAJOR]</p>
<p>Criterion 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</p>	<p>Guidance for smallholder project managers: smallholder project managers have maps or other documents showing land allocations for Associated smallholders and can show that these lands are not claimed or contested by third parties with legitimate claims.</p> <p>TRIAL INDICATORS:</p> <p>2.2.1 The Project Manager has up-to-date maps and documents available showing customary and state land boundaries [MAJOR]</p>

	<p>2.2.2 The Project Manager holds a register of land related disputes [MINOR]</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p>	<p>Guidance for smallholder project managers: smallholder project managers can show that lands acquired for smallholders do not diminish legal or customary rights of other users. Where other’s customary or legally owned lands have been taken-over there is documentary proof of transfer of rights (e.g. sale) and of payment or provision of agreed compensation.</p> <p>Note: For all blocks established after 1 May 2010 this criterion applies fully. For blocks established earlier than this a period of 3-years, from the date of approval of this guidance, is allowed to achieve full compliance.</p> <p>TRIAL INDICATORS:</p> <p>2.3.1 Customary land; copies of CLUAs are held by the Project Manager [MAJOR]</p> <p>2.3.2 State land; copies of Lands Department records are held by the Project Manager [MINOR]</p> <p>2.3.3 Documented evidence of facilitation of conflict mediation is held by the Project Manager [MINOR]</p>

Principle 3: Commitment to long-term economic and financial viability

Criterion	Guidance on Associated Smallholders
<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>	<p>Guidance for smallholder project managers: Smallholder project managers have a documented management plan, including forecast economic benefits, for Associated smallholders (minimum 3-years), which is shared with them through the Local Planning Committees.</p> <p>TRIAL INDICATORS:</p> <p>3.1.1 The Project Manager holds an up-to-date management plan [MAJOR]</p> <p>3.1.2 Management plan is tabled & minuted in LPC meetings [MINOR]</p>

Principle 4: Use of appropriate best practices by growers and millers

Criterion	Guidance on Associated Smallholders
<p>Criterion 4.1 Operating procedures are appropriately documented and consistently</p>	<p>Guidance for smallholder project managers: Smallholder project managers can show how they document and support implementation of best practices by smallholders.</p>

Criterion	Guidance on Associated Smallholders
implemented and monitored.	<p>Smallholder project managers should monitor smallholder compliance. Training should be provided under criterion 4.8.</p> <p>TRIAL INDICATORS:</p> <p>4.1.1 Planting approval (through the Planting Approval Form & Replanting Approval Form) is available for all new plantings & replantings after 1 May 2010 [MAJOR]</p> <p>4.1.2 Evidence of communication of best practices to all smallholders e.g. training records, handbook distribution, field day attendance, radio broadcasts etc. is held by the Project Manager [MINOR]</p> <p>4.1.3 The Project Manager holds block inspection records that show management standards [MINOR]</p>
<p>Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>	<p>Guidance for smallholder project managers: Smallholder project managers can show they have assessed and approved lands selected for smallholdings so as to maintain soil fertility, have carried out training with Associated smallholders to explain best practices (see 4.8) and can monitor and verify effective implementation by smallholders.</p> <p>TRIAL INDICATORS:</p> <p>4.2.1 Planting approval (through the Planting Approval Form & Replanting Approval Form) is available for all new plantings & replantings after 1 May 2010 [MAJOR]</p> <p>4.2.2 Records of fertiliser inputs by smallholders are maintained by the Project Manager [MINOR]</p> <p>4.2.3 Soil and/or location specific fertiliser recommendations for smallholders growers, based on periodic leaf & soil testing, are held by the Project Manager [MINOR]</p>
<p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p>	<p>Guidance for smallholder project managers: Smallholder project managers can show they have assessed and approved lands selected for smallholdings so as to minimise and control soil erosion and soil degradation in accordance with the indicators. There should be no smallholder planting on contiguous areas of peat soils >3 m deep and >150ha in extent.</p> <p>TRIAL INDICATORS:</p> <p>4.3.1 Planting approval (through the Planting Approval Form & Replanting Approval Form) is available for all new plantings & replantings after 1 May 2010 [MAJOR]</p>

Criterion	Guidance on Associated Smallholders
	<p>4.3.2 No evidence of new planting (after Nov 07) on slopes above 25° (smallholder and plantation) [MAJOR]</p> <p>4.3.3 Erosion control practices are implemented on blocks with slopes above 9° (and less than 25°) and on blocks identified as having significant risk of erosion [MINOR]</p> <p>4.3.4 Presence of a road maintenance program that includes control and management of rainfall runoff [MINOR]</p> <p>4.3.5 Records of all areas planted on peat are recorded [MINOR]</p>
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>	<p>Guidance for smallholder project managers: Smallholder project managers can show they have assessed and approved lands selected for smallholdings so as to maintain the quality and availability of surface and ground water, have carried out training with Associated smallholders to explain best practices (and see 4.8) and can monitor and verify effective implementation by smallholders.</p> <p>TRIAL INDICATORS:</p> <p>4.4.1 Planting approval (through the Planting Approval Form & Replanting Approval Form) is available for all new plantings & replantings after 1 May 2010 [MAJOR]</p> <p>4.4.2 Establish, maintain or rehabilitate riparian buffer zones as per PNG Logging Code of Practice at planting or replanting. Where river courses have moved, putting a smallholding within a riparian buffer zone, mitigation will be dealt with by the Project Manager in consultation with the smallholder on a case by case basis [MINOR]</p> <p>Note: PNG’s Department of Environment & Conservation plans to replace the requirements of the logging code of practice with more appropriate conditions in a new general palm oil code of practice.</p> <p>4.4.3 Evidence of communication of best practices to all smallholders e.g. training records, handbook distribution, field day attendance, radio broadcasts etc. is held by the Project Manager [MINOR]</p> <p>4.4.4 Block inspection records that show management standards are held by the Project Manager [MINOR]</p>

Criterion	Guidance on Associated Smallholders
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed through using appropriate Integrated Pest Management (IPM) techniques.</p>	<p>Guidance for smallholder project managers: Smallholder project managers should provide training to Associated smallholders in IPM techniques (incorporating cultural, biological, mechanical or physical methods – see 4.8) to minimise use of chemicals and provide appropriate assistance for application. Smallholder project managers should manage implementation of best practices and show evidence of compliance.</p> <p>TRIAL INDICATORS:</p> <p>4.5.1 Evidence of training to smallholders in IPM techniques (incorporating cultural, biological, mechanical or physical methods) to minimise use of chemicals and provide appropriate assistance for application is held by the Project Manager [MINOR]</p> <p>4.5.2 An IPM Program is documented for relevant pests that set out techniques, locations and timeframe for implementation. The Project Manager monitors the extent of IPM implementation, including training, for relevant pests [MINOR]</p> <p>4.5.3 The Project Manager records areas where pesticides have been used within an IPM program [MINOR]</p>
<p>Criterion 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use, and where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p>	<p>Guidance for smallholder project managers: Smallholder project managers will provide regular training to Associated smallholders on agrochemical use (see 4.8), especially covering:</p> <ul style="list-style-type: none"> • How chemicals should only be applied in accordance with the product label. • How appropriate safety equipment can be acquired and used. • How all precautions attached to the products should be properly observed, applied, and understood. • The dangers of using chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat. • How chemicals should be securely and safely stored. All chemical containers must be properly disposed of and not used for other purposes (and see criterion 5.3). • How pesticides should be applied by proven methods that minimise risk and impacts.

Criterion	Guidance on Associated Smallholders
	<ul style="list-style-type: none"> • Proper disposal of waste material, according to procedures that are fully understood by workers and managers. (Also see criterion 5.3 on waste disposal). <p>Smallholder project managers records will also show:</p> <ul style="list-style-type: none"> • Justification of all chemical use • A list of all agrochemicals used • Records of pesticides supplied to smallholders. • Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat is reduced and/or eliminated. • Records show that awareness on the dangers on using agrochemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat is provided; these chemicals are not supplied to smallholders by the Project Managers or milling companies. • Smallholders are made aware that pregnant women should not handle or apply agrochemicals. <p>In PNG the use of agrochemicals by smallholders is not encouraged.</p> <p>Note: RSPO has committed to identifying safe and cost effective alternatives to replace chemicals that are categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat.</p> <p>TRIAL INDICATORS:</p> <p>4.6.1 A documented policy for all agrochemical use by smallholders is held by the Project Manager and communicated to smallholders [MAJOR]</p> <p>4.6.2 Records of all pesticides supplied to smallholders by the Project Manager and/or milling company are maintained [MINOR]</p> <p>4.6.3 All smallholders supplied with pesticides from the Project Manager or milling company can demonstrate certification in safe pesticide usage [MAJOR]</p> <p>4.6.4 The Project Manager maintains records of training and certification provided to smallholders [MAJOR]</p> <p>4.6.5 Training specifically ensures that smallholders are</p>

Criterion	Guidance on Associated Smallholders
	<p>made aware that pregnant or breast feeding women should not handle or apply agrochemicals [MAJOR]</p> <p>4.6.6 The Project Manager and/or milling company will not supply chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, or paraquat or insecticides to smallholders [MAJOR]</p> <p>4.6.7 Records of annual acetyl cholinesterase testing for all Project Manager managed personnel using organophosphate insecticides on smallholder blocks are maintained [MAJOR].</p>
<p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>	<p>Guidance for smallholder project managers: Smallholder project managers can provide evidence that Associated smallholders are made aware of and trained in safe work practices.</p> <p>Communication will involve, but not limited to, training records, handbook distribution, field day attendance, radio broadcasts etc.</p> <p>TRIAL INDICATOR:</p> <p>4.7.1 Evidence of communication of safe practices to all smallholders is held by the Project Manager [MINOR]</p>
<p>Criterion 4.8 All staff, workers, smallholders and contractors are appropriately trained.</p>	<p>Guidance for smallholder project managers: Smallholder project managers provide effective training to Associated smallholders, which include assessment of training needs, documentation of the programme and records the training provided to each smallholder. Training should cover:</p> <ul style="list-style-type: none"> • Legal compliance (see 2.1) • Operating procedures (see 4.1) • Soil and water management (see 4.2 & 4.4) • Integrated Pest Management (see 4.5) • Agrochemical use (see 4.6) • Occupational Health and Safety (see 4.7) • Use of fire and relevant regulations (see 5.5) <p>TRIAL INDICATORS:</p> <p>4.8.1 An appropriate training programme based on smallholder needs assessment is maintained by the Project Manager [MINOR]</p>

Criterion	Guidance on Associated Smallholders
	<p>4.8.2 An appropriate contractor induction training programme is provided by the Project Manager [MINOR]</p> <p>4.8.3 Records of training are maintained by the Project Manager [MINOR]</p>

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion	Guidance on Smallholders
<p>Criterion 5.1 Aspects of plantation and mill management that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p>	<p>Guidance for smallholder project managers: Smallholder Project Managers must undertake and document an impact assessment, developed with the participation of smallholders and local communities, which includes all the Associated smallholdings and sets out appropriate actions to address each impact. They must also prepare a timetable for the implementation of required actions that is monitored to demonstrate continuous improvement. Impact assessments will include consideration of:</p> <ul style="list-style-type: none"> • Building and maintaining roads to service smallholdings and provide access to mills • Replanting or expansion of smallholdings • Clearing of remaining natural vegetation and the need to avoid the use of fire (see 5.5). <p>TRIAL INDICATORS:</p> <p>5.1.1 An Environmental Aspects and Impacts Register has been developed by the Project Manager, which is periodically reviewed and updated [MAJOR]</p> <p>5.1.2 An environmental improvement awareness programme to mitigate the negative impacts and promote the positive ones, is developed and implemented [MINOR]</p>
<p>Criterion 5.2 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</p>	<p>Guidance for smallholder project managers: Smallholder project managers will compile Information about the status of these aspects for Associated smallholdings. This information should cover:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by smallholdings • Conservation status (e.g. IUCN status), legal protection,

Criterion	Guidance on Smallholders
<p>conservation taken into account in management plans and operations.</p>	<p>population status and habitat requirements of rare, threatened, or endangered species that could be significantly affected by the smallholdings.</p> <ul style="list-style-type: none"> • Identification of high conservation value habitats, such as rare and threatened ecosystems, that could be significantly affected by the smallholdings. <p>If rare, threatened or endangered species, or high conservation value habitats, are present, appropriate measures for management planning and operations will include:</p> <ul style="list-style-type: none"> • Ensuring that any legal requirements relating to the protection of the species or habitat are met. • Avoiding damage to and deterioration of applicable habitats. • Discourage any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>TRIAL INDICATORS:</p> <p>5.2.1 The Project Manager maintains records of the status of rare, threatened or endangered species and high conservation value habitats [MAJOR]</p> <p>5.2.2 A record of awareness training that is provided to smallholders on the importance of conserving rare, threatened or endangered species and high conservation value habitats is maintained by the Project Manager [MINOR]</p>
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>	<p>Guidance for smallholder project managers: Smallholder project managers plan and advise on the management and disposal of waste from smallholdings include the safe disposal of pesticide containers. This waste management and disposal plan should include measures for:</p> <ul style="list-style-type: none"> • Identifying and monitoring sources of waste and pollution from smallholdings • Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value-added products (e.g. use of pruned fronds and composting of domestic refuse). • Appropriate disposal of hazardous chemicals and their containers. Surplus chemical containers should be disposed of or cleaned in an environmentally and

Criterion	Guidance on Smallholders
	<p>socially responsible way (e.g. returned to the vendor or cleaned using a triple rinse method), such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to.</p> <p>TRIAL INDICATORS:</p> <p>5.3.1 The Project Manager identifies all significant sources of waste and pollution and has prepared a waste management guideline for smallholders across the project [MAJOR]</p> <p>5.3.2 Evidence of communication of the waste management guideline to all smallholders e.g. training records, handbook distribution, field day attendance, radio broadcasts etc. is held by the Project Manager [MINOR]</p>
<p>Criterion 5.4 Efficiency of energy use and use of renewable energy is maximised.</p>	<p>Guidance for smallholder project managers:</p> <p>This criterion is not applicable to Associated smallholders.</p> <p>TRIAL INDICATOR:</p> <p>5.4.1 Nil</p>
<p>Criterion 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>	<p>Guidance for smallholder project managers: Smallholder project managers will carry out training and provide extension support to Associated smallholders to ensure smallholder awareness and that fire is not used except in accordance with ASEAN guidelines or other regional best practice (see 4.8).</p> <p>TRIAL INDICATOR:</p> <p>5.5.1 The Project Manager can show documentary evidence that awareness has been provided to smallholders demonstrating that they should only use fire sparingly to dispose of waste or during replanting for sanitary and/or phytosanitary reasons [MINOR]</p>
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>	<p>Guidance for smallholder project managers:</p> <p>This criterion is not applicable to Associated smallholders.</p> <p>TRIAL INDICATOR:</p> <p>5.6.1 Nil</p>

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills

Criterion	Guidance on Smallholders
<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must be able to demonstrate that Associated smallholders participated in the development of impact assessments for smallholder projects. Smallholder project managers must provide:</p> <ul style="list-style-type: none"> • A documented social impact assessment. • Evidence that the assessment has been done with the participation of Associated smallholders, local communities and stakeholders. • A timetable with responsibilities for mitigation and monitoring, reviewed and updated as necessary, in those cases where the assessment has concluded that changes should be made to current practices. <p>The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.</p> <p>TRIAL INDICATORS:</p> <p>6.1.1 A register of all social impacts on affected communities is maintained by the Project Manager, including records of meetings [MAJOR]</p> <p>6.1.2 The Project Manager can show that smallholders are made aware of the main social impacts and are actively encouraged to participate in any mitigation strategy [MINOR]</p>
<p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or mills, local communities and other affected or interested parties.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must have documentary evidence that they have clear, implemented procedures for regular communications and consultations with Associated smallholders, including:</p> <ul style="list-style-type: none"> • A nominated manager responsible for these issues. • Maintenance of a list of Associated smallholders, records of all communication and records of actions taken in response to input from Associated smallholders. <p>Communications and consultations should make use of existing local mechanisms using English, Tok Pisin and Polis Motu (where appropriate).</p>

Criterion	Guidance on Smallholders
	<p>TRIAL INDICATORS:</p> <p>6.2.1 A procedure for formal communications with smallholders and their representatives is documented [MAJOR]</p> <p>6.2.2 A manager is appointed to be responsible for maintaining records of all formal communications with smallholders and their representatives [MINOR]</p> <p>6.2.3 The Project Manager can provide a list of all smallholders [MINOR]</p>
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</p>	<p>Guidance for smallholder project managers: Smallholder project managers have a documented system to resolve disputes concerning Associated smallholdings in an effective, timely and appropriate manner. Documents exist of both the process by which a dispute was resolved and the outcome showing the process was open to any affected parties. These dispute resolution mechanisms should be established through open and consensual agreements with smallholders.</p> <p>TRIAL INDICATOR:</p> <p>6.3.1 A documented system exists that is open to all affected parties which addresses disputes in an effective, timely and appropriate manner and records the outcome [MAJOR]</p>
<p>Criterion 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	<p>Guidance for smallholder project managers: smallholder project managers must be able to show that smallholders have acquired and/or allocated land for smallholdings in compliance with this criterion. This includes:</p> <ul style="list-style-type: none"> • Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. • A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. • The process and outcome of any negotiated agreements and compensation claims is documented and made

Criterion	Guidance on Smallholders
	<p>publicly available.</p> <p>This criterion should be considered in conjunction with Criterion 2.3 in this guidance document.</p> <p>NOTE: With all issues concerning land in PNG, the ultimate responsibility lies with the Department of Lands & Physical Planning.</p> <p>TRIAL INDICATOR:</p> <p>6.4.1 The Project Manager ensures that a CLUA is in place for all new smallholder plantings and replantings since 1 May 2010 [MAJOR]</p>
<p>Criterion 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to meet basic needs of personnel and to provide some discretionary income.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must ensure that workers employed to service smallholders enjoy the rights, conditions and protections as public sector employees or estate and mill employees in accordance with RSPO P&C.</p> <p>TRIAL INDICATOR:</p> <p>6.5.1 The Project Manager can show that employees servicing smallholders comply with national legislation protecting workers rights, pay and conditions [MAJOR]</p>
<p>Criterion 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must respect the right of Associated smallholders to form and represent themselves through their own representative associations and accept them as parties to participatory processes, consultations, communications and negotiations in the management of the project.</p> <p>TRIAL INDICATORS:</p> <p>6.6.1 The Project Manager must be able to show compliance with national legislation that allows for smallholders to form Growers Associations [MAJOR]</p> <p>6.6.3 The Project Manager can show documentary evidence of regular formal engagement with Growers Associations [MINOR]</p>
<p>Criterion 6.7 Child labour is not used. Children are not exposed to hazardous working conditions. Work by children is acceptable on family farms,</p>	<p>Guidance for smallholder project managers: Smallholder project managers will train Associated smallholders in the national and ratified international legal requirements for avoiding the use of child labour.</p> <p>Work by children on family smallholdings within the project</p>

Criterion	Guidance on Smallholders
<p>under adult supervision, and when not interfering with education programmes.</p>	<p>is only acceptable under adult supervision and when not interfering with education programmes and if permitted by national and ratified international laws.</p> <p>TRIAL INDICATORS:</p> <p>6.7.1 The Project Manager can show documentary evidence that awareness has been provided to smallholders advising them that work by children on family smallholdings should only occur with adult supervision, when not interfering with education programmes [MAJOR]</p> <p>6.7.2 The Project Managers can demonstrate that their employees are not under the age of 16 [MAJOR]</p>
<p>Criterion 6.8 The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.</p>	<p>Guidance for smallholder project managers: smallholder project managers must ensure that there is no discrimination in the recruitment and employment of workers employed to service smallholders. Smallholder project managers will not allocate smallholdings or recruit smallholders in a discriminatory way, except where local communities have negotiated to be provided smallholdings in accepting the establishment of projects on their lands. Smallholder project managers must ensure that women, indigenous peoples and minorities participate in negotiating processes.</p> <p>NOTE: In PNG, Project Managers cannot allocate blocks or recruit smallholders.</p> <p>TRIAL INDICATORS:</p> <p>6.8.1 The Project Manager maintains a publicly available equal opportunities policy as per the Constitution of PNG [MAJOR]</p> <p>6.8.2 The Project Manager maintains a register of complaints & grievances that relate to discrimination (ref.6.3) [MINOR]</p>
<p>Criterion 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must ensure that this provision applies to personnel employed to service smallholders and will educate Associated smallholders on relevant laws and rights.</p> <p>TRIAL INDICATORS:</p> <p>6.9.1 The Project Manager maintains a publicly available policy for their employees on sexual harassment and all other forms of violence and records</p>

Criterion	Guidance on Smallholders
	<p style="text-align: center;">infringements [MAJOR]</p> <p>6.9.2 The Project Manager can show compliance with labour laws on breastfeeding. As a minimum two 30-minutes leave of absences per day. Such periods are to count as normal working hours [MAJOR]</p> <p>6.9.3 The Project Manager can show that smallholders are made aware of issues concerning sexual harassment and domestic violence [MINOR]</p>
<p>Criterion 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must ensure that:</p> <ul style="list-style-type: none"> • Current and past prices paid for FFB are publicly available. • Fair and transparent pricing mechanisms must be established • Pricing mechanisms for FFB and inputs/services are documented (where these are under the control of the mill or plantation). • Evidence is available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent and all costs, fees and levies are explained and agreed in advance. • Agreed payments are made in a timely manner. • Debt repayment schemes are fully transparent. • Where smallholders pay relevant service fee, roads must be maintained and transportation provided in a timely manner. • Renegotiations over second plantings or extensions are commenced with an adequate lead in time. <p>Transactions with Associated smallholders should deal fairly with issues such as the role of middle men, transport and storage of FFB, quality and grading.</p> <p>Smallholders must have access to the grievance procedure under criterion 6.3, if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</p> <p>If mills require smallholders to change practices to meet RSPO criteria, consideration must be given to the costs of such changes.</p> <p>TRIAL INDICATORS:</p>

Criterion	Guidance on Smallholders
	<p>The Project Manager will ensure that;</p> <p>6.10.1 Current and past prices paid for FFB shall be publicly available [MAJOR]</p> <p>6.10.2 Pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation) [MAJOR]</p> <p>6.10.3 Evidence that every effort had been made to ensure that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent [MINOR]</p> <p>6.10.4 Agreed payments shall be made in a timely manner [MINOR]</p> <p>6.10.5 EFB is freely available to be collected by smallholders for use on their own block, but must not be applied closer than 500m to the nearest dwelling due to nuisance flies and smell [MINOR]</p>
<p>Criterion 6.11 Growers and millers contribute to local sustainable development wherever appropriate.</p>	<p>Guidance for smallholder project managers:</p> <p>This criterion is not applicable to Associated smallholders.</p> <p>TRIAL INDICATOR:</p> <p>6.11.1 Nil</p>

Principle 7: Responsible development of new plantings

Criterion	Guidance on Smallholders
<p>Criterion 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>	<p>Guidance for smallholder project managers: Where Project Managers plan to expand the aggregate Associated smallholdings by more than 500 ha within any one LLG boundary in any one year; they should ensure that local communities, indigenous peoples and prospective smallholders participate actively in impact assessments.</p> <p>TRIAL INDICATOR: [above 500ha aggregate plantings per LLG]:</p> <p>7.1.1 The Project Manager will ensure that an independent social and environmental impact assessment is carried out in a participatory manner, which contains the following components [MAJOR]:</p> <ul style="list-style-type: none"> Land use planning and land allocations to smallholders and arrangements regarding land acquisition.

Criterion	Guidance on Smallholders
	<ul style="list-style-type: none"> • Identification and mitigation of environmental impact, road building and road maintenance. • Debt provisions and payments, FFB pricing procedures, transport and grading. • Conservation Values (see criterion 7.3) that could be negatively affected. • Assessment of potential effects on adjacent natural ecosystems of planned smallholder developments, including whether development or expansion will increase pressure on nearby natural ecosystems. • Identification of watercourses and assessment of potential effects on hydrology by planned smallholding developments. Measures should be planned and implemented to maintain the quantity and quality of water resources. • Baseline soil surveys and topographic information, including the identification of marginal and fragile soils, areas prone to erosion and slopes unsuitable for planting. • Analysis of type of land to be used (forest, degraded forest, cleared land). • Analysis of land ownership and user rights. • Analysis of current land use patterns. • Assessment of potential social impact on surrounding communities of a plantation and associated smallholdings, including an analysis of differential effect on women versus men, ethnic communities, migrant versus long-term residents. • Plans incorporating the results of the social and environmental impact assessment. <p>Where Project Managers plan to expand the aggregate Associated smallholdings by less than 500 ha within any one LLG boundary in any one year, Project Managers should carry out a simplified social and environmental impact assessment which assesses HCVs, identifies suitable lands and other rights holders.</p> <p>TRIAL INDICATOR: [below 500ha aggregate plantings per LLG]:</p> <p>7.1.2 The Project Manager ensures that a Planting</p>

Criterion	Guidance on Smallholders
	<p>Approval Form is completed and approved for all new smallholder blocks planted [MAJOR]</p>
<p>Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>	<p>Guidance for smallholder project managers: Where smallholder project managers plan to expand the aggregate Associated smallholdings by more than 500 ha within any one LLG boundary they must ensure that they apply the same procedures required for mills and new estates to all new Associated smallholdings. Information on soils may be collected and provided by project management or the mill that purchases the smallholder’s FFB. From 6 November 2009 there will be no new smallholder planting on contiguous areas of peat soils >3 m deep and >150ha in extent</p> <p>TRIAL INDICATORS: [above 500ha aggregate plantings per LLG]:</p> <p>7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation should be available [MAJOR]</p> <p>7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available [MINOR]</p> <p>Where Project Managers plan to expand the aggregate Associated smallholdings by less than 500 ha within any one LLG boundary in any one year only a simplified soil survey is required.</p> <p>INDICATOR: [below 500ha aggregate plantings per LLG]:</p> <p>7.2.3 The Planting Approval form will contain a sketch map of topographic features, which includes any features that may limit smallholder production and indicates whether peat soil is present [MAJOR]</p>
<p>Criterion 7.3 New plantings since November 2005 (which is the date of adoption of these criteria by the RSPO membership), have not replaced primary forest or any area containing one or more High Conservation Values.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must ensure that this criterion is applied to Associated smallholdings.</p> <p>TRIAL INDICATORS:</p> <p>7.3.1 The Planting Approval Form will show evidence that an assessment of High Conservation Values and presence of primary forest has been made by suitably qualified and experienced persons prior to any conversion [MAJOR]</p>

Criterion	Guidance on Smallholders
	<p>NOTE: This applies to forests and other vegetation types but not land under previous agricultural production or livestock grazing (e.g. Rice, coconut, cocoa or beef). This applies irrespective of any changes in land ownership or management of an oil palm plantation that have taken place after this date</p> <p>7.3.2 Dates of land preparation and commencement are recorded [MINOR]</p>
<p>Criterion 7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must ensure that no lands are allocated to Associated smallholders on steep terrain and/or on marginal and fragile soils. Where limited planting is proposed it must be fully justified and must not to push people into poverty, and must be done in accordance with the indicators.</p> <p>There should be no smallholder planting on contiguous areas of peat soils >3 m deep and >150ha in extent; no plantings on slopes >25°; unless such development would represent the only source of livelihood and is developed with the use of appropriate conservation measures</p> <p>TRIAL INDICATORS:</p> <p>7.4.1 The Planting Approval Form will show evidence that an assessment of slope, and presence of marginal and fragile soils has been carried out [MAJOR]</p> <p>7.4.2 No planting on slopes in excess of 25° [MINOR]</p> <p>7.4.3 No planting on peat soils [MINOR]</p>
<p>Criterion 7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	<p>Guidance for smallholder project managers: This criterion must be considered with 2.2, 2.3, 6.4 and 7.6. Smallholder project managers must ensure that they first identify local owners of any and all lands for proposed project smallholdings. Smallholder project managers must provide</p> <ul style="list-style-type: none"> • Maps showing extent of recognised customary rights (criteria 2.3, 7.5 and 7.6) • Copies of negotiated agreements detailing process of consent (criteria 2.3, 7.5 and 7.6) <p>Guidance:</p> <p>Where lands are encumbered by legal or customary rights, the project manager must demonstrate that these rights are understood and are not being threatened or reduced. This criterion should be considered in conjunction with criteria</p>

Criterion	Guidance on Smallholders
	<p>6.4 and 7.6. Where customary rights areas are unclear these are best established through social mapping exercises involving affected and neighbouring communities.</p> <p>This criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements to acquire lands for Associated smallholdings should be non-coercive and entered into voluntarily, carried out prior to new investments or operations and based on an open sharing of all relevant information in appropriate forms and languages, including assessments of impacts, proposed benefit sharing and legal arrangements. Communities must be permitted to seek legal counsel if they so choose. Communities must be represented through institutions or representatives of their own choosing, operating transparently and in open communication with other community members. Adequate time must be given for customary decision-making and iterative negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts.</p> <p>Smallholder project managers have maps or other documents showing land allocations for Associated smallholders and can show these lands are not claimed or contested by third parties with legitimate claims</p> <p>Smallholder project managers can show that lands acquired for smallholders do not diminish legal or customary rights. Where others' customary or legally owned lands have been taken-over there is documentary proof of transfer of rights (e.g. sale) and of payment or provision of agreed compensation.</p> <p>TRIAL INDICATORS:</p> <p>7.5.1 The Project Manager has up-to-date maps and documents available showing customary and state land boundaries [MAJOR]</p> <p>7.5.2 The Project Manager holds copies of CLUAs or titles and has a register of land related disputes [MINOR]</p>
<p>Criterion 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and</p>	<p>Guidance for smallholder project managers: see guidance for Criterion 7.5.</p> <p>TRIAL INDICATOR:</p> <p>7.6.1 The Project Manager holds copies of CLUAs or titles and has a register of land related disputes [MINOR]</p>

Criterion	Guidance on Smallholders
negotiated agreements.	
<p>Criterion 7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must advise Associated smallholders that fire should not be used to establish new plantings.</p> <p>Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks during the preparation of new plantings, and with evidence that fire-use is carefully controlled (as per ASEAN guidelines).</p> <p>TRIAL INDICATORS:</p> <p>7.7.1 The Project Manager can show documentary evidence that awareness has been provided to smallholders demonstrating that they should not use fire in preparation for new planting [MINOR]</p> <p>7.7.2 The Project Manager can provide documented explanation where fire has been used for preparing land for planting [MINOR]</p>

Principle 8: Commitment to continuous improvement in key areas of activity

Criterion	Guidance on Smallholders
<p>Criterion 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p>	<p>Guidance for smallholder project managers: Smallholder project managers must develop an action plan for continual improvement, in a participatory manner with Associated smallholders, based on a consideration of the main social and environmental impacts and opportunities of the smallholdings, and should include a range of indicators covered by these Principles and Criteria.</p> <p>TRIAL INDICATOR:</p> <p>8.1.1 The Project Manager has an action plan for continuous improvement that is endorsed by the LPC [MAJOR]</p>

RSPO

Roundtable on Sustainable Palm Oil

PNG National Interpretation – Definitions

Customary rights: Patterns of long standing community land and resource usage in accordance with indigenous peoples’ customary laws, values, customs and traditions, including seasonal or cyclical use rather than formal legal title to land and resources issued by the State. (From World Bank Operational Policy 4.10).

Clan Land Use Agreement (CLUA): A contract for the transfer of usage rights over customary land from a customary land-owning group for a specified period of time. A CLUA relates to usage rights and NOT ownership rights.

Environmental Impact Assessment: a process of predicting and evaluating the effects of an action or series of actions on the environment, then using the conclusions as a tool in planning and decision-making.

Fragile and Marginal Soils:

Context

The RSPO Principles and Criteria specify that certified growers should map fragile and marginal soils, avoid ‘extensive’ plantings on them and have a management strategy for such soils where they are planted. Therefore it is necessary to define fragile and marginal soils.

Definitions of both fragile and marginal soils need to consider a) type of crop (oil palm now and potentially others in the future), b) management factors other than crop type (e.g. drainage, irrigation, fertiliser application) and c) other environmental factors: rainfall amount and distribution, position in landscape etc. The definitions incorporate a degree of probability; it is unlikely that particular cut-off criteria will be useful.

‘Marginal’ soil definition

A soil that is unlikely to produce acceptable economic returns for the proposed crop at reasonable projections of crop value and costs of amelioration.

‘Fragile’ soil definition

A soil that is susceptible to degradation (reduction in fertility) when disturbed. A soil is particularly fragile if the degradation rapidly leads to an unacceptably low level of fertility or if it is irreversible using economically feasible management inputs.

Soil properties determining marginality and fragility

The soil factors associated with degradation, low fertility, marginality and fragility are: High erodibility, low nutrient retention capacity (especially highly

weathered mineralogy or low organic matter content), low pH buffering capacity, low or high pH, potential acid sulphate behaviour, salinity, steep slope, low permeability, shallowness (i.e. shallow depth or chemical or physical limitations to root growth such as watertable, rock, hardpan), stoniness, low plant available water holding capacity, susceptible to subsidence. Degraded soils are not marginal soils if their amelioration and resulting productivity is cost effective.

Grower Association: an Association declared under Section 2(3)(a) of the OPIC Act 1992 and in respect of a gazetted oil palm project area means the Grower Association that represents the smallholder oil palm growers in that area.

High Conservation Value Forest (HCVF): The forest necessary to maintain or enhance one or more High Conservation Values (HCVs):

- HCV1. Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species).
- HCV2. Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.
- HCV3. Forest areas that are in or contain rare, threatened or endangered ecosystems.
- HCV4. Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).
- HCV5. Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).
- HCV6. Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

(See: 'The HCVF Toolkit' – available from www.proforest.net)

ISO Standards: Standards developed by the International Organization for Standardization (ISO: see <http://www.iso.ch/iso>).

Land Tenure: There are two types land tenure in PNG, alienated land (~3% of PNG's land area) with title issue by the state and customary land which is owned by the traditional land owners. Oil palm can be planted on both alienated and customary land.

There are three main types of land tenure used by oil palm smallholders in PNG, 1) alienated land in land settlement schemes (LSS), 2) customary land (village oil palm –

VOP) with a customary land use agreement (CLUA), and 3) customary land where rights to use that land have been purchased by the grower (a CLUA is required).

Plantation oil palm can be established on both alienated land and on customary land using a 'lease-lease back' arrangement. The 'Lease - Lease back' in PNG is a legal and consultative land tenure system involving customary landowners at every step. Landowners are assisted in registering incorporated land groups (ILGs); the land is surveyed and registered before development. Incorporated land groups then lease land to the state, and then the land is sub leased through the state to the development company for a fixed term (typically 20–40 years). At the end of the lease period the land reverts back to the landowners complete with established infrastructure and fixed assets.

Local Level Government (LLG): is the lowest of the three tiers of PNG Government i.e. National, Provincial and Local Level Government. A Local Level Government is an elective government whose role is to facilitate local level development planning and provide services the local community.

Local Planning Committee (LPC): A committee declared under Section 19(1) of the OPIC Act 1992 comprising representatives of smallholder oil palm growers, milling company, OPIC, PNGOPRA and provincial government. The purpose of the LPC is to coordinate and oversee extension and other operations as they apply to smallholder oil palm growers in the gazetted project areas.

Natural vegetation: Areas where many of the principal characteristics and key elements of native ecosystems such as complexity, structure and diversity are present.

Plantation: The land containing oil palm and associated land uses such as infrastructure (e.g., roads), riparian zones and conservation set-asides.

Planting Approval Form (PAF): A form used by the Project Manager to assess and approve the planting of new smallholder oil palm blocks. The forms ensure compliance standards are met relating to land title, HCV, sanitation, riparian buffer zones, soils, terrain etc.

Replanting Approval Form (RPAF): A form used by the Project Manager to assess and approve the replanting of existing smallholder oil palm blocks. The forms ensure compliance standards are met relating to land title, HCV, sanitation, riparian buffer zones, soils, terrain etc.

Primary Forest: A primary forest is a forest that has never been logged and has developed following natural disturbances and under natural processes, regardless of its age. Also included as primary, are forests that are used inconsequentially by indigenous and local communities living traditional lifestyles relevant for the conservation and sustainable use of biological diversity. The present cover is normally relatively close to the natural composition and has arisen (predominantly)

through natural regeneration. National interpretations should consider whether a more specific definition is required. (From FAO Second Expert Meeting On Harmonizing Forest-Related Definitions For Use By Various Stakeholders, 2001, http://www.fao.org/documents/show_cdr.asp?url_file=/DOCREP/005/Y4171E/Y4171E11.htm).

Prophylactic: A treatment or course of action applied as a preventive measure.

Restore: Returning degraded or converted areas within the plantation to a semi-natural state.

Smallholders: Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size. (cf. PNG definition – Smallholders in PNG are independent growers with less than 20ha oil palm). Smallholder (and outgrowers) are categorised as either ‘tied’ or ‘independent’ growers. These are defined in PNG as follows:

Independent smallholders are established by farmers through their own initiative on customarily owned land, their own land or on land to which they have individual title. Independent smallholders are free to sell their produce to mills offering advantageous prices. They are free to cease oil palm production and/or cultivate other crops on their land. There is no mortgage or charge over the land held by the milling company or scheme manager.

Tied smallholders have planted their palms on land with title or contractual obligations to cultivate oil palm and sell to the mill or estates which has supplied credit.]

Stakeholders: An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.

Outgrowers: Farmers, where the sale of FFB is exclusively contracted to the grower/miller. Outgrowers may be smallholders. Outgrowers in PNG are defined as independent growers (NOT exclusively contracted to mills) with less than 500ha.

Undue influence: The exertion by a third party of any kind of control such that a person signs a contract or other agreement which, absent the influence of the third party, he would not have signed.

Use rights: Rights for the use of forest resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques.

APPENDIX

- i) Planting Approval Form (PAF)
- ii) Replanting Approval Form (RPAF)

NOTE: These forms may be revised from time to time



Oil Palm Industry Corporation

PLANTING APPROVAL FORM – NEW BLOCKS

GROWER DETAILS					
DIVISION		AREA / VILLAGE		SECTION	
GROWERS NAME				BLOCK No.	
DATE INSPECTED		INSPECTING OFFICER		GPS Coordinates	
PROOF OF OWNERSHIP REFERENCE CLUA / Land Title No.					

LAND OWNERSHIP DETAILS		
VILLAGE OIL PALM (VOP) CUSTOMARY OWNED LAND		
(1)	HAS A CUSTOMERY LAND USAGE AGREEMENT (CLUA) BEEN SIGNED? <i>(Circle appropriate)</i>	YES / NO
	IS A COPY ATTACHED? <i>(Circle appropriate)</i>	YES / NO
CUSTOMARY RIGHTS USAGE LAND		
A C.L.U.A. MUST BE ATTACHED!		
(2)	HAS A FORMAL CUSTOMARY RIGHTS USAGE CONTRACT BEEN COMPLETED? <small>CONFIRM A COPY SENT TO PROJECT LANDS FOR SAFE KEEPING IN THE GROWERS FILE.</small>	
	WHAT PROVINCE IS THE APPLICANT FROM:	
LAND SETTLEMENT SCHEME (LSS)		
NAME ON THE LEASE TITLE DOCUMENT:		
(3)	IS THIS DIFFERENT TO THE APPLICANTS NAME? <i>(Circle appropriate)</i>	YES / NO
	IF DIFFERENT -WHY!	

ROAD ACCESS DETAILS			
ROAD NAME			
1	NO ROAD or TRACK OF ANY TYPE EXISTING.	3	PUMICE ROAD , EXISTING BLOCKS, NOW USED FOR SMALLHOLDER FFB COLLECTION AND TRANSPORT
2	TRACK, NON GRAVELLED, NEW AREA-NO EXISTING BLOCKS.	4	GRAVELLED ROAD USED FOR SMALLHOLDER FFB COLLECTION AND TRANSPORT

PRE-APPROVAL INSPECTION REPORT	YES	NO
HAS THE APPLICANT APPROACHED OPIC TO REGISTER HIS/HER INTEREST	<input type="checkbox"/>	<input type="checkbox"/>
DOES THE APPLICANT HAVE A CLUA or OTHER LEGITIMATE TITLE TO THE BLOCK?	<input type="checkbox"/>	<input type="checkbox"/>
DOES THE PROPOSED AREA MEET THE VEGETATION CRITERIA AS SET OUT IN THE INSTRUCTION SHEET?	<input type="checkbox"/>	<input type="checkbox"/>
ARE THERE ANY THREATENED SPECIES AS LISTED ON THE DEC PROVIDED LIST WHICH COULD BE CONSIDERED UNDER THREAT FROM THE DEVELOPMENT OF THIS APPLICANT'S LAND FOR OIL PALM?	<input type="checkbox"/>	<input type="checkbox"/>
HAS THE APPLICANT AGREED TO POISON ALL COCONUT PALMS WITHIN THE PLANTABLE AREA IN ORDER TO PREVENT GANODERMA INFECTION OF OIL PALMS?	<input type="checkbox"/>	<input type="checkbox"/>
DOES THE PROPOSED AREA CONFORM TO BUFFER ZONE ESTABLISHMENT GUIDELINES AS OUTLINED IN THE INSTRUCTION SHEET?	<input type="checkbox"/>	<input type="checkbox"/>
ARE THERE ANY PROTECTED AREAS, WILD LIFE MANAGEMENT AREAS OR AREAS OF CULTURAL SIGNIFICANCE WITHIN OR IN CLOSE PROXIMITY (100m) TO THE PROPOSED PLANTING AREA	<input type="checkbox"/>	<input type="checkbox"/>
IF THERE ARE GARDENS ON THE BLOCK - HAS THE APPLICANT AGREED NOT TO CREATE NEW GARDENS IN FORESTED AREAS OR AREAS OF CRITICAL HABITAT?	<input type="checkbox"/>	<input type="checkbox"/>
ARE THERE ANY PEAT SOILS PRESENT ON THE PLANTABLE AREA?	<input type="checkbox"/>	<input type="checkbox"/>
ARE THERE ANY INDICATIONS THAT THIS BLOCK REQUIRES FURTHER ASSESSMENT FOR HCVP, BUFFER ZONE REQUIREMENTS OR TOPOGRAPHICAL ASSESSMENT?	<input type="checkbox"/>	<input type="checkbox"/>

IF A SHADED BOX IS TICKED ABOVE - APPLICATION MUST BE REJECTED



**** SHOULD THIS APPLICATION BE REJECTED THE APPLICANT HAS THE RIGHT TO APPEAL THE DECISION THROUGH OPIC: GRIEVANCE PROCEDURES.

GROWERS FERTILIZER HISTORY				
HAS THE GROWER A HISTORY OF PAST FERTILIZER USE? (Circle Appropriate)	LAST YEAR	REGULAR USER	IRREGULAR USER	NON USER
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IT MUST BE EXPLAINED TO THE GROWER THE REASON FOR AND THE IMPLICATIONS OF THE IFO FORM SYSTEM AND THAT THEY MUST AGREE AND SIGN AN IFO FORM BEFORE APPROVAL TO PLANT WILL BE GIVEN.

HAS THE APPLICANT SIGNED THE IRREVOCABLE FERTILIZER FORM (IFO)?

HAS A FERTILIZER CALCULATION FORM BEEN COMPLETED?

OIL PALM BLOCK LOCALITY AND PLANTING LAYOUT SKETCH	
BLOCK No.	
LOCALITY: INDICATE THE PROPOSED/EXISTING BLOCK LOCATION BY SHOWING OTHER EXISTING BLOCKS, RECOGNIZABLE LANDMARKS OR A GPS PLOTTED MAP.	
(A) BLOCK LOCALITY SKETCH	IS THE BLOCK NUMBERED?
(B) BLOCK LAYOUT AND TOPOGRAPHY/ENVIRONMENTAL NOTES PLANTING LAYOUT: INDICATE ON THE MAP OF THE BLOCK WHERE THE PLANTING PHASES ARE LOCATED AND WHICH ONE THIS APPLICATION IS FOR.	
TOPOGRAPHY AND ENVIRONMENTAL ISSUES: INDICATE THE LOCATION OF RIVERS, CREEKS, WATER SOURCES, STEEP AREAS, BENCHED AREAS ETC (THAT AFFECT ONLY THIS BLOCK.)	
<p>PLANTING APPROVAL FORM – NEW BLOCKS Version 5 Draft – 14TH August 2010</p> <p style="text-align: right;">3 of 6</p>	

TOPOGRAPHY PREQUALIFICATION DETAILS				
	FLAT	SLOPING	GULLIED	STEEP
PROPOSED AREA IS...				
WHAT PERCENTAGE OF THE TOTAL AREA IS THAT?				
TOPOGRAPHY PREQUALIFICATION DESCRIPTIONS				
FLAT	NO RESTRICTIONS PROVIDED ALL OTHER REQUIREMENTS ARE MET			
SLOPING	A SLOPE BETWEEN 15° AND 25° (RISING 2m TO 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND. BENCHES TO BE CUT, INSPECTED AND COVER CROP ESTABLISHED PRIOR TO APPROVAL. FROND ROWS DESIGNED TO MINIMIZE RUNOFF EROSION.			
	A SLOPE BETWEEN 5° AND 15° (RISING BETWEEN 0.5m AND 2m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND) FROND ROWS TO BE LAID OUT TO MINIMIZE EROSION FROM RUNOFF			
GULLIED	IF A STEEP SLOPING GULLY i.e. MORE THAN 25° (IT RISES MORE THAN 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND.) NOT TO BE PLANTED!			
	IF A SLOPING GULLY BETWEEN 15° AND 25°. (RISING BETWEEN 2m AND 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND.) BENCHES TO BE CUT, INSPECTED AND COVER CROP ESTABLISHED PRIOR TO APPROVAL. FROND ROWS DESIGNED TO MINIMIZE RUNOFF EROSION.			
STEEP	A STEEP SLOPE IS MORE THAN 25° (IT RISES MORE THAN 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND.) NOT TO BE PLANTED!			

SECTION 2. ADDITIONAL PLANTING IN EXISTING BLOCKS
GROWER PLANTING AND PRODUCTION HISTORY

		This Block		Additional Block 1		Additional Block 2	
BLOCK No							
TOTAL Ha. AVAILABLE NOW AND FOR FUTURE PLANTINGS							
	Date	Yr. Plant	Ha.	Yr. Plant	Ha.	Yr Plant.	Ha.
PALMS POISONED							
PALMS POISONED							
PALMS POISONED							
TOTAL Ha. POISONED							
EXISTING PALMS							
IMMATURE							
IMMATURE							
IMMATURE							
TOTAL Ha. IMMATURE							
MATURE							
MATURE							
MATURE							
MATURE							
MATURE							
TOTAL Ha. MATURE							
TOTAL Ha. PLANTED							

PRODUCTION				
TOTAL FFB PRODUCTION FOR THE PREVIOUS YEAR (TNS)				
AVERAGE YIELD/Ha.				
AVERAGE YIELD /AREA				
AVERAGE YIELD/PROJECT				
TONNES ABOVE/BELOW PROJECT AVERAGE				



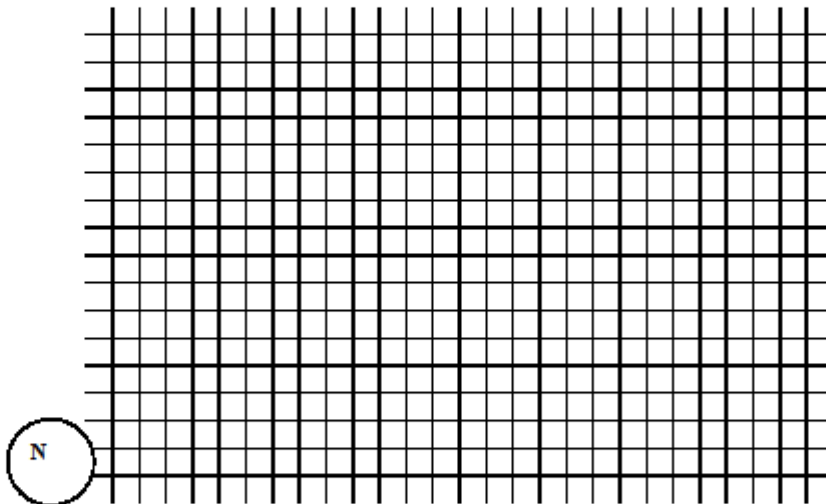
Oil Palm Industry Corporation

Project Area:

PLANTING APPROVAL FORM - REPLANT

APPLICANT'S DETAILS				
DIVISION		AREA / VILLAGE		SECTION
APPLICANT'S NAME				BLOCK No.
DATE INSPECTED		INSPECTING OFFICER		GPS Coordinates Along Road
PROOF OF OWNERSHIP REFERENCE CLUA / Land Title No.				

SKETCH OF PROPOSED BLOCK - (Each square is equivalent to 0.1Ha or 10m x 10m)



	Sloped area		River or Creek		Road		Forest		Gardens
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TOPOGRAPHY DETAILS				
	FLAT	SLOPING	GULLIED	STEEP
TOTAL BLOCK AREA				
APPROXIMATE PLANTABLE AREA (Ha)				

VERSION 1 AUGUST 2010

ROAD ACCESS DETAILS				
ROAD NAME				
1	NO ROAD or TRACK OF ANY TYPE EXISTING.		3	PUMICE ROAD , EXISTING BLOCKS, NOW USED FOR SMALLHOLDER FFB COLLECTION AND TRANSPORT
2	TRACK, NON GRAVELLED, NEW AREA-NO EXISTING BLOCKS.		4	GRAVELLED ROAD USED FOR SMALLHOLDER FFB COLLECTION AND TRANSPORT

PRE-APPROVAL INSPECTION REPORT	YES	NO
HAS THE APPLICANT APPROACHED OPIC TO REGISTER HIS/HER INTEREST		
DOES THE APPLICANT HAVE A CLUA or OTHER LEGITIMATE TITLE TO THE BLOCK?		
DOES THE PROPOSED AREA MEET THE VEGETATION CRITERIA AS SET OUT IN THE INSTRUCTION SHEET?		
ARE THERE ANY THREATENED SPECIES AS LISTED ON THE DEC PROVIDED LIST WHICH COULD BE CONSIDERED UNDER THREAT FROM THE DEVELOPMENT OF THIS APPLICANT'S LAND FOR OIL PALM?		
HAS THE APPLICANT AGREED TO POISON ALL COCONUT PALMS WITHIN THE PLANTABLE AREA IN ORDER TO PREVENT GANODERMA INFECTION OF OIL PALMS?		
DOES THE PROPOSED AREA CONFORM TO BUFFER ZONE ESTABLISHMENT GUIDELINES AS OUTLINED IN THE INSTRUCTION SHEET?		
ARE THERE ANY PROTECTED AREAS, WILD LIFE MANAGEMENT AREAS OR AREAS OF CULTURAL SIGNIFICANCE WITHIN OR IN CLOSE PROXIMITY (100m) TO THE PROPOSED PLANTING AREA		
IF THERE ARE GARDENS ON THE BLOCK – HAS THE APPLICANT AGREED NOT TO CREATE NEW GARDENS IN FORESTED AREAS OR AREAS OF CRITICAL HABITAT?		
ARE THERE ANY PEAT SOILS PRESENT ON THE PLANTABLE AREA?		

ARE THERE ANY INDICATIONS THAT THIS BLOCK REQUIRES FURTHER ASSESSMENT FOR HCVF, BUFFER ZONE REQUIREMENTS OR TOPOGRAPHICAL ASSESSMENT?		
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IF A SHADED BOX IS TICKED ABOVE – APPLICATION MUST BE REJECTED



**** SHOULD THIS APPLICATION BE REJECTED THE APPLICANT HAS THE RIGHT TO APPEAL THE DECISION THROUGH OPIC'S GRIEVANCE PROCEDURES.

PRE-APPROVAL INSPECTION REPORT FOR:			
NEW DEVELOPMENT		ADDITIONAL	
REPLANTING		REPLACEMENT (supply)	

AUTHORISED BY:			
PROJECT OFFICER		DATE	

VERSION 1 AUGUST 2010

INSTRUCTION SHEET

VEGETATION

OPIC OFFICERS ARE TO MAKE AN ACCURATE ASSESSMENT OF THE VEGETATION ON THE PROPOSED AREA AND TO GRADE IT ACCORDING TO THE FOLLOWING CRITERIA.

PRIMARY FOREST	TO QUALIFY AS PRIMARY FOREST THE AREA MUST HAVE NEVER BEEN LOGGED OR NOT BEEN LOGGED AFTER NOVEMBER 2005 (RSPO P&C). OR THERE ARE AT LEAST 5 TREES PER Ha. MEASURING GREATER THAN 50cm dbh. AND NO GRASSES UNDERNEATH THE CANOPY FOR 50m FROM THE FOREST EDGE	"THE AREA IS NOT ALLOWED TO BE PLANTED"
IMPACTED FOREST	TO BE "IMPACTED" THE AREA MAY HAVE LOGGED STUMPS, ROTTING LOGS, DISTURBED LOG DUMP SITES, ETC AND WITHOUT OILPALM DEVELOPMENT WOULD NOT BE USED FOR ANY OTHER PURPOSE AND WILL REGENERATE.	"THE AREA IS NOT ALLOWED TO BE PLANTED"
REGENERATING FOREST HABITAT	THIS IS AN AREA THAT HAS BEEN SELECTIVELY LOGGED, HAS A DENSE UNDERGROWTH OF TREES, AN ALMOST CONTINUOUS CANOPY AND WOULD NOT BE USED FOR AN OTHER PURPOSE AND IS REGENERATING BACK TO PRIMARY FOREST.	"THE AREA IS NOT ALLOWED TO BE PLANTED"
IMPACTED & NON REGENERATING	TO BE "IMPACTED" THE AREA COULD HAVE LOGGED STUMPS, DISTURBED LOG DUMP SITES, SUBSISTANCE GARDENS, OTHER CASH CROPS, AREAS OF GRASS, AREAS OF WEEDS, WIDE OPEN CANOPY AND IS DESTINED TO REMAIN PERMANENTLY IMPACTED EVEN IF OIL PALM IS NOT PLANTED ON IT.	"THIS AREA IS ALLOWED TO BE PLANTED"

BUFFER ZONES

DEFINITIONS	CLASSES	MINIMUM BUFFERS
Permanent Watercourses have water flowing for part or all of the year for most years. The beds have no vegetation growing on them. The beds may consist of water-washed sand, silt, stone, gravel or exposed bedrock materials	Class 1 Stream Bed width = more than 5 metres.	50 metres each side of the watercourse
	Class 2 Stream Bed width= less than 5 and greater than 1 metres	10 metres each side of the watercourse
Cultural Sites, reserves, conservation areas		100 metres
Lakes, lagoons, coastal shorelines, swamps		100 metres
A Permanent stream of any width used by the community		50 metres each side of the watercourse

VERSION 1 AUGUST 2010

TOPOGRAPHY PREQUALIFICATION DESCRIPTIONS	
FLAT	NO RESTRICTIONS PROVIDED ALL OTHER REQUIREMENTS ARE MET
SLOPING	A SLOPE BETWEEN 15° AND 25° (RISING 2m TO 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND. BENCHES TO BE CUT, INSPECTED AND COVER CROP ESTABLISHED PRIOR TO APPROVAL. FROND ROWS DESIGNED TO MINIMIZE RUNOFF EROSION.
	A SLOPE BETWEEN 5° AND 15° (RISING BETWEEN 0.5m AND 2m IN HEIGHT FOR EVERY 7.5m ALONG THEGROUND) FROND ROWS TO BE LAID OUT TO MINIMIZE EROSION FROM RUNOFF
GULLIED	IF A STEEP SLOPING GULLY i.e. MORE THAN 25° (IT RISES MORE THAN 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND.) NOT TO BE PLANTED!
	IF A SLOPING GULLY BETWEEN 15° AND 25°. (RISING BETWEEN 2m AND 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND.) BENCHES TO BE CUT, INSPECTED AND COVER CROP ESTABLISHED PRIOR TO APPROVAL. FROND ROWS DESIGNED TO MINIMIZE RUNOFF EROSION.
STEEP	A STEEP SLOPE IS MORE THAN 25° (IT RISES MORE THAN 2.5m IN HEIGHT FOR EVERY 7.5m ALONG THE GROUND.) NOT TO BE PLANTED!

VERSION 1 AUGUST 2010

RSPO

Roundtable on Sustainable Palm Oil