



ISCC System Requirements in the Regional Context of SE-Asia



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WHEN YOU NEED TO BE SURE

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- ISCC System Requirements for Interfaces (First Gathering Points, Conversion Units)
- ISCC System Requirements for Oil Palm Estates
- Need for Clarification
 - Verification of Principle 1 if LUC took place after January 2008
 - Definition of 1 farm/ estate
 - Land use rights
- Feedback and Conclusion



ISCC System Requirements for Interfaces

- **Quality Management System** (e.g. clarification of responsibilities; procedures for Critical Control Points; etc.)
- **Traceability** (documented via delivery notes with respective traceability attributes and passed through from one interface to the next one)
- **Mass Balance System** (documentation of incoming and outgoing sustainable biomass; MB period of 3 months)
- **Declaration of GHG emissions** (required if no methane capture at oil mill or on a voluntary basis)

- ISCC requirements for Interfaces are clearly defined
 - System updates are regularly communicated
 - In principle the same requirements than other RED-based sustainability systems
- **No space for interpretation !**



**ISCC System Requirements
for Oil Palm Estates**

Compliance with Principle 2 - 6

- Principle 2: Biomass shall be produced in an environmentally responsible way
 - Principle 3: Safe working conditions
 - Principle 4: Biomass production shall not violate human rights labor rights or land rights
 - Principle 5: Biomass production shall take place in compliance with all applicable regional and national laws and shall follow relevant international treaties
 - Principle 6: Good management practices shall be implemented
- **Much space for interpretation!**
- **Need for “calibration” between ISCC and the CB’s**



Need for clarification

Compliance with Principle 1

- Principle 1: Biomass shall not be produced on land with high biodiversity value or high carbon stock. HCV areas shall be protected
 - Land use change on ‘No-Go Areas’ after January 2008 leads to failure in certification!

High Carbon Stock: Possible to verify through comparison of satellite images, soil analysis, etc.

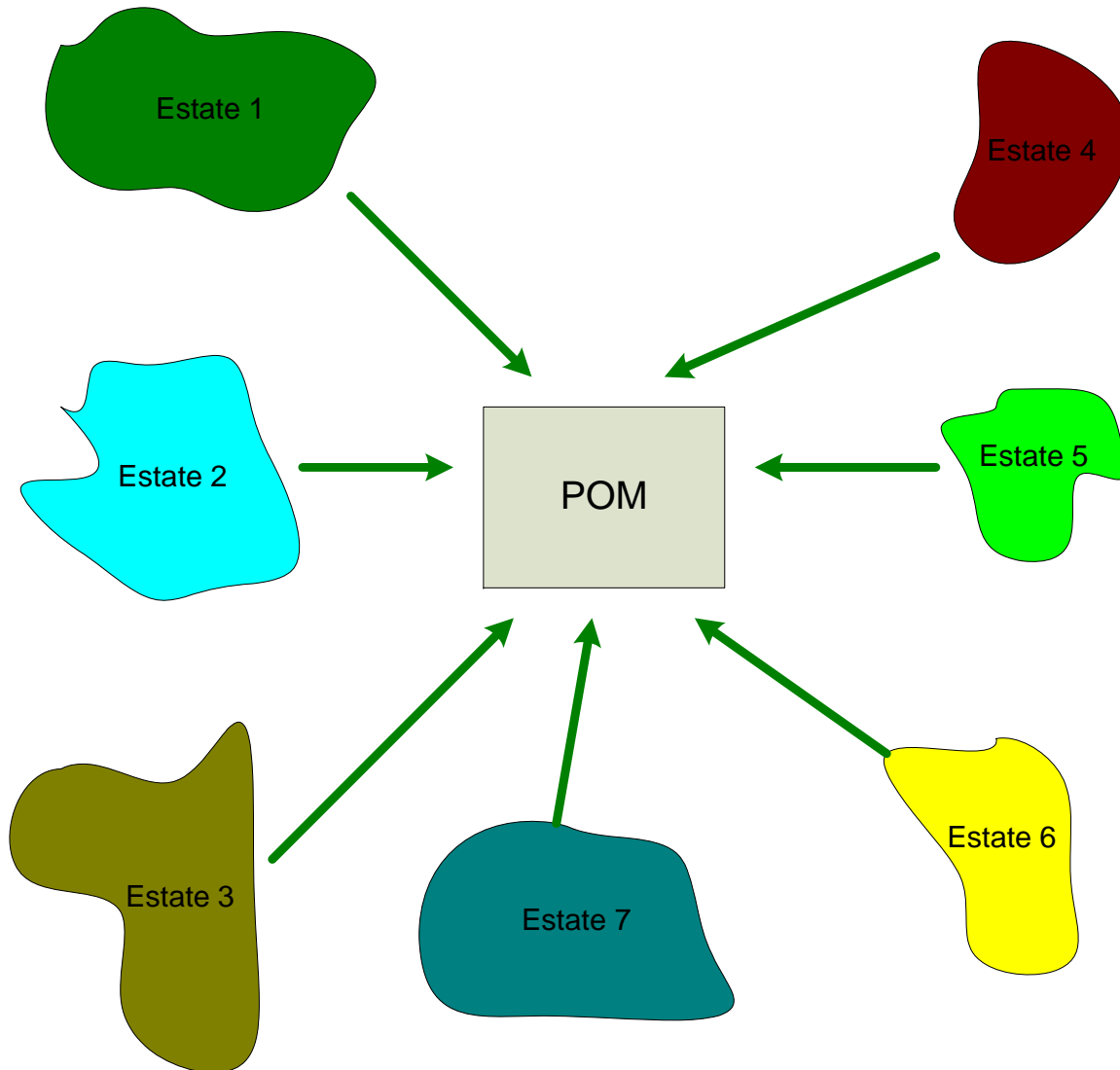
High Biodiversity: (Almost) impossible to verify after the land has already been converted

- Missing definition of “*High Biodiversity*”
- How can a CB retrospectively verify if a land used to have high bio-diverse features before the LUC?
- Important that all CB’s use a consistent and coordinated approach in how to deal with such a situation. This must be discussed and commonly agreed between ISCC and all active CB’s.

First approaches for a definition of 1 farm/estate:

- a) All land owned or rent by an individual or a legal entity
- b) Independent management structures
- c) ...

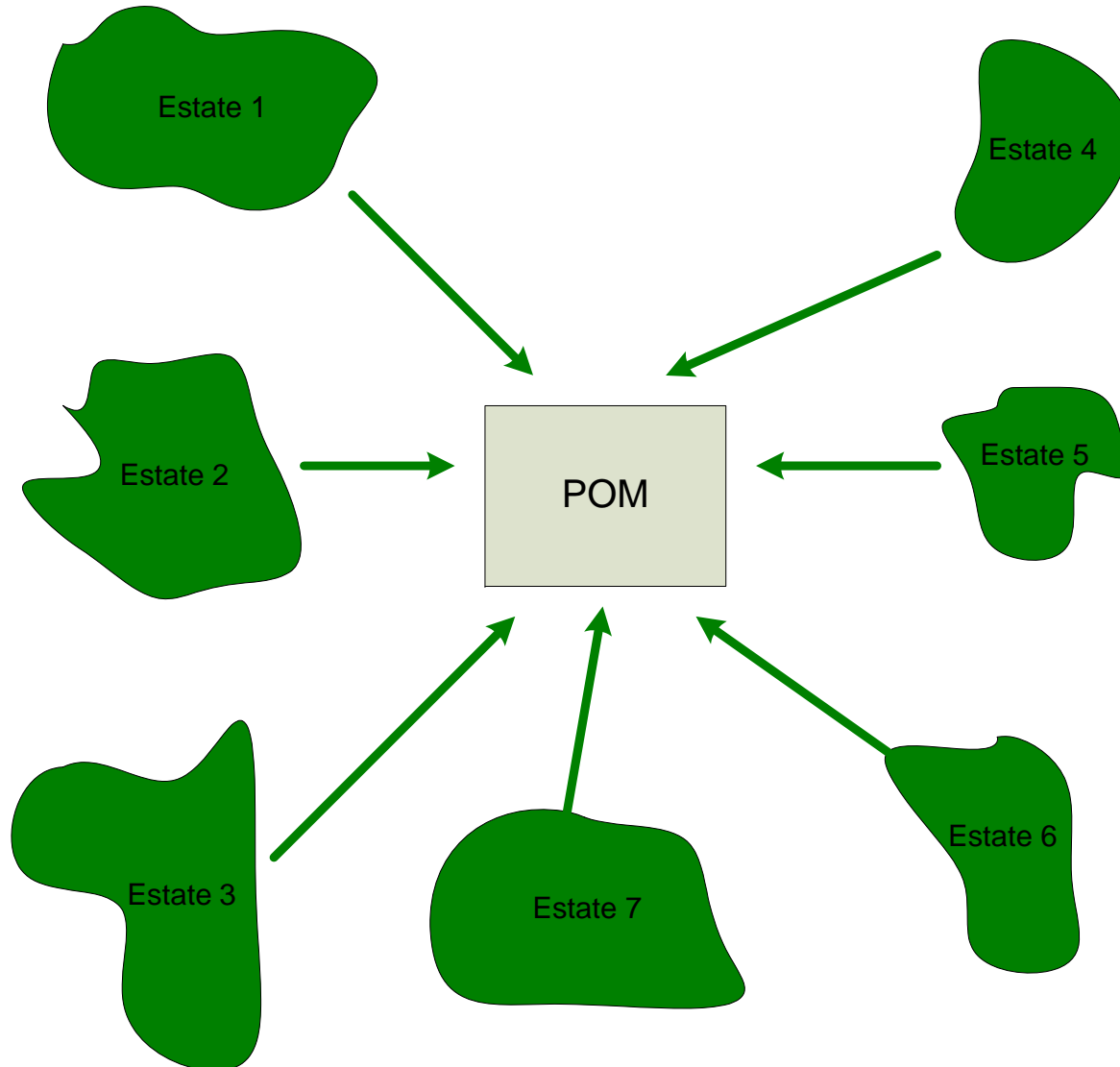
Definition of 1 farm/estate



Situation 1

- Each Estate is an own independent legal entity
- Each estate has own independent management structures
- The POM is a separate legal entity
- How many estates must be audited?

Definition of 1 farm/estate



Situation 2

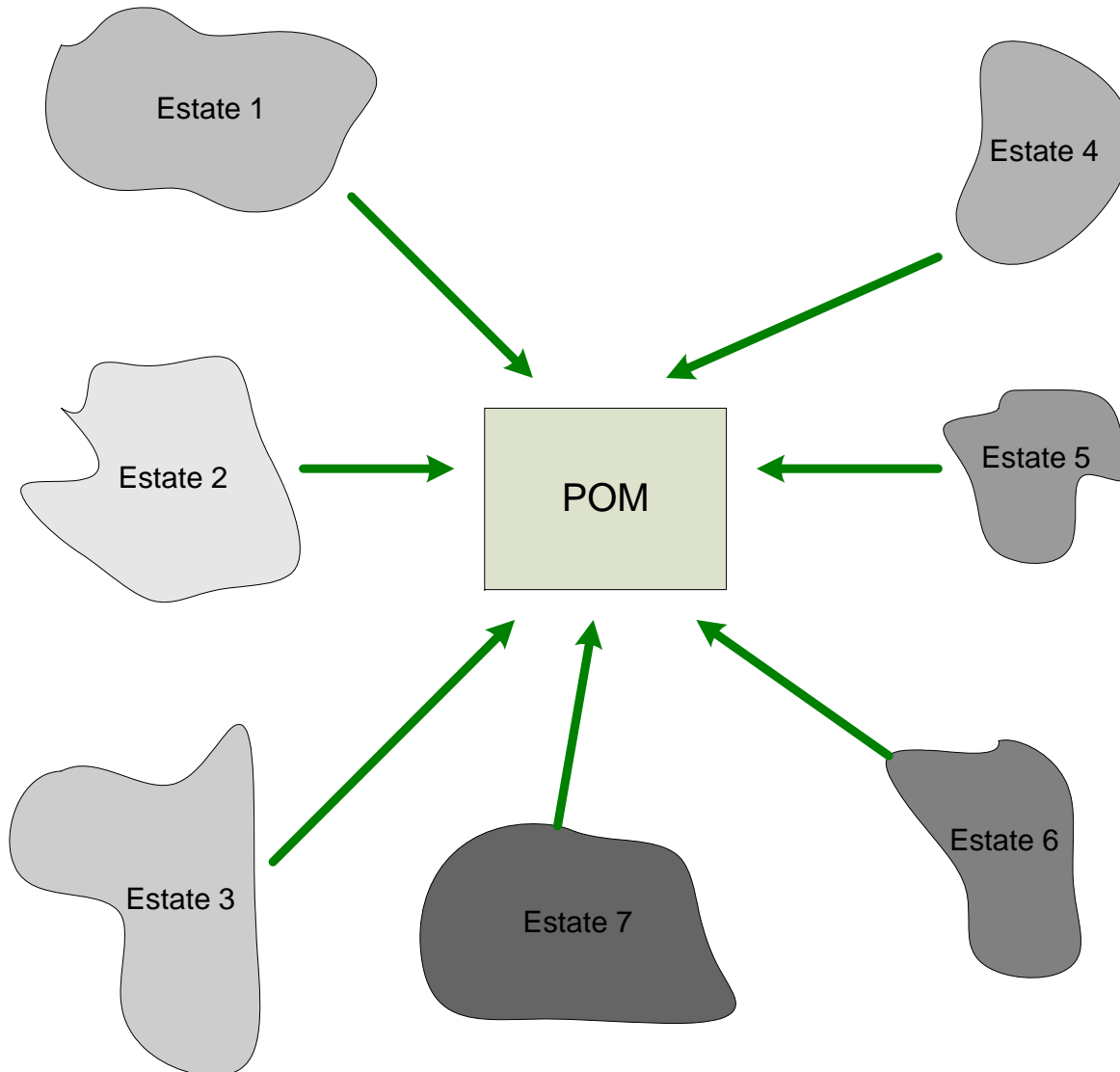
All Estates belong to 1 legal entity

All estates are centrally managed (no independent structures)

The POM is a separate legal entity

How many estates must be audited?

Definition of 1 farm/estate



Situation 3

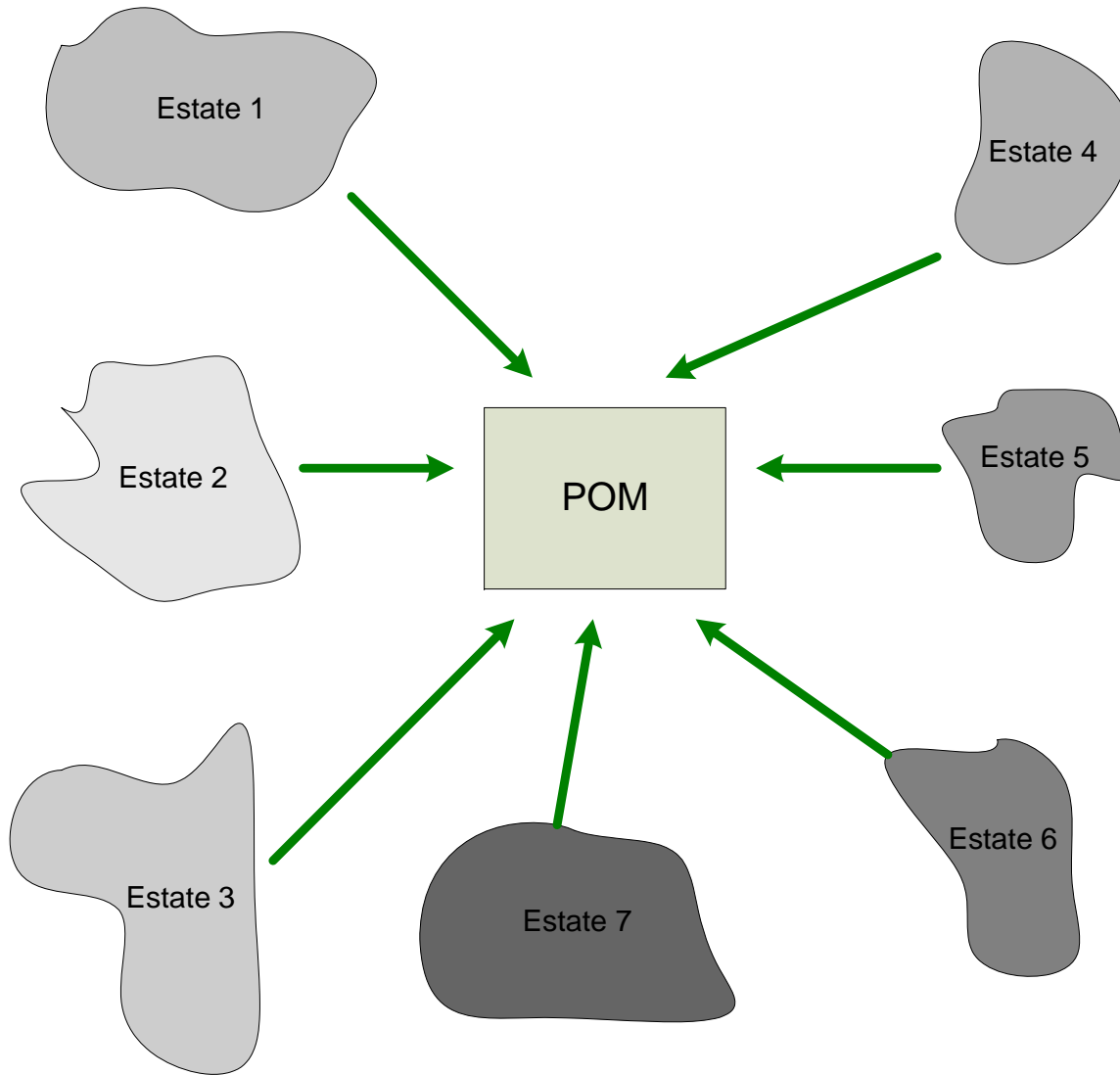
All Estates belong to 1 legal entity

Each estate has own independent management structures

The POM is a separate legal entity

How many estates must be audited?

Definition of 1 farm/estate



Situation 4

All Estates belong to 1 legal entity

Each estate has partly independent management structures

The POM is a separate legal entity

How many estates must be audited?

- “One farm/estates” can be an own legal entity or legally part of other estates. The management can be organized centrally, entirely independent or partly independent. In reality there are various forms between the two “approaches” of a definition.
- A clear definition of “one farm/estate” is not only important to define the audit approach (scope of certification, duration of an audit, costs, etc.), but also that the consequences, in case one estate fails to comply with the requirements, do not depend on the interpretation of a Certification Body.

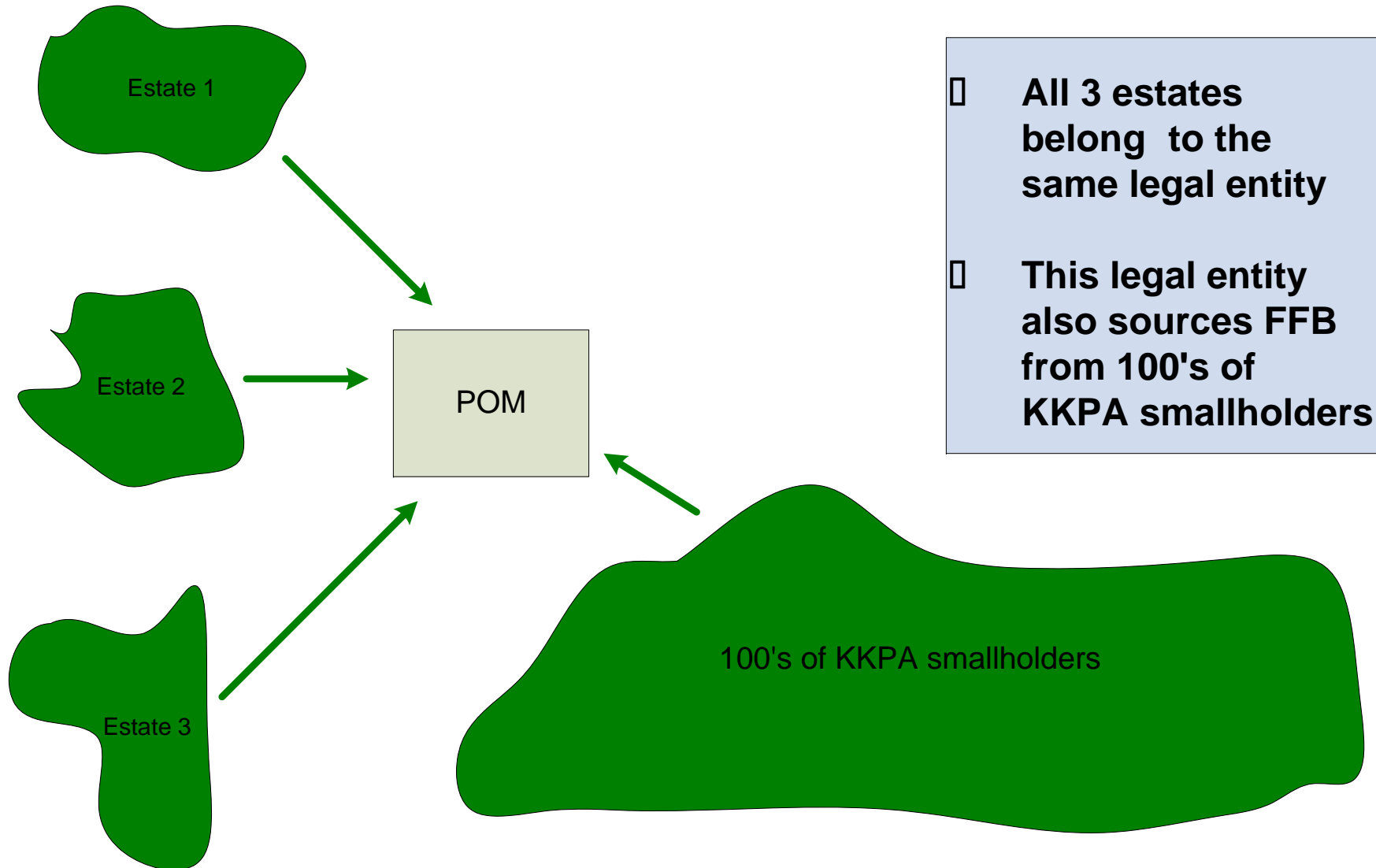
A clear definition of “one farm/estate” is also of high relevance in the context of smallholder certifications.

Independent (“*Plasma*”) smallholders: Farmers own and manage their land independently. Audit approach: “Normal” approach, auditing of the sample size of the total number of smallholders.

→ **What if the Plasma smallholders get (partly) support in management of the estates?**

Dependent (“*KKPA*”) smallholder: Farmers rent their land to a company. The company is in charge of the management. Audit approach: Auditing of all land from KKPA farmers as 1 estate.

Definition of 1 farm/estate



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→ **What if the land from only 1 KKPA smallholder is not in conformity with Principle 1?**



Land use rights

In some parts of SE-Asia the local government provides permission to clear land for Oil Palm cultivation before the official land titles are allocated.

→ Is this in conformity with ISCC?



Feedback and Conclusion

- As in the Palm Oil sector the POM is usually also the First Gathering Point, it would be helpful to incorporate the checklists for *FGP* and *Conversion* into one combined checklist in order to save time (for the auditors) and money (for the system participants)
- Audits of *Dependent Warehouses* require often more time for traveling than for the actual audit. Can these audits be avoided, e.g. by signing a contract between the warehouse and the company which covers ISCC requirements?
- Defined audit approach for smallholder certification, mandatory for all CB's
- Production of estimated GHG values on cultivation level for different regions in SE-Asia
- Benchmarking of regional and national (enforced and controlled) regulations to minimize the audit effort → adapted checklists
- **A continuous dialogue and exchange of experiences between all parties involved is of high importance to further develop ISCC in the regional context of SE-Asia.**

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Thank you very much for your attention !!

from
field

to fuel

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