

## **A tool for mainstreaming the criteria for sustainable palmoil**

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### **Abstract**

In close cooperation with a variety of stakeholders ranging from the cotton industry to environmental NGO`s the Rural Sustainability Index (RSI) was developed . The RSI promotes sustainable crop production of agricultural commodities. The index was developed with the purpose of mainstreaming sustainable crop production.

The RSI was developed for the cotton industry (the cotton made in Africa initiative) and can for instance be used to operationalize the criteria developed by the Rountable on Sustainable Palm Oil (RSPO). So far many sustainability initiatives only serve niche markets. Mainstreaming is, however, pivotal for achieving sustainability.

In the RSI only 5 indicators are used. These are considered sufficient for a system, which is process-oriented towards achieving mainstreaming. Indicators reflect the people, planet and profit approach, and are science-based, reproducible, transparent, manageable and cost-effective. Perspectives for implementation will be discussed during the presentation.

### **Introduction**

The Roundtable for Sustainable Palm Oil (RSPO) has defined criteria for the production of sustainably produced palm oil, based on the paradigm of people, planet and profit. The RSPO is a public-private partnership (PPP). These PPP`s can be traced back to the Earth Summit in Rio de Janeiro in 1992. The Earth Summit considered PPP`s as type 2 agreements which are voluntary agreements between public and private partners. These PPP`s are a tool to tackle the increasing overexploitation of natural resources in particular where the so-called type 1 or binding agreements between governments are absent. So far these PPP`s have in most cases served niche markets only. There is an urgent need to

mainstream sustainability in order to make the concept effective. At the request of the cotton-made-in-Africa initiative a device was developed by Wageningen University and Research Centre with the objective to mainstream sustainably produced agricultural commodities and forest produce. In this paper we describe this Rural Sustainability Index (SRI) and its potential for the palm oil industry.

### The Rural Sustainability Index

The index is based on the common three sustainability perspectives: people, planet and profit. For each of these perspectives there are no-go conditions. When one of these conditions is not met, production is qualified as unsustainable. For the cotton sector the selected no-go conditions are 1) no hazardous work or child labor, 2) no land allocated to nature by national law or regulation should be cultivated, and 3) GM-cotton should not harm the development opportunities for other farmers.

#### *Performance Indicators*

Performance indicators should also be related to one of the three perspectives of the people, planet, profit concept. In the case of cotton-made-in -Africa initiative the indicators that are developed by our experts are:

People: one indicator on the percentage of children in primary school.

Planet: three indicators on water use, fertilizer use and pesticide use respectively.

Profit: one indicator on the farm gate to world market price ratio

Figure 1 provides an overview on how the index is visualized.

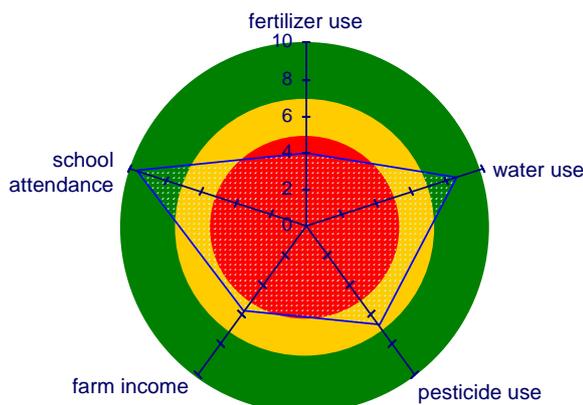


Figure 1. visualisation of the rural sustainability index (example cotton)

The performance indicators must be:

- science-based - information is theoretically or empirically quantified
- reproducible- the data needed for the indicator must be measurable, reproducible and verifiable
- transparent - the indicators should be transparent to the customers of the end-product
- manageable - performance indicators should be technically feasible and can be easily to be used
- cost-effective - costs should be well within the farmers` income and monitoring budget.

### *Targets*

Each of the indicators is accompanied by a target value. The sustainable range and the non-sustainable range are separated by a transitional range (figure 2) .

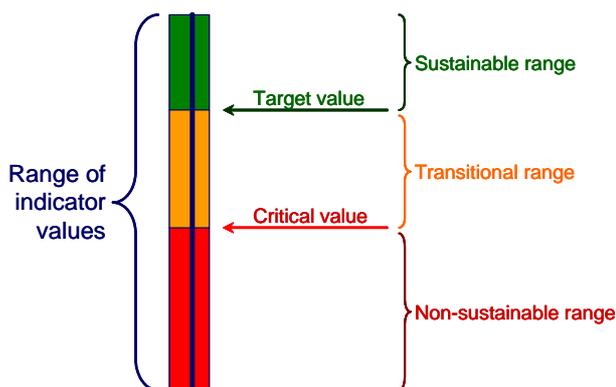


Figure 2 Ranges for the performance indicators.

### *The RSI is an index for farmers, producers and trade*

The RSI is developed to improve social and economic conditions of producers while improving the environment .The index could also contribute to more sustainable supply chains, but the focus is on the farm and plantation level. The main goal of the RSI is to improve the sustainability of crop production starting from the present situation. The index is not developed to exclude farmers and therefore farms may still be accepted in case one or two indicators are still in the red zone but when short-term improvement is anticipated. A transitional period of a few years may be acceptable (figure 3) .

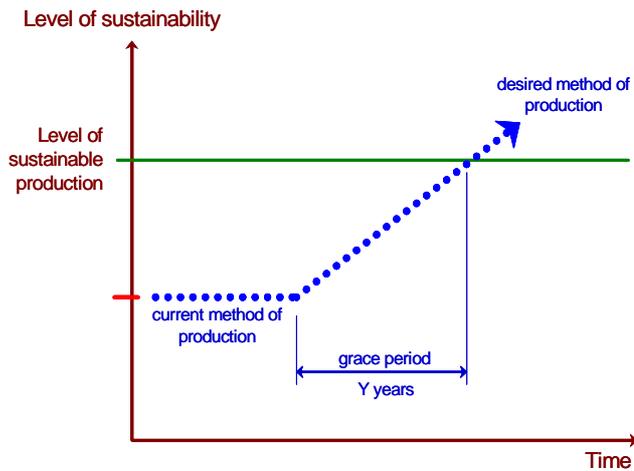


Figure 3 Grace periods foreseen

### Discussion

The RSI has the potential to facilitate mainstreaming instead of only serving niche markets.

The index is now in the process of testing. Various stakeholders, ranging from international finance institutes to NGO`s, have expressed their interest in the procedure developed.

A similar index for sustainable palm can be developed following an initial demand from plantations and their partners in the supply chain.

In the palm oil sector major issues with respect to sustainability are 1) avoiding plantations on land allocated to nature conservation, 2) improvement of productivity of plantations, and 3) better use of the large quantities of biomass (75 %) as a contribution to a bio-based economy.

Any progress with respect to the RSI for the palm oil sector will be communicated through the RSPO website to guarantee the transparency of the process and to solicit for reactions by stakeholders.