



# Palm Oil Certification Schemes: RSPO

**Info Briefing #5 Part 1**  
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## RSPO

### Changes to the RSPO

RSPO is a global, multi-stakeholder initiative on sustainable palm oil, comprised of members from plantation companies, processors and traders, consumer goods manufacturers and retailers, financial institutions and NGOs globally.

During 2018, the RSPO Principles & Criteria (P&C) were reviewed and improved.<sup>1</sup> The agreement was the result of a multi-stakeholder review process that began in 2017 and received almost 11,500 individual stakeholder comments that were tabled, ratified and voted-in during the General Assembly (GA15) in November 2018, following the Roundtable (RT16). The GA15 [summary report and voting results](#) have been released on the RSPO's website.

First, the impact goals and principles were reorganised according to the below:

#### **Impact Goal - Prosperity: Competitive, Resilient and Sustainable Sector**

- Principle 1. Behave ethically and transparently
- Principle 2. Operate legally and respect rights
- Principle 3. Optimise productivity, efficiency, positive impacts and resilience

#### **Impact Goal - People: Sustainable Livelihoods and Poverty Reduction**

- Principle 4. Respect community and human rights and deliver benefits
- Principle 5. Support smallholder inclusion
- Principle 6. Respect workers' rights and conditions

#### **Impact Goal - Planet: Conserved, Protected and Enhanced Ecosystems that Provide for the Next Generation**

- Principle 7. Protect, conserve and enhance ecosystems and the environment

Second, changes were made to the certification standard to ensure that members are addressing halting deforestation, peatland protection and conservation, human rights, labour rights and exploitation. Additionally, there is a new inclusive smallholder standard.<sup>2</sup>

<sup>1</sup> <https://www.rspo.org/news-and-events/news/rspo-members-agree-on-new-palm-oil-standard-to-halt-deforestation-and-improve-human-rights-protection>

<sup>2</sup> <https://rspo.org/principles-and-criteria-review>



**Figure 1.** RSPOs Principles and Criteria Key Update Areas

The newly adopted RSPO Principles and Criteria (P&C) 2018 standard aims to ban deforestation through the implementation of the High Carbon Stock Approach. Previous RSPO standards prohibited the clearing of primary or virgin forest for palm plantations but allowed for the chopping of secondary forests and peat forests with a peat layer less than three metres deep.<sup>3</sup>

The revised P&C imposed a strict ban on new development on peat soils of any depth. Under the new standards, all existing planting on peat must adhere to the latest version of 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat'. The new criterion stated that future land clearing by palm oil growers should not contribute to deforestation or cause damage to peatlands and high carbon stock forest areas.

Also, according to the new P&C 2018 standard, in High Forest Cover Landscapes (HFCLs) local stakeholders such as communities and governments must make their own participatory decisions on the land use. The new P&C recognise the need for an adapted procedure that will only apply in specific High Forest Cover countries and in HFCLs, to support the sustainable development of palm oil by indigenous peoples and local communities with legal or customary rights.<sup>4</sup>

The P&C review also called for stronger requirements to apply human rights standards to all RSPO membership categories. The RSPO's Human Rights Working Group (HRWG) developed a new policy for RSPO and its members for the protection of Human Rights Defenders (HRDs) and whistle blowers, which includes accessible and adequately resourced procedures to allow HRDs to register their concerns with the RSPO Complaints panel in anonymity and confidentiality.<sup>5</sup>

The newly developed RSPO Independent Smallholder Standard (RSPO ISH Standard) responds to the needs and challenges of independent smallholders for inclusion in the RSPO system. It encompasses straightforward requirements and cost-effective tools which consider diversity,

<sup>3</sup> <https://news.mongabay.com/2018/11/rspo-adopts-total-ban-on-deforestation-under-sweeping-new-standards/>

<sup>4</sup> <https://www.nepcon.org/newsroom/no-deforestation-standard-new-rspo-pc-2018>

<sup>5</sup> <https://www.nepcon.org/newsroom/no-deforestation-standard-new-rspo-pc-2018>

capacity and incentives.<sup>6</sup> The Unit of Certification for the RSPO ISH Standard is comprised of a group of smallholders, the group manager and all individual members. The certificate holder is the group. The RSPO Independent Smallholder Standard introduces a phased approach to enable smallholders to achieve compliance over a specified period of time. The phased approach allows the smallholder to enter the system once they are part of a group and meet all Eligibility Indicators. This approach is designed to screen smallholders for the most unsustainable practices and then, for those who are eligible, allow time for continual improvement and progress towards meeting all requirements.

In addition to the RSPO ISH Standard, the RSPO provides information on its website specifically relevant for smallholders, including its overall strategy. To support independent smallholders to move towards sustainability and livelihood improvements, the RSPO also has tools and training materials specifically targeted to smallholders, including the RSPO Smallholder Academy.

Although the new criteria in P&C 2018 standard have come into effect immediately, a one-year transition period was given to existing RSPO grower members to implement the new standards. Musim Mas' subsidiary PT Multipersada Gatramegah (MPG) located in Central Kalimantan was the first in the world to be successfully audited against the new P&C in October 2019.<sup>7</sup>

The ACOP process was also updated in 2019 to a more streamlined structure for ease of reporting. This now includes reporting of volumes by region and it is also mandatory to report all volumes to accurately gauge the level of certified sustainable palm oil (CSPO) supply, demand and uptake. Shared responsibility indicators have also been incorporated to act as baseline data for information.

## Impacts of the RSPO

The RSPO has more than 4,000 members worldwide that represent all links along the palm oil supply chain. In October 2019, 4.02 million ha and 14.8 million tonnes were certified, representing 19% of global palm oil. This percentage has risen gradually in the past several years, exhibiting some slowing in uptake; in 2014 11.9 million tonnes were certified.

In 2019 there were 403 certified mills, 78 certified growers, 2,907 companies with Supply Chain Certification (SCC) certificates, and 5,053 facilities/mills with SCC certificates.<sup>8</sup> Top volumes of RSPO members were in US, Germany, UK, Netherlands, Italy, France, Spain, Belgium, Japan, and Malaysia. Most were in the CGM sector, followed by traders and processors.

The certified smallholder area totaled 389,663 ha and included 151,414 smallholders.<sup>9</sup> More than 3 million smallholders and small-scale farmers make a living from palm oil globally, and smallholders account for about 40% of total global palm oil production. Therefore, there is considerable progress to be made in reaching smallholders with certification.

<sup>6</sup> [https://rspo.org/uploads/default/library/smallholders-documents/rspo-smallholder-standard-draft-text/RSPO\\_ISH\\_Standard\\_April2019\\_Final\\_For%20Public%20Consultation.pdf](https://rspo.org/uploads/default/library/smallholders-documents/rspo-smallholder-standard-draft-text/RSPO_ISH_Standard_April2019_Final_For%20Public%20Consultation.pdf)

<sup>7</sup> <https://www.musimmas.com/news/general-news/2019/musim-mas-mill-successfully-audited-against-rspo-pnc-2018>

<sup>8</sup> <https://rspo.org/impact>

<sup>9</sup> <https://rspo.org/smallholders>

## Shared Responsibility Guidelines

Responding to the recent lack of growth of certified sustainable palm oil (global production of palm oil is currently 19% RSPO certified and has been around this level for several years), RSPO has agreed a set of Shared Responsibility Guidelines that include uptake targets year on year for supply chain actors, aiming to drive production and uptake. The RSPO Shared Responsibility Guidelines highlight the direction that RSPO is taking as a certification scheme and demonstrate what a certification scheme might do in a later phase to ensure growth of production.

On 31 October 2019, the Board of Governors of the RSPO approved landmark rules calling for “Shared Responsibility,” and for all members of the organisation to fulfil its mission. Although this is not a new concept and has been part of the RSPO Members’ Code of Conduct for more than five years, this latest call for Shared Responsibility (SR) was made more urgent with adoption of the revised Principles and Criteria (P&C) in 2018.

Though a shared obligation, specific requirements may vary from one member category to the next, reflecting the roles of different member categories to help make sustainable palm oil the norm. It is proposed that the requirements of Shared Responsibility in this first instance apply only to the following categories of ordinary membership: Environmental NGOs, Social NGOs, Banks and Investors, Retailers, Consumer Goods Manufacturers, and Processors and Traders. Growers do their part through RSPO P&C Certification.

The Shared Responsibility requirements are comprised of topics and themes identified by the RSPO P&C Task Force, similar to the P&C requirements linked to people, planet, prosperity. Specifically, they relate to topics such as the environment, information & outreach, human rights, complaints & grievance, land use, and Free, Prior and Informed Consent (FPIC).

The Shared Responsibility Task Force agreed that in order to drive uptake and transform markets, the volume requirements for supply chain actors include percentage point uptake targets year on year. Individual members will have different starting points.

The new rules state that RSPO Consumer Goods Manufacturers and Retailer members who buy sustainable palm oil are to increase their uptake by an additional 15% (from the previous year’s baseline which will be the 2019 ACOP) for the first year of SR implementation (e.g.: if uptake was 10% in the previous year, it should be 25% for year one). A 2% uptake target is required for RSPO Processor and Trader members for the first year of SR implementation. This is to help ensure that all available CSPO produced by RSPO grower members is met by demand from the end users.<sup>10</sup>

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<sup>10</sup> <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules>