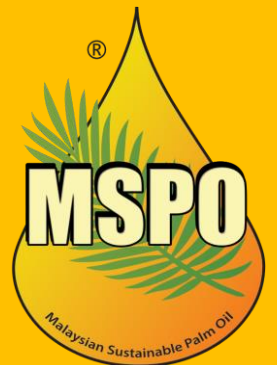




MSPO Certification Scheme



OUTLINE

- ⚙ Main elements of MSPO Certification
- ⚙ Achievements
- ⚙ Mandatory Timelines
- ⚙ Incentives
- ⚙ Strategies





1 JAN 2015

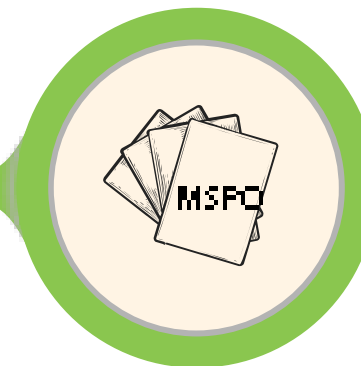
MSPO Scheme started

Implementation of the MSPO Certification Scheme started in January 2015. The scheme is implemented by MPOCC, an independent organisation setup in October 2015. Since then, MSPO certification has been on a voluntary basis.

19 NOV 2013

MSPO Standards Launched

MSPO Standards MS 2530:2013 Series were launched.



27 JULY 2017

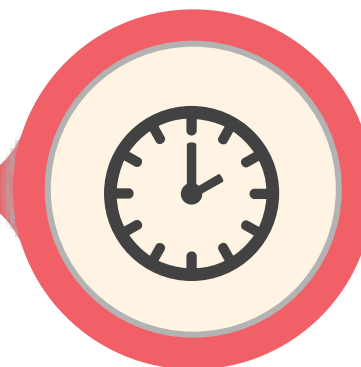
Announcement of Financial Incentives

On 27 July, the government announced financial incentives to support smallholders with MSPO certification, while financial incentives for estates and processing facilities were announced on 2 October.

24 FEB 2017

Announcement of Timelines

The government announced the proposed timelines for mandatory MSPO certification to be implemented in stages.



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Recent developments

- ❖ 18 May 2017 : YAB Prime Minister announced that government is taking steps towards sustainability by adopting **MSPO** which will be made mandatory by Dec 31, 2019
- ❖ MSPO is aimed at taking the industry to a **higher level of sustainability & transparency** throughout the supply chain
- ❖ To improve **accessibility, competitiveness and differentiation** of Malaysia in the global oil palm market



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18 May 2017, Sime Darby, Jenamaram Estate



Main elements of MSPO Certification



MSPO Certification Scheme

- ✓ Government mandated
- ✓ Exemption from Stage 1 Audit (for those having other relevant sustainability certification)
- ✓ Incentives
- ✓ Tax exemption based on audit cost



More on MSPO Certification Scheme



- **MSPO Standards**

- Sets the requirements & which must be met when audits are done

- **Certification System**

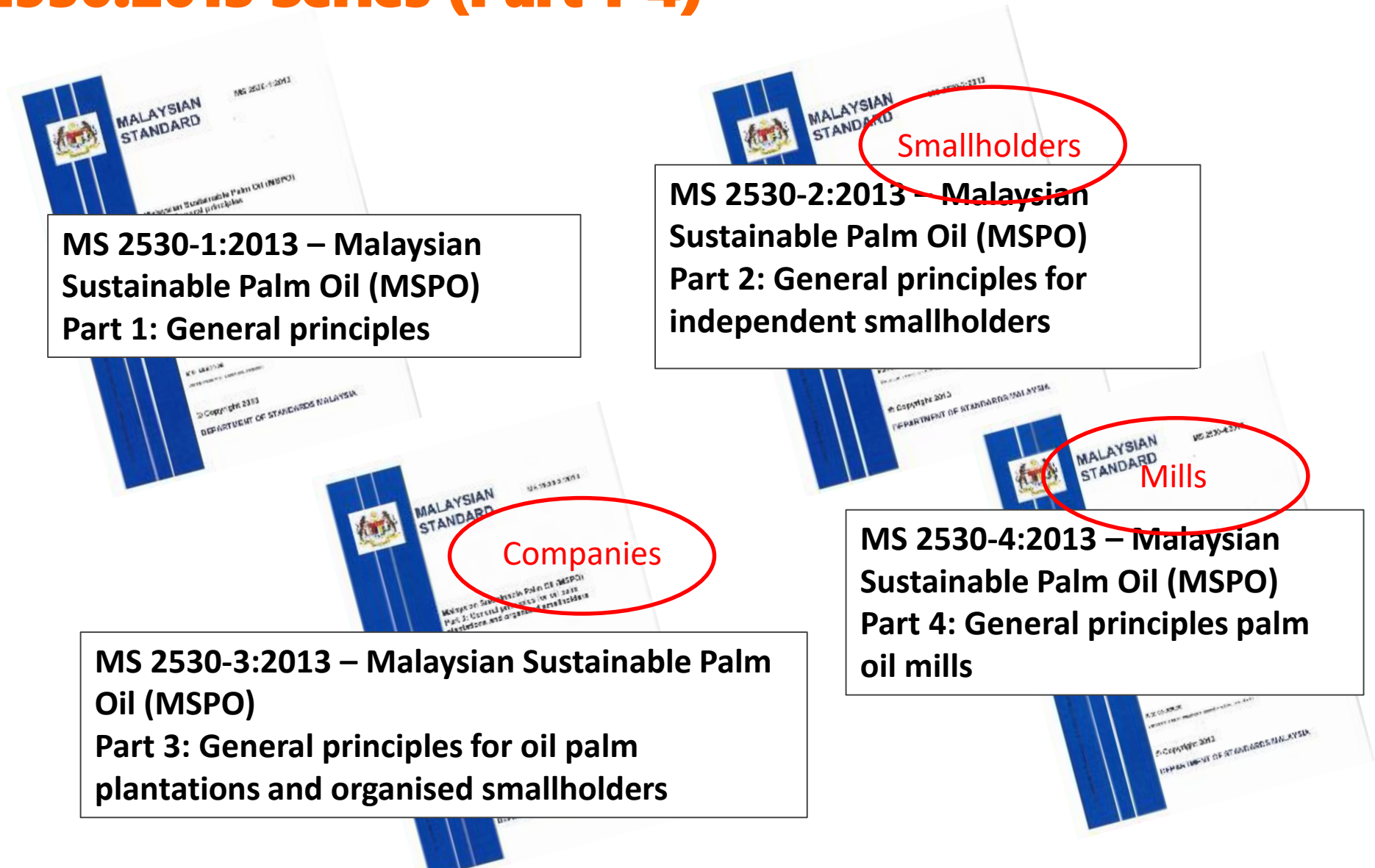
- Defines the operations of the scheme, implementation agreement with accredited CBs

- **Accreditation Programme**

- To ensure that organisation who undertake audits are credible and have competent auditors



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**

Smallholders

Companies

**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**

Mills



MSPO Supply Chain Certification Standard

- ✿ Designed to provide a credible guarantee to the end user that the palm oil raw material originated from a sustainably managed oil palm plantation throughout the supply chain.
- ✿ The MSPO SCCS addresses **management requirements** and **traceability** of the production throughout the supply chain from the raw materials until processing and manufacturing of palm oil and palm oil based products.
- ✿ Each group of players must perform their respective roles to enable traceability of all activities throughout the palm oil supply chain.



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



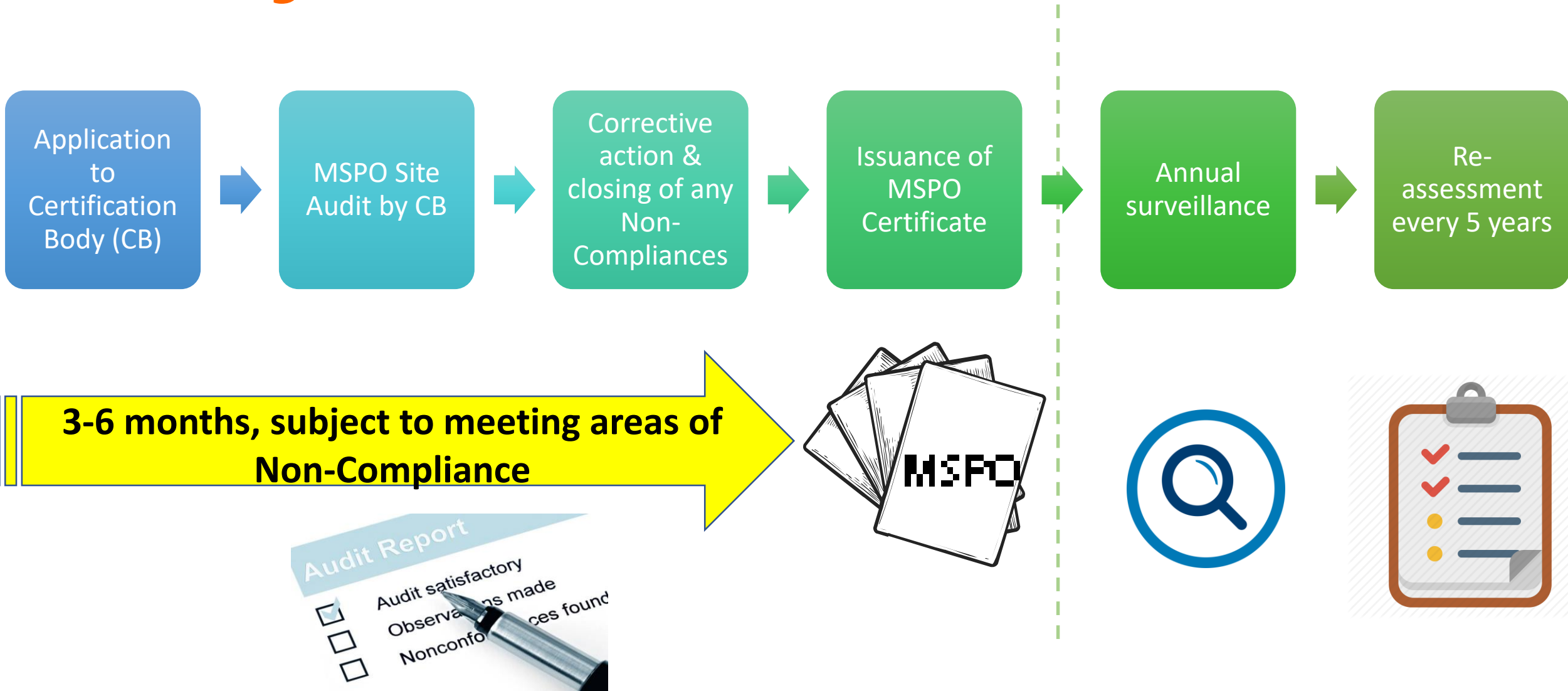
**7 Development of
new plantings**



Main elements of MSPO Certification



Auditing and Certification Process



Promoting Values & Benefits through MSPO Certification

- Increased productivity

- Optimise yields and profits, protects the environment, workers and affected communities
- Effective cost management
- Better waste management
- Fair work conditions

- Traceability

- Known FFB origin
- Farm details & yield records
- Addresses concerns of affected stakeholders



- Positive impact

- Increase awareness
- Legality compliance
- Reduced work accidents
- Best agriculture practices
- Tax breaks & incentives
- Market access
- Meets demands from environmentally sensitive markets for CSPO
- Negates negative perception
- Enhances Malaysian palm oil competitiveness and acceptance in global market



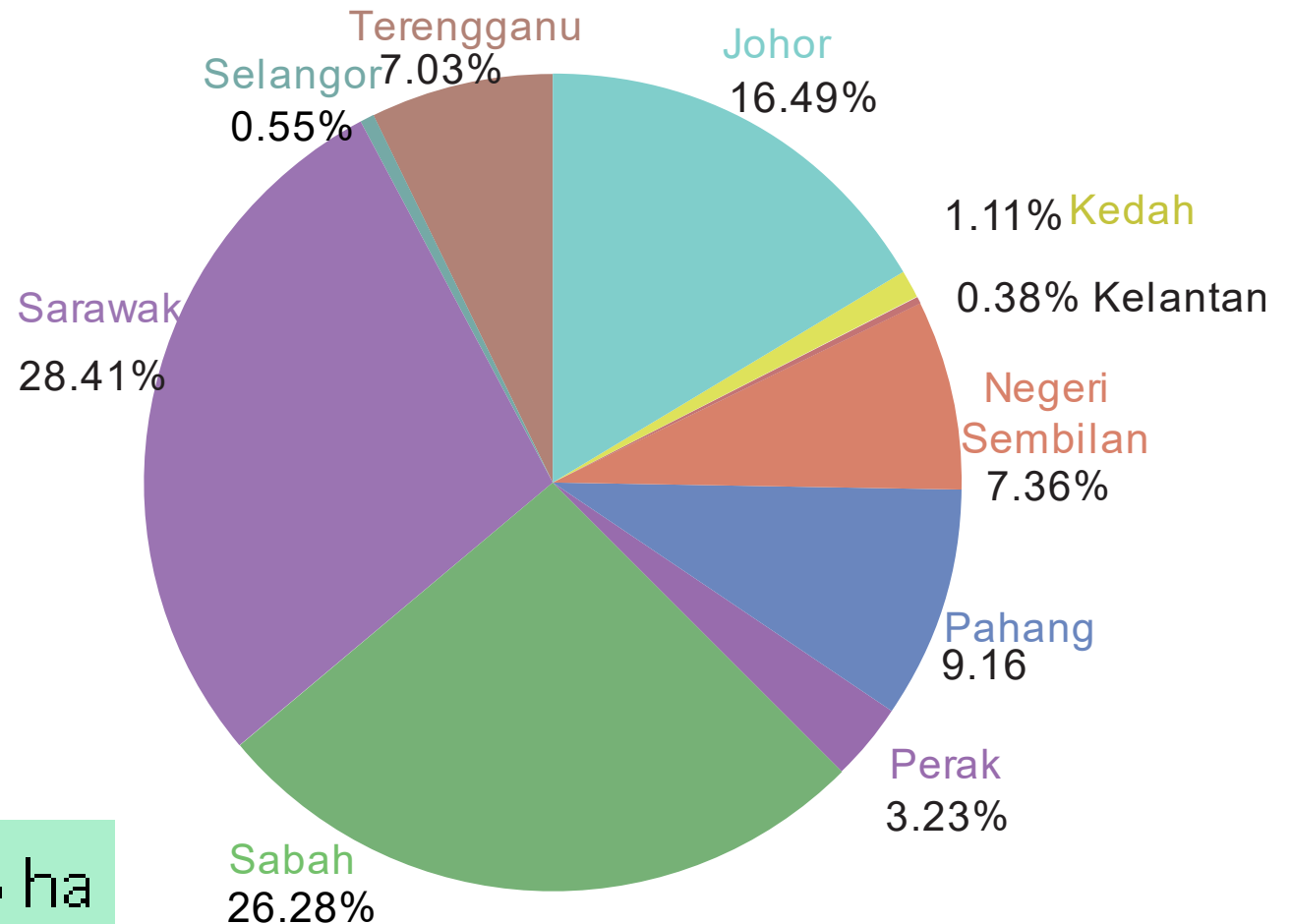
Achievements



MSPO Certification (December 2017)

Total Certified Area under
Plantations & Organised
Smallholders
513,989.03 ha

TOTAL CERTIFIED AREA = 518,793.96 ha

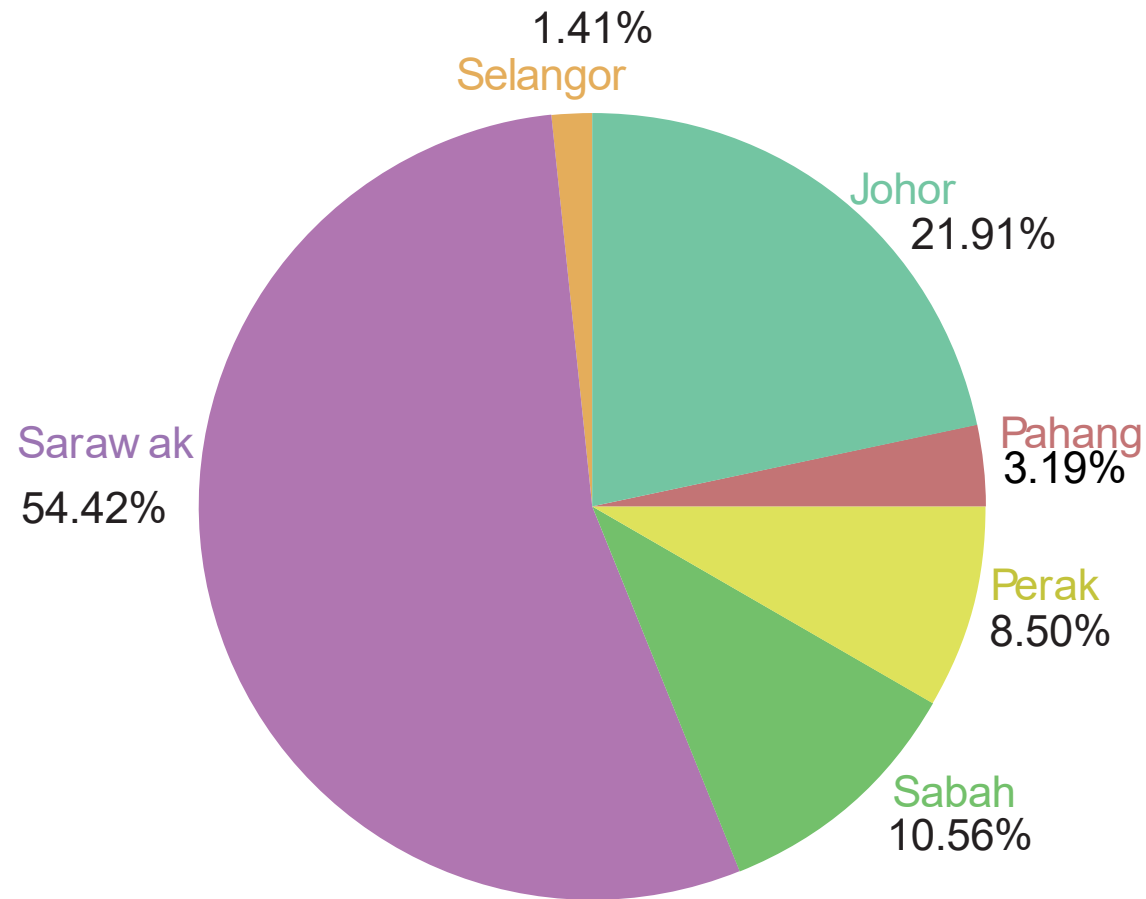


<https://www.mpocc.org.my/mspo-figures-faqs>



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MSPO Certification (December 2017)



Total Certified Area under
Independent Smallholders
(SPOCs*)
4,804.93 ha

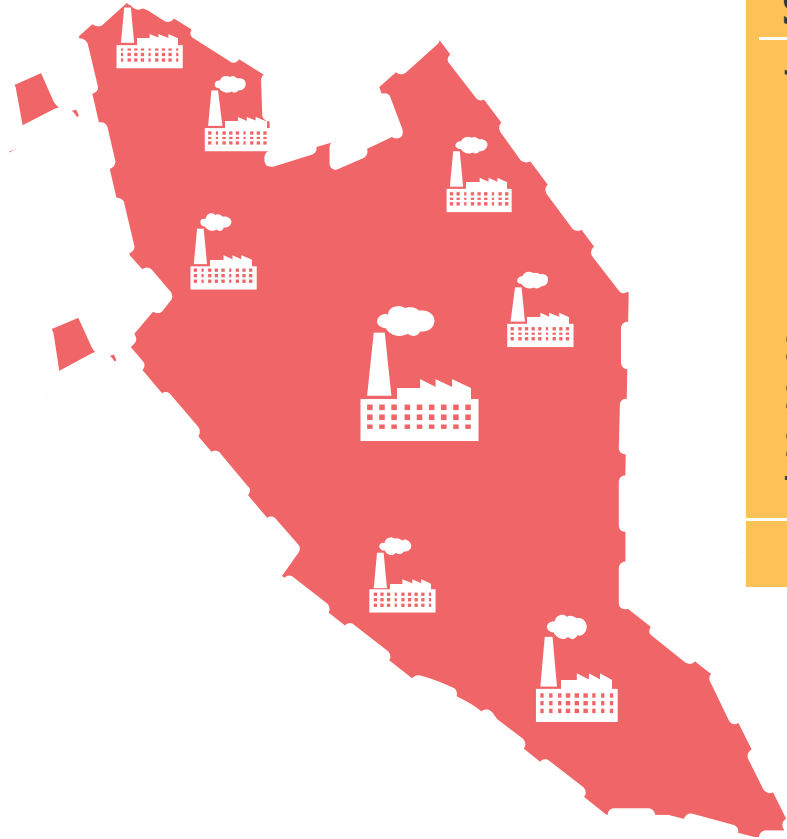
*SPOCs = Sustainable Palm Oil Clusters



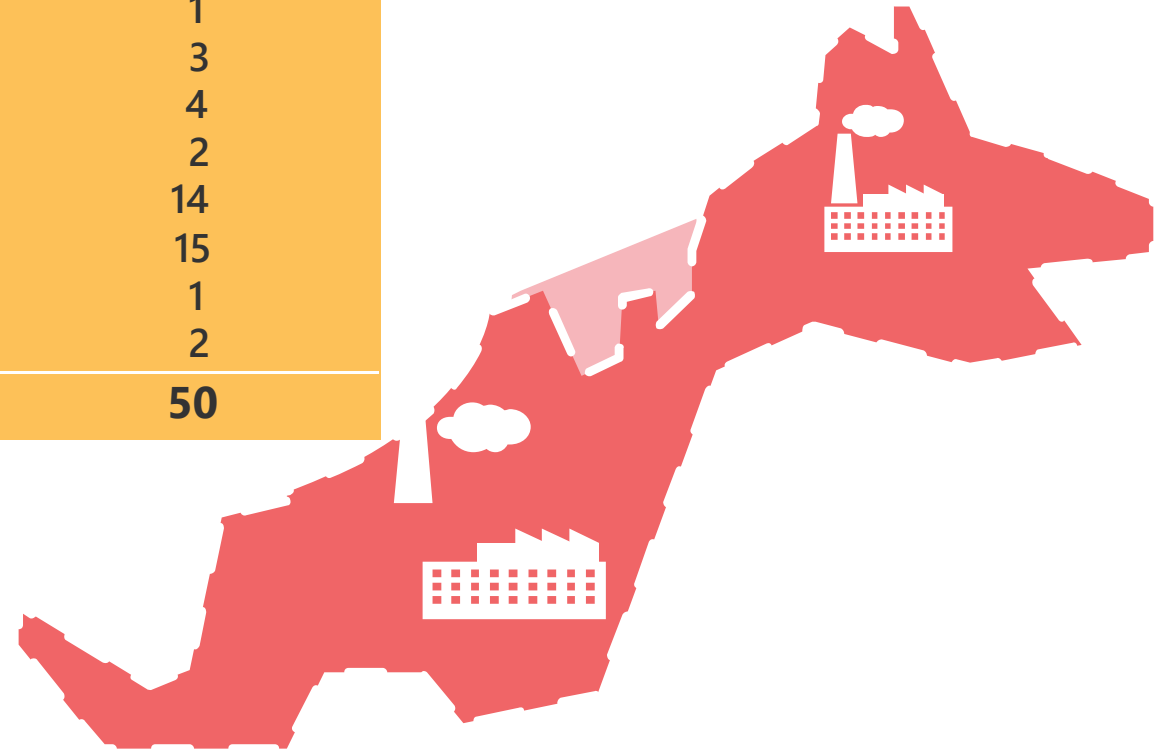
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<https://www.mpocc.org.my/mspo-figures-faqs>

MSPO Certification (December 2017)



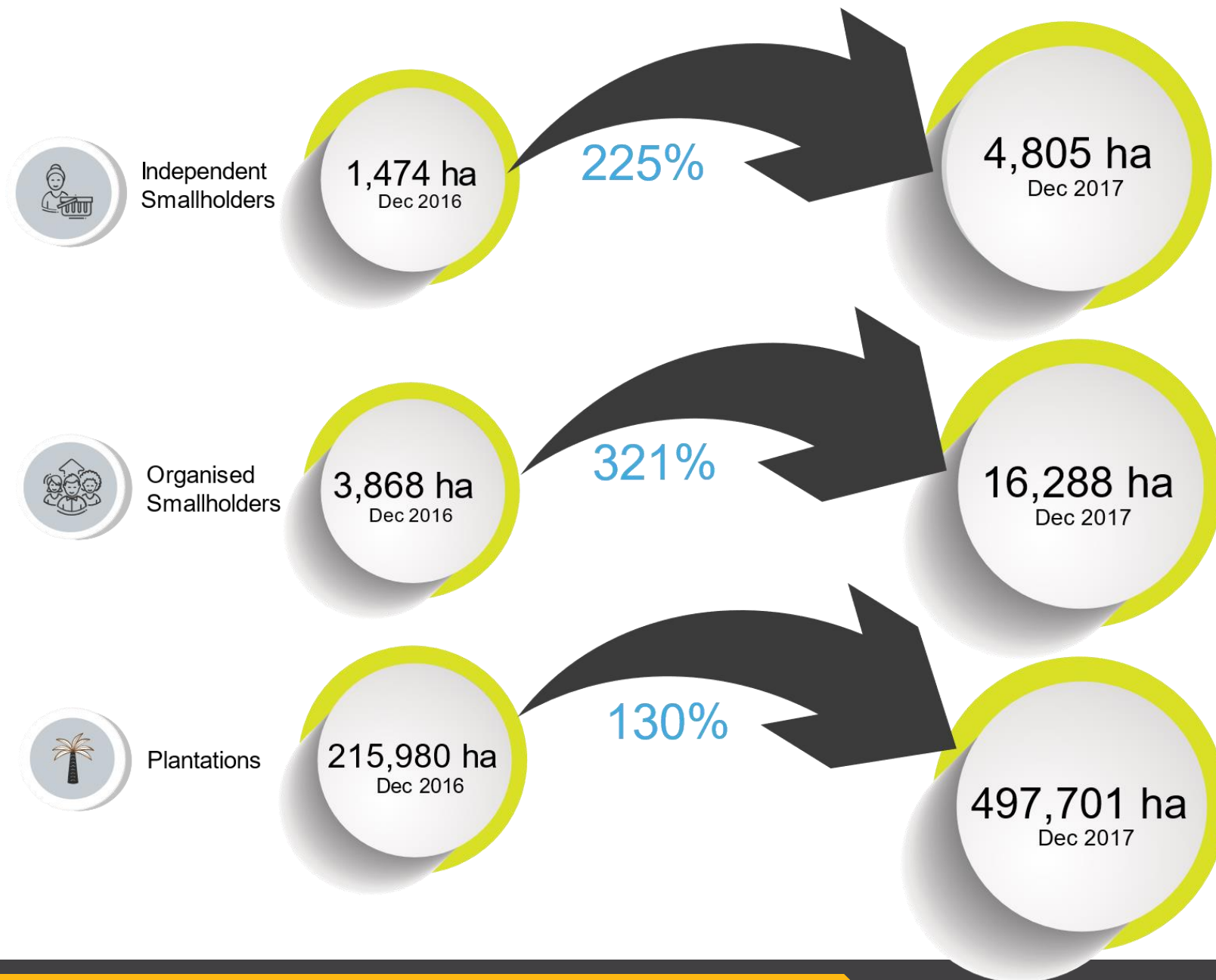
State	Certified Mills
Johor	7
Kedah	1
Kelantan	1
Negeri Sembilan	3
Pahang	4
Perak	2
Sabah	14
Sarawak	15
Selangor	1
Terengganu	2
Total	50



<https://www.mpocc.org.my/mspo-figures-faqs>



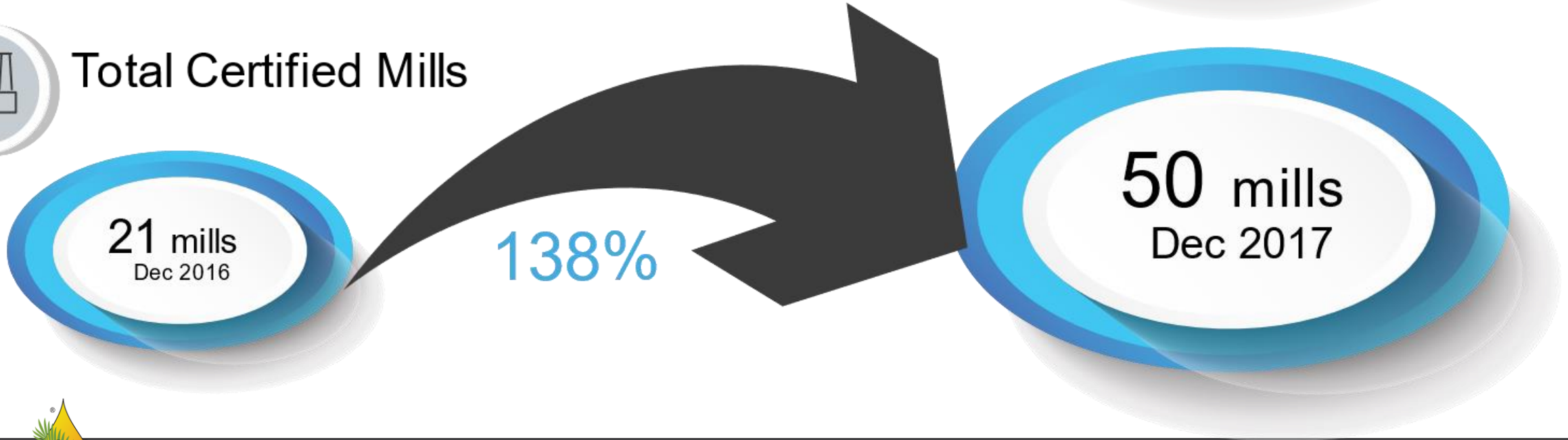
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Total Certified Planted Area



Total Certified Mills



Certification Bodies under MSPO Certification Scheme

<https://www.mpocc.org.my/certification-bodies>

7 Accredited CBs

- DQS Certification (M) Sdn Bhd
- SGS (Malaysia) Sdn Bhd
- Bureau Veritas (M) Sdn Bhd
- TUV NORD (Malaysia) Sdn Bhd
- SIRIM QAS International Sdn Bhd
- CARE Certification International (M) Sdn Bhd
- Prima Cert International Sdn Bhd



6 more CBs undergoing Accreditation

- BSI Services Sdn Bhd
- Mutuagung Lestari Malaysia Sdn Bhd
- Control Union (Malaysia) Sdn Bhd
- NIOSH Certification Sdn Bhd
- Platinum Shauffmantz Veritas Sdn Bhd
- Global Gateway Certification Sdn Bhd



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<https://www.mpoicc.org.my/list-of-consultants>

Global Sustainable Solution Sdn Bhd	55, Jalan Makmur 25/64, Taman Sri Muda, 40400 Selangor	02 4023
Pantropical Agricultural Services (Pantropas) Sdn Bhd	Suite J-7-5, Block J Level 7, Solaris Mont Kiara, No. 2 Jalan Solaris, Mont Kiara, Kuala Lumpur.	03 6204 0822 012 525 0522
Envirotech Environmental Consultancy Sdn Bhd	Lot 6892, Block 26, 1st Floor Muara Tuang Land District Office Commercial Centre, 94300 Kota Samarahan Sarawak	014 6962400 082 610141
MRA Sustainable Solution	NO.15 & 17, First Floor, ICT HUB, Jalan P. S. S. SQUARE, 25200 Kuantan, Pahang	013 3134719
SQC Management Sdn Bhd	Unit No. B508, Pusat Dagang, 15, Jalan 16/11, Off Jalan Petaling Jaya, Selangor.	03 7955 2633
OHS ISIS Integrated Solution	No 17-3, Jalan TTDI Jaya, 40150 Shah Alam, Selangor.	012 3278700 019 2791152
Tropical Evergreen Enterprise	95, Jalan Serong 3B 2A, 93250, Kuching.	019 8889737
QA Consulting Resources	Wisma WIM, No.7, Jalan Abang Haji Openg, Taman Tun Dr Ismail, Kuala Lumpur	03 77316195 012 3831242
BPP Agraria Sdn Bhd	G-2,Troika, Persiaran KLCC, 50450 Kuala Lumpur	03 79318160 012 2969977
Orakel Business Solution	25-1, Jalan Equine 9B, Taman Equine, Seri Kembangan 43300 Selangor	019 2193278

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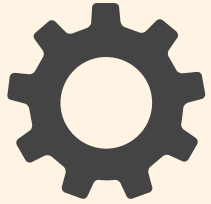




Timelines



Timelines for Mandatory MSPO Certification



31 DEC 2018

With Certification
(e.g. RSPO, ISCC)

Certified entities (estates and processing facilities) have to obtain MSPO certification by 31 December 2018.

30 JUNE 2019



Without any Certification

Oil palm entities (estates and processing facilities) without any certification will have to obtain MSPO certification by 30 June 2019.



31 DEC 2019

Smallholders

All independent and organised smallholders will have to obtain MSPO certification by 31 December 2019.



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Incentives



Government offers incentives for adopting MSPO certification

PETALING JAYA: The government is offering incentives to facilitate and help reduce the audit costs of obtaining the Malaysian Sustainable Palm Oil (MSPO) certification.

In a statement yesterday, the Plantation Industries and Commodities Ministry said audit costs incentives of up to 70% would be offered to estates with planted area above 40.46ha to 1,000ha.

Additionally, an audit cost incentive of up to 30% would be given to estates above 1,001ha, as well as those processing facilities such as mills, refineries and crushers.

"As of Aug 2017, the total planted area that has been certified under the MSPO certification scheme is 245,381ha.

The certified area includes 237,509ha under plantation companies, 3,868ha under organised smallholders, and 4,004ha under independent smallholders.

"In addition, a total of 22 mills have also been MSPO-certified," the ministry said.

It added that Plantation Industries and

Commodities Minister Datuk Seri Mah Siew Keong held a dialogue session with representatives of oil palm plantation companies on Sept 27, with the objective of getting feedback and views from them on MSPO.

"This session was attended by more than 120 industry players representing small and medium-sized oil palm estates in Malaysia. The industry players were briefed on the main features of the MSPO Certification Scheme, including the MSPO standards and requirements, as well as certification procedures.

"At the briefing, while some concerns were raised, the participants generally pledged their support for the efforts undertaken by the Plantation Industries and Commodities Ministry and the Malaysian Palm Oil Certification Council to facilitate the implementation of MSPO certification," it added.

Details on the incentives are available at www.mpob.gov.my



Serious discussion: front row (from left) Datuk M.Nagarajan, Malaysian Palm Oil Certification Council chairman, Plantation Industries and Commodities Deputy Minister Datuk Datu Nasrun Datu Mansur, Mah and Ministry secretary-general Datuk K.Yogeesvaran at the dialogue session with representatives of oil palm plantation companies

Govt sets aside RM130mil to help smallholders get MSPO certification

MEMOR

Friday, 4 Aug 2017
10:27 PM MYT



Star ONLINE

Government offers incentives for adopting MSPO certification

MEMOR

Tuesday, 3 Oct 2017



INCENTIVES

FOR MSPO CERTIFICATION SCHEME FOR ESTATES & PROCESSING FACILITIES



APPLICATION PROCEDURES

All applications must be submitted to MPOCC using the *Application Form for Estates or Processing Facilities*. Each entity has to submit its own application.

MPOCC will evaluate all applications and provide conditional approval.

Incentives will be reimbursed upon submission of the relevant original documents to MPOCC.

MSPO certification will be implemented on a mandatory basis beginning 31 December 2019. The MSPO Certification Scheme has been developed taking on board relevant domestic laws and regulations, best practices on sustainability and input from the relevant stakeholders.

SUBMISSION DETAIL

QUALIFYING CRITERIA AND INCENTIVES

The incentives are open to estates and processing facilities licensed by MPOB.

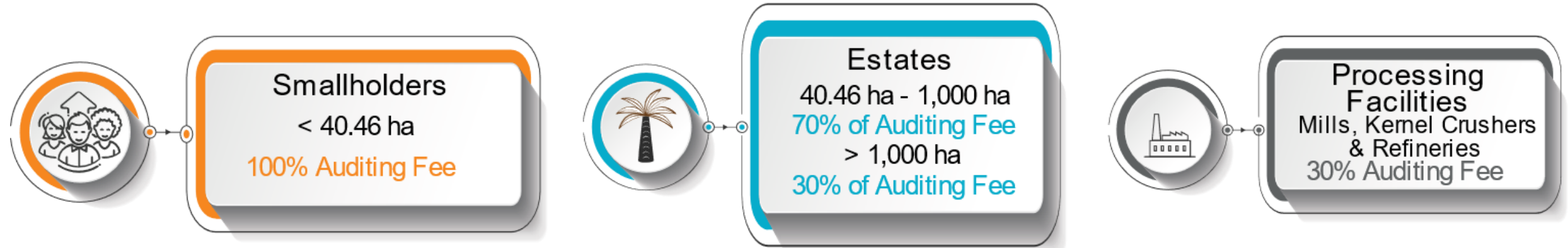
Information available at www.mpocc.org.my, www.mpob.gov.my



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<https://www.mpocc.org.my/incentives>

Incentives



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Strategies



Strategies ~ MSPO Certification

Increase MSPO certification

- ✿ Technical briefings on MSPO for oil palm plantations, processing facilities
- ✿ Regional MSPO roadshows
- ✿ Training/Workshop for peer reviewers
- ✿ Endorsed Training Providers for MSPO Scheme
- ✿ Accreditation Programme
- ✿ Certification Bodies Workshop



Strategies ~ MSPO Certification

- ⚙ Annual CSPO Forum
- ⚙ Annual NGO Forum
- ⚙ Review of MSPO Standards
- ⚙ Publish Supply Chain Certification Standard
- ⚙ MSPO Incentive Fund
- ⚙ Combined MSPO-RSPO audits
- ⚙ Baseline assessment MSPO-ISCC



A Vision for Malaysian palm oil to remain competitive for

- MSPO to be made the basis for **branding** Malaysian palm oil.
- Strong Government **commitment** towards strengthening and acceptance of MSPO certified products by the global markets.
- Major **Promotional** efforts of MSPO certified palm oil in global markets.
- Government **assistance** to industry and smallholders in the implementation of MSPO certification.



CERTIFYING MALAYSIAN PALM OIL FOR THE WORLD



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Thank you

Malaysian Palm Oil Certification Council
15th Floor, Bangunan Getah Asli (MENARA)
148, Jalan Ampang, 50450 Kuala Lumpur.
+603 2181 0192

info@mpocc.org.my

www.mpocc.org.my

