

**MALAYSIAN SUSTAINABLE PALM OIL
CERTIFICATION SCHEME**

Scheme Document

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**Standard Setting and Review Procedure under the Malaysian Sustainable
Palm Oil (MSPO) Certification Scheme**



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1 INTRODUCTION

Malaysian Palm Oil Certification Council (MPOCC) is an independent organization that was established in December 2014 to develop and operate the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme.

The goal of the MPOCC is to promote and manage sustainability standards for palm oil industry which are socially beneficial, environmentally responsible and economically sustainable through a stakeholder-inclusive standard setting process.

MPOCC is committed to an equitable, open and transparent approach in developing its standards.

2 PURPOSE

The purpose of this procedure is to ensure the credibility of performance-based standard setting activities that are implemented by MPOCC which focuses on achieving desired outcomes of reducing the most serious key economic, social, and environmental negative impacts of oil palm production and enhancing the positive impacts. This is achieved by incorporating the values of transparency, participation and fairness into the standards setting processes through conformance with international best practices.

This procedure describes the process for the development, approval, publication and revision of MSPO Standards, which commits MPOCC to:

- be open and transparent in its standards development and review process
- encourage input from a wide range of stakeholders
- treat input from stakeholders with integrity and respect
- report publicly on submissions received, including how comments have been addressed in subsequent drafting
- take into account the requirements of: -
 - ISEAL Codes of Good Practice (Standards Setting Code, Impacts Code and the Assurance Code)
 - Standards Malaysia. Policy on Standards 1 (PSD1), Development of Malaysian Standards Issue 2, 9 December 2016. (Amd. 1, 2 August 2017) and
 - ISO/IEC Guide 2:2004 (Standardization and related activities – General vocabulary),

3 SCOPE AND APPLICATION

This procedure covers MPOCC standard setting activities and it applies to all processes involved in development of new standard, review of existing standards and revision of existing standards related to standards developed under the MPOCC's objectives.

The procedure does not apply to MPOCC internal operational policies, procedures and processes.

The requirements for implementation of the standards such as accreditation and certification processes are addressed in separate documented procedures. (*Refer to Annex I*)

4 REFERENCES

The following documents were referred [to](#) during the preparation of this procedure: -

- i. Standards Malaysia PSD 1 (2016), Policy on Standards 1 (PSD1), Development of Malaysian Standards Issue 2, 9 December 2016. (Amd. 1, 2 August 2017)
- ii. ISO/IEC Guide 59 (1994) -Code of good practice for standardization
- iii. ISEAL Code of Good Practice for Setting Social and Environmental Standards Version 6.0. December 2014
- iv. ISEAL Credibility Principles. June 2013
- v. ISO/IEC Guide 2 (2004). Standardization and related activities - General vocabulary
- vi. ISO/IEC Directives- Part 2 (2016) - Principles and rules for the structure and drafting of ISO and IEC documents. Edition 7.0.
- vii. Annex 3 to the WTO/TBT Agreement - Code of Good Practice for the Preparation, Adoption and Application of Standards. [World Trade Organization (WTO) within the Agreement on Technical Barriers to Trade (TBT)]
- viii. Terma Rujukan Jawatankuasa Kebangsaan MSPO dated 8 May 2017
- ix. Terms of Reference of the Technical Working Committee on MSPO Standards [TWC(MSPO)] dated 21 August 2017

5 TERMS, DEFINITIONS AND ACRONYMS

5.1 TERMS AND DEFINITIONS

For consistency and convenience, some of the terms used in this procedure are adopted and/ or adapted from PSD1, ISO/ IEC Guide 2:2004 and ISEAL Standard Setting Code.

No	Terms	Meaning
1	Balanced Representation	A representation of interest groups in a Standards Development Committee (i.e. TWC) such that no single category of interest can dominate the voting procedures. The interest groups are categorized as: producer interest, regulatory authority, user interest and general interest. [PSD 1]
2	Consensus	General agreement achieved through a process seeking to take into account the views of interested or affected stakeholders, particularly those directly affected, reconciliation of conflicting arguments and characterized by the absence of sustained opposition from stakeholders to substantial issues. NOTE 1– Consensus need not imply unanimity (adapted from PSD 1, ISEAL Code of Good Practice, and ISO/IEC Guide 2: 2004). Note 2: The absence of sustained opposition is not intended to provide a “veto” to any one party [PSD 1]
3	Consultation:	Process of seeking stakeholder input
4	Disadvantaged stakeholder	A stakeholder who might be financially or otherwise disadvantaged by participating in the standard-setting process.
5	Editorial changes	Changes to a system that do not alter the technical content.
6	Draft	A proposed document that is available for public consultation.
7	Final draft	A proposed document that is available for formal approval.
8	General Interest	In the case of balanced interest, a member who cannot be organized as a producer, user, or consumer
9	Malaysian Standard	A standard as declared in Standards of Malaysia Act 1996 (Act 549) under section 15.
10	Malaysian Standards Development System	Malaysian Standards Development System is an organizational structure formed under the provision of Section 10, Act 549; which includes development of Malaysian Standards and management of Malaysia’s participation in international organization activities [PSD 1]
11	Minor modifications	Modifications to the standards such as improving or clarifying the language or providing guidance notes that do not fundamentally change the content of a principle, criterion, indicator, requirement.
12	Publicly available	Generally accessible to the interested public in any form and without the need for a request.

No	Terms	Meaning
		<p>NOTE 1 When information is available by request only, this is indicated explicitly in the document as available on request.</p> <p>NOTE 2 Special consideration might be needed for disadvantaged stakeholders to ensure their access, e.g. providing hard copies to stakeholders identified as having no access to electronic media</p>
13	Producer Interest	In the case of balanced interest, are those who represents the interest that produces or sells materials, products, systems, or services covered in the committee or sub-committee scope.
14	Regulatory Authority	In the case of balanced Interest, are those who are predominantly involved in regulating by statute the use of products, materials or services.
15	Requirement	Expression in the content of a document conveying criteria to be fulfilled if compliance with the document is to be claimed and from which no deviation is permitted [ISO/IEC Directives, Part 2]
16	Revision	Any change to the existing standard resulting in significant modification or change of the standard application (e.g. adding or removing a Criteria, Indicator). In this case, the process of revision will have to follow this standard setting procedure. Non-substantive or administrative changes are not considered as standard revision and therefore do not have to follow this procedure.
17	Review	Activity of checking a normative document to determine whether it is to be reaffirmed, changed or withdrawn. (ISO/IEC Guide 2)
18	Standards Development Agency (SDA)	An organization appointed by Director General of Standards Malaysia in accordance with the criteria approved by the Council to carry out standardisation activities including development of standards, promotion of standards and coordination of Malaysian representation in international activities. [PSD 1]
19	Outcome	The likely or achieved short-term and medium-term results from the implementation of the Standard.
20	Stakeholder	A person, group, community or organization with an interest in the subject of the standard or is affected (directly/indirectly) by any decision and activity of the MPOCC.
21	Standard	<p>Document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context</p> <p>Note 1 Standards should be based on the consolidated results of science, technology and experience, and aimed at the promotion of optimum community benefits.</p> <p>[SOURCE: ISO/IEC Guide 2:2004, definition 3.2]</p>
22	Standard development	Activity of creating a new standard.

No	Terms	Meaning
23	Standards Development Committee (SDC)	A Committee established under Malaysian Standards Development System for the purpose of development of Malaysian Standards and participation in international organization activities. Note: These may include all Industry Standards Committees (ISCs), Technical Committees (TCs), and Working Groups (WGs). [PSD 1]
24	Standard setting process:	A general term for activities that include standard development, standard review and standard revision. For every new standard to be developed or current one to be reviewed/ revised, a standard setting process is initiated.
25	Standard review	Activity of checking a standard and analyzing related comments and feedback received over time to determine whether it is to be reaffirmed, changed or withdrawn (adaptation of ISO Guide 2:2004, Section 9.4).
26	Standard revision	Introduction of all necessary changes to the substance and presentation of a standard, which will result in a new version of the standard (adaptation of ISO/IEC Guide 2:2004, Section 9.7).
27	Terms of Reference (TOR)	Document specifying terms and conditions for operations of an organ within the MPOCC or for a project (i.e. new standard creation or review and revision of an existing standard).
28	Substantive change	Modifications to the standards that fundamentally change the content of a criterion or principle.
29	Sustainability Standard	A standard that addresses the social, environmental or economic practices of a defined entity, or a combination of these. (ISEAL Credibility Principles, 2013).
30	User Interest	In case of balanced interest, a member who represents a voting interest that purchases or uses materials, products, systems, or services other than for household use covered in the committee or sub-committee scope provided that the member could not also be classified as a producer.
31	Working draft	Proposed document that is available generally for feedback or voting within a working committee.
32	Work Programme	A document containing the list of standards published and under development. The list shall include stage codes and relevant references. The work programme shall be published at least once every 6 months.

5.2 ACRONYMS

The following is the clarification of acronyms used in this document

No	Acronyms	Meaning
1	NSC(MSPO)	National Steering Committee on MSPO or Jawatankuasa Kebangsaan MSPO
2	MPOCC	Malaysian Palm Oil Certification Council
3	MSPO	Malaysian Sustainable Palm Oil
4	PSD	Policy on Standards (Department of Standards Malaysia)
6	TWC (MSPO)	Technical Working Committee on MSPO Standards
7	EWG	Experts Working Group
8	SDA	Standards Development Agency

6 GOVERNANCE STRUCTURE AND RESPONSIBILITY

6.1 The National Steering Committee on MSPO [NSC(MSPO)] or Jawatankuasa Kebangsaan MSPO develops policies and provide direction as regard to MSPO Certification Scheme. It takes into consideration the proposals submitted by Technical Working Committee (TWC) on MSPO Standards [TWC(MSPO)] which may include decisions to develop a new standard or revise current standards.

6.2 Technical Working Committee (TWC) on MSPO Standards [TWC(MSPO)] is formed as deemed necessary by NSC(MSPO). They will provide to the standard setting process with valuable inputs on technical issues of the standard in question but not any political discussions related to the standard. The TWC oversee the standards development, review and modification process described in this document. The TWC shall strive to achieve a balanced representation of opinions and expertise in order to anticipate divergences, and thus, consolidate potential consensus. Members of the TWC commit to the specific TOR for the TWC to participate in the process.

6.3 Expert Working Groups (EWG) are formed as deemed necessary by TWC(MSPO) comprising individuals with relevant competency in economic, social and environmental issues that are relevant to the oil palm industry. EWG reviews technical issues and provides recommendations, including (but not limited to) further development, modification and the technical and operational interpretation of the MSPO standards, and the application of these interpretations.

6.4 MPOCC as The Secretariat coordinates and facilitates the entire process in terms of both logistics and content. For each standard setting process, a staff member is appointed as a Coordinator and is the main contact person.

7 GUIDING PRINCIPLES FOR STANDARD SETTING ADOPTED BY MPOCC

The MPOCC standard-setting process is governed by the key principles as stated below:-

7.1 IMPROVEMENT

The standards shall be reviewed and revised at least five years from its effective date. The standards are monitored and evaluated to ensure it contributes to the objectives of MSPO. This allows the MPOCC to incorporate learning from stakeholders' feedback. Performance levels will be adjusted over time to reflect the results of monitoring and evaluation activities, learning about sustainability and good agricultural/manufacturing practices.

7.2 RELEVANCE

The requirements of the standards primarily focus on most significant economic, social and environmental issues faced by oil palm supply chain that have been collectively identified and agreed to be addressed by stakeholders through various channels. The standards' requirements are formulated in a way that facilitates consistent understanding of the principles and criteria. The process is sufficiently inclusive, participatory and transparent so as to avoid creating unintentional barriers to trade.

7.3 RIGOUR

The requirements of the standards are based on performance that is likely to achieve the sustainability outcomes of the MSPO standards that results in measurable progress towards the MSPO scheme's sustainability objectives. The standards are based on *impact* (i.e. the issue that the stakeholders intends to minimize), *principle* (i.e. the guiding principle for addressing the impact), *criteria* (i.e. the areas to be focused on to address the impact), *indicator* (i.e. the measurement determining the extent of the impact) and *requirement* (i.e. the performance level that must be reached to determine if the desired impact is achieved). The standard is clear and adequate guidance documents are in place such that different, but equally competent, auditors assessing the same organization would arrive at the same result.

7.4 STAKEHOLDER ENGAGEMENT

Multiple stakeholder groups are proactively engaged throughout the standard setting process, from the initial feedback through the decision-making stages. Final decisions are taken are also multi-stakeholder. It is an opportunity for meaningful participation in the process that is open to all stakeholders through participation in working groups and public consultations. Stakeholders has balanced representation are from palm oil industry, government, consumers, civil society (NGOs), labor, organizations, academia, consultants, certifiers/accreditors. The Stakeholders have a shared understanding of the desired outcomes of the system and a degree of expertise or first-hand experience in the subject matter so that they can set the performance level accordingly

7.5 TRANSPARENCY

Relevant information of the standard setting process is made publicly available on the MPOCC website, so stakeholders can follow developments during and after the process. The information is up-to-date, including the TOR, summary of public comments, draft version(s) of the standards, and the final version of the standards

7.6 ACCESSIBILITY

The standards' requirements are not overly burdensome so that barriers to its implementation are reduce and minimize costs. The standards do not create obstacles to trade or exclude small-holders from market access. Standards and guidance documents may be translated into Bahasa Malaysia as deemed necessary. Appropriate opportunities are provided to stakeholders to participate in the standard-setting process. The disadvantaged stakeholders are identified and supported to participate in standard setting process through appropriate mechanisms, including regional visits and using local languages.

8 MPOCC GENERAL POLICIES

8.1 TRANSPARENCY

All essential information regarding current work programmes, as well as on proposals for standards, guides and recommendations under consideration and on the final results will be made easily accessible to at least all interested parties. Procedures have been established so that adequate time and opportunities are provided for written comments.

The publication of a notice at an early appropriate stage, in such a manner as to enable interested parties to become acquainted with it, that MPOCC proposes to develop a particular standard;

8.2 OPENNESS

Membership of TWC(MSPO) is open on a non-discriminatory basis to relevant bodies. This would include openness without discrimination with respect to the participation at the policy development level and at every stage of standards development, such as the:

- a) proposal and acceptance of new work items;
- b) technical discussion on proposals;
- c) submission of comments on drafts in order that they can be taken into account;
- d) reviewing existing standards;
- e) voting and adoption of standards; and
- f) dissemination of the adopted standards.

8.3 IMPARTIALITY AND CONSENSUS

8.3.1 All relevant bodies are provided with meaningful opportunities to contribute to the elaboration of MSPO Standards so that the standard development process will not give privilege to, or favour the interests of, a particular supplier/s.

8.3.2 Consensus procedures have been established that seek to take into account the views of all parties concerned and to reconcile any conflicting arguments.

8.3.3 Impartiality is taken into consideration throughout all the standards development process with respect to, among other things:

- a) access to participation in work;
- b) submission of comments on drafts;
- c) consideration of views expressed, and comments made;
- d) decision-making through consensus;
- e) obtaining of information and documents;
- f) dissemination of the standard;
- g) fees charged for documents;
- h) right to adopt/adapt any other organizational, national, regional or international deliverables when necessary; and
- i) revision of the standard.

8.4 EFFECTIVENESS AND RELEVANCE (PERFORMANCE BASED/NATIONAL INTEREST)

The basis for the development of MSPO Standards take into consideration of national interest such as based on current national policy and direction. Wherever appropriate, MPOCC specifies standards based on management and product requirements in terms of performance rather than design or descriptive characteristics.

8.5 COHERENCE (AVOID DUPLICATION)

Every effort is taken to avoid duplication of or overlap with the work of standards development in Malaysia or with the work of relevant international or regional standardizing bodies, will be made.

8.6 PARTICIPATION

Participation in standardisation processes will be accessible for affected persons. Participation in standards committees is subjected to balance and size of committees. Provision for balanced representation of interest categories in standards committees shall be made. These committees are typically identified as producer interest, regulatory authority, user interest and general interest.

9 STANDARD SETTING PROCESS

9.1 ASSESS NEEDS FOR NEW STANDARD(S) OR REVIEW/REVISION OF EXISTING STANDARD(S)

9.1.1 Standards are reviewed at least every five years to ensure continued relevance and effectiveness in meeting their stated sustainability objectives. A review may result in the standard being: confirmed, revised, amended, or withdrawn. The outcome of the review is implemented in a timely manner.

9.1.2 Any interested stakeholder is encouraged to share their feedback, concern and proposal to develop a new standard or review/revise an existing standard(s). Such feedback or proposal can be sent to the MPOCC Secretariat.

9.1.3 The sources of feedback and proposals include, but are not limited to, certified plantations, and processing facilities, auditors, learning from monitoring results, MPOCC staff, and other stakeholders

9.1.4 Changes to any principle, criteria, indicator or requirement of a standard will require the full process similar to that for new standards development.

9.1.5 Editorial changes (e.g. wording, presentation, lay-out, etc.) can be implemented by the MPOCC Secretariat (see Paragraph 10 - Making Minor Modification of MSPO Standard)

9.1.6 Early review may be justified based on:

- a. New scientific development and its adoption as best practice by palm oil industry;
- b. Information relevant to the Standards but not previously considered;
- c. Changes to the operational practices in the palm oil sector relevant to the Standards;
- d. Change in legislation;
- e. Significant change in the palm oil supply chain.

9.1.7 In any case, be it the need for a new standard, early or regular review or revision of a standard, MPOCC as The Secretariat prepares an elaborated proposal (with justification) and submits to TWC(MSPO) for review and NSC(MSPO) for consideration and decision.

9.1.8 For the creation of a new standard, MPOCC as The Secretariat will develop a proposal including:

- (a) the scope of the standard;
- (b) justification of the need for the standard;
- (c) clear economic, social, and environmental and outcomes that the Standard seeks to achieve;
- (d) risk assessment of the most important sustainability issues falling within the scope of the Standard;
- (e) assessment of potential negative impacts arising from implementing the standard, such as;
 - identification of factors that could have a negative impact on the ability of the Standard to achieve its outcomes;
 - unintended consequences of implementation;
 - actions to address the identified risks,
- (f) a description of the stages of standard development and their expected timetable.

9.1.9 MPOCC as The Secretariat conducts the stakeholder mapping to identify interested sectors, key issues for those sectors, and key players within sectors.

9.1.10 For the revision of a standard the proposal will cover at least (a) and (e) of Para 9.1.8.

9.2 TO CONSIDER PROPOSAL FOR NEW STANDARD(S) OR REVIEW/REVISION OF EXISTING STANDARD(S)

9.2.1 The National Steering Committee on MSPO will provide their views on the proposal.

9.2.2 The decision is communicated to the MPOCC which acts as The Secretariat. After the approval, the standard setting process will start as soon as reasonably possible.

9.2.3 If the National Steering Committee on MSPO does not approve the proposal, it must communicate its decision with explanation in writing to the Secretariat at MPOCC and relevant stakeholders.

9.3 ESTABLISH THE TECHNICAL WORKING COMMITTEE (TWC)

9.3.1 MPOCC as The Secretariat is responsible for coordinating the relevant stakeholder recruitment process.

9.3.2 The work of the TWC(MSPO) will be organized in an open and transparent manner where:

- working drafts will be available to all members of the working committee;
- all members of the working committee will be provided with meaningful opportunities to contribute to the development or revision of the standard and submit comments to the working drafts; and
- comments and views submitted by any member of the working committee will be considered in an open and transparent way and their resolution and proposed changes will be recorded.

9.3.3 The TWC(MSPO) composition should include not only expertise in the subject matter of the standard, but also representation of the most affected stakeholder groups.

9.3.4. There will be provision for balanced representation of interest categories in TWC(MSPO). It is typically identified as producer interest, regulatory authority, user interest and general interest. Where consumer and public interest representation would provide the needed balance of interests, efforts to secure support for equal access and effective participation of such interests will be made.

a) Producer Interest - A member who represents a voting interest that produces or sells palm oil products, and services covered in the committee or sub-committee scope.

b) Regulatory Authority - those who are predominantly involved in regulating by statute the palm oil products, materials or services. This category may not have a direct interest in standards that are for voluntary use.

c) User Interest - A member who represents a voting interest that purchases or uses materials, palm oil products and or services covered in the committee or sub-committee scope provided that the member could not also be classified as a producer.

d) General Interest - A member who cannot be categorised as a producer, user, or consumer.

9.4 PREPARATION OF WORKING DRAFT OF THE STANDARD/REVISION

9.4.1 The primary responsibility to draft the new standard or revised current standards lies with the TWC(MSPO). MPOCC as The Secretariat provides support as required, especially in terms of consistency in language used, structure, formatting, etc.

9.4.2 The standard has the following structure, as the minimum:

- a. Purpose and scope
- b. For each defined sustainability issue/outcome that the standard intends to address, there are
 - i. *Principles*: High-level goals that once being achieved would contribute to achieving the defined outcome
 - ii. *Criteria*: Focus areas that, if implemented properly, would contribute to achieving the high-level goal
 - iii. *Indicators*: Measurements that determine the extent of implementing a criterion
 - iv. *Requirements*: Specific performance levels to be reached.

9.4.3 Where possible, the standard should be

- a) science-base;
- b) performance-based; and
- c) metric-based.

9.4.4 At the same time, the standard should also respect and take into account traditional knowledge, the validity of which is objectively verifiable.

9.4.5 The standard must meet or exceed existing regulatory requirements and clearly refer to relevant applicable legislation.

9.4.6 All original intellectual sources of content must be cited or attributed in the respective sections of the standard.

9.4.7 No particular technology, methodology or patented item is favoured.

9.4.8 The language use in the standard must be clear to avoid misinterpretation.

9.4.9 Sufficient guidance (either as part of the standard or in a separate document) must be provided to support consistent interpretation.

9.5 ORGANIZING FIRST ROUND OF PUBLIC CONSULTATION

9.5.1 MPOCC as The Secretariat will organize a public consultation on the draft and will ensure that:

- clear stakeholder participation goals are set and communicated;
- the start and the end of the public consultation is announced in a timely manner through suitable media;
- invitations are sent to all stakeholders that have been identified during the stakeholder mapping;
- the invitation of disadvantaged and key stakeholders is made by means that ensure that the information reaches its recipient and is understandable;

- the draft is available and accessible for public review and comment for a minimum of 60 calendar days by notification in publications, or by electronic means before approval by the technical committee. However, this period may be shortened in cases where urgent problems of safety, social, health or environment arise or threaten to arise;
- all comments received are considered by the working committee in an objective manner;
- a synopsis of received comments compiled from material issues, including the results of their consideration, is publicly available, on a website.

9.5.2 Once the decision to proceed with the standard is made, a final stakeholder mapping will be conducted with the participation of the TWC(MSPO). MPOCC as The Secretariat will identify stakeholders relevant to the objectives and scope of the standard-setting work. A stakeholder mapping exercise that includes defining which interest sectors are relevant and why, and for each sector what are likely to be the key issues, who are the key stakeholders, and what means of communication will best reach them, is a recognised means of meeting the requirement.

9.5.3 Key stakeholders and interested parties, including organizations that have developed related standards, will be contacted about the standard and the ways that they can participate.

9.5.4 MPOCC as The Secretariat will identify disadvantaged and key stakeholders. MPOCC Secretariat will address the constraints of their participation and proactively seek their participation and contribution in the standard-setting activities.

9.5.5 Interested parties will be provided with meaningful opportunities to contribute to the development or revision of a standard, through direct comments or during the stakeholder review process.

9.5.6 In case of minor content related revision or critical urgency, the length of the public consultation period may be shortened.

9.5.7 The draft may be translated into Bahasa Malaysia or any other language that will enable wider participation of the most affected stakeholder groups.

9.6 PREPARE AND PUBLISH SYNOPSIS OF COMMENTS RECEIVED

9.6.1 After the first round of public consultation period is closed, The Secretariat will compile all received comments, organise them per subject matter and then share with the respective TWC(MSPO) and the EWGs will review all feedback provided.

9.6.2 The TWC will review and objectively analyse the feedback/comments and make any agreed changes to the draft standard. The TWC will prepare responses, including how comments are addressed and justification for those issues raised in the comments but will not be incorporated in the next draft.

9.6.3 The Secretariat will collect responses from the TWC(MSPO) and prepare a written synopsis, which will be made public on the website. Those stakeholders having submitted comments will receive notification of the public synopsis or report of public consultation.

9.6.4 At the same time, the TWC(MSPO) continue working on the final draft taking into account comments received and the synopsis.

9.7 DECIDE ON SECOND ROUND OF PUBLIC CONSULTATION

9.7.1 A second round of open stakeholder review will be carried out if substantive, unresolved issues persist after the first round, and will include the same steps as the first round.

9.7.2 The second round may be shortened from 60 days to at least 30 days or excluded if

- a. There are no objections or substantial comments in the first round;
- b. There is sufficiently balanced participation by key stakeholder groups (participation goals achieved); and
- c. Rapid changes are needed in the marketplace.

9.7.3 In case of minor revision, the second public consultation may be skipped.

9.7.4 Consensus on shortening or skipping the second round must be reached within and among the TWC(MSPO).

9.8 ORGANISING SECOND ROUND OF PUBLIC CONSULTATION

9.8.1 The second public consultation round is then announced and implemented. The processes in Paragraph 9.5 and 9.6 can be used for organizing the second round of consultation.

9.9 PILOT AUDIT

9.9.1 MPOCC may conduct pilot audit of the new or revised standards and the results of the pilot audit will be reported for the consideration of the TWC (MSPO).

9.9.2 The main objectives of pilot audit, if conducted, must be

- a. Reaching out to the most affected stakeholder groups for their participation in standard setting;
- b. Validating if the presumed outcomes of the standard can be achieved;
- c. Testing standard's feasibility, practicability and auditability.

9.10 DECISION TO RECOMMEND FINAL DRAFT OF STANDARD

9.10.1 The decision of the TWC(MSPO) to recommend the final draft for formal approval will be taken on the basis of a consensus. In order to reach a consensus, the TWC(MSPO) can utilise the following alternative processes to establish whether there is opposition:

- a face-to face meeting where there is a verbal yes/no vote, show of hands for a yes/no vote; a statement on consensus from the Chair where there are no dissenting voices or hands (votes); a formal balloting process, etc.;
- a telephone conference meeting;
- an e-mail meeting where a request for agreement or objection is provided to members with the members providing a written response (a proxy for a vote); or
- combinations thereof.

9.10.2 In the case of a negative vote which represents sustained opposition to any important part of the concerned interests surrounding a substantive issue, the issue will be resolved using one of the following mechanisms(s):

- discussion and negotiation on the disputed issue within the working committee in order to find a compromise;
- direct negotiation between the stakeholder(s) submitting the objection and stakeholders with different views on the disputed issue in order to find a compromise;
- dispute resolution process.

9.11 PREPARING AND PUBLISHING THE FINAL SYNOPSIS

9.11.1 The TWC(MSPO), with the support of MPOCC as The Secretariat, will prepare and publish final synopsis of comments received.

9.11.2 The final draft together with a proposed road map for transition period (in case of revision) and proposal for translation into languages (if need be) are submitted to the NSC(MSPO) for endorsement.

9.11.3 The MPOCC as The Secretariat makes sure that final draft is completed in terms of content, presentation as well as other details.

9.11.4 When proposing the effective date of a new standard, the time needed for setting up the implementation scheme (e.g. auditing, training, etc.) needs to be taken into account to have a realistic timeframe.

9.11.5 The length of the transition period for revised standard depends on the extent of changes introduced and time needed to revise accompanying documents (e.g. audit manual, checklist, report template, etc.) and other preparatory activities (e.g. translation, training for auditor and plantations/estates/mills/processing facilities, etc.). An average transition period may range from 6 to 12 months.

9.11.6 For new standards development, an additional public consultation round may be carried out if:

- a. Substantive unresolved issues persist even after the second round; or
- b. Insufficient feedback is received, especially from the most affected stakeholder groups.

9.12 APPROVAL OF THE FINAL DRAFT

9.12.1 After the TWC(MSPO) has recommends a standard for approval, the NSC(MSPO) will review the recommendation. If the NSC(MSPO) decided the recommendation to issue a standard is acceptable, the standard will be submitted to the MPOCC Board of Trustees for approval.

9.12.2 New or revised standards, will be published when formally approved and shall be made publicly available.

9.12.3 MPOCC as The Secretariat will made announcement of standard released to stakeholders.

10 MAKING MINOR MODIFICATION OF A STANDARD

10.1 Minor modifications, such as, typographical errors, formatting or organisation of the document and minor inconsistencies within the document, may be corrected with the approval of CEO, MPOCC prior approval of TWC(MSPO) by circulation shall be obtained.

10.2 Any modifications to the standards, such as, improving or clarifying the language or providing guidance notes must not fundamentally change the content of any principle, criterion, indicator, or requirement.

10.3 MPOCC as The Secretariat may also propose minor modification and must draft a written justification for the proposed change, which shall be circulated to the NSC(MSPO), TWC(MSPO), and accredited certification bodies for a 30-day review period. After this 30-day review period The Secretariat may amend the standard in line with the proposal, taking account of any comments received.

10.4 In the case of changes resulting from corrections or amendments, the updated standard must be finalised clearly identifying the changes made, version number and date and will be posted on MPOCC website. The release of the revised standard must be communicated to users, accredited certification bodies, and stakeholders.

11 WORK PROGRAMME

11.4.1 MPOCC, as the Secretariat, maintains an up-to-date work programme that contain the list of standards published and under development. The work programme is published at least once every 6 months. The work programme is available on MPOCC website.

11.4.2 The work programme contains (a) new standards development of projects, (b) the standards it is currently preparing and (c) the standards it has published in the preceding period. Information on submission of comments, obtaining draft standards and final publications are included in the publication.

The work programme for each standard may additionally indicates:

- a) the classification relevant to the subject matter (the International Classification for Standards, “ICS”);
- b) the development-stage code based on the stage identification system; and
- d) references to any international standards or other standards taken as a basis.

12 DOCUMENTED INFORMATION

12.1 For each standard setting process, the following records are retained by MPOCC as The Secretariat:

- (a) Standard-setting procedures;
- (b) Stakeholder identification mapping;
- (c) Contacted and/or invited stakeholders;
- (d) Stakeholders involved in standard-setting activities including participants in each working group meeting;
- (e) Feedback received and a synopsis of how feedback was addressed;
- (f) All drafts and final versions of the standard;
- (g) Outcomes from working group considerations;
- (h) Evidence of consensus on the final version of the standard(s);
- (i) Evidence relating to the review process;
- (j) Final approval by the National Steering Committee; and
- (k) Adoption by MPOCC Board of Trustees.

12.2 For transparency purposes, all documented information will be available to interested parties upon request.

12.3 Documented information is kept until completion of the next review or revision of the standard to which they refer. Otherwise the documented information must be kept for a minimum of five years after publication of the standard.

13 HANDLING OF COMPLAINTS, APPEALS AND DISPUTES

13.1 MPOCC has established the Dispute Resolution Committee and its relevant procedures for dealing with any substantial and process complaints and appeals relating to its standard-setting activities which is accessible to stakeholders via various format.

13.2 The complaint or appeal will be handled as per *MPOCC Dispute Resolution Procedure*.

13.3 MPOCC has established contact point for enquiries, complaints and appeals relating to its standard-setting activities. The contact point is easy to access and readily available.

Further information can be found at MPOCC website, (www.mpocc.org.my).

14 CONTACT INFORMATION

If you have any comments or questions about the MPOCC Standard Setting Procedure, please contact the following: -

Malaysian Palm Oil Certification Council (MPOCC)

15th Floor, Bangunan Getah Asli (Menara),

148, Jalan Ampang, 50450 Kuala Lumpur

Email: info@mpocc.org.my

Phone: +603-2181 0192

Fax: +603 2181 0167

Annex 1

List of documents under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme:

1. *The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme and Its Implementation Arrangement*
2. *Requirements for Certification Bodies Operating Supply Chain Certification under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme*
3. *Issuance of MSPO Logo Usage Licence by MPOCC under the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme*
4. *Procedure for Notification of Certification Bodies Operating Oil Palm Management or Supply Chain Certification*
5. *Dispute Resolution Procedure (DRP)*
6. *ACB – OPMC 1 Competency Requirements for Certification Bodies Operating Oil Palm Management Certification Under The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme*
7. *ACB – OPMC 2 Audit Duration for Certification Bodies Operating Oil Palm Management Certification Under The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme*
8. *ACB – OPMC 3 Peer Review Process Requirements for Certification Bodies Operating Oil Palm Management Certification Under The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme*
9. *ACB – OPMC 4 Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification Under The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme*