

## **Understanding commitments to No Deforestation, No Peat and No Exploitation (NDPE)**



**This document provides an introduction to the key terms and ideas behind No Deforestation, No Peat and No Exploitation (NDPE) commitments.**

**Commitments to No Deforestation, No Peat and No Exploitation (NDPE) are commonly seen in reference to agricultural commodity production used by downstream companies, traders, mills and growers. They are most common in relation to palm oil production.**

**This document describes the issues that would typically be covered by an NDPE commitment; however, it is important to note that there is no definitive definition of what must be covered in an NDPE commitment. Therefore, these interpretations should be viewed as guidance for people new to the concept, and as the base on which to build.**

**Proforest generally recommends consulting with stakeholders working on social and environmental impacts of agricultural commodity production to inform companies about the pertinent issues to be addressed: these then inform the development of policy commitments and appropriate actions.**

## NDPE stands for:

### 1. No Deforestation

Refers to avoiding deforestation when developing land to produce commodities or associated projects. Tools such as the High Carbon Stock Approach (HCSA), which focuses on forests, and the High Conservation Value (HCV) approach (which includes also other ecosystems and social values) are commonly referenced in relation to implementation of this commitment. It also encompasses the regulation of burning practices and the reduction of greenhouse gas (GHG) emissions on existing plantations.



### 2. No Development on Peat

Refers to having no new developments on peatland and encouraging the use of Best Management Practices on existing plantations on peat. Where possible, peat restoration should also be implemented.



### 3. No Exploitation

Refers to not exploiting workers, local communities or small-scale growers, in the production of an agricultural commodity. This is about respecting human rights: with a focus on the rights of indigenous and local communities, workers, and smallholders.



#### Did you know?

**46% of the world's largest oil palm producers and traders have comprehensive commitments to NDPE<sup>1</sup>. The palm oil industry has pioneered the use of this type of sustainability commitment as part of its efforts to create transformational change in the supply chain. There has been interest from downstream companies and investors to expand these commitments to other agricultural supply chains.**

<sup>1</sup> SPOTT Annual Report (2017)

## Spotlight on No Deforestation: The 'D' in NDPE

### Tropical forests

Tropical forests are hugely valuable in terms of biodiversity, carbon storage, watershed protection and are critical for forest-dependent people's livelihoods.

### High Conservation Values (HCV)

The HCV approach aims to identify, maintain and/or enhance biological, ecological, social or cultural values of outstanding significance or critical importance. This includes forests, but also other ecosystems and social values associated with these ecosystems.

### High Carbon Stock (HCS)

The HCS Approach aims to identify areas of land suitable for development and forest areas that merit protection, while securing the rights and livelihoods of communities.

- ✓ **Yes to landscape approach:** Identification and conservation of HCV and HCS areas should be done in a development area and its surrounding landscape. Ignoring the wider landscape context can increase the risk of habitat fragmentation and ecological degradation.
- ✓ **Yes to sustainable management and monitoring of HCV and HCS areas and compensation of any of those areas that have been lost:** To avoid negative impacts of practices undertaken in forest management units, agricultural plantations or other production sites on HCV and HCS areas, it is important to establish appropriate management measures, and monitor both the implementation and effectiveness of these measures. If any HCV and HCS areas have been lost, they should be restored or compensated for.
- ✓ **Yes to respecting communities' rights to their lands and Free Prior and Informed Consent:** For the effective conservation of forests and every ecological or biological value, local communities must be engaged and active in this process from identification to conservation, especially through being consulted prior to conversion and ensuring they provide their consent based on accurate information made available to them to inform their decision making (FPIC principles).
- ✓ **Yes to identification, assessment, reduction and monitoring of GHG emissions from operations:** The company should assess GHG emissions from operations and design a management plan to decrease them. Monitoring of GHG emissions and the effectiveness of reducing management measures is also required.
- ✗ **No to burning or use of fire for land clearing/ replanting:** Burning methods for land clearing and replanting hugely increase the risk of wild fires.



## Spotlight on Peat: The ‘P’ in NDPE

### Peatlands in the world

Peat is a soil with cumulative organic layers. Peatlands cover 400 million ha or 3% of the world's land area and store 30% of global soil carbon.

### Peat degradation

The main impacts of peatland degradation include greenhouse gas emissions, land subsidence, flooding, water shortages, loss of biodiversity, loss of income or welfare of local communities, fires and associated smoke haze.

### Peat swamp forest benefits

Peatlands provide ecosystem services of great importance such as provision of clean water, flood prevention and provision of fish and other resources to local communities.

- ✓ **Yes to protecting and managing peatlands sustainably:** All peatlands in existing plantations should not be degraded and must be responsibly managed in line with Best Management Practices. Peatland management should be part of an integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas.
- ✓ **Yes to identifying, mapping and reporting of peat areas:** Peatlands within the managed areas should be inventoried, mapped and monitored to understand where they are, and to inform effective management.
- ✓ **Yes to water management:** Peat is 90% water by weight and so changes in the water regime have a fundamental effect on peatland ecosystems. A major cause of peat fires can be attributed to the excessive drying of peatlands due to poor water management and over-drainage. Existing plantations on peat should manage water levels according to best practice, retaining water levels as high as possible and minimising drainage.
- ✓ **Yes to protecting the hydrology of adjacent peat swamp forest:** Clearing and draining of land next to and hydrologically linked to peat forest can lead to hydrological changes and its subsequent degradation. This also often leads to increased flooding or fire risk, and increases in human, wildlife and social conflicts for the plantation involved.
- ✓ **Yes to fire prevention:** Fire prevention requires effective fire monitoring and surveillance, and distribution of the information to relevant stakeholders in the field. Uncontrolled drainage and use of fire in land clearance are major factors contributing to peat fires.
- ✓ **Yes to dialogue and cooperation with local communities:** Cooperation with local communities is an effective way to discourage use of fire and to enhance protection of intact peatland areas.
- ✓ **Yes to peat restoration:** When required, peat restoration should be done following best management practices.
- ✗ **No to development on peat:** There must not be new development on peatlands.
- ✗ **No to burning or use of fire for land clearing/ replanting:** Burning methods for land clearing and replanting hugely increase the risk of fires occurring.
- ✗ **No to uncontrolled drainage:** Uncontrolled drainage is a main cause of peatlands ecosystem degradation and fire.

## Spotlight on No Exploitation: The 'E' in NDPE

### Respecting the rights of indigenous peoples and local communities

This includes ensuring that a process of Free Prior and Informed Consent (FPIC) is used to give indigenous peoples and local communities the decision-making power to grant or withhold their consent to any proposed projects that may have impacts on their rights, lands, resources, territories, livelihoods or food security.

### Workers' rights

Workers' rights are wide-ranging and ensure the protection of fundamental human rights in the workplace. Respecting these rights creates further positive impacts on local communities in which workers live.

### Smallholders

Working closely with Smallholders can have beneficial impacts on rural livelihoods and well-being. It can help guarantee the quality and increase the quantity of produce. Working with smallholders can also ensure the traceability of supply.

- ✓ **Yes to identifying and respecting the rights of indigenous peoples, and local communities including smallholders:** Commodity production can be associated with loss of rights to land, conflicts over land as well as negative impacts on resources used by communities (e.g. pollution of waterways or air pollution). Putting mechanisms in place which avoid causing or contributing to adverse impacts on rights and providing or cooperating in remediation where negative impacts have occurred is essential. It is important to actively engage stakeholders and respect their right to meaningful and effective participation in decision-making about matters that may affect them.
- ✓ **Yes to supporting smallholders:** Smallholders are often a critical player in commodity production, and yet they may be particularly vulnerable to price fluctuations or demands to implement changes to meet sustainability standards. Committing to No Exploitation of smallholders generally requires going beyond the provision of technical assistance to look at the wellbeing of small-scale growers, including provision of decent living incomes and impacts on the wider community.
- ✓ **Yes to gender equality:** Women and men can be affected differently by agricultural production; whether as workers, as community members or smallholder producers. For example, women workers may receive lower wages for the same work, may be more at risk of harassment and may have more insecure land rights. Therefore, it's valuable to use a gender-sensitive approach to commitment implementation, such as using gender analysis before taking actions, and ensuring that women's voices are heard in all consultations and decision-making.
- ✓ **Yes to the right to raise concerns and freedom from reprisal:** operations should have fair, effective, transparent grievance procedures, and should ensure that whistle-blowers or human rights and environmental defenders are not subjected to reprisals, victimisation, intimidation or violence.

## ✓ Yes to workers' rights:

Typically these include at a minimum those covered by the International Labor Organization (ILO) Fundamental Conventions, and would usually cover at least:

- ✓ **Yes to fair pay and working hours:** Fair pay, reasonable working hours and other benefits such as social security are essential elements of decent work. The payment of wages through a piece-rate system needs to meet minimum wage requirements.
- ✓ **Yes to safe and healthy workplaces:** Health and safety procedures should be in place to ensure no one is placed at undue risk of accident or disease. The provision of Personal Protective Equipment (PPE) is an important element of health and safety, as is an environment free of discrimination, intimidation or harassment in any form.
- ✓ **Yes to freedom of association and collective bargaining:** All employees have the right to freely associate, form and join trade unions and bargain collectively. There shouldn't be any discrimination based on affiliation or non-affiliation and no harassment, intimidation or efforts to stop workers from doing so.
- ✓ **Yes to grievance mechanisms and access to remedy:** There should be a confidential and anonymous means for workers to raise grievances, these should be dealt with in a timely fashion and records of how remedy was achieved should be kept. They should be used to feed into systems improvements.

- ✗ **No to child labour:** Child labour is work that deprives children of their childhood, dignity and potential to thrive and that is harmful to physical and mental development. This means that workers under the national minimum age should not be employed, and young workers (under 18 but above the minimum age) must only be involved in light work; they cannot be employed for hazardous work; such as long hours, night work, applying chemicals, or operating machinery.
- ✗ **No to forced labour:** Forced labour refers to any situation where people are coerced to work. This can be due to the use of violence or intimidation, debt to the employer, retention of identity documents or threats to report to immigration authorities. Forced labour, (which includes debt bondage) is a form of modern slavery; migrant workers and minority groups of all sorts are particularly vulnerable.
- ✗ **No to discrimination, intimidation or harassment:** There should be no physical, mental, verbal, sexual or other abuse, inhumane or degrading treatment, corporal punishment or any other form of harassment. There should be no discrimination towards any workers – including contract, sub-contract, temporary and migrant workers, regardless of ethnicity, race, caste, birth, age, disability, marital status, nationality, gender, religion, sexual orientation or political opinions or affiliation.

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