

RSPO AND ISPO FRAMEWORK

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

The RSPO is a Non-Governmental Organisation (NGO) formed by palm oil producers, end-users and other NGOs and that establishes the principles and criteria for the sustainable production of palm oil. It represents the highest environmental and social standards attainable in the palm oil industry.

For an organisation to be RSPO-certified, its oil palm plantations and mills must fulfil 39 criteria and 139 indicators grouped under eight principles that cover transparency, compliance to laws and regulations, long term economic and financial viability, best practices, environmental and community responsibility, responsible development of new plantings and continuous improvements.

There are also four different RSPO supply chain mechanisms defining the traceability of sustainable palm oil, with “Identity Preserved” being the highest traceability and “Book and Claim”, the lowest.

DEMAND FOR RSPO-CERTIFIED PALM OIL

The demand for sustainable palm oil originated in Europe, where food manufacturing giants, like Unilever, commit to buying only from sustainable palm oil sources by 2020. India and China, two of the world’s largest buyers of palm oil, are also increasingly looking for sustainable sources that do not destroy peatland and rainforests during production.

INDONESIA SUSTAINABLE PALM OIL (ISPO)

The ISPO is a government effort led by the Indonesian Ministry of Agriculture to create a system for sustainable palm oil production and certification that will enhance Indonesia’s competitiveness in the global palm oil market and reduce GHG emissions from oil palm plantations and operations.

KEY DIFFERENCE BETWEEN RSPO AND ISPO

The main difference between RSPO and ISPO is in their legality. The RSPO is a voluntary organisation with global representation, while the ISPO is regulated by the Indonesian Ministry of Agriculture, State Ministry for the Environment, Ministry of Forestry and National Land Agency.

As a government certification scheme, the ISPO is legally binding on all oil palm producers in Indonesia. The definitions in the ISPO are derived from AMDAL, the national environmental assessment platform, and other government regulations. Plantation companies are not allowed to plant on protected areas designed by the Indonesia government. In addition, RSPO prohibits the companies from planting on HCV areas and primary forests. The ISPO is satisfied with the assurance from the plantation owners that their lands are free from conflict with the local community and district smallholders.

Many plantation owners are still trying to comprehend the full extent of involvement required by the ISPO framework. While the ISPO is still evolving, it is nevertheless an important framework for sustainable palm oil in Indonesia.

Both RSPO and ISPO require audit by an independent party for certification.

INDOAGRI PRINCIPLES AS DESCRIBED ON PAGE 22 COVERS BOTH ISPO AND RSPO FRAMEWORK

IndoAgri: 6 Principles, 18 Criteria	Coverage of RSPO (8 Principles, 39 Criteria) and ISPO (7 Principles, 27 Criteria) Framework
P1. Compliance: 3 criteria	RSPO P1 : Commitment to transparency RSPO P2 : Compliance with applicable laws & regulations ISPO P1 : Licensing & management system
P2. Healthy living: 2 criteria	RSPO P6 : Responsible consideration to employees & communities ISPO P4 : Responsibility to workers
P3. Smallholders: 1 criteria	ISPO P6 : Empowerment of communities' economic activities
P4. Environmental responsibility and conservation of natural resources and biodiversity: 4 criteria	RSPO P5 : Environmental responsibility & conservation RSPO P7 : Responsible development of new plantings ISPO P3 : Environmental management & monitoring
P5. Respect human rights and have responsible consideration of employees and of individuals and communities affected: 4 criteria	RSPO P6 : Responsible consideration to employees & communities RSPO P7 : Responsible development of new plantings ISPO P4 : Responsibility to workers ISPO P5 : Social & communities responsibility
P6. Innovation and continuous improvement: 4 criteria	RSPO P3 : Commitment to long-term economic & financial viability RSPO P4 : Use of best practices RSPO P8 : Commitment to continuous improvement ISPO P2 : Implementation of guideline on agronomical practices and oil palm processing ISPO P7 : Sustainable business improvement