

I-SPOC

Aligning Sustainability Principles into Oil Palm Production Policy in India

Briefing Paper



www.indiaspoc.org



bhavya@c4rb.in



Contents

Acknowledgement.....	3
1. Background.....	4
1.1 National Level Policies and Initiatives for palm oil production.....	5
1.2 National Mission on Edible Oils - Oil Palm (NMEO-OP).....	6
2. Sustainability in palm oil production.....	7
2.1 International Experiences on Sustainable Palm Oil Production.....	8
3. Integrating Sustainability Principles into oil palm production in India.....	9
4. Conclusion & Recommendations.....	17

Acknowledgement

The policy brief has been developed as a knowledge product of I-SPOC.

The primary purpose and target of the briefing paper is to provide a set of recommendations to the central and the state governments for aligning sustainability principles into the ongoing national palm oil production initiative. It will also be utilised to engage businesses and other relevant stakeholders across the country working on palm oil production and associated activities.

We would like to thank Nidhi Choudhary - Programme Officer and Bhavya Sharma, Senior Programme Officer, Centre for Responsible Business for drafting the paper.

We would also like to thank I-SPOC Founding organizations, RSPO (Ashwin Selvaraj- Deputy Director Market Transformation (India & China) and Aakash Deep Arora - Manager Stakeholder Engagement) for their inputs and suggestions on the paper.

1. Background

Oil palm (*Elaeis guineensis*), is the largest edible oil crop in the world and is produced in and around areas endowed with rich biodiversity¹. It is grown extensively in its native West and Central Africa, as well as in Malaysia and Indonesia². Palm oil extracted from the pulp and seed of the fruit is used in several foods, oleochemicals, pharmaceutical and wellness items, domestic goods, and industrial objects.

India is the second largest consumers of edible oil and meets most of its consumption requirements through imports. Oil palm accounts for around 56% of all imported edible oils, followed by soybean oil at 27% and sunflower oil at 16%³. India imports oil palm mainly from Indonesia and Malaysia, where the production and expansion of oil palm plantation has been linked to deforestation and biodiversity loss⁴. India's consumption⁵ of oil palm is around 10 percent i.e., 8.15 million metric tonnes (MMT) of the total global consumption of oil palm which was around 76 million metric tonnes (MMT) for the year 2022-23⁶.

In 2022-23, India imported approximately **9.79 million metric tonnes (MMT)** of palm oil to meet its needs. India imports palm oil in the form of crude palm oil (CPO) and refined palm oil (RBD Palmolein). India also produces an insignificant amount of oil palm (0.3 MMT). In India, the top oil palm producing states are: Andhra Pradesh, Telangana, Kerala, Karnataka and Tamil Nadu⁷. Andhra Pradesh is the major oil palm growing state in India with a production capacity of 20 lakh tons. Other states such as Telangana, Karnataka, Tamil Nadu, Odisha, Assam, Mizoram, Arunachal Pradesh, Bihar and Madhya Pradesh together produce another 5 lakh tons of palm oil. In Andhra Pradesh alone, more than two lakh farmers are involved in oil palm cultivation while additional two lakh farmers are estimated to cultivate the crop in other parts of India.⁸

Table 1: The state wise and year wise production of crude oil palm in India

Year	2016-17	2017-18	2018-19	2019-20	2020-21
State	Production in Metric tons				
Andhra Pradesh	190999	234696	232938	208359	240016
Telangana	8947	27274	37205	38050	39347
Kerala	5989	5191	4857	4825	4281
Karnataka	2051	2224	2280	2184	2734
Tamil Nadu	1194	938	1017	532	698
Mizoram	603	648	625	535	675
Goa	436	379	411	309	305
All India (metric tons)	210219	271349	279332	254794	288056
All India (million metric tons)	0.21	0.27	0.28	0.25	0.29

Source: [Ministry of Agriculture and Farmers Welfare-NMEO-OP Guidelines](#)

As it is evident from the table above there is an insignificant increase in oil palm production in India. In the year 2016-17, oil palm production was approximately 210,000 metric tons that increased slightly to 290,000 metric tons in 2020-21. Andhra Pradesh was the top producer contributing to 83 % of the total volume of oil palm produced in India.

¹ <https://www.iucn.org/resources/issues-brief/palm-oil-and-biodiversity>

² <https://www.britannica.com/plant/oil-palm>

³ <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2022/jul/doc202271871301.pdf>

⁴ <https://cbey.yale.edu/research/palm-oil-in-indonesia-environmental-and-social-aspects>

⁵ <https://www.statista.com/statistics/489272/palm-oil-consumption-india/>

⁶ <https://www.statista.com/statistics/274127/world-palm-oil-usage-distribution/>

⁷ <https://upscolorfullnotes.com/palm-oil/>

⁸ <https://www.protectourlivelihood.in/crops/oil-palm/#:~:text=Andhra%20Pradesh%20is%20the%20major,%2C%20Bihar%2C%20Madhya%20Pradesh%20etc>

1.1 National Level Policies and Initiatives for palm oil production

To increase the domestic production of oil palm, the government of India has launched various missions since 1986. A brief overview of the missions is as follows:

Mission Name	Year	Salient features
Technology Mission on Oil Seeds (TMO) ⁹	1986	<ul style="list-style-type: none"> To increase the production of oil seeds to reduce imports and achieve self-sufficiency in edible oils. Financial assistance was provided for purchase of breeder seeds, production of foundation, and certified seeds etc, to encourage farmers to grow oilseeds and pulses
Oil Palm Development Project (OPDP)	1999	Launched under the Technology Mission on Oilseeds mission on oilseed and pulses with focussed on area expansion in the states of Andhra Pradesh, Karnataka, Tamil Nadu, Orissa, Gujarat and Goa.
Integrated Scheme of oilseeds, Pulses, Oil Palm and Maize (ISOPOM) ¹⁰	2004-2005	<ul style="list-style-type: none"> Provided support for oil palm cultivation in 12 states viz, Andhra Pradesh, Assam, Gujarat, Goa, Karnataka, Kerala, Maharashtra, Mizoram, Orissa, Tamil Nadu, Tripura, & West Bengal. Support was provided for planting material, cultivation cost, installation of drip irrigation system, diesel pump sets, training, development of waste land and technology transfer through demonstration and publicity.
Oil Palm Area Expansion (OPAE) ¹¹	2011-2012	<ul style="list-style-type: none"> OPAE was implemented under the Rashtriya Krishi Vikas Yojna (RKVY). Priority was given to expand the area to 6000 hectares under the purview of existing mills so as to increase technical and economic viability of their operations.
National Mission on Oilseeds and Oil Palm (NMOOP) ¹²	2014-2015	<ul style="list-style-type: none"> To increase the domestic production of vegetable oils sourced from oilseeds, oil palm and Tree Borne Oil Seeds (TBOs) from 7.06 million tonnes to 9.51 million tonnes by 2016-17. Scheme was under the National Food Security Mission-Oil Palm (NFSM) from 2018.

⁹ [Technology Mission on Oil Seed](#)

¹⁰ http://www.agritech.tnau.ac.in/govt_schemes_services/pdf/2012/ISOPOM.pdf

¹¹ <https://agricoop.nic.in/Documents/annual-report-2021-22.pdf>

¹² <https://nmoop.gov.in/Guidelines/NMOOP20114.pdf>

National Food Security Mission-Oil Palm (NFSM-OP)	2020-2021	<ul style="list-style-type: none"> • Mission was dedicated to oil palm area expansion and productivity enhancement. • The mission was implemented in 12 states; Andhra Pradesh, Chhattisgarh, Gujarat, Karnataka, Odisha, Tamil Nadu, Telangana, Arunachal Pradesh, Assam, Mizoram, Manipur and Nagaland. • As part of the mission, financial assistance was being provided to the farmers for planting material and other components like installation of drip irrigation systems, diesel/electric pump-sets etc. • 100% support was being provided for conducting research and development activities like capacity building and dissemination of oil palm production technology.
National Mission on Edible Oils (Oil Palm)- NMEO (OP) ¹³	2021	<ul style="list-style-type: none"> • To promote oil palm cultivation for making the country self-reliant (<i>aatamnirbhar</i>) in edible oil in 14 states viz; Andhra Pradesh, Telangana, Chhattisgarh, Tamil Nadu, Kerala, Gujarat, Karnataka, Odisha, Mizoram, Nagaland, Assam, Arunachal Pradesh, Manipur and Tripura. • As part of the mission, special focus on North Eastern States by increasing the area of oil palm plantations from 3.70 lakh hectares to 10.00 lakh hectares in 2025-26.

1.2 National Mission on Edible Oils - Oil Palm (NMEO-OP)

The Department of Agriculture & Farmers Welfare launched the National Mission on Edible Oil- (Oil Palm) in August 2021. The total estimated cost of the NMEO (Oil Palm) is INR 11,040 crores (INR 8844 crore-GOI share and INR 2196 crore-state share). The cost for implementation of NMEO-OP will be shared as 60:40 between the Central and the State Government for General states and 90:10 for North-Eastern states and 100% for UTs and Central Agencies¹⁴.

The major focus of the Mission is to provide **Viability Price**¹⁵ of Fresh Fruit Bunches (FFB) to the farmers linked with assured procurement by the industry with a simple pricing formula. Central government will compensate farmers through viability gap payment, if the price paid by industry is below viability price level. There is a lot of potential for the growth of oil palm in the country and therefore the mission aims to achieve: increased area of oil palm by 6.5 lakh hectares by 2025-26 and 16.71 lakh ha by 2029-30.

- Fruiting to be increased to 2.80 lakh hectares by 2025-26 and above 8.50 lakh hectares by 2029-30. The current fruiting is 1.89 lakh hectares.
- Fresh Fruit Bunches (FFBs) production will be 75.19 lakh tonnes by 2025-26 and 170.00 lakh tonnes by 2029-30.
- Crude Oil palm (CPO) production is expected to increase up to 28.11 lakh tonnes by 2029-30.

¹³ <https://nmeo.dac.gov.in/>

¹⁴ <https://nmeo.dac.gov.in/nmeodoc/NMEO-OPGUIEDLINES.pdf>

¹⁵ A Viability price (VP) is guaranteed price to farmers for FFB produce with an objective formulation. This VP of FFB per ton shall be 14.3% of the annual average price of Crude oil palm of the last 5 years adjusted with the wholesale price index (WPI) of all India.

Table 2: Proposed area details under NMEO-OP for oil palm plantation of the states having approved action plans

State		Proposed area details	
		Area (ha)	Number of districts
1.	Assam	200,000.00	10
2.	Telangana	125,300.00	27
3.	Andhra Pradesh	112,000.00	10
4.	Arunachal Pradesh	40,000.00	11
5.	Manipur	31,000.00	6
6.	Nagaland	30,000.00	6
7.	Mizoram	27,000.00	8
8.	Karnataka	19,300.00	15
9.	Tamil Nadu	18,500.00	17
10.	Chattisgarh	16,400.00	15
11.	Gujarat	12,700.00	14
12.	Odisha	10,500.00	17
13.	Kerala	6,500.00	8
14.	Goa	800.00	
Total		6,50,000 ha	

Source: [NMEO-OP Guidelines](#) released by Ministry of Agriculture & Farmers' Welfare

As per NMEO-OP guidelines, the scheme will be implemented by involvement of stakeholders at different levels. The major stakeholders involved in implementation of the scheme are state departments of horticulture and agriculture, Panchayati Raj Institutions (PRI), Central University/ Agricultural universities/ICAR Institutes, Kisan Vigyan Kendras (KVKs), Self Help Groups (SHGs), Central Agencies/Co-operatives, Oil Palm Processors/Associations and DD Kisan/Doordharshan/AIR¹⁶.

2. Sustainability in palm oil production

Oil palm plantations have emerged as a significant driver of deforestation, particularly in Southeast Asia. Oil palm cultivation in Indonesia had accounted for estimated 2 to 9 percent of all tropical land use emissions from 2000 to 2010. Indonesia was the world's seventh-largest emitter of global warming pollution in 2009, and deforestation accounted for about 30 percent of these emissions.¹⁷

The major factors behind the conversion of land in Southeast Asia are the increased global demand for biofuels and other non-food products (mainly from Europe), and for food (mainly from India and China). The European Union (EU) is the second largest global importer of palm-based oils. Consumer-led demand in the EU has been one of the drivers of the expansion of oil palm cultivation.¹⁸

Considering the various negative impacts associated with oil palm expansion, there is a need to transit towards sustainable palm oil. To achieve sustainability, priority should be given to increasing the yield of oil palm, access to high quality planting materials, strict adherence to good management practices and supporting smallholders and their families/community.¹⁹

¹⁶ <https://nmeo.dac.gov.in/nmeodoc/NMEO-OPGUIDELINES.pdf>

¹⁷ https://www.ucsusa.org/sites/default/files/legacy/assets/documents/global_warming/palm-oil-and-global-warming.pdf

¹⁸ <https://cabiagbio.biomedcentral.com/articles/10.1186/s43170-021-00058-3#:~:text=Serious%20production%20issues%20related%20to,emissions%20due%20to%20crop%20expansion>

¹⁹ <https://www.intechopen.com/chapters/78807>

In addition to making changes at the production level practices for sustainable oil palm cultivation, necessary refinements are also needed to be made at the policy level. The Government of Indonesia under the Ministry of Agriculture introduced the Indonesian Sustainable Palm Oil (ISPO) Certification in 2011 as a mandatory requirement for all oil palm growers and millers operating in Indonesia with the objective to holistically address the environmental issues plaguing the palm oil industry and thereby improve the competitiveness of Indonesian palm oil in the global market. Similarly, Malaysia also has its own national scheme Malaysian Sustainable Palm Oil (MSPO) certification scheme for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities.²⁰ In order to transit towards sustainable practices in production of palm oil, the government of India also needs to make similar initiatives towards sustainable oil palm production at policy level.

2.1 International Experiences on Sustainable Palm Oil Production:

Initiatives have also been undertaken at the international level to promote sustainable palm oil production. These initiatives include smallholders, traders, national governments and businesses. Below are some examples of initiatives taken in Indonesia, Malaysia and Africa.

A. First Certified Sustainable Village²¹ - Indonesia

The Indonesian smallholders have profited from the integration of sustainable principles into the production of palm oil. A good example of how private organizations might adopt a village and collaborate with smallholder farmers to enhance their standard of living while simultaneously protecting the environment is the “Sustainable Village” project in the Central Kalimantan region of Indonesia.

Started in 2016, Unilever has encouraged smallholder farmers to apply sustainable agricultural practices in their oil palm plantations. To date, they have helped certify more than 1,000 smallholders in two districts – according to principles of the Roundtable on Sustainable Palm Oil (RSPO) and the Indonesian Sustainable Palm Oil (ISPO) certification systems. They are in the process of helping 2,500 more. This has created the first certified sustainable villages in the palm oil industry, which means oil palm sourced from these areas is responsibly produced.

The extra income derived from better yields and from selling certified sustainable palm oil (which can be sold at a higher price) is channelled into upgrading facilities and services that benefit the whole community. In Pangkalan Tiga village, for example, the extra income is used to support a convenience store to meet people’s daily needs and an agro-tourism site to provide leisure activities. There is a significant change in how farmers treat the environment, particularly in terms of managing waste, and protecting the land and surrounding water sources.

B. National Action Plan on Sustainable Palm Oil (NAP SPO) - Indonesia

To increase the sustainable production in Indonesia, United Nation Development Programme (UNDP) has worked with the Government of Indonesia to develop the National Action Plan (NAP) on Sustainable Palm Oil (SPO). The Action Plan was collaboratively developed with the Forum for Sustainable Palm Oil of Indonesia (FoKSBI). The process of developing the NAP SPO has helped to identify areas where capacity-building for smallholders is needed. As a result, private sector support to smallholders has been strengthened which has in turn helped in aligning with the NAP SPO²².

²⁰ <https://www.unilever.com/news/news-search/2021/how-oil-palm-production-can-benefit-people-and-planet/>

²¹ <https://www.unilever.com/news/news-search/2021/how-oil-palm-production-can-benefit-people-and-planet/>

²² <https://www.undp.org/facs/blog/indonesia-national-action-plan-sustainable-palm-oil-undp-impact-story>

C. Aiming 100% Sustainable Growers by 2025 - Malaysia

Sabah state in Malaysia is working to ensure that all growers are sustainable producers of palm oil by 2025. The project was launched in 2015 to bring together the state's authorities, plantation owners, palm oil traders and buyers, green groups and local communities for sustainable oil palm production. The pressure from consumers and campaigners has pushed big corporations that grow, trade and buy palm oil to ending deforestation²³.

D. Marrakesh declaration - Africa

The Governments of the Central African Republic, Côte d'Ivoire, Democratic Republic of Congo, Ghana, Liberia, the Republic of Congo and Sierra Leone publicly signed the Marrakesh Declaration for the Sustainable Development of the Oil Palm Sector in Africa at the UN Framework Convention on Climate Change (UNFCCC) in Marrakesh, 2016. The Declaration sends an important signal that these signatory countries – representing over 66% of Africa's tropical forest – are open for business, but will only welcome oil palm investments that comply with the principles of sustainability, transparency and the protection of human rights set out in the Declaration. It is the latest development in the ongoing work of the Tropical Forest Alliance 2020 (TFA 2020) Africa Palm Oil Initiative (APOI), coordinated by Proforest since 2014.

3. Integrating Sustainability Principles into oil palm production in India

Based on the action plans²⁴ released by the 14 states, it can be seen that the government has promoted practices like drip irrigation, water harvesting, intercropping with the short duration crops to not just mitigate and reduce environmental impacts but also help farmers with additional income.

State governments have also included some of the sustainability elements like application of renewable energy, construction of water harvesting structures to use water efficiently etc. in the state action plans. However, it is imperative to take a comprehensive view and identify all possible measures that will ensure that oil palm production in India is undertaken to provide significant positive benefits to nature and people.

In this regard, this paper recommends that the national oil palm policy is assessed using the principles of Government of India's, National Guidelines on Responsible Business Conduct (NGRBC). Alignment with the NGRBC principles will also help state governments develop roadmap(s) for palm oil sectoral development in a sustainable manner and *in sync* with the national framework.

NGRBC takes into consideration elements from the Sustainable Development Goals (SDG) and UN Guiding Principles on Business and Human Rights - and is therefore aligned with relevant international conventions related to human rights, climate change, biodiversity, inclusivity and transparency. The 9 principles and 53 core elements contain environment, social and economic indicators responsible for business conduct. The NMEO-OP operational guidelines have provided procedures to achieve the targets and goals of the mission. The guidelines/directives cover the process of workflow to the states that they must follow to achieve their targets for expanding oil palm plantations in respective states.

A comparison has been done in the table (Table 3) below to highlight some missing elements in the NMEO-OP mission (based on the 9 principles of NGRBC) in the form of recommendations to the central and state governments.

²³ <https://www.weforum.org/agenda/2022/02/borneo-islands-sabah-state-green-palm-oil-deforestation-sustainability/>

²⁴ <https://nmeo.dac.gov.in/annualactionplan.aspx>

Table 3: Comparison between NGRBC Principles & NMEO-OP guidelines for sustainability elements

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

NGRBC Core Element	NMEO-OP elements	Recommendations
<ol style="list-style-type: none"> 1. The governance structure should develop and put in place structures, policies and procedures that promote this Principle, prevent its contravention and effect prompt and fair action against any transgressions. 2. The Governance Structure should ensure that the Principles of these Guidelines are understood, adopted and implemented throughout the operations of their business. 3. The Governance Structure should also promote the adoption of this Principle across the value chain of their business. 4. The Governance Structure should disclose and communicate transparently and enable access to information about the policies, procedures, performance (financial and non-financial), and decisions of their enterprise, that impact their stakeholders, especially those that are most at risk to business impacts and communities that are vulnerable and marginalized. 5. The Governance Structure should take responsibility for meeting all its statutory obligations in line with the spirit of the law, enabling fair competition and ensuring it treats all its stakeholders in an equitable manner. 6. The Governance Structure should ensure that the business avoids complicity with the actions of any third party that violates any of the Principles contained in these Guidelines. 7. The Governance Structure should put in place appropriate structures, policies and procedures to address conflicts of interest involving its members, employees and business partners. 8. The Governance Structure should put in place appropriate structures, codes, policies, and procedures to ensure that the business does not engage in illegal and abusive practices, bribery and corruption, and ensure timely and fair action in case such transgressions are detected. 9. The Governance Structure should ensure that the business contributes to public finances by timely and complete payment of all applicable taxes in the letter and spirit of the laws and regulations governing such payments. 	<p>Provision of level playing field by providing equal opportunities to every group involved in oil palm cultivation</p>	<ol style="list-style-type: none"> 1. Promote transparency and accountability in the implementation of the state action plans. 2. Take strict action against illegal and unethical practices, bribery and corruption in both the public and the private sphere involved with oil palm production. 3. Design policies to address conflict of interest in implementation of state action plans. 4. Encourage companies to disclose financial and non-financial impact of the state action plan.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

<ol style="list-style-type: none">1. Businesses should, in designing, producing and making available goods and services, endeavour to ensure that resource-efficient and low-carbon processes and technologies are deployed to minimize adverse environmental and social impacts.2. Businesses should provide stakeholders across the value chain with adequate information about environmental and social issues and impacts across product life cycle from design to disposal. This may be done through appropriate and relevant tools such as certifications, labels, ratings and other communication and disclosure platforms including reports, websites, etc.3. Businesses should increasingly take responsibility for the safe collection, reuse and recycling of their products at life so as to build a circular economy as a part of the notion of extended producer responsibility that is increasingly becoming a part of regulation in India and globally.	<ol style="list-style-type: none">1. Engagement of Solar pumps as per norms of PM-KUSUM.2. Establishment of vermicompost units.3. Increasing drip irrigation coverage under oil palm, water harvesting & irrigation4. Usage of low cost recycled bags in Seed Nursery.5. Mulching as oil palm empty fruit bunch (EFB) fiber.	<ol style="list-style-type: none">1. Ensure that environment and social impact assessment (ESIA) of the activities is carried out in oil palm plantation before planting and at the primary processing stage(mill).2. Provide the stakeholders with access to the ESIA information in an appropriate manner.3. Promote principles of resource efficiency and circularity in the action plan, i.e.;<ul style="list-style-type: none">• Design out waste management system. Regenerate the natural system.• Keep material and products in use for a long time.
---	--	---

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

<ol style="list-style-type: none"> 1. The Governance Structure should ensure that the business complies with all regulatory requirements pertaining to its employees, and that there are systems and processes in place to enable this to be done by its value chain partners. 2. Businesses should ensure equal opportunities at the time of recruitment, during the course of employment, and at the time of separation without any discrimination. 3. Businesses should promote and respect the right to freedom of association, participation of workers, and collective bargaining of all employees including contract and casual labour and provide access to appropriate grievance redressal mechanisms. 4. Businesses should not use child labour, coercive or forced labour, or any form of involuntary labour, paid or unpaid. 5. Businesses should put systems and processes in place to support the work-life balance of all its employees. 6. Businesses should ensure fair, timely and transparent payment of statutory wages of all its employees, including contract and casual labour without discrimination. 7. Businesses should aspire to pay fair living wages to meet basic needs and economic security of all employees, including casual and contract labour. 8. Businesses should provide a workplace “environment that is safe, hygienic, accessible to the” - there is no space between the words differently abled and which upholds the dignity of the employees. Businesses should engage and consult with their employees on this provision. 9. Businesses should ensure continuous upgradation of skill and competence of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote career development through human resource interventions. 10. Businesses should create systems and practices to ensure a humane workplace free from, violence and harassment (including sexual harassment); a workplace where employees feel safe and secure, with adequate provisions for grievance redressal. 	<ol style="list-style-type: none"> 1. Capacity building of farmers/ officers associated with the oil palm plantation to be conducted as per the operational guidelines 2. Majority of interventions of NMEO-OP are beneficiary oriented ensuring participation of, small/marginal, SC/ST/ Minority/Women categories in a cluster approach. 	<ol style="list-style-type: none"> 1. Equal opportunities to be provided to all stakeholders without discrimination. 2. Promote and implement the right to freedom of association and collective bargaining. 3. Fair and transparent wages for all permanent and contractual workers. 4. No use of child labour, forced labour and bonded labour in oil palm plantation activities, processing mills, refining mills etc. 5. Development of policies for proper grievance redressal.
---	--	---

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.		
<ol style="list-style-type: none"> 1. Governance Structures should ensure that the business acknowledges, assumes responsibility, and is transparent about the impact of their policies, decisions, products and associated operations on all stakeholders, and the natural environment. 2. Businesses should develop systems, processes and mechanisms to identify its stakeholders, understand their expectations and concerns, define the purpose and scope of the engagement, consult with them in developing policies and processes that impact them, and commit to resolving any differences and redressing grievances in a just, fair and constructive manner. 3. Businesses should enable all stakeholders to benefit fairly from the value generated by the businesses, and any conflicts or differences arising from the impact of business operations or the sharing of the value generated by the businesses should be resolved in a just, fair and equitable manner. 	<ol style="list-style-type: none"> 1. Active Involvement of relevant stakeholders; engagement with farmers. Involvement of Farmers Association/NGOs/ Self Help Groups/Farmers Groups/ Women Groups/ Cooperative Societies/FPOs; Subsidy to buy equipment and tools. 2. Formation of Customer Harvesting Centre and Harvester Group. 3. Special allocation to SC (17%) and ST (8%) farmers. 4. Viability Gap Payment (VGP) offered to farmers to ensure fair pricing to farmers for FFBS produced 	<ol style="list-style-type: none"> 1. Undertake comprehensive mapping of supply chain and value chain with special emphasis on: <ul style="list-style-type: none"> • Identifying risks and vulnerabilities. • Identifying all key stakeholders in the supply/ value chain (especially the marginalised). • Develop strategies to engage with the stakeholders in the value chain in a fair and transparent way. 2. Facilitate trust building between the companies and the community.
Principle 5: Businesses should respect and promote human rights.		
<ol style="list-style-type: none"> 1. The Governance Structure should ensure that the business undertakes to make its employee aware of the human rights content of the Constitution of India, relevant national laws and policies, and the International Bill of Human Rights and their application to businesses as outlined in the United Nations Guiding Principles for Business and Human Rights. It should further ensure that the responsibility for addressing such impacts is assigned to the appropriate level and function within the business. 2. The Governance Structure should ensure that the business has in place such policies, structures and procedures that demonstrate respect for the human rights of all stakeholders impacted by its business. This includes carrying out human rights due diligence to identify, prevent, mitigate and account for how they address adverse human rights impacts. 3. The Governance Structure should ensure that their business, where it is causing, contributing or otherwise linked to adverse human rights impacts, takes corrective actions to address such impacts. 4. Businesses should promote the awareness and realization of human rights across its value chain. 5. Businesses should ensure that all individuals and groups whose human rights are impacted by them have access to effective grievance redressal mechanisms. 	<p>None</p>	<ol style="list-style-type: none"> 1. Ensure businesses have an effective grievance redressal mechanism. 2. Provide individuals and groups access to effective grievance redressal mechanisms. 3. Development of guidelines to conduct internal capacity building to ensure the extension officers, workers at the primary processing facilities, farmers are informed and trained on the grievance redressal and human rights due diligence mechanisms.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

<ol style="list-style-type: none">1. The Governance Structure should ensure that the business formulates appropriate policies, procedures and structures to assess, measure and address its adverse impacts on the environment at all its locations, at all stages of its life cycle from establishment to closure. Special care should be taken where these impacts occur in eco-sensitive areas.2. Businesses should develop appropriate strategies for sustainable and efficient use of natural resources and manufactured materials, giving due consideration to expectations and concerns of all stakeholders.3. Businesses should define measurable key performance indicators and targets to monitor their performance on environmental aspects such as water, air, land-use, forest, energy, materials, waste, biodiversity, built environment and so on.4. Businesses should focus on addressing climate change through development of both mitigation and adaptation measures, and build climate resilience and in line with India's Nationally Determined Contributions to the Paris Climate Change Agreement and the National/ State Action Plans on Climate Change.5. Businesses should learn from industry best practices for promoting reduction, reuse, recycling and recovery of material and resources, and encourage and motivate its stakeholders, particularly consumers and business partners, to do the same.6. Businesses should seek to improve their environmental performance by adopting innovative, resource-efficient and low-carbon technologies and solutions resulting in lower resource footprint, lesser material consumption and more positive impact on environment, economy and society.	<ol style="list-style-type: none">1. Development of Water Harvesting structure/ponds/ tanks integrated farming system for backyard poultry, animal, fodders, kitchen gardening etc.2. Intercropping during gestation period would provide economic return to the farmers when there is no production.3. Crops to be used for Intercropping: cocoa, red ginger, heliconia, bush pepper, banana and other ornamental crops.	<ol style="list-style-type: none">1. Assess impacts (exarate or expost) on eco-sensitive areas near oil palm plantation.2. Promote and adopt good practices for promoting reduction, reuse, recycling and recovery of material (Left over from FFB, Palm Oil Mill Effluent -POME) and resources, encourage and motivate its stakeholders, particularly consumers and business partners, to do the same.3. Improve environmental performance by adopting innovative, resource-efficient and low-carbon technologies and solutions resulting in lower resource footprint, lesser material consumption and more positive impact on environment, economy and society.4. Development of key performance indicators for measuring the impact of oil palm plantation on water, air, land-use, forest, energy, materials/ waste and biodiversity.5. Embrace the principles of regenerative agriculture as per the National mission on Natural Farming, 2023 (Ministry of Agriculture and Farmers, Welfare, Govt. of India).
--	---	---

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

<ol style="list-style-type: none"> 1. The Governance Structure should ensure that its advocacy positions are consistent with the principles contained in these Guidelines and publicly disclosed. 2. Businesses should, to the extent possible, undertake policy advocacy through trade and industry chambers and associations, and other similar collective platforms. 3. Businesses should ensure that its policy advocacy positions promote fair competition and respect for human rights. 	None	<ol style="list-style-type: none"> 1. Industry associations/bodies play an active role in engaging with policymakers and regulators at the State level on specific policy issues related to sustainable palm oil production. 2. State level industry associations host discussions/dialogues to build awareness and capacity on benefits of sustainable oil palm production.
--	------	--

Principle 8: Businesses should promote inclusive growth and equitable development

<ol style="list-style-type: none"> 1. The Governance Structure shall ensure that the business takes appropriate actions to minimize any adverse impacts that it has on social, cultural and economic aspects of society including arising from land acquisition and use, construction of facilities and operations. 2. Businesses should assess, measure and understand their impact on social, and economic development, and respond through appropriate action to minimize and mitigate its negative impacts on society. 3. Businesses should innovate and invest in products, technologies and processes that promote the well-being of all segments of society, including vulnerable and marginalized groups. 4. Businesses should respond to national and local development priorities and understand the needs and concerns of local communities, particularly vulnerable and marginalized groups and in regions that are underdeveloped, while designing and implementing their CSR programmes. 5. Businesses should make efforts to minimize the negative impacts of displacement of people and disruption of livelihoods through their business operations and where displacement is unavoidable, this process must be undertaken in a humane, participative, informed and transparent manner, where just and fair compensation is paid to those impacted. 6. Businesses should respect all forms of intellectual property and traditional knowledge and make efforts to ensure that benefits derived from their knowledge are shared equitably. 	<ol style="list-style-type: none"> 1. Viability Payment (VP) and Viability Gap Payment (VGP) offered to farmers for Fresh Fruit Bunches (FFB) 2. Subsidies provided by the government for providing necessary infrastructure and setting up of new garden 	<ol style="list-style-type: none"> 1. Understand the needs and concerns of local communities, particularly vulnerable and marginalized groups and in regions that are underdeveloped. 2. Respect all forms of traditional knowledge and make efforts to ensure that benefits derived from traditional knowledge are shared equitably. 3. Be cognizant of and protect the interest of Scheduled Tribes and other traditional forest dwellers.
--	---	---

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

<ol style="list-style-type: none"> 1. Governance Structures should ensure that the business minimizes and mitigates any adverse impact of its goods and services on consumers, the natural environment and society at large. 2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products. 3. Businesses should disclose all information accurately, through labelling and other means, including the risks to the individual, to society, and to the planet, from the use of the products, so that the consumers can exercise their freedom to consume in a responsible manner. 4. Businesses should manage consumer data in a way that does not infringe upon their right to privacy. 5. Businesses should make consumers aware of, and provide information and guidance to them on safe and responsible usage and disposal of their products (including reuse and recycling), and to eliminate over-consumption. 6. Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the Principles in these Guidelines. 7. Businesses should provide appropriate grievance redressal mechanisms that are transparent and accessible, to address consumer concerns and feedback. 8. Businesses that provide essential services, e.g.. utilities, should enable universal access, including to those whose services have been discontinued for any reason, in a non-discriminatory and responsible manner. 	<p>None</p>	<ol style="list-style-type: none"> 1. Promote awareness among consumers/citizens about the importance of sustainably produced palm oil. 2. Address the mistrust about palm oil being associated with a certain social/demographic category, and its effects.
--	-------------	--

4. Conclusion & Recommendations

The recommendations have been analysed and extracted on the basis of the comparison done between the NGBRC principles and core elements and guidelines of NMEO-OP. The findings are categorized into three aspects; environmental, social and economic.

Sustainability Aspect	Relevant NGRBC Principle	Key Recommendations (drawn from Table 3) to be included in NMEO-OP guidelines
Environment	Principle 2 Principle 6 Principle 9	<ul style="list-style-type: none"> Ensure that environment and social impact assessment (ESIA) of the activities is carried out in oil palm plantations before planting and at the primary processing stage(mill). Development of key performance indicators for measuring the impact of oil palm plantation on water, air, land-use, forest, energy, materials/ waste and biodiversity. Assess impacts of oil palm plantation on sensitive ecosystem areas. Promotion and adoption of good agricultural practices for reduction, reuse and recycling of materials like Palm Oil Mill Effluent (POME). Guidance on safe and responsible usage of the products. Awareness among consumers/citizens about the importance of sustainable produced palm oil.
Economic	Principle 1 Principle 5 Principle 8	<ul style="list-style-type: none"> Fair and timely payment of wages to workers associated in the palm oil industry. Encourage companies to disclose financial and non-financial impact of the state action plan. Promote awareness on human rights. Individuals and groups have access to effective grievance redressal mechanisms. Promote awareness about decent work principles and labour standards. Policies to address conflict of interest in the implementation of state action plans.
Social	Principle1 Principle 3 Principle 4 Principle 5 Principle 7 Principle 8	<ul style="list-style-type: none"> State level industry associations host discussions/ dialogues to build awareness and capacity on the benefits of sustainable palm oil production. Equal opportunities to be provided to all without discrimination. No use of child/force/bonded labour. Identification of all key stakeholders in the supply chain and development of strategies to engage with the relevant stakeholders in a fair and transparent way. Minimization of adverse impacts on social, cultural and economic aspects arising from oil palm plantation activities.

The table above can serve as a ‘ready reckoner’ for state government departments in the process of developing and implementing the state action plans. Alignment with these principles will help India to avoid the mistakes made by **Indonesia and Malaysia**; and promote sustainable practices in the domestic production of palm oil, fostering conservation of nature and protection of human rights.