

RSPO

Roundtable on Sustainable Palm Oil

Standard-Setting Code System Report

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Standard

The Roundtable on Sustainable Palm Oil (RSPO) established in 2004, is a multi-stakeholder non-profit organisation that works to promote the cultivation and use of sustainable palm oil. Our vision is to transform the market by making sustainable palm oil the norm.

All RSPO activities are focused on advancing the production, procurement, finance and use of sustainable palm oil products. In pursuit of our aims, we develop, implement, verify and periodically review credible global standards for the entire supply chain of sustainable palm oil, and provide a certification framework to help each player operationalise these standards / put these standards into practice. We actively monitor and evaluate the economic, environmental and social impacts of the uptake of sustainable palm oil in the market. We also engage and seek the commitment of all stakeholders throughout the supply chain, including governments and consumers.

Centred on people, planet and profit, the organisation has developed a standard that defined the sustainable palm oil for palm oil mill and its supply bases. The standard, known as the RSPO Principles and Criteria (P&C) was first published in 2007 but following best practices, has been revised five year later and endorsed in 2013. Currently the generic P&C used for certification is P&C 2013 containing 8 principles, 43 Criteria and 139 indicators (Link: <http://www.rspo.org/key-documents/certification/rspo-principles-and-criteria>)

The traceability of the certified sustainable palm oil (CSPO) produced by the certified mill is made possible through the supply chain certification. Every processing facilities that handles certified palm oil and wanted to make claims on the certified products must be certified against the RSPO Supply Chain standard 2014 (<http://www.rspo.org/key-documents/certification/rspo-supply-chain-certification>). Trading of CSPO to the first buyer is tracked through the RSPO eTrace IT platform (<http://www.rspo.org/etrace/>).

Record of the production and uptake of sustainable palm oil is monitored on monthly basis and data is made available for the public (<http://www.rspo.org/about/impacts>)

1. Scope

- RSPO P&C standard is applied to all palm oil mills and supply bases globally, both for big companies as well as smallholders.
- Currently, a total of 282 palm oil mills operating in 15 countries globally have been certified, generating about 11 million mt of CSPO and 2.5 million mt of CSPK. This represents 17% of the global CPO production.
- About 10% of the total CSPO production were produced by the smallholders (scheme and independent).

2. Sustainability outcomes

- The standard focused on compliance to local and international legal requirement, transparency (in dealing with stakeholders), implementation of best practices, environmental and social friendly practices, zero deforestation, minimising greenhouse gas emission, avoiding social conflicts and promote continuous improvement.
- The standard is supported by a number of procedures and guidance, for example RSPO New Planting Procedures (<http://www.rspo.org/certification/new-planting-procedures>), RSPO Remediation and Compensation Procedures (RaCP), RSPO Green House Gas Assessment Procedure for New Planting (<http://www.rspo.org/certification/carbon-assessment-tool>), PalmGHG Calculator (<http://www.rspo.org/certification/palm-ghg-calculator>) and other supplementary materials (<http://www.rspo.org/key-documents/supplementary-materials>) to ensure that compliance are whole throughout the industry.

3. Why is it needed (justification)

There is in an ever-urgent need and growing global concern that commodities are produced without causing harm to the environment or society. There are multiple first and second party claims on best practices or sustainability being made by various parties, which become questionable. RSPO certification is an assurance to the customer that the palm oil they used are from sustainable sources subjected to 3rd party certification.

Palm oil producers are certified through strict verification of the production process to the stringent RSPO Principles & Criteria for Sustainable Palm Oil Production by accredited Certifying Bodies, and can be withdrawn at any time in case of infringement of the rules and standards. All organisations in the supply chain that use RSPO certified sustainable oil products are audited to prevent overselling and mixing palm oil with conventional (or non-sustainable) oil palm products.

4. Performance level

- As described earlier, P&C 2013 is comprised of 8 Principles, 43 Criteria and 139 indicators, that need to be fulfilled before a palm oil and its supply base can be certified (Link: <http://www.rspo.org/key-documents/certification/rspo-principles-and-criteria>).
- The Indicators are classified as Major (M) or minor (m). To get certified during the initial assessment, all Major indicators need to be fulfil. Failure to comply to major requirements will results in non-certification. Non-compliance to minor indicators shall be complied within one year. Surveillance visit are compulsory every 12 month as stipulated in RSPO Certification Systems Document (<http://www.rspo.org/key-documents/certification/rspo-certification-systems>). Failure to conduct surveillance will result in the suspension of annual licenses which prevent the company from claiming and trading certified sustainable palm oil. This system document is currently under revision and public consultation (<http://www.rspo.org/news-and-events/announcements/public-consultation-on-rspo-certifications-systems>)

5. Adaptations

- The generic standard P&C 2013 need to be interpreted into a National Interpretation. Annex 1 and 1a of the RSPO Certification System Document(<http://www.rspo.org/key-documents/certification/rspo-certification-systems>) provide procedures for developing the National Interpretation (NI). This system document (link: <http://www.rspo.org/news-and-events/announcements/public-consultation-on-rspo-certifications-systems>) and the standard setting (link: <http://www.rspo.org/key-documents/certification/standards-setting-process>) are now being reviewed to make it current and more consistent. The new revised system document will solely be focused on certification body operation, while the standard setting document will focus on processes for setting up standards, including the development of NIs.
- The process and relevant documents for NI development can be reference on the RSPO website (<http://www.rspo.org/key-documents/certification/rspo-national-interpretations>). At this point of time, updated NI (following P&C 2013) for 5 countries (Ghana, Guatemala, Honduras, Malaysia and Papua New Guinea) are available (<http://www.rspo.org/key-documents/certification/rspo-national-interpretations>).

Standard-Setting and Revision Process

When standard was first written and by whom

The first RSPO standard (P&C 2007) was developed by a Criteria Working Group established in 2005. The working group was comprised of a balanced representative of the seven RSPO member category (Grower, consumer goods manufacturer, processor & traders, retailers, financial institution, environmental NGO and social NGO). The standard was field tested prior to finalisation and ratification by the General Assembly in November 2007.

6. Stakeholder categorization and geography

- There are three main category of membership identified (Ordinary Member, Supply Chain Member and Affiliate Member) and the key stakeholder groups within those sectors including plantation companies, processors and traders, consumer goods manufacturers and retailers of palm oil products, financial institutions, environmental NGOs and social NGOs, from many countries that produce or use palm oil.
- RSPO has developed a document providing guidance for stakeholder identification and engagement (Link: <http://www.rspo.org/key-documents/certification/standards-setting-process>) through the document “Intermediary Outreach and Engagement in Producing Countries”.

- As tabulated earlier, the standard was developed through a multi-stakeholder approach involving representatives from all the seven membership category. Each representative is responsible for ensuring that members of their constituents are consulted. The process includes the underprivileged particularly the small local non-governmental organisations, specific community member as well as smallholders.
- The process for stakeholder identification is conducted at the beginning of each document development. The Term of Reference (ToRs) developed include possibility for those who need support for attending/participating in the process to be given financial assistance. Example of such can be found at <http://www.rspo.org/file/MYNI-TOR.pdf>
- Examples of input by various stakeholders in RSPO document review process can be found here (Link: <http://www.rspo.org/certification/new-planting-procedures>). In this particular example, efforts have been made to outreach stakeholders through various means (i.e face to face workshop in different locations, website stakeholder public consultation etc) to get their input on the draft produced.
- In the latest example for RSPO Certification System document revision (link: <http://www.rspo.org/news-and-events/announcements/public-consultation-on-rspo-certifications-systems>), efforts were made to contact and solicit input from various targeted stakeholders. Evidence are available through email communication made to stakeholders (**Attachment 1**).
- Examples of stakeholder engagement during National Interpretation process can be found at <http://www.rspo.org/certification/national-interpretations>) particularly on Honduras NI process. The report produced by the NI working group tabulated the procedures for identifying stakeholders, for formation of the task force as well as those involved in the consultation workshops and meeting conducted for the purpose of including disadvantage group such as local communities (**Attachment 2**)

7. Summary of the revision process

- Stakeholders engage in the consultation and overall revision process such as <http://www.rspo.org/smallholders/smallholders-working-group>, includes workshop.
- Following international best practices, standards developed under RSPO scheme requires review every five years. The review process is guided by the standard setting procedures (<http://www.rspo.org/key-documents/certification/standards-setting-process>) where a specific working group or task force is established. The standard & certification standing committee (S&CSC) is the body responsible for steering the activities and eventually report to the Board of Governors (BoG) for endorsement.
- The working or task force will formulate the draft through meetings, workshop, field testing etc before posting the draft document for a 60days public consultation. Comments received are evaluated and addressed accordingly. The final draft is then produced and tabled at the working group or task force meeting before it is finalised and brought to the BoG for endorsement. Example of the recent process can be found at i.e. RSPO NEXT: <http://www.rspo.org/certification/rspo-next>); the Group Certification <http://www.rspo.org/smallholders/smallholders-working-group> and NPP <http://www.rspo.org/certification/new-planting-procedures>.

8. Governance and decision making process

- The Standing Committee which comprised of relevant BoG members oversee the whole process. Endorsement of the final results will be made by the BoG. Decisions are made based on consensus, i.e no sustained objections. The standard document will then be deliberated for ratification at the general assembly where members will vote.

9. Review and Revision process

- Stakeholders can provide input to the ongoing standard development at every stage of the process during the stakeholder consultation period posted on the RSPO website. Example of the process in the development of an NI can be viewed here <http://www.rspo.org/certification/national-interpretations/public-consultations/comment/republic-of-ecuador-national-interpretation-public-consultation>.
- Complaints on specific matters or specific RSPO members can be made. The link to procedures and process for complaints can be found at <http://www.rspo.org/members/complaints> whereas members and stakeholders can submit questions related to standard and general issues can be submitted through <http://askrspo.custhelp.com/app/answers/list/kw/ask>.
- As stipulated in the preamble of the P&C 2013 document and in line with ISEAL best practices, this document (RSPO P&C 2013) will be completely reviewed again and subsequently submitted for ratification by the General Assembly of RSPO for endorsement by November 2018. Prior to the revision in 2018, any changes to the standard must be through recommendation made by the appointed RSPO working group or Taskforce and approved by the General Assembly of the RSPO.