

Make a Difference for Wild Orangutans

Palm Oil Terms, Definitions and Acronyms

HCV - High conservation value. An area with outstanding and critical importance due to its environmental, socio-economic, cultural, biodiversity and/or landscape value; included as sustainable forestry criteria in 1999 (FSC, Forest Stewardship Council).

HCS - High carbon stock. Carbon stock is the amount of carbon stored in a particular area (i.e. a forest or a peatland area). High carbon stock land is land with 35 tons of carbon above ground biomass.

Primary growth forest - Forest in its original condition, unaffected by human activity.

Secondary growth forest - Forest that has re-grown following a major disturbance (fire, cutting, etc.).

Degraded land - Land that has been cleared of the natural ecosystem.

FFB - Fresh fruit bunch. The large cluster of palm fruits that is harvested from oil palm trees.

CPO - Crude palm oil. The oil extracted from palm kernels before it is purified.

PKO - Palm kernel oil. Oil derived from palm fruit seeds. Higher in saturated fat than palm oil, which is derived from palm fruits.

CSPO - Certified Sustainable Palm Oil. Palm oil that has been grown on a plantation that has been managed and certified in accordance with the **Roundtable on Sustainable Palm Oil's (RSPO)** principles and criteria.

Stakeholders of the RSPO

- Palm Oil Producers, Processors and/or Traders
- Consumer Goods Manufacturers
- Retailers
- Banks and Investors
- Environmental/Nature Conservation NGOs (E-NGOs)
- Social/Developmental NGOs

P&C - Principles & Criteria – RSPO established a set of standards that define the practices for sustainable palm oil production which are reviewed every five (5) years to maintain rigor and relevancy. These standards address the legal, economic, environmental and social requirements of producing sustainable palm oil.

Market uptake - How much of an available product is actually being purchased on the market.

Premium - Additional price paid for higher quality or special criteria, such as RSPO certified sustainable palm oil.

Traceable palm oil - Palm oil that can be traced all the way through the supply chain so a buyer can know its source.

Peatlands - Wetlands with a thick water-logged organic soil layer (peat) formed by dead and decaying plant materials over thousands of years. These ecosystems provide a host of services to the environment and society and are very rich in carbon. If peatland is drained or burned this releases very significant amounts of carbon into the atmosphere.

Subsidence (after peat is drained) - Subsidence is the gradual sinking or shrinking of an area of land. When peatlands are drained (for example, to plant palm oil), the ground level subsides substantially over time.

Small holders - As defined by the RSPO, small holders are farmers growing oil palm, sometimes along with subsistence production of other crops, where the family provides the majority of labor and the farm is their principle source of income. The planted area of oil palm is usually less than 50 hectares in size.

Transparency - Operating in such a way that it is easy for others to see what actions are performed; open and honest.



Certification Mechanisms of the RSPO:

RSPO Credits - Provides tradable certificates for RSPO certified palm oil to the palm oil supply base. The supply base may then offer these certificates on a web based transaction system to end users who choose to support specific volumes of RSPO certified palm oil and or their derivatives. These credits come from mills and crushers or smallholders that are RSPO certified, and can be differentiated between identity preserved, segregated, or mass balance supply chains. It is the least rigorous mechanism.

Mass balance (MB) – Physical supply chain. Administratively monitors trade in RSPO-certified sustainable palm oil and its derivatives throughout the supply chain, and is an interim solution until the trade in sustainable palm oil becomes mainstream. The Mass Balance system allows RSPO-certified sustainable palm oil to be mixed with conventional palm oil at any stage of the supply chain process provided that overall company quantities are controlled.

Segregated (SG) – Physical supply chain. Assures that RSPO certified sustainable palm oil and its derivatives delivered to the end user come only from RSPO certified sources, 100%. However, it allows mixing RSPO-certified sustainable palm oil coming from different certified plantations so the identification of a single original source is not possible.

Identity preserved (IP) – Physical supply chain. This system assures that the RSPO-certified sustainable palm oil and its derivatives delivered to the end user are uniquely identifiable to a specific mill and its supply base and are kept physically separated from all other oil palm sources throughout the supply chain. This is the most rigorous mechanism.

PalmTrace - PalmTrace is the RSPO I.T. platform that traces sustainable palm oil through the supply chain. Supply chain buyers can purchase RSPO credits through the online PalmTrace program which allows for palm oil producers to earn more for their crop through sustainable farming.

NGO – Non-governmental organization.

E-NGO – Environmental or conservation-focused non-governmental organization.

EB - Executive Board (RSPO).

GA - General Assembly (includes voting, RSPO); one person from each RSPO member company or organization may participate in the GA.

ACOP - Annual communication of progress (RSPO).

GHG - Greenhouse gas. An atmospheric gas that absorbs and transmits heat.

POME - Palm oil mill effluent (waste). The single largest source of GHG emissions in the operation of a palm oil mill. During the anaerobic digestion of POME in open ponds, methane gas is emitted to the atmosphere.

Methane capture - Reduction GHG emissions by capture of methane. Methods can include POME closed tanks anaerobic digestion systems or covered lagoon systems. The captured methane can be utilized in a boiler for steam generation or biogas generator for power generation.

ha = hectare; 1 hectare = 2.471 acres or 10,000 square meters.

Supply chain (palm oil) – Plantation, mill, storage, transport/shipping, refiners & blenders, ingredient manufacturers, product manufacturers, retailers

HGU – This stands for Hak Guna Usaha, land cultivation rights title. HGU may be owned by Indonesian citizens or by corporations established under Indonesian law and domiciled in Indonesia. HGU gives the right to use state-owned land for the purpose of agriculture. Foreigners and foreign legal entities, in principle, cannot be granted an HGU. However, Foreign Capital Investment Companies engaging in agriculture are permitted to obtain an HGU, even if they are 100% foreign-owned.

FPIC – Free, Prior and Informed Consent. This has emerged as a key principle in international law related to indigenous peoples and has been widely accepted in private sector policies of corporate social responsibility. It has also been endorsed by the RSPO as a key principle in its Principles and Criteria.



HCV compensation mechanism - In 2011, the RSPO Executive Board decided that there will be a facilitated process within the RSPO to develop a framework document to guide members through the process of compensating for land cleared without prior High Conservation Value assessment between November 2005 and November 2007.

REDD+ - Reducing Emissions from Deforestation and (Forest) Degradation is a mechanism by the United Nations Framework Convention on Climate Change (UNFCCC) with the twin objectives of mitigating climate change through reducing emissions of greenhouse gases and removing greenhouse gases through enhanced forest management in developing countries.

RED - Renewable Energy Directive, of the European Union; selected info: promotion of the use of energy from renewable sources, minimum 10% in every Member State in 2020. Regarding the expansion of biofuels use in the EU, the Directive aims to ensure the use of sustainable biofuels only, which generate a clear and net GHG saving without negative impact on biodiversity and land use.

ISPO – Indonesian Sustainable Palm Oil; – A non-profit organization established in 2009. Generally viewed as less rigorous than RSPO certification. While RSPO membership is voluntary, ISPO criteria are mandatory for Indonesian oil palm growers.

YASBI - Yayasan Kelapa Sawit Berkelan Jutan Indonesia – translated name of ISPO.

MPOB - Malaysian Palm Oil Board - is a government agency responsible for the promotion and development of the palm oil industry in Malaysia. The MPOB is one of agencies under Malaysia's Ministry of Plantation Industries and Commodities.

MSPO - Malaysia Sustainable Palm Oil – A national standard in Malaysia that is mandatory for all oil palm growers. MSPO certification is intended for making Malaysia-grown palm oil more competitive in the global marketplace and enhance sustainability practices.

National Interpretation - The RSPO allows for localized adaptation of its P&C based on domestic cultural or legal differences.

Organizational Acronyms:

AZA – Association of Zoos and Aquariums – accredits facilities in North America

WAZA – World Association of Zoos and Aquariums

OLT – Orangutan Land Trust

CI – Conservation International

TFT – The Forest Trust

IUCN – International Union for Conservation of Nature

SOS – Sumatran Orangutan Society

FFI – Flora and Fauna International

BORA – Borneo Rhino Alliance

OIC – Orangutan Information Centre

Hutan – funds KOCP – Kinabatangan Orangutan Conservation Programme

WRI – World Resources Institute, has developed mapping abilities for palm oil and forest monitoring

BOS – Bornean Orangutan Survival

NASPO – North American Sustainable Palm Oil Network

These are just a few, there are many more.

