

**Session on: Towards International Recognition of
Malaysian Palm Oil**

Implementation of MSPO Certification Scheme

By:

Harnarinder Singh

Malaysian Palm Oil Certification Council

**12 October 2016
POTS Kuala Lumpur**



Content

- **About MPOCC**
- **MSPO Certification Scheme**
- **Progress of Work in MSPO**
- **Challenges**
- **Future Direction**
- **Conclusion**



MPOCC

- Incorporated on December 2014 under Companies Act 1965
- Tasked to develop and operate **Malaysian Sustainable Palm Oil (MSPO) Certification Scheme**
- Started operations in October 2015
- Funded by Palm Oil Promotion Fund
- Governed by 13-Member Board of Trustees

representatives from:

oil palm industry associations

Government

academic and R&D institutes

NGOs

smallholders organization

civil society

MPOCC Vision & Mission

Vision:

To be recognized as a leading organization for palm oil certification

Mission:

To establish and operate a credible and internationally recognized national palm oil certification scheme towards promoting sustainable management of oil palm in Malaysia

MSPO Certification Scheme



MSPO Certification Scheme

provides for:



Application by potential clients for certification audits



Development of certification standards & scheme documents



Accreditation & notification of CBs



Peer reviewing of audit reports



Supply chain traceability



Issuance of logo usage licenses



Handling of complaints



Training & briefing to auditors & other stakeholders

MSPPO Standards



MS 2530:2013 Series (Part 1-4)

**MS 2530-1:2013 – Malaysian Sustainable Palm Oil (MSPO)
Part 1: General principles**

**MS 2530-2:2013 – Malaysian Sustainable Palm Oil (MSPO)
Part 2: General principles for independent smallholders**

**MS 2530-3:2013 – Malaysian Sustainable Palm Oil (MSPO)
Part 3: General principles for oil palm plantations and organised smallholders**

**MS 2530-4:2013 – Malaysian Sustainable Palm Oil (MSPO)
Part 4: General principles palm oil mills**

MSPO Standards cover



1 Management commitment and responsibility



2 Transparency



3 Compliance to legal requirements



4 Social responsibility, health, safety and employment conditions



5 Environment, natural resources, biodiversity and ecosystem services



6 Best practices



7 Development of new plantings

Contents of MS 2530:2013

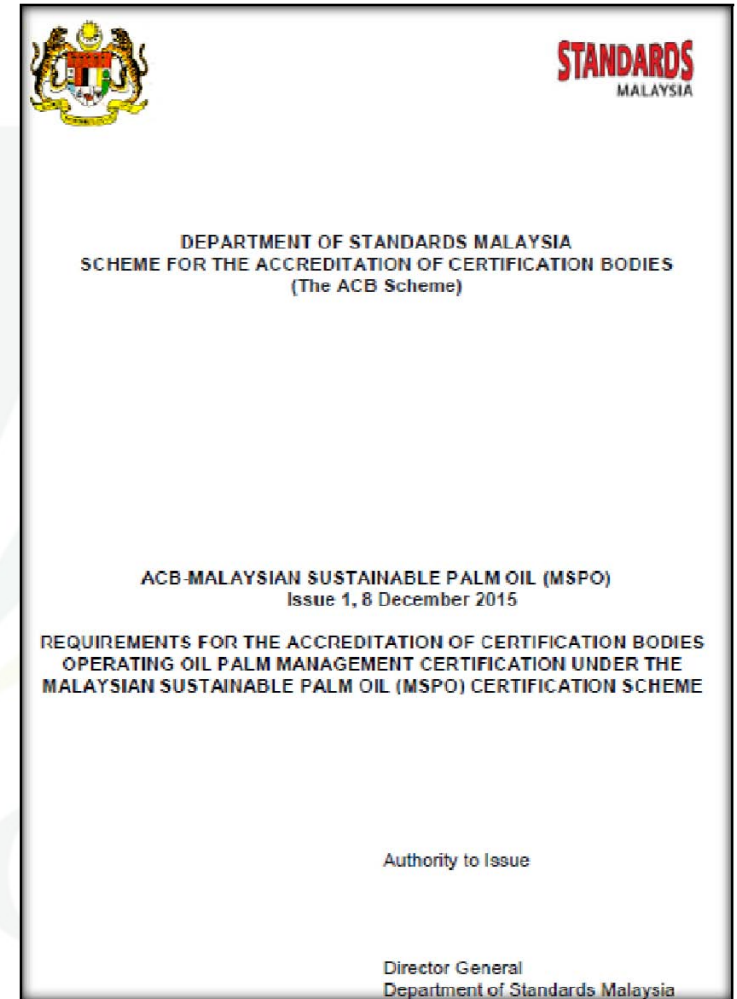
Standards	Principles	Criteria	Indicators
<u>Part 2</u> General principles for independent smallholders	7	22	30
<u>Part 3</u> General principles for oil palm plantations and organised smallholders	7	33	114
<u>Part 4</u> General principles for palm oil mills	6	25	80

Progress of work in MSPO



MSPO Accreditation Programme for CBs

- Launched on 1 June 2016 for CBs seeking accreditation with **STANDARDS MALAYSIA**, to certify entities for **oil palm management certification**
- Similar accreditation programme is being developed for **supply chain certification**



Oil Palm Statistics for 2015

➤ **5.64 million ha** planted with oil palm
in Malaysia

- **1.54 million ha** in Sabah
- **1.44 million ha** in Sarawak
- **2.66 million ha** in Peninsular

➤ **19.96 million tonnes** CPO production



Achievement



MSPO Certified Entities (September 2016)

- Large companies = 13 Area = 206,334 ha
- SPOCs = 9 Area = 5,341 ha

TOTAL AREA = 211,675 ha

- Mills = 20
 - CSPO Production Capacity = 660,670 MT
 - CSPK production capacity = 118,092 MT



MSPO Certified Companies

- Boustead Plantation Bhd
- Carotino Sdn Bhd/JC Chang Group
- FGV Plantations (M) Sdn Bhd
- Genting Plantations Bhd
- IJM Plantations Bhd
- Keresia Plantation Bhd
- PPB Oil Palms Bhd
- Rinwood Pelita (Mukah) Plantation
- Sabah Softwood Bhd
- Sarawak Oil Palm Bhd
- Sime Darby Plantation Sdn Bhd
- Ta Ann Holding Bhd
- Tradewinds Plantation Bhd



Certified Smallholders (September 2016)

- 9 SPOCs = 5,341 ha

NO	SMALLHOLDERS GROUP	LOCATION	AREA CERTIFIED (ha)	YEAR CERTIFIED
1	SPOC MPOB	Kuala Langat, Selangor	17.86	2014
2	SPOC MPOB	Hilir Perak	115.69	2014
3	SPOC MPOB	Beluran, Sabah	155.13	2015
4	SPOC MPOB	Saratok, Sarawak	957.51	2015
5	SPOC MPOB	Bera, Pahang	83.33	2015
6	FELDA	Lasah	887.05	2015
7	FELDA	Ijok, Selangor	2981.29	2015
8	SPOC MPOB	Selangau	103.47	2016
9	SPOC MPOB	Kulaijaya, Johor	40.01	2016
Source: www.mspo.mpob.gov.my		TOTAL	5,341.79	

Challenges



- **Recognition & acceptance of MSPO Scheme, particularly in environmentally sensitive markets for Malaysian palm oil products (EU, US, Australia)**
- **Use of MSPO Standards that were developed with limited stakeholder participation**
- **Uptake of MSPO certification has been rather gradual**
- **Could be due to lack of incentives for companies to embrace certification**



Our Future Direction



Approach



- Raise profile of MSPO Scheme through increased collaboration with relevant partners, both local and international
- Increase awareness of MSPO certification amongst all stakeholders, both local and foreign
- Facilitate broader engagement with environmental & social NGOs, particularly in standard development and revision
- Enhance collaboration with industry players, agencies and other stakeholders, particularly smallholders
- Increase competency of auditors for MSPO Scheme, through regular training



Conclusion

- MSPO Standards to become credible sustainability standards for the oil palm industry
- MSPO Standards adopt best management practices for existing plantations and new plantings
- MSPO Standards development and review with thresholds to be done through broader stakeholder engagement process





certifying Malaysian palm oil for the world

Thank you

Malaysian Palm Oil Certification Council (MPOCC)

15th Floor, Bangunan Getah Asli (Menara)
148, Jalan Ampang, 50450 Kuala Lumpur, Malaysia

Website: www.mpocc.org.my

Tel: + 603 2181 0192 | Fax: +603 2181 0167

E-mail: info@mpooc.org.my