Guidelines to Better Management Practices

1. Background

MPOA has been at the forefront of the RSPO since its inception and inaugural meeting in Kuala Lumpur in August 2003. As the pioneering producer organisation in the RSPO, MPOA has taken a proactive and inclusive approach to identifying and developing ideas for the definition, promotion and utilisation of sustainable palm oil. As an industry representative whose primary mandate is to represent the industry per se, MPOA has pushed for the identification of practical solutions in the quest for defining sustainable palm oil. This is because ultimately, producers will have to bear the brunt of implementation with no guarantees of the rewards for increased environmental protection and social equity (i.e. sustainability is not guaranteed). However, in the spirit of the Roundtable concept, MPOA has taken a positive and proactive approach to push for project and initiatives that would not only increase profitability of the oil palm industry but also ensure that environmental protection and social equity are met, otherwise known as sustainable development.

2. Purpose of this Paper

Being an industry association has its strengths and weaknesses. An aspect of its weakness is that MPOA does not have either land holdings of its own or the resources to develop and implement large or ambitious projects that are resource intensive. We rely upon the time and resources of member companies, especially the individual technical and other expertise within them to volunteer their time and effort on behalf of MPOA. However, MPOA also has a macro perspective of the oil palm industry, is representative of the vast majority of Malaysian industry signatories to the RSPO and can be the gateway for direct project collaborations between stakeholders and industry members. Therefore this paper would hope to accomplish the following:

1. Identify Better Management Practice (BMP) projects, pilots or initiatives that can be carried out with stakeholders.
2. Highlight significant on-going industry or MPOA initiatives that are contributing to the RSPO’s objectives and identify areas for further collaboration, assistance or where resource inputs are needed.
3. Put forth the role that MPOA can play in generating closer collaboration between stakeholders and industry members for developing BMP projects.
4. Identify and highlight the resource or other needs for these initiatives to continue or start.
3. **Why BMPs are Critical in Meeting Sustainable Palm Oil Production**

At the crux of the RSPO’s goals is action on the part of producers to produce the raw commodity in a way that is compatible with the concept of sustainable development. Sustainable development has many definitions and within the wider public debate, remains nebulous and must be re-articulated and defined at sector specific levels. In producing sustainable palm oil, the need to define and set out standards of criteria for sustainable palm oil requires measurable activities at the estate level.

While work on developing criteria for sustainable palm oil is underway through the Criteria Working Group (CWG), industry can take proactive and appropriate steps in meeting these criteria through identifying and compiling the various existing BMPs already in wide practice. In addition, with the new environmental challenges faced by industry, namely those of forest and biodiversity loss, it is imperative that they are also addressed at the estate level through the identification, testing, application and promotion of new techniques, technologies or methodologies.

On a practical level BMPs would help in addressing the following:

1. Benchmarking and consolidation of available BMPs across industry.
2. Production of a widely agreed and used set of BMPs that are easily integrated into plantation standard operating procedures (SOP).
3. Provide industry and stakeholders a singular reference point for interpreting and measuring sustainability performance at any one time for any single operation.
4. Set targets for companies to meet.
4. **Better Management Practice (BMP): Gaps and Needs**

The following are BMP clusters that MPOA would like to propose as potential projects under the umbrella of the RSPO that would directly contribute to sustainable palm oil production and supply.

<table>
<thead>
<tr>
<th>Project Concept, Objectives and Outputs</th>
<th>Project Status / Activities to be Undertaken</th>
<th>Project Needs</th>
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| **1. Code of Good Agricultural Practices (GAP) for the production of sustainable palm oil in Malaysia:** provides a singular, pan-industry standard that consolidates the various available practices. Publication of a Code would be expected as the final outcome. | ▪ full study of all relevant aspects of plantation operations  
▪ questionnaires for each particular area of interest would be developed and sent to members of MPOA  
▪ evaluation of existing practices from industry to arrive at potential benchmark levels and methods  
▪ evaluation of other existing codes, including Unilever, Migros, SAI, etc.  
▪ draft Code for further stakeholder consultation and public comments  
▪ stakeholder consultations through workshops with key stakeholder sets (regulatory bodies, civil society, researchers, smallholders, etc.)  
▪ public commentary phase would include opening up draft Code  
▪ publishing of Code based upon assessment of best method to maximise outreach to plantation management and workers  
▪ awareness programme through forums, workshops, etc, to widely disseminate knowledge and increase uptake of practices under the code. | ▪ Stakeholder collaborators (research institutes, government bodies, academia, NGOs, etc.)  
▪ Companies to participate and share information.  
▪ Funding from donors, government or other interested parties  
▪ Assistance and resource provision from companies |
### Session III: Projects and Activities on Sustainable Palm Oil

**PROJECT PROPOSALS**

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Description</th>
<th>Activities</th>
<th>Partners/Investments</th>
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</table>
| 2.  | **Maintaining High Conservation Value Forests (HCVF) in oil palm development and expansion:** production of a set of operational guidelines for industry players to use when evaluating potential land acquisition and for land clearing. Detailed guides would be produced for HCVF identification and maintenance for oil palm development. | - develop guidelines for maintaining HCVFs when opening new land for cultivation  
- develop guidelines for HCVF identification  
- training and awareness programmes  
- direct collaborations between companies and key experts  
- transfer of knowledge | - partners from NGOs (WWF, others)  
- collaborators from industry for pilot projects  
- funding or investment |
| 3.  | **Integrated Pest Management Learning Manual for Oil Palm** by CAB International: will evaluate current best practices already in place upon ecological, effectiveness and conservation values to derive a pan-industry set of practices that set benchmarks. CABI has indicated plans to produce materials like a manual. | - has interest from MPOA members who are ready to offer pilot sites and research facilities  
- has sought funding  
- involve biodiversity assessments  
- testing of new or innovative techniques  
- training of partner organisations  
- management plan and publication of manuals  
- transfer of expertise | - other collaborators from industry  
- interested funders or investors in this project |
| 4.  | **Code of Good Manufacturing Practices (GMP) for Malaysian Palm Oil Mills:** Developing a set of guidelines for MPOA member mills that covers all aspects of operations and management (environmental, worker safety, recycling, etc.). A guide would be published. | - questionnaires have been sent out to gauge compliance with DoE regulations  
- draft Code completed.  
- Consultation and public comments to be done  
- Workshop for consultation with key stakeholders (regulatory bodies, enforcement agencies, etc.)  
- Publishing of Code  
- Awareness programme through forums, workshops with industry members | - Printing |
### Session III: Projects and Activities on Sustainable Palm Oil

#### PROJECT PROPOSALS

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<th>5.</th>
<th><strong>BMP promotional video and other multimedia products</strong>: The way to enhance understanding by retailers, consumers, NGOs and other stakeholders of the agronomic practices being carried out by RSPO member producers would be through the production and dissemination of promotional materials that highlight the various practices in place. Expected outputs would be videos, printed materials and others.</th>
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<td>- Development of a video to highlight the various existing BMPs and other policies and practices in place by the oil palm industry, especially those members of RSPO</td>
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<td>- Devise a promotional strategy to outreach to most important stakeholders who should be made aware of industry practices.</td>
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<td>- Funder for such a project</td>
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<td>- Companies to assist in providing materials, etc.</td>
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<td>- Stakeholders to participate in planning and content development for any materials</td>
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<th>6.</th>
<th><strong>Life Cycle Assessment (LCA) for the production of Crude Palm Oil (CPO)</strong>: to provide an assessment of environmental impacts through the resources consumed, and emissions produced during production and also providing comparison with other edible oils. Results would provide information for decision making and policy measures. Improvement in cultivation and processing would result from this study. A study of this size would produce the usual reports and other publications associated with this.</th>
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<td></td>
<td>- study of CPO production from cultivation to processing</td>
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<td></td>
<td>- data collection</td>
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<td>- more detailed assessment of activities needed to complete this exercise.</td>
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<td></td>
<td>- funding or investment from donor agencies, governments</td>
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<td>- collaborators from other stakeholder groups, incl. academia, government, industry, support industries, etc.</td>
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<td>- independent researchers or institutes</td>
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<td>- industry collaborators to provide data and information</td>
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<td>7. WSSD Partnership on market access for palm oil (as part of Tripartite government initiative between Indonesia, Malaysia, Netherlands) to identify Maximum Residue Level (MRL) for pesticides used in production of FFB. A study report and other related publications would be the likely outputs.</td>
<td>- detailed proposal needs to be elaborated</td>
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<td>- funding for study</td>
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<td>- stakeholder participation</td>
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<td>- collaboration or partnerships from key government agencies and existing partnerships.</td>
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The projects listed above would all systematically contribute towards the development of the Code of Good Agricultural Practices (GAP), which is the key project that MPOA wishes to implement. The GAP project would enhance the overall sustainability of the oil palm industry as well as provide clear directions of practical aspects that plantations would have to carry out in order to enhance their sustainability performance. It would also be useful for the RSPO as it develops its own Criteria for Sustainable Palm Oil.
5. MPOA's Role

1. MPOA would be able to directly garner industry support for such activities as well as sites and facilities. Through the three Main Council Committees as well as the various Working Committees under the Research & Development Committee, MPOA would be able to gain the highest level of endorsement and support from industry.

2. Various partnerships, sometimes between more than two interested parties would need to be forged. Some of the activities could also mean approaching non-traditional organisations as partners for collaboration. MPOA would provide the ideal platform for making these linkages and engagement between industry and other stakeholders as a prelude to partnership and collaboration.

3. As MPOA is not able to generate the resources or funds for such endeavours, it would also be feasible for MPOA to act in the role of fund-raiser for such activities with other institutions, companies, donors, etc.

4. Expertise on specific technical issues can be found through MPOA as it has on its active members, high-level technical leaders from the oil palm industry inputting into all issues of oil palm development. They are often also active within MPOA’s various committees and MPOA would be able to easily identify and approach the expertise for support or collaboration.

5. Providing industry feedback is an essential part of any of the above activities. To ensure a participatory approach, MPOA would be able to link up between projects to industry stakeholders for consultation and comments. This is already carried out through the regular meetings of the various committees of MPOA.

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