

RSPO Principles and Criteria for Sustainable Palm Oil Production

**Guidance for Independent Smallholders
under Group Certification**

Prepared by the

Task Force on Smallholders

Dated: 19th June 2010



Introduction:

This document sets out the RSPO's Generic Guidance for **Independent** Smallholders under Group Certification. It is designed to stand alongside the RSPO's Generic Guidance for **Scheme** Smallholders, which was approved by the RSPO Executive Board in July 2009.¹

The overall aim of these two documents is to provide a workable and equitable means by which smallholders can get their produce certified so they are not unfairly excluded from the emerging market in RSPO-certified palm oil. This is particularly challenging for independent smallholders for whom compliance and providing proof of compliance with the RSPO standard, as set out in the Principles and Criteria, as well as the sheer costs of audits by certification bodies, taken together present a major obstacle to them gaining access to the market for responsibly produced palm oil. Accordingly, the RSPO's Task Force on Smallholders and the Certification Working Group have recommended that a Group Certification Protocol should be developed to allow independent smallholders to share these costs and get certified as a group.

This text thus complements two documents which together set out a **Protocol for Group Certification**. The two documents respectively set out:

- the standards to which group managers must comply in order for group members to qualify for certification as a group,
- the requirements to be observed by certification bodies to be accredited and to carry out group certifications,

This document, the Generic Guidance for Independent Smallholders under Group Certification, clarifies how the RSPO Principles and Criteria should be applied to such groups.

1. Who are independent smallholders? (and how do they differ from 'scheme smallholders'?)

The RSPO currently defines smallholders as:

Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm

¹ RSPO, 2009, *RSPO Principles and Criteria for Sustainable Palm Oil Production: guidance for scheme smallholders*.



provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size.²

This definition is maintained by this Guidance.

Following the recommendations of the RSPO's Task Force on Smallholders and the RSPO Certification Working Group, RSPO documents make a distinction between what have been variously called 'tied', 'associated' or 'scheme' smallholders, on the one hand, and 'independent' smallholders, on the other. After careful deliberations and comparison of national situations, the Task Force on Smallholders Steering Group has agreed that the most appropriate terms are 'scheme' and 'independent' smallholders.

In the context of RSPO systems, independent smallholders while very varied in their situations are characterised by their: freedom to choose how to use their lands, which crops to plant and how to manage them; being self-organised, self-managed and self-financed; and by not being contractually bound to any particular mill or any particular association. They may, however, receive support or extension services from government agencies.

Scheme smallholders, while also very diverse, are characterised as smallholders who are structurally bound by contract, by a credit agreement or by planning to a particular mill. Scheme smallholders are often not free to choose which crop they develop, are supervised in their planting and crop management techniques, and are often organised, supervised or directly managed by the managers of the mill, estate or scheme to which they are structurally linked.

In accordance with the RSPO Certification Protocol, whereas scheme smallholders should be certified along with the mill with which they are associated, independent smallholders, who may sell their fresh fruit bunches either directly or through intermediaries to a number of mills, are to be certified independently of mills.³

² RSPO, 2007, *RSPO Principles and Criteria for Sustainable Palm Oil Production, including Indicators and Guidance*, October 2007: 47.

³ With respect to smallholders the Certification Working Group made the following recommendations to the RSPO Executive Board in 2007: **Recommendation:** RSPO should encourage independent smallholders to seek certification through smallholder group certifications. Detailed modalities of group certification should be elaborated. (Footnote: Develop modalities, revised guidance for smallholders, financial package/ fund, and trials needed). **Recommendation:** RSPO sets up a working group to establish an ESCROW fund for independent payment and selection of certification body including mechanisms to share the costs of certification through the supply chain. **Recommendation:** RSPO establishes a capital fund that will encourage independent smallholders to comply with and be certified against the RSPO Criteria, including through group certification. Monies will be raised from a levy on tradeable certificates and other approaches, such as contributions from RSPO members that are reported in annual reports of progress (RSPO, 2007, *RSPO Certification Systems*. Final Document prepared for the RSPO Executive Board, 25 May 2007). In November 2010, the RSPO General Assembly passed a resolution by 140 votes to 1 with 11 abstentions to set up a Smallholder Finance Working Group to seek means of financing smallholder certification. The RSPO Executive Board, at its meeting of 24th-25th February 2010, agreed to establish the Smallholder Finance Working Group. The Working Group will, inter alia, explore the option of establishing an ESCROW or Trust Fund to help cover the costs of smallholder certification.



The distinction between ‘scheme smallholders’ and ‘independent smallholders’ is not always easy to make. National interpretation working groups will need to look in detail at how this distinction applies in their country and provide comprehensive lists of which types of smallholders best fit which category. At its meeting on 21st-23rd February 2010, the Steering Group of the RSPO Task Force on Smallholders reaffirmed its recommendation to the RSPO Executive Board that the Board needs to allow for flexibility in the way this distinction is applied in national interpretations to ensure that the typology does not exclude or disadvantage smallholders in some countries. Particular attention was drawn to the situations in Papua New Guinea and Thailand, which differ markedly from Indonesia and Malaysia, and thought was given to the need for the same flexibility in the application of smallholder definitions to other countries as they join the RSPO process.

Associated Smallholders in Papua New Guinea

The Papua New Guinea National Interpretation Working Group has developed the following interim definition of smallholders in the country:

Associated smallholders retain legal authority over their land and farming systems choice without any mandatory or contractual obligations to the mill. In most cases the milling company represents the only available FFB market. The milling company and the statutory extension service have a significant level of responsibility for supporting and encouraging the smallholders in being able to meet RSPO requirements. Credit from financial institutions and milling companies is unsecured and land cannot be forfeited for default on repayment or other non-compliance⁴

2. Who should have responsibility for ensuring independent smallholders comply with the standard?

The logic of the group certification approach and this document is that it is the responsibility of group managers to ensure that group members comply with the RSPO standard in line with this generic guidance or an approved national interpretation. The methods that group managers must use to verify that their members are adhering to the relevant RSPO standard are set out in the **RSPO Standard for Group Certification**. This does not obviate the fact that the smallholders who are members of these groups have responsibilities to comply. Group managers have the responsibility to see that group members: comply with corrective actions requests from certification bodies; respond to other shared decisions of the group and; show continuous improvement in line with Principle 8.

⁴ *Smallholder Definitions - PNG National Interpretation Working Group*, Presentation by Ian Orrell, Oil Palm Research Association of PNG to RSPO TFS Meeting - 1 November 2009



Where group members show persistent failure to adhere to the standard and the requirements of the group, they may be subject to a graded series of remedial actions and eventually expelled from the group.

3. Where are the indicators?

This text does not include any revised 'indicators' but instead includes the indicators set out in the main RSPO P&C which are better suited to large plantations, scheme smallholdings and mills. The advice about 'major' and 'minor' non-conformities set out in the certification protocol also need to be applied alongside this Guidance. The expectation is that revised indicators will be introduced at a later stage, informed by indicators developed in the national guidance for smallholders and after there have been field trials or actual audit experiences during the pilot period.

4. What is being certified?

Independent smallholders and group schemes are by definition independent of mills. They thus produce Fresh Fruit Bunches and not Crude Palm Oil. Adjustments of the RSPOs Certification Protocol and Chain of Custody requirements are needed to allow for the certification of FFB and for a verifiable method to be used for calculating the conversion of certified FFB into the certified SPO market.

Adjustments to these other procedures in the RSPO process are currently in hand.

5. How does this generic guidance relate to national interpretations?

Pending approval by the Executive Board, this generic guidance can be applied for the certification of RSPO-compliant independent smallholders in all the world. In accordance with the RSPO certifications protocol, this means that national interpretations, where these already exist, will need to be revised within one year in order to ensure that they do not diverge too widely from this generic version. In a number of places this generic version recognises that more detailed guidance is needed at the national level.

*Marcus Colchester and Norman Jiwan
Co-Leaders, Task Force on Smallholders
27th June 2010*



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Guidance on for Independent Smallholders under Group Certification

Principle 1: Commitment to transparency

Criterion	Guidance on Smallholders
<p>Criterion 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation on decision making.</p> <p>Indicators: Records of requests and responses must be maintained.</p>	<p>Guidance for group managers: Group managers must provide documents showing compliance with Section 2.1 of the RSPO Standard for Group Certification as well as a continuous improvement plan (8.1). Group managers must ensure that each participant smallholder is provided a copy of the agreements between them and the group (criterion 1.2) and up-to-date records of sales and prices of their produce (6.10).</p> <p>Group managers should also provide all group members with simplified training materials in a format and language understood by the group members on:</p> <ul style="list-style-type: none"> • IPM and safe use of agro-chemicals (4.6) • Health and safety plan (4.7). • Plans and impact assessments relating to environmental and social impacts (5.1, 6.1, 7.1, 7.3). • Pollution prevention plans (5.6). • Details of complaints and grievance procedures (6.3). • Procedures for pricing and grading members’ FFB (6.10) <p>Official versions are kept centralized at group manager level for reference and all</p>



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	<p>group members are made aware of this. Training shall be identified and provided where appropriate in relation to these documents (see 4.8).</p>
<p>Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>Indicators: This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Such documents must be publicly available.</p>	<p>Guidance for group managers: Group managers must also have shared and explained the relevant RSPO standard for Sustainable Oil Palm Production as set out in this document or in an approved national interpretation to group members. Group smallholders have agreements with the group managers.</p> <p>Group Manager must provide a copy of the agreement (mutually agreed) to each smallholder in the group</p> <p>Group Management Documentation is made available to group members by the group manager on request</p> <p>Additional management documents (e.g. related to marketing, pricing, purchasing of inputs etc.) should be made available for all group members</p>

Principle 2: Compliance with applicable laws and regulations

Criterion	Guidance on Smallholders
<p>Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</p> <p>Indicators:</p>	<p>Guidance for group managers: Group managers must hold an up-to-date list of applicable laws and regulation, which is known to be available for reference by group members. Through periodic assessments, group managers must ensure smallholders can show evidence of compliance with all relevant legal requirements including the acquisition or holding of lands. Group smallholders should be aware of and</p>



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<ul style="list-style-type: none"> ○ Evidence of compliance with relevant legal requirements. ○ A documented system, which includes written information on legal requirements. ○ A mechanism for ensuring that they are implemented. ○ A system for tracking any changes in the law. <p>The systems used should be appropriate to the scale of the organisation.</p>	<p>understand the intent of applicable laws and regulations. More detailed guidance must be given in the national interpretations.</p>
<p>Criterion 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. ○ Evidence that legal boundaries are clearly demarcated and visibly maintained. ○ Where there are, or have been, disputes, additional proof of legal acquisition of title and that fair compensation has been made to 	<p>Guidance for group managers: Group managers have maps or other documents showing the lands held by group smallholders and can show these lands are not claimed or contested by third parties with legitimate claims. National interpretations must identify what kinds of documents are needed to show compliance.</p>



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<p>previous owners and occupants; and that these have been accepted with free prior and informed consent.</p> <ul style="list-style-type: none"> o Absence of significant land conflict, unless requirements for acceptable conflict resolution processes (criteria 6.3 and 6.4) are implemented and accepted by the parties involved. 	
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p> <p>Indicators:</p> <ul style="list-style-type: none"> o Maps of an appropriate scale showing extent of recognised customary rights (criteria 2.3, 7.5 and 7.6) o Copies of negotiated agreements detailing process of consent (criteria 2.3, 7.5 and 7.6) 	<p>Guidance for group managers: Group managers can show that lands acquired for group smallholders do not diminish legal or customary rights of other users. Where others’ customary or legally owned lands have been taken-over there is documentary proof of transfer of rights (e.g. sale) and of payment or provision of agreed compensation.</p>

Principle 3: Commitment to long-term economic and financial viability

Criterion	Guidance on Smallholders
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<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ A documented annual business plan. ○ Annual replanting programme, where applicable, projected for a minimum of 5 years with yearly review. 	<p>Guidance for group managers: Group managers have a documented annual business plan which shows economic benefits for the group and sets out expansion plans (see 7.1). This plan is shared with group members in an appropriate format.</p>
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Principle 4: Use of appropriate best practices by growers

Criterion	Guidance on Smallholders
<p>Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Standard Operating Procedures for groups are documented ○ A mechanism to check consistent implementation of procedures is in place. 	<p>Guidance for group managers: Group managers can show how they document, monitor and manage the implementation of best practices by group smallholders e.g. through the internal assessment of members from Group Managers. Group Manager can show that awareness raising took place to address the non-compliant smallholders and these smallholders were included in the continuous improvement plan. Three years will be given for smallholders to comply with this non conformance. More detailed guidance should be given in the national interpretations. Training should be provided under 4.8.</p>



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Criterion	Guidance on Smallholders
<p>Records of monitoring & the actions taken are maintained.</p>	
<p>Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Records of fertilizer inputs are maintained. ○ Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. ○ A nutrient recycling strategy should be in place. 	<p>Guidance for group managers: Group managers can show that they have carried out trainings with group smallholders to explain best practices to maintain soil fertility (see 4.8) and monitor effective implementation.</p>
<p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Maps of fragile soils must be available. ○ A management strategy should exist for plantings on slopes above a certain limit (needs to be soil and climate specific). ○ Presence of road maintenance programme. 	<p>Guidance for group managers: Group managers can show that they have carried out trainings with group smallholders to explain best practices to minimise and control the erosion and degradation (see 4.8) and monitor and verify effective implementation.</p> <p>National interpretations shall contain details on peat depth.</p>



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Criterion	Guidance on Smallholders
<ul style="list-style-type: none"> ○ Subsidence of peat soils should be minimised under an effective and documented ater management programme. ○ A management strategy should be in place for other fragile and problem soils (e.g.sandy, low organic matter, acid sulfate soils) 	
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ An implemented water management plan. ○ Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones. ○ Monitoring of effluent BOD. ○ Monitoring of mill water use per tonne of FFB. 	<p>Guidance for group managers: Group Managers shall ensure that group members are maintaining riparian buffer zones and not contributing to water quality degradation. This is monitored and overseen by the Group Manager. Where existing smallholdings are already established in riparian buffer zones these areas should be restored with natural vegetation at replanting.</p>
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed through using appropriate Integrated Pest Management (IPM) techniques.</p>	<p>Guidance for group managers: Group managers should provide regular training to group smallholders in IPM techniques (incorporating cultural, biological, mechanical or physical methods – see 4.8) to minimise use of chemicals and provide appropriate assistance for application. More detailed guidance should be given in the national</p>



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Criterion	Guidance on Smallholders
<p>Indicators:</p> <ul style="list-style-type: none"> ○ An IPM plan is documented and current. ○ Monitoring extent of IPM implementation including training. ○ Monitoring of pesticide toxicity units (a.i./LD 50 per tonne of FFB or per hectare). <p>Due to problems in the accuracy of measurement, monitoring of pesticide toxicity is not applicable to smallholders.</p>	<p>interpretations.</p>
<p>Criterion 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use, and where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Justification of all agrochemical use. ○ Records of pesticide use (including active 	<p>Guidance for group managers: Group managers will provide regular training to group smallholders on agrochemical use (see 4.8), especially on how:</p> <ul style="list-style-type: none"> • chemicals should only be applied in accordance with the product label. • appropriate safety equipment can be acquired and used. • all precautions attached to the products should be properly observed, applied, and understood. • the dangers of use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat. • chemicals should be securely and safely stored and how all chemical containers should be properly disposed of and not used for other purposes (and see criterion



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Criterion	Guidance on Smallholders
<p>ingredients used, area treated, amount</p> <ul style="list-style-type: none"> ○ applied per ha and number of applications). ○ Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat, is reduced and/or eliminated. ○ Use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species should be used where available. However, measures to avoid the development of resistance (such as pesticide rotations) are applied. ○ Chemicals should only be applied by qualified persons who have received the necessary training and should always be applied in accordance with the product label. Appropriate safety equipment must be provided and used. All precautions attached to the products should be properly observed, applied, and understood by workers. Also see criterion 4.7 on health and safety. ○ Storage of all chemicals as prescribed in FAO or 	<p>5.3).</p> <ul style="list-style-type: none"> • pesticides should be applied by proven methods that minimise risk and impacts. • proper disposal of waste material, according to procedures that are fully understood (also see criterion 5.3 on waste disposal). • There should be no chemical spraying by pregnant women or children. <p>Group managers records will also show:</p> <ul style="list-style-type: none"> • list of all agrochemicals used by group members • documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat is reduced and/or eliminated and alternatives identified where possible by the group manager in accordance with the dangers identified of these chemicals. • They have assessed options for regular health screening for all group smallholders and workers they employ (if any) using or handling agrochemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat and encouraged smallholders to have such screening where accessible facilities exist. <p>Note: RSPO will identify safe and cost effective alternatives to replace chemicals that are categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat. Results will be collated and</p>



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Criterion	Guidance on Smallholders
<p>GIFAP Code of Practice (see Annex 1). All chemical containers must be properly disposed of and not used for other purposes (see criterion 5.3).</p> <ul style="list-style-type: none"> ○ Application of pesticides by proven methods that minimise risk and impacts. ○ Pesticides are applied aurally only where there is a documented justification. ○ Proper disposal of waste material, according to procedures that are fully understood by workers and managers. Also see criterion 5.3 on waste disposal. ○ Specific annual medical surveillance for pesticide operators, and documented action to eliminate adverse effects. ○ No work with pesticides for pregnant and breast-feeding women. 	<p>reported by November 2007.</p>
<p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>Indicators:</p>	<p>Guidance for group managers: the Group Manager will identify the risk related to the group smallholdings and will address them in awareness training for the smallholders (and see 4.8). Major risks only will be addressed through emergency procedures. More detailed guidance should be given in the national interpretations.</p>



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Criterion	Guidance on Smallholders
<p>The health and safety plan covers the following:</p> <ul style="list-style-type: none"> ○ A health and safety policy, which is implemented and monitored. ○ All operations where health and safety is an issue have been risk assessed and procedures and actions are documented and implemented to address the identified issues. All precautions attached to products should be properly observed and applied to the workers. ○ All workers involved in the operations have been adequately trained in safe working practices (see also criterion 4.8). Adequate and appropriate protective equipment should be available to labourers at the place of work to cover all potentially hazardous operations, such as pesticide application, land preparation, harvesting and, if it is used, burning. ○ The responsible person should be identified. There are records of regular meetings between the responsible person and workers where concerns of all parties about health, safety and welfare are discussed. Records detailing the 	



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Criterion	Guidance on Smallholders
<p>occurrence and issues raised should be kept.</p> <ul style="list-style-type: none"> ○ Accident and emergency procedures should exist and instructions should be clearly understood by all workers. Accident procedures should be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations and first aid equipment should be available at worksites. Records should be kept of all accidents and periodically reviewed. Workers should be covered by accident insurance. ○ Recording of occupational injuries. Suggested calculation: Lost Time Accident (LTA) rate (either specify acceptable maximum, or demonstrate downward trend). 	
<p>Criterion 4.8 All staff, workers, smallholders and contractors are appropriately trained.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ A formal training programme that includes regular assessment of training needs and documentation of the programme. 	<p>Guidance for group managers: Group managers should raise awareness on relevant issues and identify training needs and provided to smallholders where needed. Areas for assessment of training include:</p> <ul style="list-style-type: none"> • The functioning of groups and the responsibilities of group members ▪ The relevance of the RSPO standard ▪ Legal compliance (see 2.1)



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Criterion	Guidance on Smallholders
<ul style="list-style-type: none"> ○ Records of training for each employee are kept. 	<ul style="list-style-type: none"> ▪ Operating procedures (see 4.1) ▪ Soil and water management (see 4.2, 4.3 & 4.4) ▪ Integrated Pest Management (see 4.5) ▪ Agrochemical use (see 4.6) ▪ Occupational Health and Safety (see 4.7) ▪ Use of fire and relevant regulations (see 5.5)

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion	Guidance on Smallholders
<p>Criterion 5.1 Aspects of plantation and mill management that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Documented impact assessment. <p>Where the identification of impacts requires changes in current practices, in order to mitigate negative</p>	<p>Guidance for group managers: Group managers must undertake and document an impact assessment, developed with the participation of smallholders and local communities, that includes all the group smallholdings and sets out appropriate actions to address each impact identified when:</p> <ul style="list-style-type: none"> • Replanting or expanding smallholdings. • Clearing remaining natural vegetation and given the need to avoid the use of fire (see 5.5).



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Criterion	Guidance on Smallholders
<p>effects, a timetable for change should be developed.</p>	
<p>Criterion 5.2 The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.</p> <p>Indicators:</p> <p>Information should be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> ○ Presence of protected areas that could be significantly affected by the grower or miller. ○ Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered species, that could be significantly affected by the grower or miller. ○ Identification of high conservation value habitats, such as rare and threatened ecosystems, that 	<p>Guidance for group managers: Group managers will compile Information about the status of critical aspects as listed in National Interpretations within the area of group smallholdings. This information should be provided to group smallholders and should cover:</p> <ul style="list-style-type: none"> • Presence of protected areas that could be significantly affected by smallholdings • Conservation status (e.g. IUCN status), legal protection, population status and habitat requirements of rare, threatened, or endangered species, that could be significantly affected by the smallholdings. • Identification of high conservation value habitats, such as rare and threatened ecosystems, that could be significantly affected by the smallholdings. • If rare, threatened or endangered species, or high conservation value habitats, are present, appropriate protection measures must be adopted by group managers in accordance with the National Interpretation and the relevant laws.



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Criterion	Guidance on Smallholders
<p>could be significantly affected by the grower or miller.</p> <p>If rare, threatened or endangered species, or high conservation value habitats, are present, appropriate measures for management planning and operations will include:</p> <ul style="list-style-type: none"> ○ Ensuring that any legal requirements relating to the protection of the species or habitat are met. ○ Avoiding damage to and deterioration of applicable habitats. ○ Controlling any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts (e.g., incursions by elephants). 	
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Documented identification of all waste products and sources of pollution 	<p>Guidance for group managers: Group Managers shall ensure that group members are made aware of the need to identify all waste and dispose of it in a responsible manner. This is monitored and overseen by the Group Manager. There should be appropriate disposal of hazardous chemicals and their containers. Surplus chemical containers should be disposed of such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to.</p>



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Criterion	Guidance on Smallholders
<ul style="list-style-type: none"> ○ Safe disposal of pesticide containers. <p>Having identified wastes, a waste management and disposal plan must be developed and implemented, to avoid or reduce pollution.</p>	
<p>Criterion 5.4 Efficiency of energy use and use of renewable energy is maximised.</p> <p>Indicators: do not apply</p>	<p>Guidance for group managers: This criterion is not applicable to group smallholders.</p>
<p>Criterion 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Documented assessment where fire has been used for preparing land for replanting. 	<p>Guidance for group managers: Group Managers shall ensure that group members are not utilizing fire in operations. This is monitored by the Group Manager.</p>
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> <p>Indicators: do not apply</p>	<p>Guidance for group managers: This criterion is not applicable to group smallholders.</p>



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Principle 6: Responsible consideration of employees and of individuals and communities affected by growers

Criterion	Guidance on Smallholders
<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ A documented social impact assessment including records of meetings. ○ Evidence that the assessment has been done with the participation of affected parties. ○ Participation in this context means that affected parties are able to express their views through their own representative institutions, or freely chosen spokespersons, during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans. ○ A timetable with responsibilities for mitigation 	<p>Guidance for group managers: Group managers must be able to demonstrate that group smallholders participated in the development of a simplified impact assessment for their group holdings. Group managers must provide:</p> <ul style="list-style-type: none"> • A documented simplified social impact assessment. • Evidence that the assessment has been done with the participation of group smallholders, local communities and stakeholders. • A timetable with responsibilities for mitigation and monitoring, reviewed and updated as necessary, in those cases where the assessment has concluded that changes should be made to current practices.



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Criterion	Guidance on Smallholders
<p>and monitoring, reviewed and updated as necessary, in those cases where the assessment has concluded that changes should be made to current practices.</p> <ul style="list-style-type: none"> ○ Particular attention paid to the impacts of outgrower schemes (where the plantation includes such a scheme). 	
<p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or mills, local communities and other affected or interested parties.</p> <p>Indicators</p> <ul style="list-style-type: none"> ○ Documented consultation and communication procedures. ○ A nominated management official responsible for these issues. ○ Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders. 	<p>Guidance for group managers: Group managers must have documentary evidence that they have implemented procedures for regular communications with, and assessments of, group smallholders in line with the requirements of the RSPO Standard for Group Certification and liaise with local communities.</p>
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and</p>	<p>Guidance for group managers: Group managers have a documented system to resolve disputes concerning group smallholdings in an effective, timely and</p>



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<p>grievances, which is implemented and accepted by all parties.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ The system resolves disputes in an effective, timely and appropriate manner. ○ Documentation of both the process by which a dispute was resolved and the outcome. ○ The system is open to any affected parties. 	<p>appropriate manner. Documents exist of both the process by which a dispute was resolved and the outcome showing the process was open to any affected parties. These dispute resolution mechanisms should be established through open and consensual agreements with smallholders.</p>
<p>Criterion 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. ○ A procedure for calculating and distributing fair compensation (monetary or otherwise) is 	<p>Guidance for group managers: Group managers must be able to show that group members have acquired lands by legal or accepted customary means. This includes:</p> <ul style="list-style-type: none"> • Establishment of a process for identifying legal and customary rights and for identifying people entitled to compensation. • A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. <p>These procedures should take into account gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities and; differences in ethnic groups’ proof of legal versus communal ownership of land. Compensation should be in line with fair market value or replacement cost.</p> <p>This criterion should be considered in conjunction with Criterion 2.3 and the</p>



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<p>established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land.</p> <ul style="list-style-type: none"> ○ The process and outcome of any negotiated agreements and compensation claims is documented and made publicly available. 	<p>associated guidance. National interpretations should provide additional guidance.</p>
<p>Criterion 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to meet basic needs of personnel and to provide some discretionary income.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Documentation of pay and conditions. ○ Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g., working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in 	<p>Guidance for group managers: Group managers must ensure that workers employed to service smallholders enjoy the labour rights, conditions and protections stipulated in the respective National Interpretations.</p>



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Criterion	Guidance on Smallholders
<p>the languages understood by the workers or explained carefully to them by a management official.</p> <ul style="list-style-type: none"> o Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities to national standard or above, where no such public facilities are available or accessible (not applicable to smallholders). 	
<p>Criterion 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> <p>Indicators: do not apply</p>	<p>Guidance for group managers: This criterion is not applicable to group smallholders.</p>
<p>Criterion 6.7 Child labour is not used. Children are not exposed to hazardous working conditions. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes.</p> <p>Indicators:</p>	<p>Guidance for group managers: Group managers will train group smallholders in the national and ratified international legal requirements for avoiding the use of child labour</p> <p>Work by children on family smallholdings is only acceptable under adult supervision and when not interfering with education programmes and if permitted by national and ratified international laws.</p>



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Criterion	Guidance on Smallholders
<ul style="list-style-type: none"> ○ Documentary evidence that minimum age requirement is met. 	
<p>Criterion 6.8 The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment. ○ Evidence that employees and groups including migrant workers have not been discriminated against. 	<p>Guidance for group managers: Group managers must provide training to group members about the need to avoid discrimination in the recruitment and employment of workers employed by, or to assist, smallholders.</p>
<p>Criterion 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ A policy on sexual harassment and violence and 	<p>Guidance for group managers: Group managers must provide training to group members about the need to prevent sexual harassment and the abuse of women among both smallholders and any workers employed by them.</p>



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Criterion	Guidance on Smallholders
<p>records of implementation.</p> <ul style="list-style-type: none"> ○ A specific grievance mechanism is established. 	
<p>Criterion 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Current and past prices paid for FFB shall be publicly available. ○ Pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). ○ Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. ○ Agreed payments shall be made in a timely manner. 	<p>Guidance for group managers: Group managers must ensure that</p> <ul style="list-style-type: none"> • Current and past prices paid for FFB are freely available to group members and other parties. • Fair and transparent mechanisms must be established to pay members and other parties for their FFB • Agreed payments are made in a timely manner. <p>Transactions with group smallholders should deal fairly with issues such as the role of middle men, transport and storage of FFB, quality and grading, and inputs from family labour.</p> <p>Smallholders must have access to the grievance procedure under criterion 6.3, if they consider that they are not receiving a fair price for FFB, whether or not middle men are involved.</p>
<p>Criterion 6.11 Growers and millers contribute to local sustainable development wherever appropriate.</p> <p>Indicators: do not apply</p>	<p>Guidance for group managers: This criterion is not applicable to group smallholders.</p>



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Principle 7: Responsible development of new plantings

Summary of Guidance:

- Individual smallholders are not eligible for RSPO group certification if their holdings have been established, after 2005, in primary forests or any area containing one or more High Conservation Value.
- Smallholder groups whose members plan to expand their aggregate holdings by less than 500 ha. in any one year must develop a simplified SEIA (7.1, 7.2 and 7.4) and must observe 7.3, 7.4 and 7.6. Details of expansion plans should be detailed in group business plans (see 3.1).
- Smallholder groups whose members plan to expand their aggregate holdings by more than 500 ha. in any one year must comply with all criteria in principle 7.

Criterion	Guidance on Smallholders
<p>Criterion 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Independent impact assessment, undertaken through a participatory methodology including 	<p>Guidance for group managers: Where groups plan to expand their aggregate holdings <u>by more than 500 ha.</u> in any one year, group managers should ensure that local communities, indigenous peoples and prospective smallholders participate actively in impact assessments. In addition to the considerations outlined in the RSPO P&C such assessments must include participatory consideration of:</p> <ul style="list-style-type: none"> • Land use planning and land allocations to smallholders and arrangements regarding land acquisition. • Identification and mitigation of environmental impact, road building and road maintenance.



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Criterion	Guidance on Smallholders
<p>external stakeholder groups.</p> <ul style="list-style-type: none"> ○ Appropriate management planning and operational procedures. ○ Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed should be given particular attention. 	<ul style="list-style-type: none"> • Conservation Values (see criterion 7.3) that could be negatively affected. • Assessment of potential effects on adjacent natural ecosystems of planned smallholding developments, including whether development or expansion will increase pressure on nearby natural ecosystems. • Identification of watercourses and assessment of potential effects on hydrology by planned smallholding developments. Measures should be planned and implemented to maintain the quantity and quality of water resources. • Baseline soil surveys and topographic information, including the identification of marginal and fragile soils, areas prone to erosion and slopes unsuitable for planting, where such data already exists. • Analysis of type of land to be used (forest, degraded forest, cleared land). • Analysis of land ownership and user rights. • Analysis of current land use patterns. • Assessment of potential social impact on surrounding communities of the group of smallholdings, including an analysis of differential effect on women versus men, ethnic communities, migrant versus long-term residents. <p>Where groups plan to expand their aggregate holdings <u>by less</u> than 500 ha. in any one year, group managers should carry out a simplified social and environmental impact assessment which assesses HCVs, identifies suitable lands and other rightsholders.</p>



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Criterion	Guidance on Smallholders
<p>Criterion 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation should be available. ○ Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available. 	<p>Guidance for group managers: Where groups plan to expand their aggregate holdings <u>by more than</u> 500 ha. in any one year, group managers must ensure that these requirements are applied to all group members planning to expand their holdings or acquire new ones. National interpretations should include detail on peat depth.</p> <p>Where groups plan to expand their aggregate holdings <u>by less than</u> 500 ha. in any one year only a simplified soil survey is required (see 7.1)</p>
<p>Criterion 7.3 New plantings since November 2005 (which is the date of adoption of these criteria by the RSPO membership), have not replaced primary forest or any area containing one or more High Conservation Values.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ An HCV assessment, including stakeholder consultation, is conducted prior to any conversion. 	<p>Guidance for group managers: Group managers must ensure that this criterion is applied to group smallholdings.</p> <p>This criterion also applies to independent smallholders who later seek to become members of smallholder groups seeking certification.</p>



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Criterion	Guidance on Smallholders
<ul style="list-style-type: none"> ○ Dates of land preparation and commencement are recorded. 	
<p>Criterion 7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</p> <p>Indicators:</p> <ul style="list-style-type: none"> ○ Maps identifying marginal and fragile soils, including excessive gradients and peat soils, should be available. ○ Where limited planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. 	<p>Guidance for group managers: Where groups plan to expand their aggregate oil palm holdings <u>by more</u> than 500 ha. in any one year, group managers must ensure that no new lands are acquired by existing group members on steep terrain and/or on marginal and fragile soils.</p>
<p>Criterion 7.5 No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p>Indicators:</p> <p>Refer to criteria 2.2, 2.3, 6.2, 6.4 and 7.6 for</p>	<p>Guidance for group managers: This criterion must be considered with 2.2, 2.3, 6.4 and 7.6. Group managers must ensure that members first identify local owners of any and all lands for the expansion or acquisition of new group smallholdings.</p> <p>General Guidance:</p> <p>Where lands are encumbered by legal or customary rights, the group manager must demonstrate that these rights are understood by group members and are not being threatened or reduced.</p> <p>This criterion allows for sales and negotiated agreements to compensate other users</p>



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Criterion	Guidance on Smallholders
<p>indicators and guidance on compliance.</p>	<p>for lost benefits and/or relinquished rights. Negotiated agreements to acquire lands for group smallholdings should be non-coercive and entered into voluntarily, carried out prior to new investments or operations and based on an open sharing of all relevant information in appropriate forms and languages, including assessments of impacts, proposed benefit sharing and legal arrangements. Those selling or leasing lands must be permitted to seek legal counsel if they so choose. Communities selling or leasing lands must be represented through institutions or representatives of their own choosing, operating transparently and in open communication with other community members. Adequate time must be given for customary decision-making and iterative negotiations allowed for, where requested. Negotiated agreements should be binding on all parties and enforceable in the courts.</p> <p>Group managers have maps or other documents showing the land holdings of group smallholders and can show these lands are not claimed or contested by third parties with legitimate claims</p> <p>Group managers can show that lands acquired for smallholders do not diminish legal or customary rights. Where others' customary or legally owned lands have been taken-over there is proof of transfer of rights (e.g. sale or lease) and of payment or provision of agreed compensation.</p>
<p>Criterion 7.6 Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>	<p>Guidance for group managers: see 7.5 above.</p>



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Criterion	Guidance on Smallholders
<p>Indicators:</p> <ul style="list-style-type: none"> ○ Documented identification and assessment of legal and customary rights. ○ Establishment of a system for identifying people entitled to compensation. ○ Establishment of a system for calculating and distributing fair compensation (monetary or otherwise). ○ Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development. ○ The process and outcome of any compensation claims should be documented and made publicly available. <p>This activity should be integrated with the SEIA required by 7.1.</p>	
<p>Criterion 7.7 Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other</p>	<p>Guidance for group managers: Group managers must ensure that no fire is used to establish new plantings.</p> <p>Fire should be used only where an assessment has demonstrated that it is the most</p>



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Criterion	Guidance on Smallholders
<p>regional best practice.</p> <p>Indicators:</p> <ul style="list-style-type: none"> o No evidence of land preparation by burning. o Documented assessment where fire has been used for preparing land for planting. o Evidence of approval of controlled burning as specified in ASEAN guidelines or other regional best practice. o This activity should be integrated with the SEIA required by 7.1. 	<p>effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks during the preparation of new plantings, and with evidence that fire-use is carefully controlled.</p> <p>National interpretation should identify any specific situations where such use of fire may be acceptable, for example through reference to ‘Guidelines for the implementation of the ASEAN policy on zero burning’, or comparable guidelines in other locations.</p>

Principle 8: Commitment to continuous improvement in key areas of activity

Criterion	Guidance on Smallholders
<p>Criterion 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p> <p>Indicators:</p>	<p>Guidance for group managers: Group managers must develop an action plan for continual improvement, developed in a participatory manner with group smallholders, based on a consideration of the main social and environmental impacts and opportunities of the smallholdings, and should include a range of indicators covered by these principles and criteria.</p>



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<ul style="list-style-type: none"> ○ The action plan for continual improvement should be based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and should include a range of indicators covered by these principles and criteria. As a minimum, these must include, but not necessarily be limited to: ○ Reduction in use of certain chemicals (criterion 4.6). ○ Environmental impacts (criterion 5.1). ○ Waste reduction (criterion 5.3). ○ Pollution and emissions (criterion 5.6). ○ Social impacts (6.1). 	
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