

RSPO Coming of Age

I've followed the story of the Round Table on Sustainable Palm Oil pretty much from its inception ten years ago. It was high risk for all those involved at that time (particularly WWF, Unilever and the Malaysian Palm Oil Association), and it's still high risk today, ten years on.

Just by way of background, palm oil is an extremely versatile edible oil, produced mostly in Malaysia and Indonesia, used as a highly-valued raw material in many processed foods, hygiene and healthcare products, industrial feedstocks, and (albeit at a relatively low level still) liquid fuels.

It's so much more productive, in terms of yield per hectare, than any other rival product that it's a literal no-brainer that we should be doing everything in our power to ensure that every tonne of palm oil delivered into those different supply chains achieves the highest possible sustainability standards.

And that's exactly what the RSPO is all about – as I discovered recently when I was invited out to Malaysia to give the keynote address to this year's Round Table. For me, it was an astonishing experience. There were roughly 900 delegates present, including growers, smallholders, processors, retailers, trade associations, academics, consultants, politicians, lobbyists and NGOs covering every aspect of the palm oil supply chain from human rights and local economic empowerment, governance and traceability, biodiversity and ecosystem services, through to greenhouse gases and renewable energy.

The level of expertise focussed exclusively and intensely on the dynamics of sustainable palm oil was mindboggling. If intellectual firepower was all that was needed, genuinely sustainable palm oil would have been a done deal years ago. I know of no other single feedstock or commodity initiative that has created such a comprehensive process to improve standards, create markets and generate increased economic value whilst demonstrating “best practice” on both social and environmental issues.

I'm not sure the full value of this is properly recognised by people outside the charmed inner circle of the RSPO itself. A lot of NGOs that are not involved (as well as some of those that are!) remain pretty sniffy about the RSPO, with all the usual canards about unacceptable compromise and cop-out.

To be fair, there are indeed many serious problems that remain regarding the implementation of the RSPO's principals, when it comes to human rights and a host of land use and biodiversity issues. (Think orang-utan here – the poster-species for campaigners seeking to bring an end to continuing deforestation.) And there are also problems on the other side: lots of retailers and food processors in the UK and elsewhere have made bold commitments to using Certified Sustainable Palm Oil (CSPO), but have then delayed and prevaricated in the most disgraceful way even as sufficient quantities of CSPO became available.

But all these problems are being now addressed, either informally or through a formal grievance procedure.

More problematic, in my opinion, is the prevailing view amongst some (but not all) of the big palm oil companies that the continuing focus on palm oil, given all today's pressing agriculture, commodity and forestry issues, is disproportionate and downright unfair. At their most paranoid, some representatives of the industry will even surface the suggestion that those NGOs which are most hostile to continuing growth in palm oil production are somehow in the pay of their big competitors – soy, sunflower and rapeseed or whatever. Fantastical, of course, but it plays well with certain audiences.

I described this in my Lecture as “Palm Oil Exceptionalism” – the perception that palm oil has been “singled out” by sustainability zealots for special attention.

As it happens, there's some truth in this. The journey the RSPO has taken on over ten years is indeed unique. Whilst both fisheries and forest have benefited greatly from their respective Stewardship Councils, no other globally-traded commodity feedstock has been subjected to the same scrutiny or required to meet such high standards for its basic products to qualify as “certified sustainable”.

That's changing now – with the Round Table on Responsible Soy, the Better Cotton Initiative and Bon Sucro (for sugar cane) but palm oil has been out ahead for a long time, and the resulting change in the industry has been extraordinary.

Which is why I went on to suggest that now is the time to celebrate this exceptional status, rather than moaning about it. The RSPO has given the industry some very powerful first-mover advantages: shared definitions and methodologies around different sustainability issues; tried and tested stakeholder engagement processes, including impressive Social Impact Assessments; a robust financial model (each tonne of Certified Sustainable Palm Oil generates a small levy to help fund research and market development); an understanding of the nexus between land use, energy and climate change; a science-driven research programme to improve yields; a deep understanding of their markets (and consumer sensitivities) in the West as well as in China and India; and a set of resilient risk management systems to help the industry cope with some of the dramatic changes coming down the track.

Every single commodity and agricultural crop in the world will have to go through exactly the same kind re-positioning process as palm oil has done over the last ten years. As the “perfect storm” of converging sustainability pressures – high and volatile energy prices, water shortages, accelerating climate change, commodity price hikes, degradation of productive farm land, loss of biodiversity, human rights and so on – bears down upon them, many companies in those other areas will be completely unable to cope.

The RSPO therefore deserves a lot of credit for pioneering these more sustainable management practices. There may still be those who can't see the benefits of what they've been through so far, but it won't be long before people recognize that the RSPO is as much about competitiveness, resilience, and fit-for-purpose business models as it is about sustainability as such.

And what a turning point that will be.