

**Open Letter to the RSPO:  
NGO Proposals for the Verification Working Group**

19 November 2006

Dear Jan Kees Vis,

We are writing to you as NGOs engaged in or observing the Roundtable on Sustainable Palm Oil to urge that greater attention be paid as a matter of priority by the Executive Board of the RSPO to the adoption of an adequate 'verification' procedure to ensure compliance by RSPO members with the RSPO standard.

In the last three years, the RSPO has made significant progress. Of note is that the RSPO has:

- through a multi-stakeholder process, adopted a set of Principles, Criteria and Guidance for the production of 'sustainable palm oil' which reflects a genuine effort to meet international standards in human rights, the environment and business best practices;
- seen a notable increase in membership, so that the RSPO now includes members from over 1/3<sup>rd</sup> of the international trade in palm oil;
- adopted a Code of Conduct for members and a reporting procedure designed to encourage step by step compliance with the RSPO standard;
- and (somewhat belatedly) established a Task Force on Smallholders charged with promoting direct engagement of smallholders in the RSPO process and proposing ways of ensuring that RSPO standards and procedures suit smallholder realities.

All this constitutes an encouraging start to the RSPO process.

However, at the same time the growing problems in the palm oil sector remain equally notable. In particular:

- primary forests and forests of high conservation value continue to be cleared with serious consequences for endangered and threatened species, critical habitats and the valuable environmental and social services they provide;
- illegal firing of cleared forests, and of palm debris in existing plantations, continues and is seen to be the main cause of the seasonal regional haze that is closing airports and posing a serious hazard to public health in South East Asia, and is a significant contributor to global CO<sub>2</sub> emissions;
- indigenous peoples and local communities continue to be in conflict with plantation companies over the way governments and companies take over their lands for plantations – their rights are ignored, overridden or worse;
- smallholders complain of their poor treatment, low pricing, insecure land tenure, and high debt burdens;
- workers on oil palm estates and mills have protested the low wages and working conditions that they endure, which are often far below the international standards accepted in the RSPO standard;
- workers, especially women sprayers, and smallholders continue to be exposed to dangerous agro-chemicals which the RSPO has agreed should be phased out. However, RSPO members have even lobbied for the lifting of national regulations restricting the use of such chemicals;
- there are continuous reports of human rights abuses related to these impositions, poor practices and the conflicts and subsequent repression that they trigger.

The credibility of the RSPO is thus at stake at RT4 – the fourth RSPO Roundtable. Progress on paper is not being matched by progress on the ground.

## Credible verification thus crucial:

The adoption by the RSPO of a credible and workable verification process by which planters and mills can be independently audited and shown to be in compliance with the RSPO standard is thus a vital next step for the RSPO process. Many of us have been observing and making inputs to the Verification Working Group which began work in February and we have the following concerns:

### *Process:*

In the first place we are concerned by the shortcomings in the process of the Verification Working Group, which contrasts markedly with the successful Criteria Working Group, a model that some of us had advocated be followed by the VWG before it was even announced. Whereas the CWG had an adequate budget for meetings, an elected membership, mechanisms to ensure stakeholder representation, agreed procedures for reaching consensus and a series of planned face to face meetings, the VWG seems to lack all these things. It seems to be working on a shoe-string budget with little capacity to sponsor participation by marginal or poorer groups. It works on a 'whoever turns up' and 'whoever emails' gets to vote basis. There are inadequate provisions to ensure that the concerns of smallholders, communities, indigenous peoples, workers and other marginal groups are represented, in terms of budgetary support or places at the table. It remains unclear what happens if significant stakeholder groups are unhappy with draft texts. Far from seeking to build consensus through face to face meetings, since the February launch the VWG sought to develop a document based only on email inputs. Only when some of us protested the lack of physical meetings were *ad hoc* meetings hurriedly called to consider stakeholder objections – the first at extremely short notice, the second at the very same time as the Task Force on Smallholders is meeting making participation of a key stakeholder group nigh impossible.

This is all most unfortunate and explains why instead of having a well prepared document for consideration at RT4 we now have a disputed text which is not yet ready for presentation. Below we present what we see as some of the minimum considerations that must be adequately incorporated in the verification procedure.

## Minimum Requirements for Verification Procedure:

- **National interpretations** must be developed by inclusive and participatory working groups, which should be:
  - led by an RSPO member
  - include, at a minimum, four RSPO members
  - include self-selected spokespeople or representatives from implicated interest groups, notably social NGOs, environmental NGOs, smallholders, local communities and/or indigenous peoples and companies
  - have voting mechanisms to ensure balance between the interested parties.
- In the absence of national interpretations, use of the **generic standard** should be adapted by verifiers to local / national circumstances, through public dissemination and participatory discussion, prior to their use.
- **Units of verification** must be chosen so as to discourage 'greenwashing' through partial verification
- RSPO should require adherence to the RSPO criteria by **mills** closely linked to any plantations seeking RSPO verification
- **Units of verification** must be chosen so as to discourage social exclusion of local communities and smallholders. In Indonesia, for example, NES/PIR schemes should be examined as units, meaning that *inti* and *plasma*, with associated mills, should all be assessed together.
- RSPO must make clear what are major and what are minor **non-conformities**. Lack of compliance with major non-conformities should preclude operations receiving certificates. This should not be left to national interpretations or double standards will probably emerge.

- RSPO verifiers assess full **compliance with the law** (including where this is a government responsibility) and not just assess the best efforts of companies to achieve compliance.
- Verifiers must **consult directly with all implicated interest groups** - notably indigenous peoples, local communities, smallholders, workers, women and migrants - about all relevant principles and criteria.
- RSPO should adopt a transparent and credible processing for verifying the '**chain of custody**', which ensures that consumers can be reassured that the product they buy, stating that it is RSPO compliant, does promote sustainable production.
- Verifiers should have a **credible level of independence** of the operations and companies that they are to assess. More detailed instructions are needed about what constitutes a conflict of interest and how long an assessor needs to have maintained independence from a company or family of companies to be considered not to have a conflict of interests (we suggest a minimum of five years).
- RSPO should require **verifiers** to adopt an agile procedure for handling **complaints and grievances** during and after audits. Information about such procedures should be widely disseminated, not just through the web.
- In addition, **RSPO** should adopt an agile **complaints process** so affected parties can take up any outstanding concerns about audits directly with the RSPO.
- The RSPO develops a credible and transparent process for the **control of claims**.
- Additional mechanisms are essential to **reduce the costs of audits for smallholders** such as simplified audits and group certification.
- The RSPO should explicitly clarify whether or not 'phased implementation' and '**step-wise certification**' is acceptable or not. If 'step-wise' or 'phased' approaches are agreed the procedures for such will need to be set out very clearly.

#### **Concluding comments:**

The current draft (as at 19<sup>th</sup> November) remains inadequate with respect to most of the above. Further discussions are therefore needed before a consensus-based document can be presented to the Board for approval. We urge that adequate provisions are made as soon as possible for proper, participatory meetings of the VWG including a wide range of stakeholders, in early 2007, so that the text can be finalised. Like you, we are impatient for the RSPO to effect change on the ground, but this must be based on the adoption of an adequate verification procedure, if the RSPO's credibility is to be maintained.

Yours sincerely  
Signed:

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