Way Forward for MSPO as a Mandatory Certification Scheme

16 February 2017
Putrajaya
Background

Nov 2013
MSPO Standards launched

Jan 2015
MSPO Certification Scheme started

June 2016
Accreditation Programme for MSPO Certification launched by DSM
### Current status of Certified Entities

<table>
<thead>
<tr>
<th>Certified Entity</th>
<th>MSPO</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>ha</td>
</tr>
<tr>
<td>Plantations</td>
<td>15 companies (69 areas)</td>
<td>214,750</td>
</tr>
<tr>
<td>Smallholder groups</td>
<td>14</td>
<td>6,826</td>
</tr>
<tr>
<td>Total</td>
<td>83 areas</td>
<td>221,567</td>
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<table>
<thead>
<tr>
<th>Certified Entity</th>
<th>No.</th>
<th>Capacity (mt)</th>
</tr>
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<tbody>
<tr>
<td>Mills</td>
<td>21</td>
<td>927,402</td>
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</table>
Most critical success factor for mandatory MSPO is capacity building of all players in the implementation of MSPO certification scheme

These include:

- Clients
- MPOCC
- DSM
- CBs
## Action Plan Towards Mandatory Certification By Dec 2019

<table>
<thead>
<tr>
<th>Critical Success Factor</th>
<th>Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase awareness of MSPO OPMC</td>
<td>• Intensify briefing sessions with all stakeholders</td>
</tr>
<tr>
<td>Increase no. of accredited CBs</td>
<td>• Invite 24 DSM registered CBs to obtain MSPO accreditation</td>
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<tr>
<td></td>
<td>• Develop and launch accreditation programme for CBs operating SCC</td>
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<tr>
<td>Train more auditors &amp; peer reviewers</td>
<td>• Conduct regular training courses on MSPO</td>
</tr>
<tr>
<td>Develop &amp; finalise SC standard</td>
<td>• Formation of Technical Working Committee</td>
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<tr>
<td></td>
<td>• Draft, finalise &amp; pilot test SC standard</td>
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</table>
## Action Plan Towards Mandatory Certification By Dec 2019

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<th>Critical Success Factor</th>
<th>Action Plan</th>
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<tr>
<td>Conduct combined audits</td>
<td>• Encourage entities certified under other scheme to undergo combined audits to obtain MSPO certification</td>
</tr>
<tr>
<td>Achieve mutual recognition</td>
<td>• Develop collaboration efforts with other sustainability schemes (e.g. RSPO, ISCC)</td>
</tr>
<tr>
<td>Implement phased approach</td>
<td>• Develop Due Diligence System (DDS) for non certified material</td>
</tr>
</tbody>
</table>
Making MSPO mandatory by Dec 2019

Projected Targets

• To supply **8.0 million tonnes** of MSPO certified palm oil

For this to happen, we will need...

• **Certified area by Dec 2019 = 2,000,000 ha**
• **Certified mills by Dec 2019 = 160 mills**
Projected Target for MSPO Certified Areas

- **2017**: 200,000 ha + 300,000
- **2018**: 500,000 ha + 500,000
- **2019**: 1,000,000 ha + 1,000,000

Total:
- 2017: 500,000 ha
- 2018: 1,000,000 ha
- 2019: 2,000,000 ha
Projected Target for MSPO Certified Mills

2017: 21 +30 = 51
2018: 51 +45 = 96
2019: 96 +64 = 160

160 Mills = 8.0 Million Tonnes Production Capacity
Projected MSPO Audits up to Dec 2019

2017: 360
2018: 880
2019: 1870
Current Capacity

CBs
• CBs having issued MSPO certificates = 8
• CBs having submitted full application for accreditation to DSM = 6
• Accredited MSPO CBs = 2

Auditors
• 50 - 60 auditors

Peer Reviewers
• 10 registered peer reviewers (only 4 are active)
Trained auditors needed

- 2017: 112
- 2018: 280
- 2019: 600
Peer reviewers needed

2017: 50
2018: 100
2019: 150
Accredited CBs needed

- **2017**: Each CB 4 audit teams
- **2018**: Each CB 7 audit teams
- **2019**: Each CB 10 audit teams
Possible APPROACH to increase MSPO certified entities

• Phased approach for MSPO certification

• Due Diligence System (DDS) for non-certified material, before implementing full certification
Thank You