

# Leading Demands for Sustainability in the Marketplace and RSPO's Response

## Summary & Recommendations

A media review to highlight key impacts and evaluation of RSPO's response highlight **three key issues**:

- Deforestation, biodiversity loss and GHG emissions are leading environmental concerns. These are also areas where RSPO has avoided applying strict cut-offs, and where supporting systems must be strengthened to ensure consistency and rigor of intended safeguards to mitigate impacts. Action is underway to address these environmental issues.
- Social issues in the media reflect greatest concern for Indigenous People, respect for human rights and benefit sharing. RSPO treatment of these issues is notably comprehensive. Improvement of supporting systems to strengthen consistency and broader stakeholder involvement will help ensure meaningful impact.
- Impacts of compliance with RSPO requirements on the ground are too poorly known to judge effectiveness of the approach overall.

**Three actions are recommended** to strengthen RSPO procedures and meet stakeholder demands more effectively:

- Intensify public awareness activities to convey more clearly the objectives and processes of RSPO certification, especially procedures that address impacts highlighted here and provide examples of real action on the ground.
- Commission independent study of RSPO impacts in certified plantations to provide a baseline for RSPO effectiveness to date, highlight where improvements are needed, and provide a basis for monitoring improvements to effectiveness over time.
- Take action to align HCV and HCS assessment procedures to ensure robust application and effectiveness of both tools for mitigating impacts on forest, GHG and biodiversity

## Media Survey & Results

This study aims to define key concerns about palm oil, describe how the Roundtable on Sustainable Palm Oil (RSPO) address them, highlight strengths and weaknesses of the RSPO approach, and recommend actions to strengthen the system and narrow gaps. This brief is intended to raise awareness and stimulate dialogue on leading issues identified.

To gauge public concerns, we surveyed eight leading online media sources and scored the frequency of issues raised in 30-50 of the most recent stories in the past year in each. For the top three environmental and social issues, we researched how the RSPO standard and systems address them, and scored the RSPO approach against six criteria derived from the Ten Credibility Principles for robust certification defined by ISEAL, the alliance for sustainability standards.

Deforestation is by far the most widely reported topic in media recently, followed by greenhouse gas (GHG) emissions and biodiversity. Social impacts are reported less frequently, but remain a concern especially for Indigenous Peoples, respect for human rights, and benefit sharing. These trends reflect current attention on emissions from land-based industries, and their impact on climate, biodiversity and people.

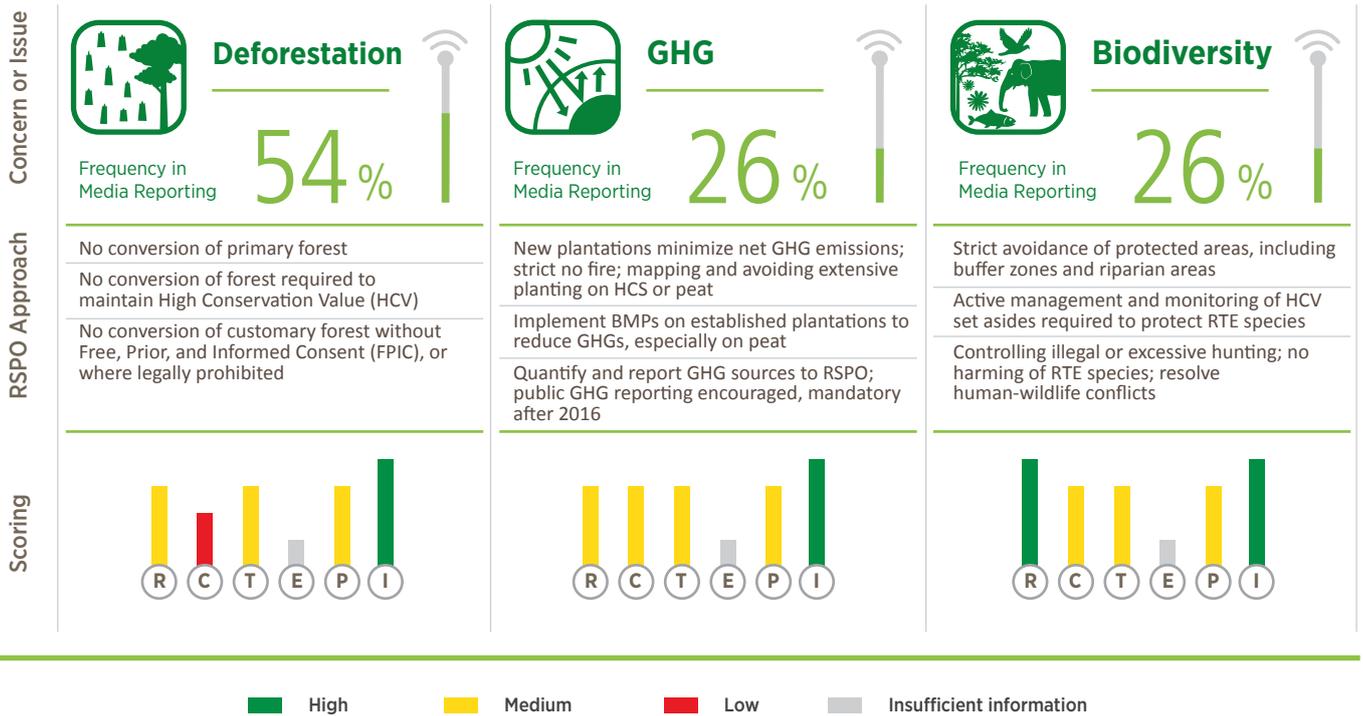
## RSPO's Response to Key Stakeholder Concerns

How does RSPO address leading concerns? The RSPO standard and systems speak to all six issues, and the approach meets market demands for some but not all. Gaps reflect either principles and criteria (P&C) that fall short of progressive demands (**relevance**), or systems and governance that require strengthening to ensure better **consistency and rigor**, farther reaching **transparency** or broader **participation and engagement**. For most issues, the RSPO is aware of these gaps, and shows clear **commitment to improvement**. Most urgently needed are published studies that demonstrate **effectiveness and impact**.

A recurring theme affecting consistency and rigor of RSPO's approach to mitigate environmental impacts and to safeguard rights of Indigenous People is effectiveness of the High Conservation Value (HCV) Assessment tool. Independent reviews initiated by the RSPO's grievance panel have highlighted cases where quality standards for HCV do not adequately safeguard critical values. The RSPO is working with the HCV Resource Network to address this issue by strengthening HCV through independent licensing for assessors, direct monitoring of quality and improved transparency.



# TOP 3 ENVIRONMENTAL ISSUES



**(R)levance:** Is the approach fit for purpose, addressing main drivers of the impact, with good chance of reducing them?

**(C)onsistency & System Rigor:** How consistently are assessments, audits and supporting systems applied to ensure compliance delivers consistent results?

**(T)ransparency:** Is information on assessment findings, audit results, self reporting, proof of compliance and nature of non-compliance available?

**(E)ffectiveness & Impact:** How effectively has compliance delivered impact mitigation? This requires direct study or inference based on general knowledge.

**(P)articipation & Engagement:** How effectively are outside parties involved in verification systems, performance monitoring, filing grievances, resolving conflict?

**Commitment to (I)mprovement:** Does RSPO recognize needs for improvement and take action to address this?



## Deforestation

RSPO aims to limit forest conversion by laying out a process for defining where deforestation is prohibited (see infographic). It relies on FPIC and HCV as cornerstones of the approach to ensure forest conversion is limited to areas where critical values are lacking, and where community rights have been respected. The revised P&C also requires new plantations to avoid “extensive planting” on High Carbon Stock (HCS) areas. Stakeholders advocating Zero Deforestation may conclude this approach falls short, yet there is a need to open dialogue on the definition of deforestation and how to apply it on the ground. Strengthened HCV and FPIC processes will help ensure deforestation occurs only in low value areas.



## GHG

Tackling emissions has a controversial history within RSPO, a symptom of consensus-based decision-making. RSPO requirements (see infographic) and established Emissions Reduction Working Group set the stage for future GHG reductions, but effectiveness of the approach could be questioned until agreed-upon emission thresholds are in place. Through step-wise improvements in transparency (e.g. new requirements for public reporting of emissions from land use change in new plantations), civil society will be enabled to apply external pressure on a case-by-case basis.



## Biodiversity

Biodiversity impacts remain a major stakeholder concern. A cornerstone of RSPO’s approach to mitigation is effective management and monitoring of areas required to maintain HCV’s related to threatened species, endangered ecosystems and large intact landscapes. RSPO provisions to reduce deforestation (as above) also benefit biodiversity through protection of habitat. Impacts on hunting and human-wildlife conflict are also noted, with requirements to control them.



# TOP 3 SOCIAL ISSUES



Concern or Issue



## Indigenous People

Frequency in Media Reporting

11%



## Respect for Human Rights

Frequency in Media Reporting

10%



## Benefit Sharing

Frequency in Media Reporting

9%



RSPO Approach

Negotiations based on mutually agreed system, effective communication through representative institutions, FPIC respected

System includes procedures for identifying rights holders; negotiated outcomes are participative, documented and made public

Sacred sites identified, respected and maintained; ILO conventions on IP respected

Respect basic human rights, with documented policies & procedures communicated to workforce

Free association and collective bargaining respected; no forced or unlawful labor; no discrimination; grievance mechanisms

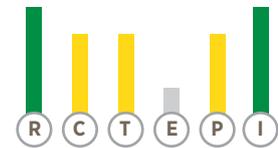
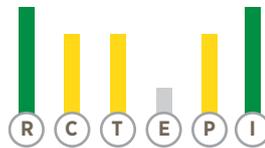
RSPO Working Group is developing mechanism to identify, prevent, mitigate and address human rights issues

Fair, transparent deal with communities and smallholders; community development programs based on consultation, reflect local aspirations

Adequate housing, water, medical, education and welfare amenities; decent living wages meet or exceed requirements

Work to bring smallholders into sustainable supply chains

Scoring



■ High    
 ■ Medium    
 ■ Low    
 ■ Insufficient information

**(R)elevance:** Is the approach fit for purpose, addressing main drivers of the impact, with good chance of reducing them?

**(C)onsistency & System Rigor:** How consistently are assessments, audits and supporting systems applied to ensure compliance delivers consistent results?

**(T)ransparency:** Is information on assessment findings, audit results, self reporting, proof of compliance and nature of non-compliance available?

**(E)ffectiveness & Impact:** How effectively has compliance delivered impact mitigation? This requires direct study or inference based on general knowledge.

**(P)articipation & Engagement:** How effectively are outside parties involved in verification systems, performance monitoring, filing grievances, resolving conflict?

**Commitment to (I)mprovement:** Does RSPO recognize needs for improvement and take action to address this?



## Indigenous People

Indigenous community rights must be protected during plantation development through respect for FPIC, including rights to make decisions using customary institutions and decision-making processes to accept or reject development and/or compensation. Protection of sacred sites is also a strict requirement. Inherent difficulties in evaluating adequacy of FPIC processes across diverse socio-cultural geographies is likely to remain a challenge for RSPO (and other sustainability initiatives) to meet this market demand. RSPO is updating FPIC guidance for growers.



## Human Rights

RSPO requires that human rights are respected, in accordance with UN Guiding Principles. Operators may not use violence, intimidation, coercion, or harassment in dealing with local communities or employees. They must prove absence of land-related conflict, or have established, mutually agreed systems in place to resolve them. As with FPIC, inherent difficulty in evaluating member commitments to respect for human rights presents a challenge to addressing this concern fully. Yet, growing use and effectiveness of RSPO's grievance mechanism for addressing conflict linked to human rights demonstrates serious intent to address cases of non-compliance.



## Benefit Sharing

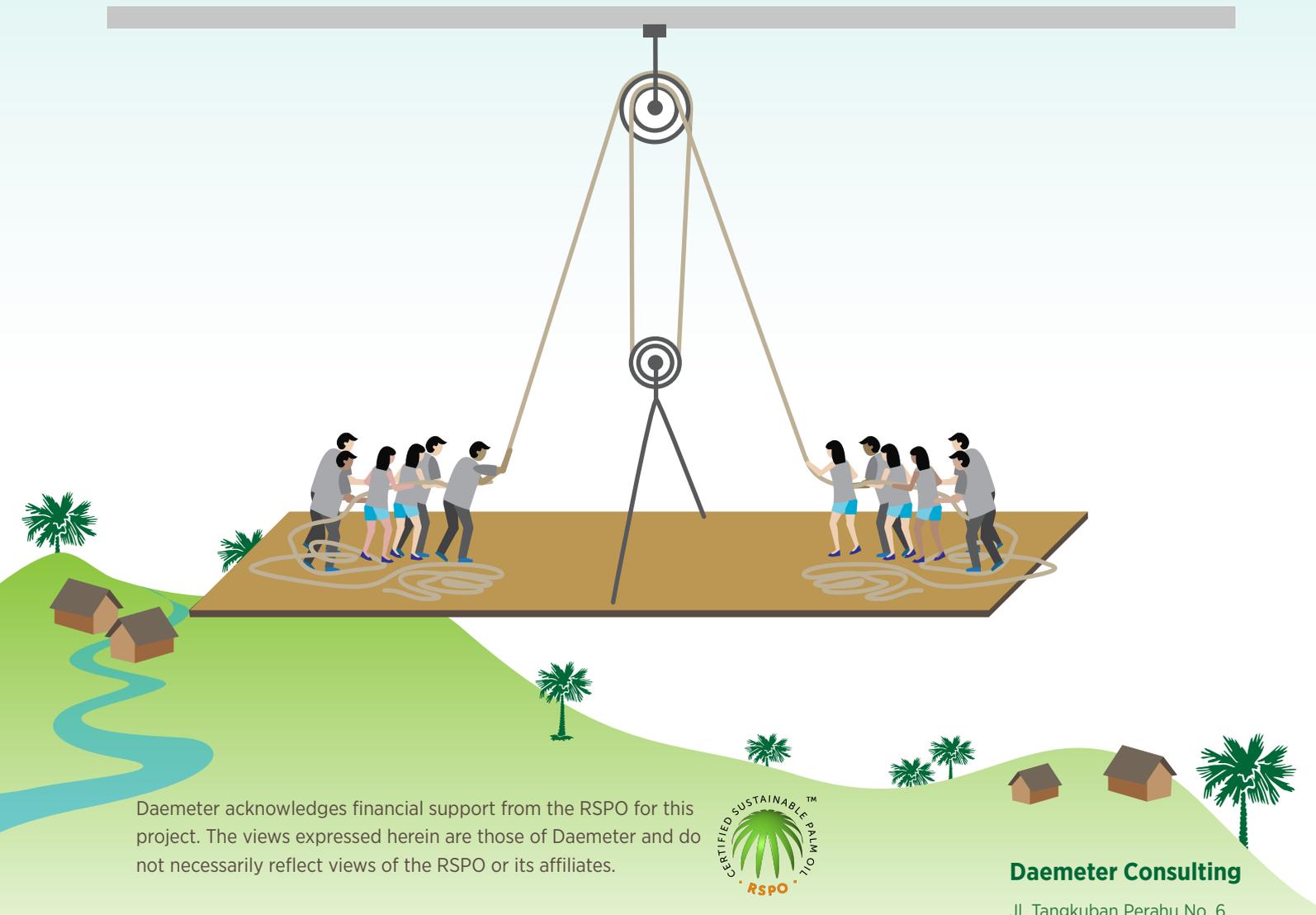
RSPO members must deal fairly and transparently with communities, smallholders and other stakeholders, especially those who relinquish land rights for palm oil development. Community development programs are required and must reflect the aspirations and priorities of local people. Formal Social Impact Assessment (SIA) is required and should ensure community needs are addressed, but as with HCV Assessments, quality control measures for SIA would strengthen effectiveness of this tool. Defining in greater detail RSPO requirements for benefit sharing ensure there is equity.

## Consensus as a Strength and a Weakness

The RSPO is a multi-stakeholder effort to make sustainable palm oil the norm through participative standard setting, certification systems development and third-party verification of compliance. The organization's consensus-based approach encourages wider acceptance and adoption of certification but also limits how "high" performance standards can be set while still maintaining consensus. This means RSPO, like all consensus-based systems, delivers incremental progress, and this can, at times, create gaps between demands of more progressive stakeholders and requirements for certification.

Such gaps have led some to question the role of certification in transforming industry. Certification is sometimes criticized for promoting mitigation rather than elimination of impacts as a transitional way forward. While clearly there is room and need for improvement of standards, certification schemes, such as RSPO, play a key role in ensuring implementation of uniform, comparable standards of practice across diverse geographies and actors in the industry.

Transformation will take time, and steps to accelerate this are needed, but change that's supported by a broad stakeholder base carries the advantage that once new requirements are introduced, they define the "new norm" and members will implement them.



Daemeter acknowledges financial support from the RSPO for this project. The views expressed herein are those of Daemeter and do not necessarily reflect views of the RSPO or its affiliates.



 Share on Twitter

 Share on Facebook

 Share

### Daemeter Consulting

Jl. Tangkuban Perahu No. 6  
Bogor 16151 Indonesia  
Phone/Fax: +62 251 8336 973  
Email: [info@daemeter.org](mailto:info@daemeter.org)

[www.daemeter.org](http://www.daemeter.org)