

Mr Gavin Neath
Senior Vice President
Unilever plc
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United Kingdom

Wageningen, September 22, 2008

Dear Mr Neath,

Thank you for your letter regarding a moratorium on deforestation for palm oil and for supporting a resolution on this in the RSPO. Wetlands International welcomes the initiative. We are especially pleased with the proposal to add a criterion relating to soil degradation. In this respect, we do have some suggestions for the final resolution. We will follow the four questions to us in your letter.

1) Support for the approach taken by Unilever

Wetlands International supports the approach being taken by Unilever and agrees to join your coalition on this.

2) Comments on moratorium principles and draft resolution

We welcome an additional criterion to add to 7.3 on not allowing any long term loss of soil carbon. Note that this means in fact exclusion of peatlands, as there is no option to grow palm oil on peat, without draining this peat and therefore causing enormous loss of soil carbon. To make this clear in a resolution, I would suggest to propose explicitly the exclusion of peatlands for palm oil production.

Note that the European Parliament committees ENVI and ITRE have voted for a similar criterion for the draft EU Renewable Energy Directive. With such a criterion, RSPO brings its criteria in line with an important market area.

Additional to the criteria, we have some remarks on the background explanation in Annex 3 of your letter.

Under the header "*Degraded land development*", you state "*Developing waste lands does not create huge emissions of greenhouse gas,...*". This is not completely true. A lot of deforested wastelands are peatlands. After deforestation, carbon dioxide emissions often continue due to ongoing drainage by channels once created by loggers. Emissions due to oxidation in these wastelands range between 6 to 27 tonne CO₂/ ha/ yr. Emissions are though severely intensified when palm oil plantations are established. Deep drainage for enabling oil palms to grow cause emissions between 73

to 100 tonne CO₂ / ha / yr.¹ In addition: several projects are conducted to restore degraded peatlands by closing drainage channels. Once the peatland wastelands are converted into plantations, there are no options to enter and restore the area in order to prevent further emissions.

Please change the sentence into “*Developing waste lands **with mineral soils** does not create huge emissions of greenhouse gas,...*”

Under the header “*Monitoring deforestation*”, we propose to add: “*Regarding the additional criterion on peatland loss, it is fairly easy to determine where the moratorium applies. Maps with the occurrence of peatlands are available for Indonesia and for Malaysia. Reviewing, finalizing and converting into GIS – systems of this geographical information is necessary but possible with relatively little means.*” Wetlands International can provide these maps for Indonesia.

Regarding appendix 2, we would suggest to look again at the figures about emissions on page 1. We see the figures about emissions from peatland degradation in Southeast Asia from the study Peat-CO₂ (Hooijer, A., Silvius, M., Wösten, H. and Page, S., 2006). The 2 billion tones of carbon dioxide is correct, but this is not 4% of all global emissions, but around 6%, or: an amount equal to 8% of all fossil fuel emissions.

3) Voting in favour of a resolution of this kind

Our issues raised in this letter under 2) are no proposals to change the content of the resolution, but to improve the facts and the way it is formulated. Assuming that this information will be used in the final version, we will certainly support this resolution at the next Round Table of the RSPO.

4) Contact person in our organisation

For further questions, please contact Alex Kaat. Dependent on the issues, he can assist you or will arrange the contacts with our specialists in Malaysia, Indonesia or the Netherlands.

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Yours sincerely,

Jane Madgwick
CEO Wetlands International

¹ Peat CO₂: Hooijer, A., Silvius, M., Wösten, H. and Page, S., 2006