PAPER 3

CHALLENGES IN MSPO CERTIFICATION IN SABAH
THE EAST MALAYSIA PLANTERS’ ASSOCIATION

THE EAST MALAYSIA PLANTERS’ ASSOCIATION (EMPA): formed on 26 October 1889 in Sandakan, Sabah

OBJECTIVES: to represent, protect and advance plantation interests in East Malaysia

ACTIVITIES: Sub-Groups, Memberships

Members as at today: 176
MSPO CERTIFICATION IN SABAH

- **MPOB**  MSPO Part 2  SPOC: 0.1 Ha – 40.46 Ha

- **MPOCC**  MSPO Part 3  ESTATE: 40.47 Ha and above

- **MPOCC**  MSPO Part 4  PALM OIL MILL & PROCESSING
MPOB is look after the smallholders: SPOC

MPOA will cover the big boys and mills

EMPA will look at the challenges of those not covered by MPOB or MPOA

Need to mention that big boys from MPOA or EMPA are helping the smaller estates including smallholders through Group Certification or Supply Chain Scheme
## OIL PALM ESTATE IN SABAH

<table>
<thead>
<tr>
<th>DISTRICTS</th>
<th>SMALLHOLDER</th>
<th>ESTATE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>KUDAT</td>
<td>3,268</td>
<td>45</td>
<td>3,313</td>
</tr>
<tr>
<td>(Kudat, Kota Marudu, Pitas)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEST COAST</td>
<td>1,734</td>
<td>28</td>
<td>1,762</td>
</tr>
<tr>
<td>(Papar, Tuaran, Kota Belud, Ranau)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERIOR</td>
<td>5,590</td>
<td>118</td>
<td>5,708</td>
</tr>
<tr>
<td>(Beaufort, Sipitang, Pensiangan, Tenom, Keningau, Tambunan, Kuala Penyu)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SANDAKAN</td>
<td>15,823</td>
<td>774</td>
<td>16,597</td>
</tr>
<tr>
<td>(Labuk Sugut, Sandakan, Kinabatangan, Tongod)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAWAU</td>
<td>9,047</td>
<td>724</td>
<td>9,771</td>
</tr>
<tr>
<td>(Lahad Datu, Kunak, Tawau, Semporna)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>35,462</strong></td>
<td><strong>1,689</strong></td>
<td><strong>37,151</strong></td>
</tr>
</tbody>
</table>

**SOURCE:** MPOB SABAH: 30.06.2017
OIL PALM ESTATE IN SABAH

🌟 Out of the 1,689 estates
   274 estates are with MPOA
   1,415 estates in the small and medium size group

SABAH SMALL & MEDIUM SIZE ESTATES
Number of Estate: 1,415
Estate Size: 40.47 Ha and above
**MSPO CERTIFICATION**

- MSPO PART 3
- Principle 1 to Principle 7
  1. Management Commitment & Responsibility
  2. Transparency
  3. Compliance of Legal Requirements
  4. Social Responsibility, Health, Safety & Employment Conditions
  5. Environment, Natural Resources, Biodiversity and Ecosystem Services
  6. Best Practices
  7. Development of New Plantings

- Total indicators: 114

- To be certified whether you are 41 Ha or 50,000 Ha, you must satisfied all the 114 indicators.
## HOW ARE THE VARIOUS SIZE ESTATE BEING ORGANIZED AND MANAGED

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>HEAD OFFICE</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>1.1</td>
<td>OFFICE</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>1.2</td>
<td>ADMIN STAFF</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>1.3</td>
<td>SUPPORTING SERVICE-ACCOUNTS</td>
<td></td>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td>2.0</td>
<td>ESTATE ADMIN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>OFFICE</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>2.2</td>
<td>STAFF</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>2.3</td>
<td>SUPPORTING SERVICES</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>3.0</td>
<td>ESTATE OPERATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>MANAGERS</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>3.2</td>
<td>SUPERVISOR</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>3.3</td>
<td>MANDOR</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>3.4</td>
<td>WORKERS</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>
Notes to the above Table

A: SMALLHOLDERS: 0.1 Ha to 40 Ha (individual own and operate)

B: SMALL ESTATE: 41 Ha to 100 Ha

C: MEDIUM ESTATE: 101 Ha to 500 Ha

D: BIG ESTATE: 501 Ha and above
From previous slides, one wonders how the various grouping can handle certification.
CONSTRAINTS

INTERNAL
1. Lack of knowledge
2. Lack of personnel
3. Lack of financial
4. Dateline: 30 June 2019 (is not possible)
5. Apathy
6. Resistance to change
CONSTRAINTS

EXTERNAL

1. Too much paper work and bureaucracy
2. Not enough engagement/understanding
   (master/servant relationship instead of partnership)
3. Rules and regulations are too drastic
4. Lack of supporting services especially in Waste Management
   (Problems peculiar to Sabah)
CHALLENGES

To overcome the constraints listed above. The following steps may help:

1. A paradigm shift to be sustainable
2. To be realistic about the time line/dateline
3. To look into problem of know-how and resources needed
4. To streamline cost of certification to Cost Per Hectare basis
5. To re-look at the disparity of indicators for various size estates
WHAT EMPA HAVE DONE

1. Collaborate with various bodies: MPOB, MPOCC
2. Created a special group to handle Sustainability
3. Conducted seminars/workshop/forum/roadshow for awareness
4. Organized training programme
5. Organized field visit
As far as EMPA members are concerned, as at 30 November 2018, we are in the following position:

- Big Estate, Mill: 29 (certified, or some are in progress)
- Small & Medium Estate: 51 (consultants, mill’s supply chain, etc.)
- Smallholder (MPOB-SPOC): 10
- Training Course: 50 (small & medium estate)
- Waiting: 36 (21%)
CONCLUSION

- To conclude, I wish to thank the organizer for inviting us for this presentation, and the following:

- Encik Masri Bin Pudin, EMPA Chairman
- Ms Chung Shook Lin, EMPA Secretary
- Mr Tee Seng Heng, EMPA Convener for Sustainability Sub-Group
- EMPA Management Committee

- And THANK YOU for your attention.