

Oil Palm, Study on the alignment of RSPO criteria with SNDI objectives

Working document for the CST Forêt-AFD

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French executive summary

Cette enquête a été réalisée entre septembre 2020 et mai 2021 dans le cadre d'une analyse croisée des systèmes de certification de différents produits à risques forestiers, dont l'huile de palme, commanditée par le CST Forêt en lien avec la stratégie nationale de lutte contre la déforestation importée en France (SNDI). Sur les bases d'une première étude, le standard RSPO version 2018 s'est avéré le plus proche des critères de la SNDI et l'enquête avait pour but de sonder les pistes d'inflexion des critères RSPO vers un alignement sur les critères de la SNDI.

L'enquête a été menée en anglais et en français. L'objectif de cette enquête était principalement d'essayer d'impliquer les personnes concernées par la SNDI en France (notamment les entreprises en aval achetant de l'huile de palme) et plus largement également les contributeurs potentiels d'ONG et d'universitaires ayant une expertise reconnue dans la filière palmier à huile. En outre, il était également important de consulter les personnes directement impliquées dans les pays producteurs, y compris certaines parties prenantes en amont, les producteurs (industriels et petits producteurs) et les employés de la RSPO. La liste des premiers bénéficiaires a été discutée au sein du groupe Cirad impliqué dans le CST Forêt de l'AFD et complétée sur la base des recommandations du groupe de pilotage du CST Forêt de l'AFD et du point focal du Cirad pour la filière palmier à huile. Ces destinataires ont été autorisés à transférer l'enquête au sein de leurs réseaux. Par conséquent, certains répondants furent des destinataires secondaires.

Le sondage a été envoyé pour la première fois le 25 septembre 2020 et un rappel a été fait le 28 avril 2021. Le sondage a finalement été clôturé fin mai 2021. Au total, le sondage a été envoyé à 92 personnes de différentes institutions ; le nombre de destinataires secondaires n'a pas pu être retracé. Au total, 32 réponses ont été soumises (taux de réponse : 35 %) dont 28 réponses complètes.

Les réponses collectées et analysées ont permis de faire des critiques constructives et de proposer des pistes d'amélioration ou d'approfondissement des principes et critères de RSPO. Les outils HCV, HCS et FPIC ont été plus particulièrement discutés. Des propositions concrètes et mises en perspectives ont été fournies et pourraient contribuer à alimenter la consultation publique pour la révision des principes et critères de RSPO qui débutera en mai 2022. Les principales recommandations sont les suivantes :

- Améliorer les connaissances et les capacités de toutes les parties prenantes sur la dynamique de la biodiversité et les mécanismes de conservation aux échelles emboîtées ;
- Améliorer les compétences des acteurs pour fournir des objectifs quantifiés et des plans d'action concrets à long terme pour la protection et l'amélioration des zones HVC-HCS avec des rapports publics réguliers sur les plans et les réalisations ;
- Renforcer la coopération entre les acteurs de terrain pour améliorer la maîtrise des feux (maîtrise à la fois du respect des critères RSPO et de la propagation des feux) ;
- Développer des stratégies innovantes et globales pour protéger et restaurer les tourbières, incluant des incitations économiques dédiées ;
- Assurer le renforcement des capacités des populations locales en amont du CLIP pour les préparer à gérer le processus et ses répercussions ;
- Offrir également une formation aux responsables de la mise en œuvre du CLIP et aux auditeurs pour garantir une plus grande clarté sur la mise en œuvre et éviter les malentendus ;
- Développer un « cadre de consultation multipartite continue », où les problèmes peuvent être discutés et éventuellement résolus, et la preuve de la prise en compte des droits et des besoins des populations locales apportée et éventuellement contestée ;

- Simplifier et accélérer la procédure de réclamations foncières, de règlement des plaintes et d'indemnisation, tout en garantissant l'aide de l'État pour alléger les procédures et formaliser les titres fonciers ;
- Partager et publier des informations sur le projet de développement et les « procédures de règlement des différends » tout au long de la phase de planification du développement et au-delà ;
- Développer des « indicateurs de preuve sur le terrain » (parcelles de démonstration, récompenses, témoignages, etc.) pour les audits plutôt que des documents seuls et rendre publics les données et rapports détaillés ;
- Développer un processus d'audit plus participatif où la sélection des auditeurs, leurs paiements, leur examen éventuel par les pairs, etc., seraient le résultat d'efforts et de décisions en collaboration.

Cette étude avait une portée limitée, propre à une dynamique française impulsée par le groupe de travail AFD CST-Forêt liée à la SNDI et subordonnée à un agenda politique changeant. La taille de l'échantillon n'était pas significative en termes de répondants compte tenu des nombreux défis et de l'ampleur potentielle de la tâche. Néanmoins, les résultats de l'enquête représentent une intéressante diversité de points de vue en termes d'origines sectorielles et géographiques des répondants, et les opinions et les idées de tous les répondants n'étaient pas particulièrement orientées vers plus d'optimisme ou de pessimisme.

En considérant les critères dans leur ensemble, il y avait deux problématiques majeures transversales : la transparence et l'échelle. Globalement, plus de transparence serait la clé pour limiter les écarts entre la théorie, les objectifs et la réalité sur le terrain. Deuxièmement, les résultats reflètent la nécessité de considérer la question de la protection des forêts et des tourbières à des échelles intégrées plus larges et au-delà de la seule certification de l'huile de palme. La déforestation est une question de choix de développement qui doit être abordée et intégrée dans les stratégies nationales. De plus, face aux enjeux mondiaux, la conservation ne suffit pas et il faut aussi réduire la demande en produits tropicaux, améliorer les rendements des systèmes agricoles existants en appliquant des pratiques agroécologiques et rendre la déforestation trop coûteuse en prenant en compte toutes les externalités.

English executive summary

This survey was carried out between September 2020 and May 2021 as part of a cross-analysis of certification systems for different forest risk products, including palm oil, commissioned by the CST Forêt as part of the French national strategy to fight against imported deforestation (SNDI). Based on an initial survey, the RSPO Standard Version 2018 was found to be the closest to the SNDI Criteria and the purpose of the survey was to probe ways in which the RSPO Criteria could be flexed towards alignment with the SNDI.

The survey was conducted in both English and French. The aim of this survey was primarily to try and involve people concerned by the SNDI in France (notably downstream companies sourcing palm oil) and to a larger extent also potential contributors from NGOs and academics with renown expertise in the oil palm sector. Besides, it was also important to consult people directly involved within the producing countries, notably some upstream stakeholders, growers (both industrial and smallholders), and RSPO employees. The list of primary recipients was discussed within the Cirad group involved in the CST Forêt AFD and completed based on the recommendations from the steering group of the CST Forêt AFD and the Cirad focal point for palm oil supply chain. Those recipients were allowed to further transfer the survey within their networks. Therefore, some respondents were secondary recipients.

The survey was first sent on 25 September 2020 and a reminder was sent on April 28, 2021. The survey was finally closed at the end of May 2021. In total, the survey was sent to 92 people from various institutions (Table 1); the number of secondary recipients could not be tracked back. In total, 32 responses were submitted (Response rate: 35%) including 28 complete responses.

The responses collected and analysed made it possible to issue constructive criticism and to suggest ways of improving or deepening the principles and criteria of the RSPO. The HCV, HCS and FPIC tools were particularly discussed. Concrete and forward-looking proposals were provided and could contribute to the public consultation for the revision of the RSPO Principles and Criteria which will start in May 2022. Main recommendations could be summarised as follow:

- Improving knowledge and capacities of all stakeholders regarding biodiversity dynamics and conservation mechanisms at imbricated scales;
- Improving skills to provide quantified objectives and concrete long-term action plans for HCV-HCS area protection and enhancement with regular public reports on plans and achievements;
- Enhancing cooperation among stakeholders in the field to improve fire control (control of both the respect of RSPO criteria and the propagation of fires);
- Developing innovative and comprehensive strategies to protect and restore peatlands including dedicated incentives;
- Providing capacity building to local populations ahead of FPIC to prepare them to handle the process and its repercussions;
- Providing also trainings for both FPIC implementers and auditors to ensure that there is more clarity on implementation and avoid misunderstanding;
- Developing a continuous “multi-party consultation framework”, where issues can be discussed and possibly settled, and proofs of accounting for local populations’ rights and needs can be demonstrated and possibly challenged;
- Simplifying and accelerating the procedure for claims to land, settlements of complains and compensation, while ensuring help from the government to ease claims to land and officialise land titles;
- Sharing and publishing information about the development project and “dispute resolution procedures” throughout the development planning phase and beyond;

- Developing “operation proof indicators” (demonstration plots, rewards, testimonies, etc.) instead of only documents for the audits and making data and detailed reports public;
- Developing a more participatory auditing process where the selection of auditors, their payments, their potential peer-review, etc., would proceed from collaborative efforts and decisions.

This study had a limited scope, specific to a French dynamic led by the SNDI-related AFD CST-Forêt working group and subordinated to a moving political agenda. The sample size was not significant in terms of respondents given the numerous challenges and the potential scale of the task. Nevertheless, the survey outputs represent an interesting diversity of viewpoints in terms of both sectorial and geographical origins of the respondents. Hence, the opinions and ideas from all the respondents were not particularly distorted towards more optimism or pessimism.

Across all criteria, there were two main cross-cutting issues: transparency and scale. Overall more transparency would be key to limit gaps between the theory, the objectives and the field reality. Then, outcomes reflect on the need to consider the issue of forest and peatland protection at larger integrated scales and beyond the sole palm oil certification. Deforestation is a matter of development choices that need to be tackled and integrated within national strategies. Besides, when addressing global challenges, conservation is not enough and there is also the need to lower demands for tropical products, to improve yields in existing agricultural systems while applying agroecological practices, and to make deforestation too expensive while accounting for all externalities.

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Acronyms

| | |
|------|---|
| AFD | Agence Française de Développement |
| CST | Comité Scientifique et Technique |
| FPIC | Free Prior Informed Consent |
| HCS | High Carbon Stock |
| HCV | High Conservation Value |
| IP | Identity Preserved (Oil) |
| RED | European Renewable Energy Directive |
| RSPO | Roundtable on Sustainable Palm Oil |
| SG | Segregated (Oil) |
| SNDI | National Strategy against Imported Deforestation (French) |

Study context

1.1 French strategy against imported deforestation

In November 2018, following up on its commitments to fight against deforestation within the framework of the New York and Amsterdam declarations, France decided to publish its national strategy document to avoid imported deforestation (SNDI). This document proposes 4 orientations for reducing imported deforestation: (i) developing and disseminating knowledge of French research, for a better understanding of the mechanisms linked to imported deforestation and its links with economic, geopolitical and social dynamics, (ii) developing actions to avoid imported deforestation, (iii) integrating the fight against deforestation into public policies to promote French demand for sustainable products and (iv) promoting and coordinating stakeholder engagement (Lescuyer & Testé, 2021¹).

Among the instruments considered to meet this ambition, private certification of sustainable production is a privileged approach. It is explicitly mentioned in SNDI objective no. 13, which proposes to “raise the ambition of the certification systems”, in particular by gradually increasing the level of sustainability certification requirements and by disseminating the certification more widely. Indeed, at present, the use of sustainability standards on imports of forest-risk products stands at 18% for palm oil, 3% for soy and 22% for cocoa, as proportions of world trade (COWI, 2018) (Lescuyer & Testé, 2021).

The CST Forêt has therefore commissioned crossed analysis of certification systems for various forest-risk products, including palm oil. The first stage consisted in reviewing the content of the existing standards for each forest-risk product. The review for the palm oil standards was carried out in 2020 (Bessou & Rival, 2020²). The second stage consisted in surveying opinions and advices towards improving the standards among stakeholders. The survey structure was developed in order to be consistent across investigated products. In particular, the certification criteria of interest (e.g. High Conservation Value approach) were reviewed from the perspective of both their inherent interest and the issues related to their application in the field. The peculiarities of each standard regarding the procedure to update or improve the principles and criteria were not investigated in the surveys but are recalled in this report.

1.2 Palm oil standards

The challenges of deforestation and loss of biodiversity linked to the development of oil palm alerted some NGOs as early as the 1990s. NGOs and actors upstream and downstream of the value chain then created the first sustainability standard for palm oil in the early 2000s, the Round Table for Sustainable Palm Oil (RSPO), to promote sustainable practices on the basis of a voluntary business-to-business certification. Since then, various other standards have been developed, including government standards (ISPO in Indonesia and MSPO in Malaysia). Bessou & Rival, 2020 reviewed the various existing standards in terms of their principles and criteria and their alignment with the SNDI objectives. The study provides details on the history of the various palm oil standards and their evolution.

From the point of view of the fight against deforestation in connection with the palm oil sector, the RSPO standard (2018 version) is the most appropriated since it incorporates various detailed criteria

¹ Lescuyer G. et Testé A. (2021) Quelles options pour un système d'importation des produits agricoles et forestiers sans déforestation en France ? Rapport pour le CST Forêt (Chantier 2), 54p., Montpellier, France

² Bessou C. et Rival A. (2020) Palmier à huile : Etat des lieux sur la déforestation et les standards de durabilité. Rapport d'étude du Cirad. Commanditaire : CST Forêt de l'AFD, Décembre 2020, 77 p, Montpellier, France.

specific to the protection of forests, of biodiversity conservation areas and of fragile peatlands ecosystems rich in carbon and endemic biodiversity. The RSPO also includes criteria on the social protection of local populations, especially with regard to land use, and therefore the protection of forests of local interest. The ISCC standard is then the second most suitable standard to fight against deforestation, but it is less specific and less precise in terms of criteria and practices for the palm oil sector. Finally, the ISPO and MSPO governmental standards, although not very detailed in terms of forest protection, are a potentially crucial lever for having national and harmonised approaches concerning the sustainable use of soils and the preservation of forests.

1.3 RSPO standard

RSPO is today the most widespread palm oil certification system in terms of members and certified hectares, around 20% of global production is RSPO certified. Moreover, the RSPO is the most proven and dynamic standard in terms of stakeholder consultation and continuous improvement and the one that offers the most systemic control procedures to date. Nevertheless, the RSPO-certified oil does not seem to convince the markets. Currently, only half of the RSPO-certified sustainable palm oil placed on the market is purchased at the certified price, that is to say including a premium making it possible to value the efforts invested in a sustainable sector. In Europe in particular, consumers are wary of palm oil and processors cannot enforce their RSPO commitments despite the labeling tools made available. It is therefore necessary to create a relationship of trust between producers and buyers to break out of the vicious circle. RSPO like the other standards (e.g. ISPO, MSPO...) have not yet won this bet, despite measurable progress in the evolution of practices in the field.

To convince more broadly and generate a change of scale, RSPO presents three major limits: i) financial compensation via the oil premium is too low, too variable and not very incentive, in particular for the producers who need more than a personal conviction to commit; ii) the standard still leaves too much room for the interpretation, justified or abusive, of the procedures according to the socio-political context; and (iii) the system of external audit and the prevention or control of disputes is not sufficiently effective. Only full traceability of the supply chain, from the plantation to the final product, will make it possible to facilitate controls, impact analyses and build trust. This traceability does not only represent a logistical challenge but requires, above all, a unanimous commitment to total transparency in a sector where there are a large number of intermediaries for processing into finished products.

RSPO principles and criteria first version was released in 2005. Then, the criteria were reviewed twice with official publications in 2013, then 2018. In 2019, a specific set of principles and criteria adapted to independent smallholders was also released. The review process is part of initial RSPO principle “continuous improvement”. It is based on a long public consultation combined with outputs from on-going RSPO working groups. In 2013, for instance, a new criterion was added regarding greenhouse gas assessment that was based on the PalmGHG calculator developed by a dedicated working group over the 2010-2012 period. As stated on the RSPO webpage³, “the objective of this process is to review and streamline the production standard to ensure continued relevance and effectiveness in demonstrating that palm oil produced and sold as RSPO Certified Sustainable Palm Oil (CSPO) is credible and inclusive. To strengthen the credibility of the RSPO certification scheme, this review process strives to address the following key challenges:

- Ensuring the comprehensiveness and relevance of RSPO Standards;
- Achieving desired impact;

³ <https://www.rspo.org/standards-review-2022-2023>

- Clarifying interpretations and uncertainties;
- Resolving inadequate capacities and resources in the assurance systems; and
- Aligning RSPO approaches with other sustainability initiatives.”

RSPO has entered a new review round (Figure 1).



Figure 1: Timeline of RSPO standard review 2022-2023 (RSPO webpage consulted in March 2022)

It is expected that the outputs of this report may contribute to feed the public consultation within this new review process; the consultation is opened on April 14, 2022.

Survey on how to improve the RSPO standard in order to align with the SNDI objectives

1.4 Method

1.4.1 Baseline RSPO standard version 2018

The review of the principles and criteria of RSPO, within this study frame, was based on the baseline 2018 version of the standard for the production of Certified Sustainable Palm Oil and Certified Fresh Fruit Bunch. The 2019 version developed specifically for the independent smallholders was not considered in the review. Hence, the survey was based on the bottlenecks identified within the RSPO 2018 version in the review (Bessou & Rival, 2020) and harmonised with the survey taken for the other products (e.g. cocoa, timber).

1.4.2 Survey objective and content

The survey was formatted and sent through the GoogleForm® platform. The detailed form is given in Appendix A1. The context and goal of the survey were briefly detailed at the beginning of the form in order to put the survey in perspectives with the SNDI objectives. The introduction also specified that, among the reviewed standards, RSPO 2018, as a specific standard for sustainability of palm oil, presented the most favourable potential to align with SNDI but was still not sufficient with regards to the more stringent SNDI criteria. The survey questions aimed to address these limitations in order to feed the discussion on how to implement the SNDI, whether by adopting existing standards, developing a new one, or otherwise.

Although improvement tracks and critical views proposed by respondents could serve to feed the actual RSPO review process, the survey did not aim to provide a roadmap to actually improve the RSPO standard. Should the political agenda be favourable, the recommendations could serve as a basis to discuss, if relevant, the possibility to develop an add-on to RSPO standard officially dedicated to comply with the SNDI criteria (e.g. such an add-on was already developed – RSPO-RED – to comply with the European Renewable Energy Directive). Such an output was not mentioned, though, in order to keep answers as open as possible.

The survey contained the following 6 sections addressing:

1. Criteria directly link to the protection of forest (e.g. HCV, HCS...)
2. Criteria related to peat land areas
3. Criteria related to land tenure issues and social impacts
4. Criteria related to traceability
5. Criteria related to the audit process
6. General open comments.

The survey was not anonymous so that experts may be further contacted to deepen some proposals. However, respondent names are nowhere displayed in the report to avoid any legal issues (as they were not specifically asked whether their names could be displayed or not). None of the questions was mandatory and all sections were investigated through both multiple-choice and open questions in order to favour different forms of expression and potentially ignite creation.

1.4.3 Survey process

The survey was conducted in both English and French. The aim of this survey was primarily to try and involve people concerned by the SNDI in France (notably downstream companies sourcing palm oil) and to a larger extent also potential contributors from NGOs and academics with renown expertise in the oil palm sector. Besides, it was also important to consult people directly involved within the producing countries, notably some upstream stakeholders, growers (both industrial and smallholders), and RSPO employees. The survey was also sent to the European delegation in both Indonesia and Malaysia but those recipients did not answer. Unfortunately, the survey could not be translated into Bahasa, which was a limiting factor to reach out potential respondents in the main producing countries. Finally, the number of primary recipients and respondents in Africa was particularly limited.

The list of primary recipients was discussed within the Cirad group involved in the CST Forêt AFD and completed based on the recommendations from the steering group of the CST Forêt AFD and the Cirad focal point for palm oil supply chain. Those recipients were allowed to further transfer the survey within their networks. Therefore, some respondents were secondary recipients.

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On July 1, 2021, a virtual meeting with some RSPO representatives was organised to share the outputs from the survey.

| <i>Institution type</i> | <i>Number of people who received the survey directly (primary recipients)</i> | <i>Regions</i> |
|--|---|--|
| Upstream & Downstream companies | 14 | France/Europe |
| NGOs/Associations | 19 | France/Europe Malaysia & Indonesia |
| Academics | 39 | France/Europe Malaysia & Indonesia |
| Growers | 17 | Malaysia & Indonesia (growers) – some groups also have plantations on other continents |
| RSPO | 1 (concerted response from several people) | Malaysia |
| European delegation | 2 | Malaysia & Indonesia |

1.5 Results of the survey

Including the secondary recipients, the proportions of respondents (full responses only) were distributed as shown in Figure 3 & Figure 2.

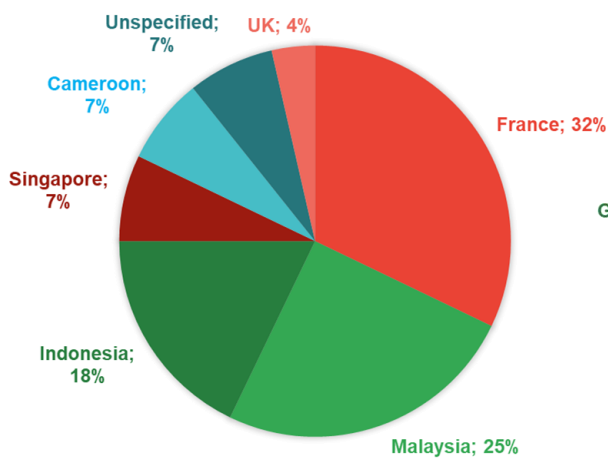


Figure 3: Geographic origins of respondents

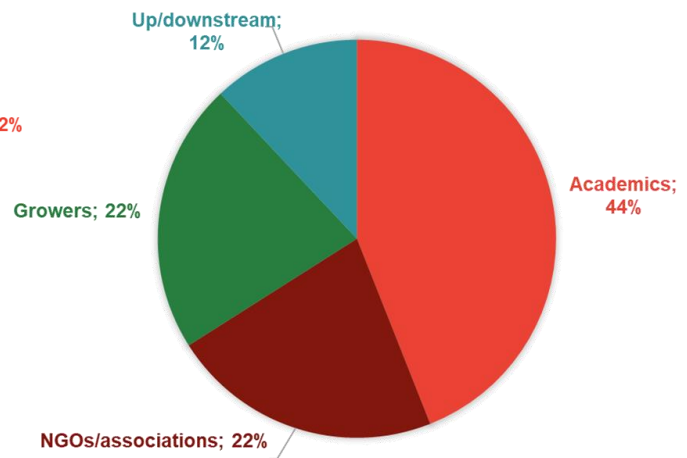


Figure 2: Institution types of respondents

The context of the study, commissioned by SNDI related instances, explains the tropism towards more French respondents. However, there was still a good representation of main producing countries. There were also responses from NGOs and up/downstream institutions with headquarters in Singapore or various countries (unspecified) and provide insights from more cross-cutting perspectives across the value chain.

The proportion of academics was majoritarian given the emphasis put on gathering scientific insights on quite technical aspects of some RSPO principles and criteria (e.g. HCS approach). Academic institutions, as well as governmental ones, cannot be RSPO members as they are not, *per se*, stakeholders of the palm oil supply chain. However, the more technical the principles and criteria needed to be facing critical issues such as climate change, the more scientific inputs were needed. For instance, the development of the RSPO greenhouse gas calculator, PalmGHG, was developed by a dedicated RSPO working group led by scientists (Chase et al., 2012). The importance of involving academics to try and contribute to the improvement of standards, such as RSPO, is getting more and more acknowledged.

The distribution of other respondent categories was quite representative of stakeholders' share in the RSPO supply chain certification schemes. Indeed, growers and NGOs are the main active contributors in the development of RSPO, followed by stakeholders up and downstream. However, this representativeness was not pre-determined. Most responding growers were RSPO members at the time of the survey, but NGOs were not all members nor contributors.

In the following sections, survey results are analysed section by section according to the sections listed in the section 1.4.2. Sections 4 & 5 are grouped together, and general comments are distributed among sub-sections and conclusions.

1.5.1 Criteria directly linked to the protection of forest (e.g. HCV, HCS...)

1.5.1.1 Can HCV approach effectively protect forests?

As recalled in the survey, the 2018 principles and criteria of RSPO standard, implemented in November 2019, strengthened the requirements in terms of the fight against deforestation. New plantations must not cause deforestation or destroy any area necessary to maintain or improve High Conservation Value (HCV) or High Carbon Stock (HCS) forests. The application of the combined HCS and HCV approaches is mandatory to determine the forest areas that contain important carbon stocks, major pools of biodiversity, or key socio-cultural roles; these areas must be identified, maintained and improved.

According to 50% of the respondents, the HCV approach may help to effectively protect forests (Figure 4). Considering that 18% did not express their opinions on that matter, there is no absolute clear cut though. Focusing on growers among respondents, 67% were positive about HCV contribution, the remaining 33% did not express any opinion. As quoted by a respondent, “the HCV approach has been embedded in the RSPO since 2005 to provide a standardized global approach for identifying and managing both environmental and social values in production landscapes.⁴” Hence, it is now quite well known by all stakeholders and has been widely applied.

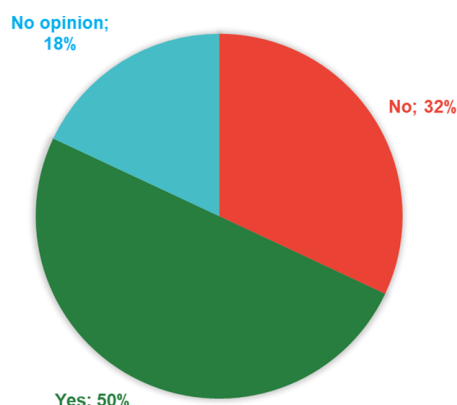


Figure 4: Can the HCV approach effectively protect forests?

Although most HCV assessment reports are made public, it is difficult to have a precise evaluation of the cumulated HCV surface area initially registered and then continuously protected by all RSPO members. HCV and their management areas can account for a few percentages up to 25% or more of the potential development surface area (concession limits). The extent of initial HCV areas, as delineated by dedicated auditors, depends mostly on the location and the total concession area.

Respondents mostly agree on the interest of the theoretical concept behind HCV, emphasizing the peculiar assets of the multi-dimensional approach accounting for various values (biodiversity, cultural, etc.) at various scales (local, landscape...). The HCV approach also enables to potentially “transform the cost of conservation into a benefice”, which can be turned into incentives. There are however some key limits in terms of implementation:

- Issues of scale;
- Complexity of the long-term monitoring.

Issues of scale are two-fold, i) the complexity and limitations in the case of smallholdings (not discussed here as it should be handled within the 2019 standard version dedicated to smallholders); ii) the limitation of fragmented approaches at concession level when considering the issue of deforestation and biodiversity from an ecosystem point of view. The latter issue of scale is cross-cutting when targeting zero deforestation as it requires consistent approaches across supply chains sharing a landscape and resources in order to avoid problem shifting. Understanding the mechanisms involved in conservation at imbricated scales, beyond HCV patches and concession limits, also is necessary to ensure long-term conservation.

⁴ Names of respondents are kept anonymous for legal reason but individual responses are provided at several occasions to highlight key inputs; these are then quoted into brackets with no name.

In order to improve the efficiency of HCV approach towards a more tangible contribution to protect forest, respondents emphasised on the following recommendations:

- Improving knowledge and capacities regarding biodiversity dynamics and conservation mechanisms at imbricated scales;
- Improving skills to provide quantified objectives and concrete long-term action plans for HCV protection and enhancement;
- Improving transparency and providing peer-review of HCV assessments before planting.

1.5.1.2 Can HCS approach effectively protect forests?

The HCS approach was introduced more recently in the 2018 principles and criteria of RSPO standard, and there is less experience regarding implementation and impact evaluation. As for HCV, 50% of the respondents tend to agree that HCS can contribute to protect forests (Figure 5). Given the complexity of the approach and the shorter history, compared to HCV, more respondents did not have any precise opinion on that matter though. Focusing on growers among respondents, 67% were positive about HCS contribution, the remaining 33% did not express any opinion.

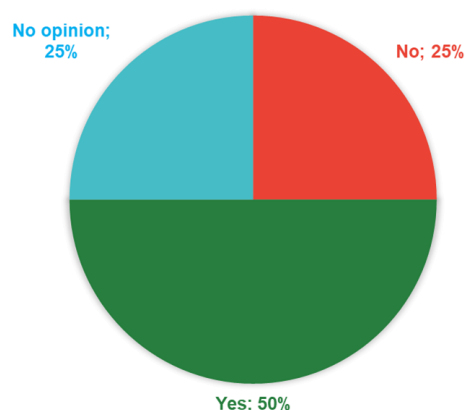


Figure 5: Can the HCS approach effectively protect forests?

The HCS approach was developed specifically to address the loss of biomass due to deforestation. It is hence intrinsically correlated to deforestation as it is linearly correlated to the surface area losses and associated biomass losses. It is complementary to the HCV approach that focuses on biodiversity and other cultural conservation areas.

Some respondents insisted on the fact that the combination of the complementary approaches HCV and HCS, but also together with FPIC and EIA, as a whole, is a structuring way to try and avoid deforestation through a consistent land use planning. However, the whole process can be long and issues occur when shortcuts or not transparent decisions are taken. As for the HCV approach, when such tools are considered alone, issues of scale remain critical to ensure sufficient leverage to protect forest at more integrated scales, hence more significantly.

1.5.1.3 Cross-cutting criteria and recommendations

Slash-and-burn is prohibited as a technic to open land in main palm oil producing countries. It is also prohibited in RSPO standard; fire can only be used by smallholders to fight against pest and disease in last resort and providing specific authorisations. Still forest fires occur within or nearby oil palm plantations and RSPO members are regularly singled out. The use of fire in smallholders' plantations may be difficult to fully avoid, as some small independent growers, in particular, may not have access to optimal land areas and production means. Smallholders are numerous and have very diverse practices and means. The standard dedicated to smallholders and the continuous work at RSPO related to smallholders tend to try and consider this diversity and the specificities of risk associated with a potential leniency about smallholders. As quoted by a respondent, such a "leniency may fail to prevent serious damages" if not limited to a restricted number of stakeholders due to ground and sound reasons. The issues of fire occurrence and propagation need to "be handled at higher reglementary level and are highly dependent on fire control facilities and possibilities" with local declinations. Such facilities cannot be handled by isolated smallholders and require cooperation with industries.

Many respondents also concluded on the need to strengthen various interactions to overcome challenges related to the fight against deforestation. More interactions and cooperation not only between industrials and smallholders, but also between RSPO members, accreditors and local administrators would be beneficial to ensure consistency in approaches, actions and enforcement controls. Fight against deforestation would require increased stakeholder engagement, including oil palm stakeholders but also other local actors, and a stronger political will. Besides good will and tools, means allocated to local stakeholders and administrations would also necessary to promote alternative practices, to control law and criteria enforcement, and to provide alternative income sources for local populations and smallholders.

1.5.2 Criteria linked to the protection of peatlands

With the new versions of RSPO standard, the criteria on the protection of peatlands has become more and more stringent. As of 2018, the establishment of new plantations on peatlands is no longer permitted by RSPO standard, regardless of the depth of the peat. Best practices must be applied in existing plantations on peatlands. The protection of peatland areas is critical with regard to deforestation both directly for the most virgin ones, where the natural vegetation often is forest with endemic biodiversity, and indirectly due to the risk of fire propagation from ignition in peatland areas to forests nearby. The burning of peat soil is a phenomenon that can barely be controlled and stopped until heavy rainfalls occur. The drainage of peatland areas also leads to greenhouse gas emissions but this issue was not addressed in the survey.

Half of the respondents estimated that the RSPO standard should be effective in stemming the development of new plantations on peatland (29% had no opinion, 21% thought the contrary). Most of the respondents (64%) did not consider that the issue of peat opening and draining was more specifically concerning industrials or smallholders, although “the issue of development of peatlands is tied towards being able to develop whatever vacant land is available (in cases of villagers or local communities), and what land is awarded or sold to specific stakeholder (in cases of concessions and land purchase for corporations)”. The main issues are recurrent with criteria previously reviewed, notably the issue of scale and implementation controls. As long as only RSPO members would avoid the peatland areas, there is no safeguards against problem shifting to other oil palm plantations or other crops.

Some respondents also recalled that besides the potential protection of intact peatland areas, it would be necessary to also emphasise more on ways and criteria to promote the rehabilitation or restoration of degraded peatlands with a more comprehensive approach of “the morphology of peat formations which influence their hydrology and carbon emissions” and associated incentives for protection and restoration. There would be a critical need “to review the numerous experiments and studies documenting past and ongoing restoration efforts to assess their efficiency and develop innovative strategies for peatland protection and restoration.”

1.5.3 Criteria linked to the Free and Prior Informed Consent

Socio-economic impacts of the palm oil sector are key to its sustainability. RSPO principles and criteria are quite detailed regarding those aspects and aim, in particular, to try and protect the rights of local populations. The Free and Prior Informed Consent (FPIC) is a well-established process whereby local populations are meant to be integrated in decision-making regarding their local rights, notably over land tenure and customary rights. FPIC has been a key criterion within RSPO, since its very first version. Nevertheless, its implementation is complex and RSPO members are regularly criticised regarding FPIC establishment and respect. The key issues are the lack of transparency and time to conduct a robust FPIC.

Given the numerous challenges at stake, recommendations do not relate to the FPIC process only but rather to the whole mechanism with potential actions before and after the development planning, in the following chronological sequence:

- To provide capacity building to local populations ahead to prepare them to handle the process and its repercussions;
- To ensure help from the government to ease claims to land and officialise land titles;
- To share and publish information about the development project and “dispute resolution procedures” throughout the development planning phase and beyond;
- To provide a continuous “multi-party consultation framework”, where issues can be discussed and possibly settled, and proofs of accounting for local populations’ rights and needs can be demonstrated and possibly challenged;
- To simplify and accelerate the procedure for claims to land, settlements of complains and compensation.

The time invested in FPIC and beyond cannot be compressed and limited to the establishment phase. *In fine* it is already part of the continuous plantation management parallel activities in many cases, where initial issues were never fully solved or when new issues appeared with time. If recognised more as a background continuous commitment rather than an initial task only and embedded in internal procedures, the whole process could benefit from more investment by all stakeholders, structured long-term information flows, more adapted and “versatile conflict resolution mechanisms”, and more transparent outcomes. To contribute establishing such a long-term approach, the jurisdictional approach could help by conveying and involving all actors, including authorities. In majority, respondents agreed that the jurisdictional approach should help the effectiveness of FPIC (Figure 6) (100% of respondents among growers answered yes).

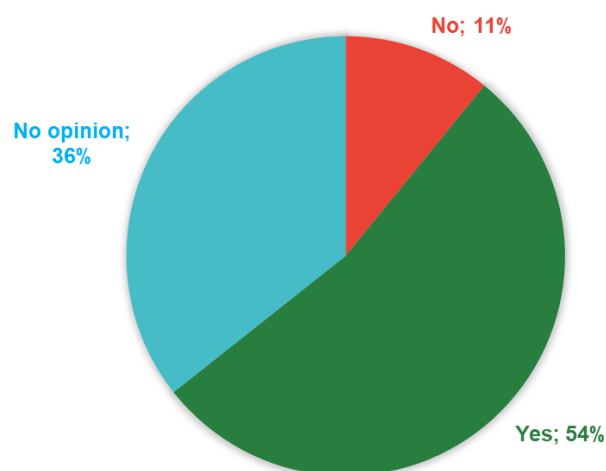


Figure 6: Do you think that the implementation of the standard with a jurisdictional approach can help to better guarantee the effective implementation of FPIC?

RSPO is currently revising its FPIC guide. Key tracks to improve the guidance RSPO has on FPIC are:

- To socialise and provide more trainings to ensure that there is more clarity on implementation and to fill gaps in understanding for both implementers and auditors;
- To improve any certification/audit requirements for auditors on FPIC.

Respondents also suggested that more expertise and time shall be allocated to the third-part verification of FPIC implementation, involving, as much as possible, “social experts with ethnographic expertise”, and allowing for a realistic timeplan to tackle issues properly before other development activities are launched. The jurisdictional approach could facilitate the FPIC process as well as its review by third-parties potentially involving all stakeholders’ representatives as well as governmental ones. However, the “process of the jurisdictional approach implementation still need to be clarified before a deployment at large scales, otherwise there may be risks of confusion and poor implementation” and success.

1.5.4 Criteria linked to RSPO traceability and audit

Full traceability up to the field is expected within the frame of the SNDI criteria. This implies that palm oil mills need to assure, for all sourced fresh fruit bunches:

- Geolocation of the origin of the fruit bunches;
- Proof of the status of owner or beneficiary of land rights by the producer;

- Valid planting / marketing permit.

Since the first version of RSPO standard, reinforcements in terms of transparency have been obtained gradually (with obligations to publish the limits of concessions, etc.). Still the mass balance certification is permitted. When certified and non-certified fresh fruit bunches or oils are mixed up together, the full traceability becomes impossible. The demand for segregated (SG) palm oil is increasing but its proportion is still not sufficient to drive trust. There are economic constraints behind the slow development and the low uptake of SG and identity preserved (IP) certified oils, but ensuring full traceability is technically feasible and tools dedicated to the palm oil sector are already in place. Improvement tracks, as suggested by some respondents, could consist in a carrot and stick approach, “rewards” for best transparent and invested stakeholders and “black list” for the ones who cheat. Market demand and public communication somehow already applies this approach but more it can be embedded more concretely within the certification scheme. Some respondents recommended that RSPO have a “clear roadmap towards 0 mass balance” with the tight agenda and involving, in particular, the “downstream stakeholders to mark out milestones in supply/demand tipping points towards SG and IP palm oil and derivatives”. This roadmap should provide clear incentives and boost the smallholders’ certification, ensuring economic added value for smallholders as well as intermediaries within the mill supply areas. According to almost all respondents (80%), the premium for certified oil would definitely be an incentive to implement a full traceability and the certification. So far, the certification is blocked in a vicious circle, where the market does not promote any premium in part due to the lack of traceability and trust towards the certification, and the effort to develop traceability and trust is not rewarded or boosted.

Trust towards the certification also is hampered due to recurrent criticism towards the auditing processes. The RSPO certification is acquired for 5 years and the audit takes place every year to verify compliance with the principles and criteria. The external auditors are accredited by Assurance Services International. In 2019, there were 27 accredited auditors. The annual reports on the application of RSPO principles and criteria must be public but they do not contain the details of the audit report, which distort the fundamental need for transparency in any review process. Therefore, the external audit and dispute prevention or control system is often perceived as inefficient. “Making raw data transparent and detailed reports public” is among first recommendations and do not require added work. Also, the audit and control processes should try and turn to more “operation proofs rather that documentation”.

Besides, respondents had quite a number of recommendations regarding the audit process, in particular due to their academic origin and the importance of peer-review processes in the public research. Those were two-fold:

- Concerning who might audit:
 - Independent academicians from local/regional university;
 - Auditors could be selected randomly by RSPO/third party within a pool for a given audit;
 - Auditors could be nominated by an independent board;
 - There could be a peer-review process;
- Concerning who might pay the audit:
 - Sponsoring by buying countries;
 - Pooled fund (growers, other stakeholders...);
 - Auditors should be nominated.

Conclusions

This study had a limited scope, specific to a French dynamic led by the SNDI-related AFD CST-Forêt working group and subordinated to a moving political agenda. The sample size was not significant

in terms of respondents given the numerous challenges and the potential scale of the task. Nevertheless, the survey outputs represent an interesting diversity of viewpoints in terms of both sectorial and geographical origins of the respondents. Hence, the opinions and ideas from all the respondents were not particularly distorted towards more optimism or pessimism.

Across all criteria, there were two main cross-cutting issues: transparency and scale. Overall more transparency would be key to limit gaps between the theory, the objectives and the field reality. Then, outcomes reflect on the need to consider the issue of forest and peatland protection at larger integrated scales and beyond the sole palm oil certification. Deforestation is a matter of development choices that need to be tackled and integrated within national strategies. Besides, when addressing global challenges, conservation is not enough and there is also the need to lower demands for tropical products, to improve yields in existing agricultural systems while applying agroecological practices, and to make deforestation too expensive while accounting for all externalities.

ANNEXE: SURVEY CONTENT (NEXT PAGES)