Progress in Malaysian Sustainable Palm Oil (MSPO) Certification

CSPO FORUM
6 December 2018
Putrajaya
Trends in Major Importing Countries

• There is a growing demand for Certified Sustainable Palm Oil (CSPO)
  • Amsterdam Declaration 2015 in support of fully sustainable palm oil supply chain by 2020 (Denmark, France, Germany, Italy, The Netherlands, Norway, United Kingdom)
  • RED revision to phase out palm oil-based biofuels imports into EU after 2030
• Palm oil has been correlated to negative image such as deforestation, child labour and loss of habitats/wildlife
• Certified sustainable palm oil (CSPO) through Malaysian Sustainable Palm Oil (MSPO) Certification will promote the image of Malaysian palm oil
National Steering Committee on MSPO

Technical Working Committee on MSPO Standards

Technical Working Committee on Smallholders
Enabling measures for MSPO certification

✓ Government mandated

✓ Exemption of Stage 1 audit
  (*those having other sustainability certification*)

✓ MSPO incentive for audit fee

✓ Tax breaks for audit fee
**INCENTIVES**

for MSPO Certification of Estates & Processing Facilities

are available now!

Available on MPOCC website:  https://www.mpocc.org.my/incentives

<table>
<thead>
<tr>
<th>Entities</th>
<th>MSPO auditing fee covers Stage 1 and Stage 2 audits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smallholders &lt;40.46 ha</td>
<td>100%*</td>
</tr>
<tr>
<td>Estates 40.46 ha – 1,000 ha</td>
<td>70%</td>
</tr>
<tr>
<td>Estates &gt;1,000ha</td>
<td>30%</td>
</tr>
<tr>
<td>Processing facilities (Mills, Kernel Crushers, Refineries)</td>
<td>30%</td>
</tr>
</tbody>
</table>

* Includes cost of stores for pesticides and fertilizers, Personal Protective Equipment (PPE), training and documentation
Timeline to obtain incentives under MSPO Certification Scheme

**31 DEC 2018**

*With RSPO Certification*
RSPO certified entities (plantations and mills) have to obtain MSPO certification by 31 December 2018.

**30 JUNE 2019**

*Without any Certification*
Oil palm entities (plantations and mills) without RSPO 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.
Key milestones of MSPO Certification Scheme

- 2013: MSPO Standards launched
- 2014: MSPO pilot audits
- 2014: MPOCC registered
- 2015: MSPO Scheme implemented on voluntary basis
- 2015: MPOCC Chair & Board appointed
- 2016: MSPO in full operation
- 2016: Technical Working Group on MSPO Supply Chain Certification
- 2018: 2nd CSPO Forum, Kuching
          MSPO-ISCC Benchmarking Assessment
          MSPO Supply Chain Certification Standard
          3rd CSPO Forum, Kota Kinabalu (IPSC 2018)
          MSPO Standards review
          4th CSPO Forum, Putrajaya
Standards under the MSPO Certification Scheme

- **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

Available for download at [www.mpocc.org.my](http://www.mpocc.org.my)
MSPO Certified Areas & Mills latest statistic

https://www.mpocc.org.my/certified-areas
MSPO certified sites is continuously growing...

Total planted area MSPO certified: 1,261,615 ha
(As of 31 October 2018)

Legend:
- Smallholder
- Estate
- Mill

Certifying Malaysian palm oil for the world
Progress of MSPO Certification as of 31 October 2018

Total Certified Area (ha)

- 2014: 83,522 ha
- 2015: 221,322 ha
- 2016: 518,794 ha
- 2017: 1,261,615 ha
- 2018 (Oct): Total

**Organised Smallholdings & Estates**

- Terengganu: 2.5%
- Selangor: 2.5%
- Negeri Sembilan: 5.8%
- Perak: 4.0%
- Sarawak: 28.0%
- Sabah: 31.7%
- Johor: 12.1%
- Pahang: 9.3%
- Kedah: 2.9%
- Perlis: 1.9%

**Negeri Sembilan**

- 4.9%
- 4.9%

**Perak**

- 3.9%
- 3.9%

**Johor**

- 5.8%
- 5.8%

**Sarawak**

- 27.5%
- 27.5%

**Sabah**

- 34.3%
- 34.3%

**Pahang**

- 6.9%
- 6.9%

**Pahang**

- 6.9%
- 6.9%

**Kedah**

- 2.9%
- 2.9%

**Kedah**

- 2.9%
- 2.9%
### MSPO Certification in MALAYSIA (As of 31 OCTOBER 2018)

<table>
<thead>
<tr>
<th></th>
<th>TOTAL AREA (HA)</th>
<th>UNIT CERTIFIED</th>
<th>AREA CERTIFIED (HA)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Smallholdings</td>
<td>979,758</td>
<td>70 clusters</td>
<td>15,166.59</td>
<td>1.5</td>
</tr>
<tr>
<td>Organised Smallholdings</td>
<td>1,287,958</td>
<td>66 clusters / estates</td>
<td>119,535.66</td>
<td>9.3</td>
</tr>
<tr>
<td>Plantations</td>
<td>3,543,429</td>
<td>492 estates</td>
<td>1,126,912.51</td>
<td>32.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5,811,145</td>
<td></td>
<td>1,261,614.76</td>
<td>22.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TOTAL MILLS</th>
<th>UNIT CERTIFIED</th>
<th>MILL CAPACITY (MT/HR)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm Oil Mills</td>
<td>454</td>
<td>115</td>
<td>6,416.00</td>
<td>25.0</td>
</tr>
</tbody>
</table>
# MSPO Certification in Peninsula (As of 31 OCTOBER 2018)

<table>
<thead>
<tr>
<th></th>
<th>TOTAL AREA (HA)</th>
<th>UNIT CERTIFIED</th>
<th>AREA CERTIFIED (HA)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent smallholders</td>
<td>531,343</td>
<td>47 clusters</td>
<td>7,010.07</td>
<td>1.3%</td>
</tr>
<tr>
<td>Organised plantations and Estates</td>
<td>2,259,173</td>
<td>248 estates</td>
<td>547,780.08</td>
<td>24.2%</td>
</tr>
<tr>
<td><strong>TOTAL CERTIFIED AREA</strong></td>
<td><strong>554,790.15</strong></td>
<td></td>
<td></td>
<td><strong>20.0%</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm Oil Mills</td>
<td>244</td>
<td>49</td>
<td>2180.00</td>
<td>20.1%</td>
</tr>
</tbody>
</table>
### MSPO Certification in Sarawak (As of 31 October 2018)

<table>
<thead>
<tr>
<th></th>
<th>TOTAL AREA (HA)</th>
<th>UNIT CERTIFIED</th>
<th>AREA CERTIFIED (HA)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent smallholders</td>
<td>227,277</td>
<td>11 clusters</td>
<td>5,543.27</td>
<td>2.4%</td>
</tr>
<tr>
<td>Organised plantations and Estates</td>
<td>1,246,448.17</td>
<td>112 estates</td>
<td>354,267.56</td>
<td>28.4%</td>
</tr>
<tr>
<td><strong>TOTAL CERTIFIED AREA</strong></td>
<td></td>
<td></td>
<td>359,810.83</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TOTAL MILLS</th>
<th>UNIT CERTIFIED</th>
<th>MILL CAPACITY (MT/HR)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm Oil Mills</td>
<td>80</td>
<td>30</td>
<td>1,647.60</td>
<td>37.0%</td>
</tr>
</tbody>
</table>
## MSPO Certification in Sabah (As of 31 October 2018)

<table>
<thead>
<tr>
<th></th>
<th>TOTAL AREA (HA)</th>
<th>UNIT CERTIFIED</th>
<th>AREA CERTIFIED (HA)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent smallholders</td>
<td>221,138</td>
<td>12 clusters</td>
<td>2,613.25</td>
<td>1.2%</td>
</tr>
<tr>
<td>Organised plantations and Estates</td>
<td>1,325,766</td>
<td>132 estates</td>
<td>344,400.53</td>
<td>25.4%</td>
</tr>
<tr>
<td><strong>TOTAL CERTIFIED AREA</strong></td>
<td></td>
<td></td>
<td>347,013.78</td>
<td>22.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>TOTAL MILLS</th>
<th>UNIT CERTIFIED</th>
<th>MILL CAPACITY (MT/HR)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm Oil Mills</td>
<td>130</td>
<td>36</td>
<td>1,951.00</td>
<td>28%</td>
</tr>
</tbody>
</table>
MSPO certified area against oil palm planted area by State

As of Oct 2018

www.mpocc.org.my
MSPO certified area over RSPO certified area by State

**PERAK**
RSPO Certified area: 95,433 ha

**KEDAH**
RSPO Certified area: 26,481 ha

**SABAH**
RSPO Certified area: 334,770 ha

**KELANTAN**
RSPO Certified area: 25,798 ha

**PAHANG**
RSPO Certified area: 90,999 ha

**TERENGGANU**
RSPO Certified area: 38,473 ha

**SELANGOR**
RSPO Certified area: 35,868 ha

**PERLIS**
RSPO Certified area: 0 ha

**SARAWAK**
RSPO Certified area: 78,746 ha

**MELAKA**
RSPO Certified area: 19,020 ha

**NEGERI SEMBILAN**
RSPO Certified area: 55,383 ha

**PULAU PINANG**
RSPO Certified area: 0 ha

**JOHOR**
RSPO Certified area: 182,079 ha

**PERLAS**
RSPO Certified area: 0 ha

**RSPO statistics as of Dec 2017**
## MSPO Engagement with Stakeholders (2018)

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>Peninsular</th>
<th>Sabah</th>
<th>Sarawak</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Workshops</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>2 Briefings/engagement with Estates &amp; Mills</td>
<td>23</td>
<td>15</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>3 Trainings of MSPO auditors</td>
<td>16</td>
<td>6</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>4 Exhibitions</td>
<td>7</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>5 Accreditation of CBs</td>
<td>12 + 3 in progress</td>
<td>1 in progress</td>
<td>1 in progress</td>
<td>Nil</td>
</tr>
<tr>
<td>6 Training on ISO17021 &amp; MPOCC Scheme Documents</td>
<td>1</td>
<td></td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>7 CB Workshops</td>
<td>2</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>8 Conferences/Seminars</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>
## MSPO ENGAGEMENT WITH STAKEHOLDERS (2018)

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>Progress</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>9  Endorsed Training Providers for MSPO Auditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil Palm Management Certification</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Supply Chain Certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Peer Reviewers trained</td>
<td>96</td>
<td>Completed in 2018</td>
</tr>
<tr>
<td>11 Regional MSPO Roadshows &amp; Briefings “Jelajah MSPO”</td>
<td>15</td>
<td>Completed in 2018</td>
</tr>
<tr>
<td>12 NGO Engagement</td>
<td>1</td>
<td>Completed in Sabah</td>
</tr>
<tr>
<td>13 TWC on MSPO Incentive</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>14 Guidelines &amp; pilot audits for MSPO-RSPO combined audit</td>
<td>6</td>
<td>Completed</td>
</tr>
</tbody>
</table>
CONCLUSION

• MSPO Standards are the **national sustainability certification** standards for the oil palm industry

• **Sustainability and legality requirements** of MSPO Standards are linked to government laws and regulations

• Development and review of MSPO Standards through a inclusive and broader stakeholder engagement process

• Commitment towards full implementation of MSPO certification for all planted areas & processing facilities in Malaysia
Thank you!

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