Overview of RSPO

What is the RSPO?

In response to the urgent and pressing global call for sustainably produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The seat of the association is in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur with a satellite office in Jakarta.

RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil.

Such multi-stakeholder representation is mirrored in the governance structure of RSPO such that seats in the Executive Board and project level Working Groups are fairly allocated to each sector. In this way, RSPO lives out the philosophy of the “roundtable” by giving equal rights to each stakeholder group to bring group-specific agendas to the roundtable, facilitating traditionally adversarial stakeholders and business competitors to work together towards a common objective and making decisions by consensus.

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<thead>
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<th>Number of seats</th>
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Roundtable

“A round table is one which has no “head” and no “sides”, and therefore no one person sitting at it is given a privileged position and all are treated as equals. The idea stems from the Arthurian legend about the Round Table in Camelot.”

Sustainable

Capable of meeting the needs of the present without compromising the ability of future generations to meet their own needs. (The Brundtland Commission’s definition)
Why Sustainable Palm Oil?

Top-selling vegetable oil

Palm oil is so versatile that we don’t realise just how much we use it in our everyday lives. It is found in our food, soaps, detergents, cosmetics, plastics and more recently, as a renewable alternative to fossil fuels (biofuel).

Palm oil is today the most produced vegetable oil in the world - 37 million metric tonnes (Oil World, 2006).

Oil palm is entirely GMO-free and produces up to 10 times more oil per hectare than soybean, rapeseed or sunflower. This means that, to produce the same quantity of oil, oil palm requires less land area and less energy (Basion, 2007).

Although oil palm is a more sustainable source of vegetable oil than other oil crops, there is concern that the growing demand of palm oil for food and biofuel could lead to rapid and ill-managed expansion of palm oil production and result in serious environmental and social consequences.

Deforestation, illegal fires and land conflicts

In Southeast Asia, the expansion of oil palm could threaten the rich biodiversity in the region.

Any expansion by indiscriminate deforestation would have a drastic effect on endangered animal species such as the orang-utan, rhinoceros, elephant and tiger in Borneo and Sumatra.

New oil palm plantations have also given rise to social conflicts with local communities who were displaced from their land without agreement nor compensation.

Food versus Fuel

Driven by the agenda to reduce dependency on fossil fuels and greenhouse gas emissions, the United States, European Union, Brazil and, more recently, other countries are mandating for more biofuel. There is concern that the competing uses of vegetables oils for food and fuel could drive up agricultural commodity prices and encouraging farmers to replace their lower earning food crops with biofuel crops, which could eventually lead to higher food prices and food shortages for the poor.

NGO campaigns

As a result of all the above mentioned issues and other reasons, some environmental and social NGOs are actively campaigning against palm oil. There is a risk that the adverse publicity would weigh against the use of palm oil for biodiesel, especially in Europe, unless palm oil meets the minimum sustainability criteria. Consumer concerns for sustainability, including sustainably produced palm oil in their food, soap, detergent and cosmetics, is also increasing and must be appreciated.

What is Sustainable Palm Oil?

RSPO members, many of whom are spearheading the following initiatives in order to fulfill its objective of promoting the growth of sustainable palm oil.

Defining sustainability

RSPO Principles and Criteria (P&C) that define sustainable palm oil production. These standards for environmental and social requirements of producing sustainable palm oil.

RSPO’s Principles and Criteria are based on:

1. Commitment to transparency
2. Compliance with applicable laws and regulations
3. Commitment to respecting national and local values
4. Use of appropriate best available technology
5. Responsible respect for resources and biodiversity
6. Responsible considerations of the rights of local communities
7. Responsible development
8. Commitment to conservation activity

Respecting national and local values

The National Interpretation is a process where representatives from various stakeholders in a country can shape the P&C to fit their own values.

Involving smallholders

Oil palm smallholders are an integral part of the value chain, including reduced roaming costs for small-scale plantations to apply these standards.

Authenticating sustainable palm oil

The RSPO Certification System is a framework for formally authenticating sustainable palm oil. It is the most widely used sustainability certification system globally, with over 35% of global palm oil production currently covered by a RSPO certification.

The Code of Conduct applies not only to the producers of palm oil but to all stakeholder groups, hence binding all members to its standards.

The Code of Conduct is based on:

1. Commitment to transparency
2. Compliance with applicable laws and regulations
3. Commitment to respecting national and local values
4. Use of appropriate best available technology
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7. Responsible development
8. Commitment to conservation activity

RSPO is managed by an Executive Board comprising 16 members. Such multi-stakeholder representation is mirrored in the governance structure of RSPO such that seats in the Executive Board and project management are held by representatives from the following stakeholder groups or sectors:

- Environmental or nature conservation NGOs
- Retailers
- Oil palm producers

This structure is designed to ensure that all committed stakeholders in the palm oil industry regardless of their size or status.

RSPO is recognised as the primary credible source for sustainable palm oil.
WHAT IS SUSTAINABLE PALM OIL?

Through project-driven Working Groups formed by voluntary RSPO members, many of them experts in their own fields, RSPO is spearheading the following initiatives in order to fulfil its objective of promoting the growth and use of sustainable palm oil.

Defining sustainable palm oil

RSPO has developed a set of standards called the Principles & Criteria (P&C) that define the practices for sustainable palm oil production. These standards address the legal, economic, environmental and social requirements of producing sustainable palm oil.

RSPO’s Principles and Criteria (P&C) for sustainable palm oil production are based on these principles:

1. Commitment to transparency
2. Compliance with applicable laws and regulations
3. Commitment to long-term economic and financial viability
4. Use of appropriate best practices by growers and millers
5. Environmental responsibility and conservation of natural resources and biodiversity
6. Responsible consideration for employees and for individuals and communities affected by growers and mills
7. Responsible development of new plantings
8. Commitment to continuous improvement in key areas of activity

Respecting national differences

The National Interpretation is a process where representative stakeholders in a country form a Working Group to ensure congruence between the P&C and the country’s laws, norms and values.

Involving smallholders

Oil palm smallholders are important stakeholders to the RSPO and their membership is encouraged through various options including reduced membership fees. RSPO is currently developing special guidance and certification schemes for smallholders to apply the P&C in their production of palm oil.

Authenticating sustainable palm oil

The RSPO Certification System is a framework for formally recognising and authenticating producers or growers who are producing palm oil according to the RSPO Principles and Criteria (P&C). The Certification System also verifies that any claims of using or supporting RSPO certified palm oil made by players in the supply chain and end product manufacturers or processors are genuine. Three types of claims can be made depending on how the palm oil is traced and traded in the supply chain:

i. Segregation

In the Segregation model, palm oil from certified plantations is segregated from palm oil from non-certified sources at every stage of the supply chain. End products using segregated certified palm oil are allowed to make the claim, “This product contains RSPO certified palm oil.”

ii. Controlled Mixing

Controlled Mixing does not segregate certified palm oil from non-certified palm oil but allows mixing of the two at known percentages and ensures that the same proportions are maintained at every stage of the supply chain as long as certain controls are in place. Allowable claims by end products under this model are still being finalised by RSPO.

iii. Book and Claim

With this model, certified palm oil is represented by tradable certificates, which are traded separately from the physical oil. The producers of certified oil sell these certificates, via a broker, to end-users who wish to support the production of sustainable palm oil. End products using certificate-traded palm oil are allowed to make the claim of supporting the production of sustainable palm oil.

Code of Conduct

The Code of Conduct applies not only to the producers of palm oil but to all stakeholder groups, hence binding all members to its common objective. While producers are expected to implement the Principles & Criteria and obtain RSPO certification in their production of palm oil, non-producers are expected to implement equivalent standards in their procurement and use of palm oil.

WHEN WILL RSPO CERTIFIED PALM OIL BE AVAILABLE?

RSPO certified palm oil entered the market in September 2008 and close to 1.5 million tonnes are expected to be in the market by end 2008. The volume will multiply significantly in the coming years as more and more growers take up sustainable production.
RSPO Membership

Starting from ten founding members in 2004, industry support for RSPO has grown steadily over the years. Today, RSPO’s membership has swelled to 257 Ordinary and 92 Affiliate members (as of October 2008). With RSPO’s membership accounting for about 35% of palm oil production in the world, RSPO is recognised as the primary credible source for sustainable palm oil.

RSPO extends its membership to all committed stakeholders in the palm oil industry regardless of their size or status. Membership is by application and an application form maybe downloaded from www.rspo.org.

Types of memberships

Ordinary Membership

Open to organisations that qualify for one of the following seven stakeholder groups or sectors:
- Oil palm producers
- Palm oil processors and traders
- Consumer goods manufacturers
- Retailers
- Banks and investors
- Environmental or nature conservation NGOs
- Social or developmental NGOs

Ordinary membership is valid for 2 years at time of application, renewable annually thereafter, and the fee is €2000 per year.

Affiliate membership

Open to organisations or individuals who are not actively involved in any of the above mentioned seven sectors and have expressed an interest in the objective and activities of RSPO. Affiliate membership is valid for 2 years, renewable annually thereafter, and the fee is €250 per year.

RSPO Governance Structure

The highest authority in the RSPO is the annual general assembly of members. The assembly will decide the members of the Executive Board, vote on resolutions pertaining to the RSPO and receive the audited accounts.

RSPO is managed by an Executive Board comprising 16 members who are elected by the General Assembly. Seats are allocated to the seven stakeholder groups or sectors as follows:

Executive Board Structure

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Number of seats</th>
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<tbody>
<tr>
<td>Oil palm growers</td>
<td>4*</td>
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<tr>
<td>Palm oil processors</td>
<td>2</td>
</tr>
<tr>
<td>Consumer goods manufacturers</td>
<td>2</td>
</tr>
<tr>
<td>Retailers</td>
<td>2</td>
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<tr>
<td>Banks/investors</td>
<td>2</td>
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<tr>
<td>Environmental NGOs</td>
<td>2</td>
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<tr>
<td>Social NGOs</td>
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* One representative each from Malaysia, Indonesia, “Rest of the World” and smallholders.

Current Executive Board Members

- **President**: Jan Kees Vis
- **Vice-President I**: Darrel Arthur Webber
- **Vice-President II**: Derom Bangun
- **Vice-President III**: Mamat Salleh
- **Vice-President IV**: Simon Lord
- **Treasurer**: Ian McIntosh
- **Members**: Johann Zublin, Don Grubba, Tony Lass, Thomas Banano, Johan Verburg, Rudy Lumur, Paul Norton, Mohd Nor Kailany, Thomas Bauer
- **Federation of Migros Cooperatives**: Johann Zublin
- **IOI Group (Malaysia/Netherlands)**: Don Grubba
- **Cadbury Schweppes plc**: Tony Lass
- **WWF-Indonesia**: Thomas Banano
- **Oxfam International**: Johan Verburg
- **Sawit Watch**: Rudy Lumur
- **HSBC Bank Malaysia Berhad**: Paul Norton
- **FELDA**: Mohd Nor Kailany
- **Rabobank**: Thomas Bauer

Contact us

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