



Driving Sustainability Objectives on National Level

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National Interests



1. Protect natural resources, which being used by others to make any profit
2. Protect forest and environment
3. Avoid deforestation
4. Protect labour rights
5. Avoid investor to implement other regulations which do not protect national interest
6. Refrain from discrimination by other countries or organization

National Commitments



- Indonesian Basic Law (revision)
- Law of Plantation No 39, 2014
- WTO agreements
- RIO 2
- World Summit on Sustainable Development (WSSD)

The basis of ISPO Standard and Certification System



- The Indonesia sustainability principles also adopt the international principles
- ISPO adopted all Indonesian rules and regulations related to sustainability;
- Adopting regulations and implement it as mandatory standard that guarantee that all palm oil planters fulfill the Indonesian regulations;
- For plantation company who do not implement regulations will be imposed by penalties;
- ISPO will reduce deforestation and improve environment condition.

Pre-certification requirement



- Prior to ISPO certification of oil palm plantation and its mill shall be assessed in accordance to Minister of Agriculture Regulation No. 02/2009 on Guidelines for plantation Business Assessment. Oil palm plantation will be assessed on the following criteria:
 - Legal permit
 - Plantation management
 - Processing
 - Social economy
 - Environment
 - Reporting
- The plantation will be classified into Class I, II, III, IV and V. Only oil palm plantation classified as Class I, II, and III are eligible to apply for ISPO certification, and submit the application by the end of September 2015.

ISPO Sustainability Principles

1. The legality of plantation business
2. Plantation Management
3. Protection to the utilization of primary forest and peatlands
4. Environment Management
5. Responsibilities of Workers
6. The responsibility of the social and economic empowerment
7. Continuous Business Improvement



Standard of ISPO



Standard of ISPO contain all field that produce CPO from big plantation and smallholding, the principle is CPO produce is base on integrated system

1. Plantation companies
2. Plantation only with no mill
3. Mill with no plantation
4. Plasma smallholders
5. Independent smallholders
6. CPO to use as renewable energy

Every category has its own standard, for CPO for renewable energy additional criteria is added and the company have to Calculate GHG Emission.

The implementation of Standard No. 1, 2 and 3 is mandatory, while the remaining are voluntary.

ISPO Criteria for Bioenergy



- This standard follow standard in attachment II which is standard for plantation company integrated with mill
- The additional criteria to be able to use the EU RED Annex V, the company which establish before 2008 have no obligation to include the land use change calculation, while companies which established their plantation after 2008 can produce CPO for bioenergy if they do not plan on primary forest, continuously forested area, wetlands, grass land, land for nature protection, protection of rare, endangered ecosystem or species (IUCN)
- Before 2017 the emission saving is 35%, after 2017 is 50% .

Certification for CPO for renewable Energy



- Buyer can request to the company to have ISPO certificate for renewable energy
- The Plantation company should have ISPO certificate for plantation integrated with the mill
- For renewable energy certification the plantation and mill will be audit by ISPO auditor if they comply with ISPO renewable energy criteria and its Guidance on GHG emission calculation, which is using ISCC formula.
- If they comply to all criteria, ISPO certificate for CPO for Renewable Energy can be issue by Certification Body and approve by Chairman of ISPO Commission and appointed by ISCC.

Legal Requirements



- ISPO put legal requirements as priority principle requirements especially on land permit, environment and human rights.
- ISPO certificate can only be issue on plantation which have legal requirements for land for oil palm plantation, the palm oil produce from land which do not have legal license, categorized as non sustainable, the amount on unsustainable palm oil in 2020 is about 70 % of the total production.
- ISPO also implement **traceability**, all raw material use to produce sustainable palm oil and CPO for biodiesel must be traceable

ISPO Protect Environment



- To protect national park, natural water resources, river bank, beaches area prone to natural disaster, forest or grassland with high biodiversity and historical area. The implementation is based on Indonesian regulations
- ISPO also protect endanger species, flora and fauna plantation has to observe the present of endanger species and find reasons and ways to know if this species disappear.
- Endanger species can not be kept/maintain in the plantations, without special treatment and permit given by the government
- Indonesia do not has HCV criteria ISPO but protection as according to our regulation

Type of certification



- Growers certification

The growers can issue certificate if the production fulfil ISPO criteria, sustainability percentage depend on buyers demand. ISPO CPO for renewable Energy certificate can be issue if request by buyers

- Supply chain certification which follows three mechanisms:

- a. Segregation (100%) sustainable

- b. Mass balance minimum 70% sustainable (in 2020)

- c. Book and Claim (100 %) sustainable

Supply chain certification can be produced according buyer demand

Supporting ISPO certification



- There are 11 certification bodies, soon one will be appointed as ISCC certification body
- There are 841 auditor
- 2 trainer agency
- 2 consultant agency

Penalties



- If until the end of September 2015, oil palm plantation companies do not implement ISPO or do not apply for ISPO, their classification class will be revoked to Class IV. This means that they can not apply for ISPO certification.
- They will be given reminder 3 times in the span of 4 months and failing to comply to this requirements thus do not implement ISPO, its Plantations Business Licence (IUP) will be revoked and later their HGU can also be removed.

Pilot Project for Independent Smallholders



- Ministry of Agriculture joint project with UNDP is assisting independent smallholders to be certified by ISPO.
- The pilot project are in Riau, South Sumatera and West Kalimantan.
- So far survey already done in Riau soon it will continue to West Kalimantan and South Sumatera
- At the beginning of 2016, SPOI to certify 2000 smallholders in Riau province

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Thank You

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