

Resolution GA13-6f

Proposed Resolution to be adopted at the 13th General Assembly of the
Roundtable on Sustainable Palm Oil (RSPO)

10th of November 2016

TITLE: RESOLUTION TO REVIEW AND AMENDMENT OF THE UPDATED NPP PROCESS AS
APPLIED TO SMALLHOLDERS

Submitted By: Solidaridad and Setara Jambi

Other Proponents: Forum Petani, Swadaya Merlung Renah Mendaluh – FPSMRM (Independent Smallholder Group Member), Gapoktan Tanjung Sehati (Independent Smallholder Group Member), Goodhope Asia Holdings Ltd., Henkel AG & Co. KGaA, Kuala Lumpur Kepong, Malaysian Palm Oil Association (MPOA), Musim Mas, New Britain Palm Oil, Olam, Perhimpunan Sapta Tunggal Mandiri (Independent Smallholder Group Member), PT Inti Indosawit Subur, Unilever, Sime Darby Plantations, Wild Asia Sdn. Bhd., Wilmar International

Background:

At the RSPO 12th General Assembly, in November 2015 in Kuala Lumpur, Resolution 6f in regards to the development of a more inclusive strategy for smallholders in the RSPO was successfully passed. We recognize that this process is ongoing and is incorporating extensive consultation from a wide range of stakeholders including smallholders. While respecting the need to provide sufficient time for the development of the smallholder strategy, smallholder groups (both already RSPO certified and intending to be RSPO certified) have consistently raised that there have been an increasing number of RSPO requirements and reporting, notably the updated New Plantings Procedure (NPP) that has become mandatory for smallholders. The requirement for all smallholders to comply with the updated NPP has been decried by many smallholders as an impediment to new smallholder RSPO certification, and also risks the loss of existing certified smallholder groups.

Given that:

1. The current NPP applies to all new plantings. This includes all new plantings by smallholders, be they scheme, associated or independent.
2. All growers are required to conduct comprehensive and participatory assessments for inclusion in the NPP report. These requirements include 1) a Social and Environmental Impact Assessment (SEIA), 2) a High Conservation Value (HCV) assessment, 3) a Land Use Change (LUC) analysis, 4) a soil and topographic survey and 5) an assessment of carbon stock and Greenhouse Gas (GHG) emissions. "The requirement for these assessments applies to all proposed developments, regardless of size; and it also applies to smallholders."
3. The vast majority of oil palm smallholders are unaware of RSPO, and awareness amongst prospective new smallholders is significantly less.
4. The NPP update was not sufficiently consulted amongst smallholders. Concerns on independent smallholders' ability to comply with the NPP requirements raised during consultations were brushed off and not addressed.

Based on the assumption that the RSPO aims for smallholder inclusiveness and increased smallholder engagement, there are a number of issues being experienced on the ground that need addressing:

- RSPO engagement with smallholders is occurring at the point of FFB sale and not pre-clearing/planting. This pre-engagement non-compliance is creating an effective barrier to smallholder certification, specifically the application of the NPP, unless an effective and innovative outreach initiative is launched, possibly at a jurisdictional level. Application of the RSPO Remediation and Compensation Procedures to smallholders would be an insurmountable barrier to smallholders.
- The cost of implementing the NPP assessment and reporting requirements is grossly disproportionate to the smallholders' planting area. Given their ongoing livelihood needs, smallholders do not wait around for neighbouring prospective oil palm farmers to accumulate a collective land mass that addresses this disproportionality. Smallholders make decisions to expand or develop plantings on an individual basis in small chunks, and not in coordinated large collectives; this is the reality on the ground.
- The requirement for all HCV assessments to be led by an ALS licensed assessor, including smallholder areas (<500ha) is highly problematic. Aside from cost, many countries represented by ROW membership do not have in-country licensed assessors, thus requiring engagement of international consultants for assessment of very small areas.
- Experience on the ground shows that most smallholder farmers, and their cooperatives, groups, and group managers, do not necessarily have the capacity and competencies to address the complex compliance requirements of the NPP. Therefore even allowing smallholders with areas <500 ha to conduct their own assessments, is not a practical or viable solution, and smallholders are not likely to comply with the current requirements.
- There are already expressions of a perceived inequality concerning access to development and improvements in livelihoods. While plantation companies are more easily able to access suitable land (while maintaining RSPO sustainability requirements), indigenous smallholders have customary land rights over very specific and restricted areas of land (often little more than 1 or 2 ha). They are not able to relocate their planting areas to other locations.
- There are expressions from currently group certified independent growers that the NPP requirements are now close to impossible for them to meet and their willingness to continue RSPO certification is being questioned.

Potential Benefit:

- That the RSPO will be able to show clear evidence of smallholder inclusivity, which is consistent with the current rhetoric and public commitment.
- That smallholders will be provided with sufficient capacity to ensure all RSPO requirements can be met, and especially for NPP, will mean clearer ability for smallholder compliance
- That RSPO certified numbers for smallholders will not be negatively affected

THIS RESOLUTION PROPOSES:

That the RSPO immediately announces a reprieve from the New Plantings Procedure for all smallholders - independent, scheme or associated - until a review of the updated NPP guidance document is completed within 6-months of the announcement. The review shall adhere to specific conditions* as defined in this resolution paper.

***Specific conditions:**

- **That the review process must include sufficient consultation with smallholders and smallholder representative groups, to encourage smallholder engagement and removing unnecessary barriers to smallholder participation and certification.**
- **The review shall specifically focus on simplification and inclusiveness of the NPP without materially compromising the RSPO P&C, and shall specifically include smallholder peculiarities and conditions in defining applicability of the NPP e.g. scattered distribution of lands, how fallow lands are considered in the conversion scenarios etc.**
- **That detailed guidance on realistic internal social and environmental impact assessments, High Conservation Value assessments and all other assessments that may be required as part of new planting requirements for smallholders are produced during the review process**
- **After the amended NPP document for smallholders is completed and launched, the RSPO shall proceed with a series of training and engagement sessions introducing the NPP requirements and how it relates to the process of certification. This will also need to include capacity building for smallholder group managers and their implementers.**

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References:

- RSPO New Planting Procedure, November 2015,
- Compilation of comments from public consultation on 'DRAFT – RSPO NEW PLANTING PROCEDURE' (Revision June 2015, Version 2) 3rd August - 2nd October 2015
<http://www.rspo.org/certification/new-planting-procedures>
- Letter dated 25 July 2016 from Milne Bay Oil Palm Farmers Association submitted to the RSPO Secretariat on concerns over NPP implementation for smallholders (emailed by SHWG co-chairs to Yohanes Ryan on 29 August 2016) - see Attachment 1 & Attachment 2