

**The Roundtable on Sustainable Palm Oil (RSPO)  
PNG National Implementation Working Group (PNG NIWG)**

**Indicators and guidance required to establish  
the RSPO Principles and Criteria**

*(Edited 28 February 2008 @ PNG NIWG meeting and further revised 17 March 2008)*

**Principle 1: Commitment to transparency**

**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 in decision making.

**Indicators:**

1.1.1 Records of requests and responses must be maintained.

**Major compliance issue**

***PNG Guidance notes***

Growers and millers should respond constructively and promptly to requests for information from stakeholders responses should be in either English or Tok Pisin

See criterion 1.2 for requirements relating to publicly available documentation.

See also criterion 6.2 relating to consultation

**Guidance for independent smallholders (and larger out-growers):**

Independent smallholders can make documents available demonstrating their rights in land such as land title, user rights and maps (if available).

## 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.

### Indicators:

This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to:

- 1.2.1 The company holds a list of publicly available documents that is approved by top management

**Major compliance issue**

- 1.2.2 Equal opportunities policy as per the Constitution of PNG

**Major compliance issue** (for companies and out grower Management Organisations)

**Specific Guidance**

Held on site

View free of charge but copies produced at cost

CD / website used where applicable

Suggests companies place on PNG pages of RSPO website

- 1.2.3 Land titles/user rights (criterion 2.2)

**Major compliance issue** (for companies)

**Specific Guidance**

Note - these are held centrally by the government lands department and are in the public domain but copy should be held on site

Out grower Management Organisations to hold copies where possible

Note - increasing number of out growers cannot prove ownership of their own rights to use the land

- 1.2.4 Occupational health and Safety **Plan** for producer companies (4.7)

**Major compliance issue**

- 1.2.5 Producer companies to encourage Management organisations of out growers to adopt and disseminate an OHS policy

**Minor compliance issue**

**Specific Guidance**

Held on site

View free of charge but copies produced at cost

CD / website used where applicable

Suggests companies place on PNG pages of RSPO website

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- 1.2.6 Health Policy to include: HIV/ AIDS, Malaria, Domestic Violence and a Sexual Harassment Policy

### **Major compliance issue**

Out grower Management Organisations possess a “in house” policy

### **Specific Guidance**

Held on site

View free of charge but copies produced at cost

CD / website used where applicable

Suggests companies place on PNG pages of RSPO website

- 1.2.7 Plans and impact assessments relating to environmental and social impacts (5.1, 5.6, 6.1, 7.1, 7.3).

### **Major compliance issue**

### **Specific Guidance**

Both the Social Impact and Environmental Assessment (SEIA) and the subsequent Environmental Management and Monitoring Plan (EMMP) are **Compulsory** legal requirements

Held on site

View free of charge but copies produced at cost

Note these are held by Department of Environment and Conservation (DEC) for land areas >1000 ha as an assessment is required by the Environment Act 2000.

Not applicable to management Organisations

- 1.2.8 Details of complaints and grievances (6.3)

### **Major compliance issue**

Out grower Management Organisations to also adopt this – incrementally as a **Minor compliance issue**

- 1.2.9 Documented system for access to customary land and negotiation procedures for settling disputes under criteria 6.4

### **Major compliance issue**

### **Specific Guidance**

Out grower Extension services can facilitate this process but not directly control it; for Land Settlement Schemes, procedure set out by Lands Department; for Village Oil palm (VOP) refer to customary laws.

- 1.2.10 Continuous improvement plan (8.1)

### **Major compliance issue**

### **PNG Guidance Notes:**

Examples of commercially confidential information include financial data such as costs and income, and details relating to customers and/or suppliers. Data that affects personal privacy should also be confidential.

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Examples of information where disclosure could result in potential negative environmental or social outcomes include information on sites of rare species where disclosure could increase the risk of hunting or capture for trade, or sacred sites which a community wish to maintain as private.

### **Smallholder / Out-grower Specific National Guidance**

Smallholder management Organisations should have all the above for their employees and out growers where applicable.

In the case where an extension service is attached to a specific company it would adopt the policies of that company.

**Guidance for independent smallholders:** Not applicable

### Principle 2: Compliance with applicable laws and regulations

#### Criterion 2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

#### Indicators:

2.1.1 Evidence that all applicable legal and regulatory requirements are implemented as prescribed

**Major compliance issue** for Companies

Out-grower management Organisations can only influence out growers

2.1.2 A documented system, which includes written information on legal requirements.

**Minor compliance issue**

**International guidance**

Suggested RSPO keep a register of all relevant international convention. National Implementation bodies to then check on their own country ratification

2.1.3 A system for tracking any changes in all applicable local, national and ratified international laws and regulations

**Minor compliance issue**

The systems used should be appropriate to the scale of the organisation.

For small-scale producers the focus should be on the grower having adequate knowledge of the main legal requirements and implementing them.

#### PNG Guidance notes

Implementing all legal requirements is an essential baseline requirement for all growers whatever their location or size. Relevant legislation includes, but is not limited to, regulations governing land tenure and land-use rights, labour, agricultural practices (e.g., chemical use), environment (e.g., wildlife laws, pollution, environmental management and forestry laws), storage, transportation and processing practices. It also includes laws made pursuant to a country's obligations under international laws or Conventions (e.g. the Convention on Biodiversity, CBD). Furthermore, where countries have provisions to respect customary law, these must be taken into account. For national interpretation, all relevant legislation should be identified, and any particularly important requirements identified.

Key international laws and conventions pertinent to PNG are set out on the PNG web page [www.rspo.org/National%20Interpretation.htm#PNG](http://www.rspo.org/National%20Interpretation.htm#PNG)

#### Smallholder / out grower Specific National Guidance

For small-scale producers the focus should be on the grower having adequate knowledge of the main legal requirements and implementing them. RSPO out - growers selection form provides this information to the out growers

**Guidance for independent smallholders:** Independent smallholders show awareness of relevant customary, local & national laws.

### Criterion 2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.

#### Indicators:

2.2.1 Documents showing legal ownership or lease, and where possible, a history of land tenure and the actual legal use of the land. (criterion 1.2)

#### Major compliance issue

2.2.2 Evidence that legal boundaries can be clearly identified.

#### Major compliance issue

2.2.3 Where there are, or have been, disputes, proof of resolution or progress towards resolution by acceptable conflict resolution processes (criteria 6.3 and 6.4) are implemented.

#### Major compliance issue

2.2.4 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.

#### Major compliance issue

#### Guidance:

- For any conflict or dispute over the land, the extent of the disputed area should be mapped out in a participatory way. A survey by a registered surveyor is required to identify legal boundaries.
- Where there is a conflict on the condition of land use as per land title, growers should show evidence that necessary action has been taken to resolve the conflict with relevant parties.
- Ensure a mechanism to solve the conflict (Criteria 6.3 and 6.4)
- All operations should cease on land planted beyond the legal boundary.

#### PNG Guidance notes

For national interpretations, any customary land use rights or disputes which are likely to be relevant should be identified.

#### Smallholder / Out grower Specific National Guidance

See earlier comment re Lands for OPIC etc.

Customary land block to block dispute are left for the landowners to settle as multitude of local rights. PNG Land mediation procedures in place and out-grower management Organisations allow this process to occur unhindered.

**Guidance for independent smallholders:** Independent smallholders can demonstrate rights to their landholdings and there is no evidence of major land disputes.

### 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.

#### Indicators:

2.3.1 Maps of an appropriate scale showing extent of plantations on alienated land.

**Major compliance issue**

2.3.2 Maps of an appropriate scale showing extent of lease – lease back areas (see below)

**Major compliance issue**

2.3.3 Maps of an appropriate scale showing extent of land settlement scheme on alienated land

**Major compliance issue**

2.3.4 Sketch maps showing customary land to be utilised in VOP

**Minor compliance issue**

2.3.5 Land titles for 1-3.

**Major compliance issue**

2.3.6 Customary land usage agreement to demonstrate rights to 2.3.4.

**Minor compliance issue** for out grower Organisations [NOTE; for new starts it is **compulsory** to have a CLUA in place; it is not possible to enforce for existing arrangements]

2.3.7 Copies of negotiated agreements detailing process of consent (criteria 2.2, 7.5 and 7.6)

**Major compliance issue**

#### PNG Guidance notes:

Where lands are encumbered by legal or customary rights, the grower must demonstrate that these rights are understood and are not being threatened or reduced. This criterion should be considered in conjunction with criteria 6.4, 7.5 and 7.6. Where customary rights areas are unclear these are best established through participatory mapping exercises involving affected and neighbouring communities.

This criterion allows for sales and negotiated agreements to compensate other users for lost benefits and/or relinquished rights. Negotiated agreements 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.

Communities must be permitted to seek legal counsel if they so choose. Communities 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

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should be binding on all parties and enforceable in the courts. Establishing certainty in land negotiations is of long-term benefit for all parties.

For definition of 'customary rights' see definitions in the original RSPO principles and Criteria Document on the PNG web page;

[www.rspo.org/National%20Interpretation.htm#PNG](http://www.rspo.org/National%20Interpretation.htm#PNG)

**Guidance for independent smallholders:** Independent smallholders can demonstrate rights to their landholdings. 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.

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

#### Criterion 3.1

There is an implemented management plan that aims to achieve long-term economic and financial viability.

##### Indicators:

3.1.1 A documented business or management plan (minimum 5 years).

**Major compliance issue - but not required to be publicly available**

3.1.2 Annual replanting programme, where applicable, projected for a minimum of 5 years with yearly review.

**Minor compliance issue**

##### PNG Guidance notes:

Whilst it is recognised that long-term profitability is also affected by factors outside their direct control, top management must be able to demonstrate attention to economic and financial viability through long-term management planning.

The business or management plan may contain:

- Attention to quality of planting materials.
- Crop projection = FFB yield trends.
- Mill extraction rates = OER trends.
- Cost of Production = cost per tonne of CPO trends.
- Forecast prices.
- Financial indicators.
- Suggested calculation – trends in 3-year running mean over the last decade (FFB trends may need to allow for low yield during major replanting programmes).

For smallholder management Organisations the content would vary.

This criterion is not applicable to individual smallholders.

**Guidance for independent smallholders:** Not applicable.

### Principle 4: Use of appropriate best practices by growers and millers

#### Criterion 4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

##### Indicators:

4.1.1 Standard Operating Procedures for estates and mills are documented

**Major compliance issue**

4.1.2 A mechanism to check consistent implementation of procedures is in place.

**Major compliance issue**

4.1.3 PNG national codes of practice are referenced.

**Major compliance issue**

4.1.4 Records of monitoring and the action taken are maintained.

**Major compliance issue**

##### PNG Guidance notes:

Note - for indicator 4.1.1 an ISO 14,001 EMS will contain documented Standard Operation Procedures which are subjected to periodic scrutiny

##### Smallholder / Out grower Specific National Guidance:

For individual smallholders working practices will have to be consistent with documented procedures provided by customers or smallholder organisations.

**Guidance for independent smallholders:** Not applicable.

### Criterion 4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

#### Indicators:

PNG NIWG recommends that the indicators in criterion 4.2 and 4.3 are linked

4.2.1 Records of fertilizer inputs are maintained.

#### Minor compliance issue

Out grower management Organisations expected to comply

4.2.2 Evidence of periodic tissue and soil sampling to monitor changes in nutrient status.

#### Minor compliance issue

4.2.3 A nutrient recycling strategy should be in place.

#### Minor compliance issue

Out growers excepted

#### PNG Guidance notes:

Long-term fertility depends on maintaining the structure, organic matter content, nutrient status and microbiological health of the soil. Managers should ensure that best agricultural practice is followed. Nutrient efficiency must take account of the age of plantations and soil conditions. The nutrient recycling strategy should include EFB, POME, other mill by-products, palm residues after replanting and any use of biomass for by-products or energy production. These indicators are rough and ready will need to be refined. Only research will yield the salient parameters to measure

#### Smallholder / Out grower Specific National Guidance

Out grower management Organisations should be able to demonstrate that out growers are being informed about the techniques required to maintain soil fertility and that they are being encouraged to implement them.

**Guidance for independent smallholders:** Independent smallholders can demonstrate that they have an understanding of the techniques required to maintain soil fertility and that these are being implemented.

### Criterion 4.3

Practices minimise and control erosion and degradation of soils.

#### Indicators:

4.3.1 Risk assessment of erosion for each block (smallholder and plantation)

**Minor compliance issue**

4.3.2 No evidence of new planting (Nov 07) on slopes above 25° (smallholder and plantation)

**Major compliance issue**

4.3.3 Erosion control practices are implemented on fields with slopes above 9° (and less than 25°) and on Blocks identified as having significant risk of erosion (for both smallholders and plantations)

**Minor compliance issue**

4.3.4 Subsidence of peat soils should be minimised under an effective and documented water management programme.

**Major compliance issue**

4.3.5 Presence of a road maintenance program that includes control and management of rainfall runoff.

**Minor compliance issue**

4.3.6 A management strategy should be in place for fragile and problem soils; this should include maps of these soils.

**Minor compliance issue**

#### PNG Guidance notes:

Techniques that minimise soil erosion should be adopted, wherever appropriate. This may include practices such as:

- Planning and implementing ground clearance to minimise erosion.
- Ensuring adequate ground cover and avoiding over-spraying of herbicides.
- Using irrigation practices that are designed and implemented to minimise erosion.
- Controlling erosion wherever needed, including terracing where appropriate.
- Appropriately designing and maintaining roads.
- Avoiding planting on steeply sloping land or highly erodible soil-types.
- Maintaining and restoring riparian areas in order to minimise erosion of stream banks.
- After felling the old stand, retaining residue where soil erosion risk is significant or a cover crop or rotation crop should be planted. Burning should not be used to remove residues, except in specific situations (see criterion 5.5).

#### Smallholder / Out grower Specific National Guidance

Smallholders should be able to demonstrate that they have an understanding of the techniques required to minimise soil erosion and that they are being implemented. Input required by the management scheme to educate and inform.

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**\*Guidance for independent smallholders:** Independent smallholders can demonstrate that they have an understanding of the techniques required to minimise soil erosion and that these are being implemented. No plantings have been established on peat soils of over 3 m depth.

**Guidance for independent smallholders:** Independent smallholders can demonstrate that they have an understanding of the techniques required to minimise soil erosion and that these are being implemented. No plantings will be established on peat soils of over 3 m depth.

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### Criterion 4.4

Practices maintain the quality and availability of surface and ground water.

#### Indicators:

4.4.1 An implemented Water Management Plan in Compliance with PNG DEC Water extraction and discharge permits and including but not limited to: the Monitoring of effluent BOD (mg/L) trend for previous 12 months, mill water use per tonne of FFB trend for previous 5 years, storm water, drains, nursery and domestic usage.

**Minor compliance issue** (excludes out growers)

4.4.2 Maintain and/or rehabilitate riparian buffer zones as per PNG logging code of practice at planting or replanting.

**Major compliance issue**

[NOTE: maintenance/rehabilitation would be a **minor compliance issue** for existing stands]

For out growers the buffer zone issue to be included on the RSPO out grower's selection form.

See also 4.6

#### PNG Guidance notes:

Growers and millers should address the effects of their use of water and the effects of their activities on local water resources.

The Water Management Plan may include:

- Taking account of the efficiency of use and renewability of sources.
- Ensuring that the use of water does not result in adverse impacts on other users.
- Avoiding contamination of surface and ground water through run-off of soil, nutrients or chemicals, or as a result of inadequate disposal of waste, including POME.
- Appropriate treatment of mill effluent and regular monitoring of discharge quality, which should be in compliance with national regulations.
- Methods of restoration of riparian strips

**Guidance for independent smallholders:** Independent smallholders can demonstrate that they understand the techniques required to maintain the quality and availability of surface and ground water and that these are being implemented.

### Criterion 4.5

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

#### Indicators:

4.5.1 Monitoring of pesticide toxicity units (quantity of a.i. x LD 50 / tonne of FFB or per hectare). (Plantations). Trend data should be available for the annual average for the preceding 5 years

#### Minor compliance issue

4.5.2 An IPM Program is documented for relevant pests that sets out techniques, locations and timeframe for implementation. Monitoring extent of IPM implementation, including training, for major pest including but not restrictive to the following Sexava, stick insects, bagworms, oryctes / total ha. **Note a programme to monitor pests and diseases is part of any IPM**

#### Minor compliance issue

4.5.3 Recording areas where pesticides have been used within an IPM program (smallholders and plantations).

#### Minor compliance issue

#### PNG Guidance notes:

Growers should apply recognised IPM techniques, incorporating cultural, biological, mechanical or physical methods to minimise use of chemicals. Native species should be used in biological control wherever possible.

**Guidance for independent smallholders:** Research & extension services should provide training to independent smallholders in IPM techniques (incorporating cultural, biological, mechanical or physical methods) to minimise use of chemicals and provide appropriate assistance for application.

### Criterion 4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. 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.

#### Indicators:

4.6.1 Documented justification of all agrochemical use.

##### Major compliance issue

4.6.2 Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained.

##### Minor compliance issue

4.6.3 Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, is reduced and/or eliminated. Except where there are no other suitable means to control severe pest outbreaks within an ongoing IPM program.

##### Minor compliance issue

4.6.4 No aerial spraying of pesticides. [removed "of field planted palms"].

##### Major compliance issue

4.6.5 Adoption of a suitable, economic alternative to paraquat as recommended by the RSPO executive board.

##### Minor compliance issue

4.6.6 No herbicide to be supplied by the Plantation to out growers without prior training and certification through a registered out grower management Organisation. A re certification course to be held every 2 years (to be in place by Nov 07)

Out grower management Organisations to actively discourage out growers from using insecticides on oil palm

##### Minor compliance issue

##### **Specific Guidance**

Use of personal Protective Equipment and their maintenance, their storage and disposal and the use of only registered agrochemicals should be stressed to out growers during the certified training course

4.6.7 No paraquat or insecticides to be supplied to out growers by plantation companies or out grower management Organisations.

##### Major compliance issue

4.6.8 Records of training to be maintained.

##### Major compliance issue

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### **Specific Guidance**

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. All precautions attached to the products should be properly observed, applied, and understood by workers. Application of pesticides to be by proven methods that minimise risk and impacts to people and the environment.

- 4.6.9 Personal Protective Equipment should be specified in Standard Operating Procedures for Pesticide workers in plantations. Appropriate safety equipment must be provided and used. Also see criterion 4.7 on health and safety.

### **Major compliance issue**

- 4.6.10 Storage and disposal of all chemicals as prescribed in the GIFAP Code of Practice

### **Major compliance issue**

#### **Specific guidance**

Proper storage and disposal of waste material, according to procedures that are fully understood by workers and managers. Also see criterion 5.3 on waste disposal. All redundant and excess plantation chemical containers must be triple rinsed and then punctured before disposal in a designated landfill. Records to be kept. (See criterion 5.3).

- 4.6.11 Only registered agrochemicals following PNG labelling guidance will be used (n.b. FAO guidance applies- register kept by DEC) All chemical imports require a MSDS

### **Major compliance issue**

- 4.6.12 Evidence of CPO residue testing, as required and conducted by the supply chain.

### **Minor compliance issue**

- 4.6.13 Annual health screening for plantation pesticide operators. Acetyl cholinesterase testing for all organophosphate users.

### **Major compliance issue**

- 4.6.14 No work with pesticides for pregnant and breast-feeding women

### **Major compliance issue**

#### **PNG Guidance notes:**

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 reported by November 2007.

PNG is a signatory of the Stockholm convention only. The FAO codes of practices are not adequate and should be replaced by the GIFAP series of advisory books.

#### **Guidance for independent smallholders**

Independent smallholders must be able to:

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- identify all the pesticide applications they use (by chemical or brand name)
- justify all chemical use.
- Smallholders must not themselves use chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions. These chemicals, if independently recommended for use, must be applied by certified trained & supervised treatment teams.
- explain that chemicals are only by trained persons in accordance with the product label.
- demonstrate that they use appropriate safety equipment and observe the precautions attached to products.
- show how they store chemicals as prescribed in FAO Code of Practice and dispose of waste material and containers safely.

**Note: RSPO will urgently 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 reported by November 2007.**

### Criterion 4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

#### Indicators:

The health and safety plan covers the following:

4.7.1 A health and safety policy, which is implemented and monitored.

#### Major compliance issue

4.7.2 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.

#### Minor compliance issue

4.7.3 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 at least the following: all potentially hazardous operations, such as pesticide application, land preparation, harvesting and, if it is used, burning.

#### Minor compliance issue

4.7.4 In each company a designated, competent person will coordinate the implementation and management of the occupational health and Safety (OHS) policy. A mechanism for discussing OHS concerns will be in evidence. Records detailing the occurrence and issues raised should be kept.

#### Major compliance issue

4.7.5 Accident and emergency procedures should exist and be tested at 6 months intervals. Instructions should be clearly understood by all workers. Procedures should be available in the appropriate language of the workforce.

#### Minor compliance issue

4.7.6 A First aid clinic, staffed by a qualified health worker will be provided for each plantation division (accessible by the mill). Workers trained in First Aid with a first aid kit should be present in the Mill.

#### Minor compliance issue

4.7.7 Records should be kept of all accidents and periodically reviewed Recording of occupational injuries. Suggested calculation: Lost Time Accident (LTA) rate (either specify acceptable maximum, or demonstrate downward trend).

#### Major compliance issue

4.7.8 All Workers should be covered by workers compensation accident insurance.

#### Major compliance issue

#### PNG Guidance notes:

Growers and millers should ensure that the workplaces, machinery, equipment, transport and processes under their control are safe and without undue risk to health. Growers and millers should ensure that the chemical, physical and biological

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substances and agents under their control are without undue risk to health when appropriate measures are taken. A safe and healthy working environment should be provided for all workers whether they are employees or contractors. The health and safety plan should also reflect the guidance set out in ILO Convention 184.

### **Smallholder / Out grower Specific National Guidance**

For individual smallholders, a more informal approach is acceptable, provided that working practices for all workers are safe.

**Guidance for independent smallholders:** Independent smallholders need not have a formal health and safety plan but should receive training in, and be aware of, safe working practices.

### Criterion 4.8

All staff, workers, smallholders and contractors are appropriately trained.

#### Indicators:

4.8.1 An appropriate formal training programme that includes regular assessment of training needs and documentation of the programme is in place.

#### **Minor compliance issue**

4.8.2 Records of formal training (on site / off site) for each employee are kept.

#### **Major compliance issue**

4.8.3 Certificated Out-growers course, is implemented (Nov 07)

#### **Minor compliance issue**

#### **Specific Guidance**

This document would cover the requirements for all 3 indicators and be appropriate to the RSPO Principles and Criteria,

#### **Guidance:**

Training should be given to all staff, workers by growers and millers to enable them to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these principles, criteria and guidance.

Contractors should be selected for their ability to fulfil their jobs and responsibilities in accordance with documented procedures, and in compliance with the requirements of these principles, criteria and guidance.

#### **Smallholder / Out grower Specific National Guidance**

Workers on smallholder plots also need adequate training and skills and this can be achieved through extension activities of growers or mills that purchase fruit from them, by smallholders' organisations, or through collaboration with other institutions and organisations. For smallholders training records should not be required but anyone working on the farm should be adequately trained for the job they are doing.

**Guidance for independent smallholders:** Independent smallholders need not keep records but should train anyone working on the farm adequately.

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

#### **Criterion 5.1**

Aspects of plantation and mill management, including replanting, 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.

#### **Indicators:**

5.1.1 An Environmental Aspects and Impacts Register has been developed and is periodically reviewed and updated.

#### **Major compliance issue**

5.1.2 An Environmental Improvement Plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored

#### **Minor compliance issue**

#### **PNG Guidance Notes:**

Environmental impacts may be identified on soil and water resources, air quality (see criterion 5.6), biodiversity and ecosystems, and people's amenity (see criterion 6.1 for social impacts), both on and off-site. Environmental impact assessment may cover the following activities:

- Building new roads, processing mills or other infrastructure.
- Putting in drainage or irrigation systems.
- Replanting or expansion of planting area.
- Disposal of mill effluents (see criterion 4.4).

Stakeholder consultation has a key role in identifying environmental impacts. The inclusion of consultation should result in improved processes to identify impacts and to develop any required mitigation measures. It is important that where activities, techniques or operations change over time, identifications of impacts, and any required mitigation, are updated as necessary.

#### **Smallholder / Out grower Specific National Guidance**

For smallholder Organisations, the scheme management has the responsibility to undertake impact assessment and to plan and operate in accordance with the results. Individual smallholders would not be expected to undertake formal impact assessments (unless there is a legal requirement) but should have a good understanding of the potential negative impacts of their activities and appropriate mitigation techniques

**Guidance for independent smallholders:** Independent smallholders are not expected to undertake formal impact assessments (unless there is a legal requirement) but should be able to demonstrate a good understanding of the potential negative impacts of their activities and appropriate mitigation techniques.

### 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.

#### Indicators:

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:

- 5.2.1 Identification of high conservation value habitats and protected areas such as rare and threatened ecosystems, that could be significantly affected by the grower or miller

#### Major compliance issue

- 5.2.2 Establish the 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.

#### Major compliance issue

#### *Specific Guidance*

In PNG customary land owners define and control conservation areas and management of these areas cannot proceed without their involvement.

If rare, threatened or endangered species, or high conservation value habitats, are present, appropriate measures for management planning and operations will include:

- 5.2.3 Ensuring that any applicable legal requirements relating to the protection of the species or habitat are met.

#### Major compliance issue

- 5.2.4 Avoiding damage to and deterioration of applicable habitats.

#### Minor compliance issue

- 5.2.5 Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts

#### Minor compliance issue

#### **PNG Guidance Notes:**

This information gathering should include checking available biological records and consultation with relevant government departments, research institutes and interested NGOs if appropriate. Depending on the biodiversity values that are present, and the level of available information, some additional field survey work may be required

#### **Smallholder / Out grower Specific National Guidance**

For individual smallholders, a basic understanding of any applicable species or habitats, together with their conservation needs, will be sufficient.

## *RSPO – PNG NIWG*

**Guidance for independent smallholders:** Independent smallholders show a basic understanding of any applicable species or habitats, together with their conservation needs.

### Criterion 5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

#### Indicators:

5.3.1 Identify all sources of waste and pollution (ISO 14001)

#### Major compliance issue

5.3.2 Evidence of the implementation of a waste management and disposal plan. Including pesticide contaminated waste (ISO 14001)

#### Minor compliance issue

#### PNG Guidance Notes:

The waste management and disposal plan should include measures for:

Identifying and monitoring sources of waste and pollution. PNG code of practice for Landfill provides a list of waste types which must be considered, any types of disposal which are not acceptable (e.g. untreated waste water may not be discharged directly into streams or rivers – refer to criterion 4.4), existing best practice guidelines on recycling and re-use of nutrients, managing effluent ponds, increasing mill extraction efficiency and appropriate disposal of wastes.

Improving the efficiency of resource utilisation and recycling potential wastes as nutrients or converting them into value added products (e.g. through animal feeding programmes).

Appropriate disposal of hazardous chemicals and their containers.

Surplus chemical containers should be disposed of or cleaned in an environmentally and socially responsible way (cleaned using a triple rinse method), 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 ref. 4.6

#### Smallholder / Out grower Specific National Guidance

Smallholders should adopt appropriate measures to dispose of hazardous chemicals and their containers ref. out grower's selection form

**Guidance for independent smallholders:** Independent smallholders should ensure that domestic waste from their smallholdings is disposed of in a responsible and appropriate manner, which may include the use of controlled burning. Smallholders should adopt appropriate measures to dispose of hazardous chemicals and their containers, this will NOT include burning.

## **RSPO – PNG NIWG**

### **Criterion 5.4**

Efficiency of energy use and use of renewable energy is maximised.

[Need to further check with engineering specialists]

#### **Indicators:**

5.4.1 Monitoring Kilowatt hour per tonne of palm product in the mill from renewable energy sources. Kilogram steam per tonne of FFB. Monitoring trend for the preceding 5 years.

**Minor compliance issue**

5.4.2 Monitoring Kilowatt hour per tonne of palm product from non renewable energy resources. Monitoring trend for the preceding 5 years

**Minor compliance issue**

#### **PNG Guidance Notes:**

Growers and mills should assess direct energy use of their operations, including fuel and electricity, and energy efficiency of their operations. This should include estimation of fuel use by contractors, including all transport and machinery operations. The feasibility of collecting and using biogas, biodiesel and biofuels should be studied if possible.

Not applicable to out growers

**Guidance for independent smallholders:** Not applicable.

### 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.

#### Indicators:

5.5.1 Documented assessment where fire has been used for preparing land for replanting

#### Major compliance issue

5.5.2 All sites and incidents of sanitary burning mapped and recorded. Sanitary burning permitted only after recommendation by national pathologist.

#### Major compliance issue

5.5.3 No burning of domestic refuse

#### Minor compliance issue

5.5.4 Incineration of Medical waste (including quantities) is recorded.

#### Minor compliance issue

#### PNG Guidance notes:

Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and with evidence that fire-use is carefully controlled.

Use of fire on peat soils should be avoided. Extension/training programmes for smallholders is necessary

**Guidance for independent smallholders:** Independent smallholders show awareness that they should use fire sparingly to dispose of waste or during replanting for sanitary/phytosanitary reasons.

## **RSPO – PNG NIWG**

### **Criterion 5.6**

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

#### **Indicators:**

5.6.1 A register and assessment of all polluting activities are conducted, including gaseous emissions, particulate/soot emissions and effluent (see also criterion 4.4).

#### **Major compliance issue**

5.6.2 Significant pollutants and emissions are identified, monitored and plans to reduce them implemented.

#### **Minor compliance issue**

5.6.3 The treatment methodology for POME is recorded

#### **Minor compliance issue**

#### **PNG Guidance Notes:**

Monitoring of methane from effluent digestion and smoke particles may require the use of proxy measures

Not applicable to out growers

**Guidance for independent smallholders:** Not applicable.

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

#### **Criterion 6.1**

Aspects of plantation and mill management, including replanting, 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.

#### **Indicators:**

6.1.1 A register of all social impacts on employees, individuals and affected communities is maintained, including records of meetings.

#### **Major compliance issue**

6.1.2 Evidence that the assessment has been done with the participation of affected parties.

#### **Major compliance issue**

#### **Specific Guidance**

Participation in this context means that affected parties are able to express their views through any organisation or individual chosen by the community to represent them during the identification of impacts, reviewing findings and plans for mitigation, and monitoring the success of implemented plans.

6.1.3 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.

#### **Minor compliance issue**

#### **PNG Guidance Notes:**

Identification of social impacts should be carried out by the grower with the participation of affected parties as appropriate to the situation. The involvement of independent experts should be sought where this is considered necessary to ensure that all impacts (both positive and negative) are identified.

A documented social impact assessment for new developments is mandatory in PNG (EIA process – involves public consultation).

Potential social impacts may result from activities such as: building new roads, processing mills or other infrastructure; replanting with different crops or expansion of planting area; disposal of mill effluents; clearing of remaining natural vegetation; changes in employee numbers or employment terms. Plantation and mill management may have social impacts (positive or negative) on factors such as:

- Access and use rights.
- Economic livelihoods (e.g. paid employment) and working conditions.
- Subsistence activities.
- Cultural and religious values.

## RSPO – PNG NIWG

- Health and education facilities.
- Other community values, resulting from changes such as improved transport /communication or arrival of substantial migrant labour force.

Plantations under the 'lease-lease back' (see 'Definitions' under 'Land Tenure') arrangement must comply.

Individual smallholders will not be required to conduct formal social impact assessments.

**Guidance for independent smallholders:** Independent smallholders are not required to conduct formal social impact assessments.

### Criterion 6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

**Indicators:** NB EIA process for new developments

6.2.1 A documented policy is in place for effective communication with all affected parties (c.f. 6.3)

**Major compliance issue**

6.2.2 Evidence of the policy being implemented - maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders and under the control of a nominated management official

**Minor compliance issue**

6.2.3 For environmental issues - a documented consultation and communication procedures exists with a nominated company representative.

**Minor compliance issue**

#### **PNG Guidance Notes:**

Decisions that the growers or mills are planning to make should be made clear, so that local communities and other interested parties understand the purpose of the communication and/or consultation. Communication and consultation mechanisms should be designed in collaboration with local communities and other affected or interested parties. These should consider the use of existing local mechanisms and languages.

Consideration should be given to the existence/formation of a regular (?) multi-stakeholder forum. Communications should take into account differential access to information of women as compared to men, village leaders as compared to day labourers, new versus established community groups, and different ethnic groups.

Consideration should be given to involving third parties, such as community groups, NGOs or government (or a combination of these), to facilitate smallholder Organisations and communities, and others as appropriate, in these communications.

For issues affecting outgrowing communities - Minutes of the Local Planning committee demonstrate documented consultation and communication procedures National interpretation should consider issues such as appropriate levels of consultation and the types of organisations or individuals that should be included.

In Environmental Impact Assessments (EIA) on new developments public consultation is included as part of the process. Many environmental issues are captured under companies EMS procedures

Local Planning Committee includes OPIC, PNGOPRA, Milling companies, LLG, Growers association (<20 ha defined smallholders), and can include, provincial aids council, women representatives and community officer (e.g. police) Provincial Government or local level (DPI,) and independent estates and out growers >20ha who are invited by LPC

## *RSPO – PNG NIWG*

ISO 14001 provides for consultation with affected stakeholders on environmental issues.

For individual smallholders, this criterion does not apply.

**Guidance for independent smallholders:** Not applicable.

## **RSPO – PNG NIWG**

### **Criterion 6.3**

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

**Note PNG NIWG sees 6.2 and 6.3 as linked**

#### **Indicators:**

6.3.1 A documented system open to all affected parties which resolves disputes in an effective, timely and appropriate manner and records the outcome.

#### **Major compliance issue**

#### **PNG Guidance Notes:**

Dispute resolution mechanisms should be established through open and consensual agreements with relevant affected parties. Complaints may be dealt with by mechanisms such as Joint Consultative Committees (JCC), with gender representation where applicable. Grievances may be internal (employees) or external.

#### **Smallholder / Out grower Specific National Guidance**

For smallholder Organisations, the company or associations will be responsible for this. Individual smallholders should not be expected to have a documented system, but must be able to show that they respond constructively to any issue or complaint.

**Guidance for independent smallholders:** A system needs to be in place. Independent smallholders need to be aware of existing systems provided by RSPO certified milling company for dealing with complaints & grievances.

### 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.

#### Indicators:

6.4.1 Compliance with applicable government legislation. Procedures for identifying legal and customary rights of people entitled to compensation.

#### Major compliance issue

6.4.2 Company records should be maintained.

#### Minor compliance issue

6.4.3 A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented.

#### Minor compliance issue

#### *Specific Guidance*

This takes into account gender differences in the power to claim rights, ownership and access to land; differences of trans-migrants and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. Company records should be maintained

6.4.4 The process and outcome of any negotiated agreements and compensation claims are documented and made publicly available. Company records should be maintained

#### Minor compliance issue

#### PNG Guidance Notes:

This criterion should be considered in conjunction with Criterion 2.3 and the associated guidance.

This issue normally dealt with by the government.

NOTE: [6 June - NIWG discussed and agree that 6.4.2, 6.4.3 & 6.4.4 should remain 'minor compliance issues']. In PNG there can be an issue of 'publicly available' being detrimental to both parties involved in negotiation; ref. criteria 1.2.

**Guidance for independent smallholders:** Independent smallholders can demonstrate that they have paid compensation to prior legal or customary rights-holders through a system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

### 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 provide decent living wages.

#### Indicators:

6.5.1 Documentation of pay and conditions in comparison with the legal minimum for all company employees.

#### Major compliance issue

6.5.2 Evidence that contractors have agreed to meet legal minimum terms and conditions

#### Major compliance issue

6.5.3 Labour laws, union agreements or direct contracts of standards income 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 the languages understood by the workers or explained carefully to them by a management official.

#### Minor compliance issue

6.5.4 Where companies provide housing, water supplies, medical, educational and welfare amenities they adhere to national legislation. (not applicable to smallholders).

#### Minor compliance issue

6.5.5 Where no such public facilities exist companies will actively lobby government to provide adequate facilities

#### Minor compliance issue

6.5.6 Growers and millers demonstrate a suitable, adequate and effective systematic approach to the provision of adequate facilities.

#### Minor compliance issue

#### PNG Guidance Notes:

Where temporary or migrant workers are employed, a special labour policy should be established. This labour policy would state the non discriminatory practices; no contract substitution; post arrival orientation program to focus especially on language, safety, labour laws, cultural practices etc; decent living conditions to be provided.

Forced labour is not used (see ILO conventions 29 and 105, Annex 1).

Education is the responsibility of the state / provincial government.

Housing under labour laws needs to be reviewed, for rural areas adequate is not defined.

**Guidance for independent smallholders:** Independent smallholders with formal employees must comply with national legislation protecting workers' rights, pay and conditions.

### 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.

#### Indicators:

6.6.1 Compliance with the PNG Industrial Organisations Act - being the act to provide for registration and control of industrial organisations

#### **Major compliance issue**

6.6.2 A published statement in English or Tok Pisin recognizing freedom of association.

#### **Minor compliance issue** [NIWG 6June – decision to leave as is]

6.6.3 Documented minutes of meetings with main trade unions or workers representatives.

#### **Minor compliance issue**

#### **PNG Guidance Notes:**

The right of employees and contractors to form associations and bargain collectively with their employer should be respected, in accordance with Conventions 87 and 98 of the International Labour Organisation. Labour laws and union agreements or in their absence, direct contracts of employment detailing payments and other conditions are available in the languages understood by the workers or explained carefully to them by a management official.

**Guidance for independent smallholders:** Not applicable.

## **RSPO – PNG NIWG**

### **Criterion 6.7**

Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

#### **Indicators:**

6.7.1 Documentary evidence that minimum age requirement (16) is met.

#### **Major compliance issue**

#### **PNG Guidance Note:**

In PNG it is often the custom that children accompany their parents into the field. They are not set tasks and are not employed by the company.

**Guidance for independent smallholders:** Work by children on family smallholdings should only occur with adult supervision, when not interfering with education programmes and if permitted by national regulations.

## **RSPO – PNG NIWG**

### **Criterion 6.8**

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age is prohibited.

#### **PNG Guidance:**

The grievance procedures detailed in 6.3 apply. Positive discrimination to provide employment and benefits to specific communities is acceptable in order to protect against social inequity.

#### **Indicators:**

6.8.1 A publicly available equal opportunities policy as per the constitution of PNG

**Major compliance issue**

6.8.2 No constitutional infringements

**Major compliance issue**

**Guidance for independent smallholders:** Not applicable.

### 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.

#### Indicators:

6.9.1 A policy on sexual harassment and all other forms of violence and records of implementation.

#### **Major compliance issue**

6.9.2 Compliance with labour laws on breastfeeding. As a minimum two 30 minutes leave of absences per day. Such periods to count as normal working hours

#### **Major compliance issue**

6.9.3 A specific grievance mechanism is established

#### **Minor compliance issue**

#### **PNG Guidance Notes:**

There should be a clear policy developed in consultation with employees, contractors and other relevant stakeholders, and the policy should be publicly available. Progress in implementing the policy should be regularly monitored, and the results of monitoring activities should be recorded.

A gender committee specifically to address areas of concern to women may be requested to comply with the criteria. This committee, to have representatives from all areas of work, will consider matters such as; trainings on women's rights, counselling for women affected by violence.

**Guidance for independent smallholders:** Not applicable.

## **RSPO – PNG NIWG**

### **Criterion 6.10**

Growers and mills deal fairly and transparently with smallholders and other local businesses.

#### **Indicators:**

6.10.1 Current and past prices paid for FFB shall be publicly available.

#### **Major compliance issue**

6.10.2 Pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).

#### **Major compliance issue**

6.10.3 Evidence that every effort had been made to ensure that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.

#### **Minor compliance issue**

6.10.4 Agreed payments shall be made in a timely manner.

#### **Minor compliance issue**

6.10.5 EFB freely available to be collected by out growers but not to be applied closer than 500m to the nearest dwelling due to nuisance flies and smell.

#### **Minor compliance issue**

#### **PNG Guidance Notes:**

Transactions with smallholders should consider issues such as the role of middle men, transport and storage of FFB, quality and grading. The need to recycle the nutrients in FFB (under 4.2) should also be considered; where it is not practicable to recycle wastes to smallholders, compensation for the value of the nutrients exported might be made via the FFB price. 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.

The need for a fair and transparent pricing mechanism is particularly important for out growers, who are contractually obliged to sell all FFB to a particular mill. If mills require smallholders to change practices to meet the RSPO criteria, consideration must be given to the costs of such changes, and the possibility of advance payments for FFB could be considered.

**Guidance for independent smallholders:** Not applicable.

### Criterion 6.11

Growers and millers contribute to local sustainable development wherever appropriate.

#### Indicators:

6.11.1 Demonstrable contributions to local development that are based on the results of consultation with local communities.

#### Minor compliance issue

6.11.2 Formalised involvement with the PNG Tax credit scheme where applicable

#### Minor compliance issue

#### PNG Guidance Notes:

Contributions to local development should be based on the results of consultation with local communities. See also criterion 6.2. Such consultation should be based on the principles of transparency, openness and participation, and should encourage communities to identify their own priorities and needs, including the different needs of men and women.

Where candidates for employment are of equal merit, preference should always be given to members of local communities. Positive discrimination should not be recognized as conflicting with Criterion 6.8

PNG Tax credit scheme relieves the government from the burden of maintenance of transport and infrastructure

**Guidance for independent smallholders:** Not applicable.

### Principle 7: Responsible development of new plantings

#### 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.

#### Indicators:

7.1.1 Independent impact assessment, undertaken through a participatory methodology including external stakeholder groups. (EIA - PNG Law >1,000 ha)

#### Major compliance issue

7.1.2 Appropriate management planning and operational procedures.

#### Minor compliance issue

7.1.3 Where the development includes an out grower scheme, the impacts of the scheme and the implications of the way it is managed should be documented and a plan to manage the impacts produced

#### Minor compliance issue

#### PNG Guidance Notes:

See also criteria 5.1 and 6.1.

The terms of reference should be endorsed by the PNG Department of Environment and Conservation and the impact assessment should be carried out by 'qualified' (*'accredited' when an accreditation system is in place*) independent experts, in order to ensure an objective process. A participatory methodology including external stakeholder groups is essential to the identification of impacts, particularly social impacts. Stakeholders such as local communities, government departments and NGOs should be involved, through the use of interviews and meetings, and by reviewing findings and plans for mitigation.

The potential impacts of all major proposed activities should be assessed prior to development. The assessment should include, in no order of preference, as a minimum:

Assessment of the impacts of all major planned activities, including planting, mill operations, roads and other infrastructure.

Assessment, including stakeholder consultation, of High Conservation Values (see criterion 7.3) that could be negatively affected.

Assessment of potential effects on adjacent natural ecosystems of planned 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 developments. Measures should be planned and implemented to maintain the quantity and quality of water resources.

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Baseline soil surveys and topographic information, including the identification of marginal and fragile soils, areas prone to erosion and slopes unsuitable for planting.

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 a plantation, including an analysis of differential effect on women versus men, ethnic communities, migrant versus long-term residents.

Assessment of above and below ground carbon storage is important but beyond the scope of an EIA. Note: This aspect will be considered by an RSPO Greenhouse Gas Working Group (See Preamble).

Plans and field operations should be developed and implemented to incorporate the results of the assessment. One potential outcome of the assessment process is that the development should not proceed, because of the magnitude of potential impacts.

For smallholder Organisations, the scheme management should do this. For individuals, it does not apply.

Input required from Social and Environmental NGO's. National interpretation should identify the relevant accreditations for independent experts.

**Guidance for independent smallholders:** In planning and acquiring new holdings, independent smallholders must identify and consult prior occupants and land users and ensure that proposed new plantings take into consideration relevant RSPO P&C.

### 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.

#### Indicators:

7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation should be available.

#### Major compliance issue

7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure should be available.

#### Major compliance issue

#### PNG Guidance Notes:

These activities may be linked to the SEIA (7.1) but need not be done by independent experts. Soil suitability maps or soil surveys should be appropriate to the scale of operation and should include information on soil types, topography, rooting depth, moisture availability, stoniness, fertility and long-term soil sustainability. Soils unsuitable for planting or those requiring special treatment should be identified. This information should be used to plan planting programmes, etc. Measures should be planned to minimise erosion through appropriate use of heavy machinery, terracing on slopes, appropriate road construction, rapid establishment of cover, protection of riverbanks, etc.

Topographic information should guide the planning of drainage and irrigation systems, roads and other infrastructure. Assessing soil suitability is also important for small-scale producers, RSPO out-grower assessment form particularly where there are significant numbers operating in a particular location. Information may be collected and provided by a smallholder organisation or mill that purchases FFB from individual smallholders.

**Guidance for independent smallholders:** Independent smallholders acquire and prepare lands in order to minimise soil erosion. No plantings have been established on peat soils of over 3 m depth.

### Criterion 7.3

New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

#### Indicators:

7.3.1 Evidence of an assessment of High Conservation Values that has been made by suitably qualified and experienced persons prior to any conversion.

#### Major compliance issue

7.3.2 Dates of land preparation and commencement are recorded

#### Major compliance issue

#### PNG Guidance Notes:

Information on the presence, or absence, of HCVs is integrated with the SEIA required by 7.1. This criterion applies to forests and other vegetation types. This applies irrespective of any changes in land ownership or farm management that have taken place after this date. High Conservation Values (HCVs) may be identified in restricted areas of a landholding, and in such cases new plantings can be planned to allow the HCV's to be maintained or enhanced. The HCV assessment process requires appropriate training and expertise, and must include consultation with local communities, particularly for identifying social HCVs.

HCV assessments should be conducted according to the National Interpretation of the HCV criteria, or according to the Global HCV Toolkit if a National Interpretation is not available [see Definitions].

Development should actively seek to utilise previously cleared and/or degraded land. Plantation development should not put indirect pressure on forests through the use of all available agricultural land in an area. Where landscape level HCV maps have been developed and are available, these should be taken into account in project planning; whether or not such maps form part of government land use plans.

For definition of 'High Conservation Values', see definitions in the original RSPO principles and Criteria Document on the PNG web page [www.rspo.org/National%20Interpretation.htm#PNG](http://www.rspo.org/National%20Interpretation.htm#PNG)

National interpretation should refer to existing national definitions of HCVs (or where these do not exist refer to definitions in the annex) or equivalent land-use/conservation plans or consider how growers and the audit team can identify High Conservation Values. This may involve collaboration with other bodies.

**Guidance for independent smallholders:** Independent smallholders must not establish plantings on lands containing one or more HCVs or covered by primary forests.

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### Criterion 7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

#### Indicators:

7.4.1 Where limited planting on fragile and marginal soils is proposed, plans (including maps) shall be developed and implemented to protect these soils thus minimising adverse impacts.

#### Major compliance issue

7.4.2 No planting on slope in excess of 25°

#### Minor compliance issue

7.4.3 No planting on contiguous areas of peat soils >3 m deep and >150ha in extent.

#### Minor compliance issue

#### PNG Guidance Notes:

7.4.1 This activity should be integrated with the SEIA required by 7.1. Planting on extensive areas of peat soils > 3m deep and other fragile soils should be avoided (see also Criterion 4.3).

**Guidance for independent smallholders:** Independent smallholders must not establish new plantings on steep terrain and/or on marginal and fragile soils, unless such development would represent the only source of livelihood and is developed with the use of appropriate conservation measures.

### 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.

#### Indicators:

7.5.1 This activity should be integrated with the SEIA required by 7.1

#### Major compliance issue

7.5.2 Evidence that every effort had been made to ensure that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.

#### Minor compliance issue

7.5.3 Documented system for access to customary land is publicly available

#### Minor compliance issue

#### PNG Guidance Notes:

7.5.4 Refer also to criteria and guidance for 2.2, 2.3, 6.2, 6.4 and 7.6 for indicators of compliance. Where new plantings are considered to be acceptable, management plans and operations should maintain sacred sites. Agreements with indigenous peoples, local communities and other stakeholders should be made without coercion or other undue influence (see guidance for 2.3). Relevant stakeholders include those affected by or concerned with the new plantings.

**Guidance for independent smallholders:** See 2.2 and 2.3.

### 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.

#### Indicators

7.6.1 Evidence that the issue of compensation has been discussed with the relevant local people in the SEIA process

**Major compliance issue**

7.6.2 Documented identification and assessment of legal and customary rights.

**Major compliance issue**

7.6.3 Establishment of a documented system(s) for identifying people entitled to compensation.

**Major compliance issue**

7.6.4 Establishment of a system for calculating and distributing fair compensation (monetary or otherwise).

**Minor compliance issue**

7.6.5 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.

**Minor compliance issue**

7.6.6 The process and outcome of any compensation claims should be documented and made publicly available.

**Minor compliance issue**

#### **PNG Guidance Notes:**

Refer also to 2.2, 2.3 and 6.4 and associated guidance.

This requirement includes indigenous peoples (see Annex 1).

However unlikely to occur in PNG ever again as there are alternative mean of accessing customary land such as 'lease - lease back' and 'customary land registration'.

**Guidance for independent smallholders:** see 7. 5 above.

### Criterion 7.7

Use of fire in the preparation of new plantings is avoided other than in specific as identified in the ASEAN guidelines or other regional best practice.

#### Indicators:

7.7.1 Land preparation by burning should be avoided, however if used, under exceptional circumstances, evidence of controlled burning as specified in ASEAN guidelines or other regional best practice.

#### Major compliance issue

7.7.2 Documented explanation where fire has been used for preparing land for planting.

#### Major compliance issue

7.7.3 This activity should be integrated with the SEIA required by 7.1.

#### Major compliance issue

#### PNG Guidance Notes:

Fire should be used only where an assessment has demonstrated that it is the most effective and least environmentally damaging option for minimising the risk of severe pest and disease outbreaks, and with evidence that fire use is carefully controlled.

Extension/training programmes for smallholders is necessary.

Copy of the ASEAN is on the RSPO website [www.rspo.org](http://www.rspo.org)

**Guidance for independent smallholders:** Independent smallholders have not used fire to establish new plantings except in specific situations permitted by the relevant PNG authorities. Training and education for independent smallholders should be implemented and facilitated by the smallholder extension service (OPIC).

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

#### 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.

##### Indicators:

8.1.1 The action plan [**Major compliance issue**] 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. **These must include:**

- Reduction in the use of certain pesticides (criterion 4.6).
- Environmental impacts (criterion 5.1).
- Waste reduction (criterion 5.3).
- Pollution and emissions (criterion 5.6).
- Social impacts (6.1).

8.1.2 Timely response to all RSPO audit findings.

##### **Major compliance issue**

#### **PNG Guidance Notes**

Should include specific minimum performance thresholds for key indicators (see also criteria 4.2, 4.3, 4.4, and 4.5). Growers should have a system to improve practices in line with new information and techniques and a mechanism for disseminating this information throughout the workforce.

**Guidance for independent smallholders:** There should be systematic guidance and training for continuous improvement. Smallholders should be aware of the importance of continuous improvement.

### Definitions:

#### (RSPO Principles and Criteria for Sustainable Palm Oil Production. Draft Guidance Version 4. January 2006.)

**Customary rights:** Patterns of long standing community land and resource usage in accordance with indigenous peoples' customary laws, values, customs and traditions, including seasonal or cyclical use rather than formal legal title to land and resources issued by the State. (From World Bank Operational Policy 4.10).

**Environmental Impact Assessment:** a process of predicting and evaluating the effects of an action or series of actions on the environment, then using the conclusions as a tool in planning and decision-making (as defined by??) Any legislative backing?).

**High Conservation Value Forest (HCVF):** The forest necessary to maintain or enhance one or more High Conservation Values (HCVs):

- HCV1. Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species).
- HCV2. Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.
- HCV3. Forest areas that are in or contain rare, threatened or endangered ecosystems.
- HCV4. Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).
- HCV5. Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).
- HCV6. Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

(See: 'The HCVF Toolkit' – available from [www.proforest.net](http://www.proforest.net))

**ISO Standards:** Standards developed by the International Organization for Standardization (ISO: see <http://www.iso.ch/iso>).

**Land Tenure:** There are two types land tenure in PNG, alienated land (~3% of PNG's land area) with title issue by the state and customary land which is owned by the traditional land owners. Oil palm can be planted on both alienated and customary land.

There are three main types of land tenure used by oil palm smallholders in PNG, 1) alienated land in land settlement schemes (LSS), 2) customary land (village oil palm - VOP) with a customary land use agreement (CLUA), and 3) customary land where rights to use that land have been purchased by the grower (a CLUA is required).

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Plantation oil palm can be established on both alienated land and on customary land using a 'lease-lease back' arrangement. The 'Lease – Lease back' in PNG is a legal and consultative land tenure system involving customary landowners at every step. Landowners are assisted in registering incorporated land groups (ILGs); the land is surveyed and registered before development. Incorporated land groups then lease land to the state, and then the land is sub leased through the state to the development company for a fixed term (typically 20-40 years). At the end of the lease period the land reverts back to the landowners complete with established infrastructure and fixed assets.

**Natural vegetation:** Areas where many of the principal characteristics and key elements of native ecosystems such as complexity, structure and diversity are present.

**Plantation:** The land containing oil palm and associated land uses such as infrastructure (e.g., roads), riparian zones and conservation set-asides.

**Primary Forest:** A primary forest is a forest that has never been logged and has developed following natural disturbances and under natural processes, regardless of its age. Also included as primary, are forests that are used inconsequentially by indigenous and local communities living traditional lifestyles relevant for the conservation and sustainable use of biological diversity. The present cover is normally relatively close to the natural composition and has arisen (predominantly) through natural regeneration. National interpretations should consider whether a more specific definition is required. (From FAO Second Expert Meeting On Harmonizing Forest-Related Definitions For Use By Various Stakeholders, 2001, [http://www.fao.org/documents/show\\_cdr.asp?url\\_file=/DOCREP/005/Y4171E/Y4171E11.htm](http://www.fao.org/documents/show_cdr.asp?url_file=/DOCREP/005/Y4171E/Y4171E11.htm)).

**Prophylactic:** A treatment or course of action applied as a preventive measure.

**Restore:** Returning degraded or converted areas within the plantation to a semi-natural state.

**Smallholders:** Farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labour and the farm provides the principal source of income and where the planted area of oil palm is usually below 50 hectares in size. (c.f. PNG definition ) [Smallholders in PNG are independent growers with less than 20ha oil palm. Smallholder (and outgrowers) are categorised as either 'tied' or 'independent' growers. These are defined in PNG as follows:

**Independent smallholders** are established by farmers through their own initiative on customarily owned land, their own land or on land to which they have individual title. Independent smallholders are free to sell their produce to mills offering advantageous prices. They are free to cease oil palm production and/or cultivate other crops on their land. There is no mortgage or charge over the land held by the milling company or scheme manager.

**Tied smallholders** have planted their palms on land with title or contractual obligations to cultivate oil palm and sell to the mill or estates which has supplied credit.]

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**Stakeholders:** An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.

**Outgrowers:** Farmers, where the sale of FFB is exclusively contracted to the grower/miller. Outgrowers may be smallholders. [Outgrowers in PNG are defined as independent growers (NOT exclusively contracted to mills) with less than 500ha]

**Undue influence:** The exertion by a third party of any kind of control such that a person signs a contract or other agreement which, absent the influence of the third party, he would not have signed.

**Use rights:** Rights for the use of forest resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques.