Sustainability Certification of Independent Smallholders

ISCC ISH Certification Concept Overview

Andreas Feige, ISCC System GmbH
Millions of smallholders produce oil palm and depend on it

- Smallholders own and/or manage an estimated 42% of total oil palm area (42%)
- Smallholders produce 35% of Indonesia’s CPO output (35%)
- Oil palm area and production of private and state-owned companies

Source: IPOP (https://twitter.com/IPOPtweets/status/691860638054928385)
Independent Smallholders (ISH) are farmers that grow crops on own land and fulfill certain additional conditions

- The labour on the farm is principally provided by the family
- The farm provides the major source of income
- On that land, smallholders are free to choose how to use land, which crops to plant and how to manage it
- The land is not contractually bound to any oil mill and may receive support or extension services from government agencies or other support system
- The planted oil palm area on the own land of an ISH is less than 50 hectares

Source: ISCC and IPOP (https://twitter.com/IPOPtweets/status/691860638054928385)
The ISCC certification concept is independent of already existing organizational set ups…
… as the ISCC Central Office receiving the ISCC certificate allows ISH to join independent of their organizational involvement
Within 12 month after issuance of a certificate ISH can join the certified group without external audit – internal audit is sufficient

No. Smallholders

1st ISCC audit  12 months  Recertification audit

Further integration of smallholders. After training and successful internal audit, FFBs from smallholders can be sold as sustainable without prior external audit

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ISCC requires compliance with six principles – proving compliance with Principle 1 is a challenge for ISH

PRINCIPLE 1
Protection of biodiverse and carbon rich areas

PRINCIPLE 2
Good Agricultural Practice

PRINCIPLE 3
Safe Working Conditions

PRINCIPLE 4
Compliance with Human, Labour and Land Rights

PRINCIPLE 5
Compliance with Laws and International Treaties

PRINCIPLE 6
Good Management Practices and Continuous Improvement
Principle 1: Biodiverse and carbon rich areas are protected under ISCC. Land use change after January 2008 is not allowed.

Primary forests and other wooded land

Designated nature protection areas

Highly biodiverse grassland

Wetland

Forested areas

Peatland

Providing proof of compliance to the external auditor requires knowledge about the land status and the exact location of ISH fields.
ISCC provides a land status analysis without costs* enabling ISH to proof compliance with ISCC Principle 1

What this means for fields located there?

No compliance with ISCC Principle 1!
Only ISH whose fields are compliant with ISCC Principle 1 can be certified!

* ISHs which intend to become ISCC certification ready
ISCC also provides tools which enable an automatic analysis of individual ISH fields regarding compliance with Principle 1

### Collected polygons through the Smallholder App

<table>
<thead>
<tr>
<th>Collect GPS data</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Image of GPS data collection" /></td>
</tr>
</tbody>
</table>

### Automated check of the field polygons against deforestation and protected area within ISH Data Management System

- **Not located in protected areas**
- **Deforestation detected on farm**

<table>
<thead>
<tr>
<th>Light status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red</td>
<td>In case deforestation is identified on the farm and/or the farm is located within protected areas, the farm is not directly suitable for auditing</td>
</tr>
<tr>
<td>Green</td>
<td>In case no deforestation is identified and the farm is located outside of protected areas, the farm is suitable for auditing</td>
</tr>
</tbody>
</table>
In order to reduce audit risks regarding other ISCC Principles the Central Office is responsible for the implementation of certain services.

**CENTRAL OFFICE RESPONSIBILITIES FOR PROFESSIONAL SERVICES AND ISCC COMPLIANCE**

- Organization of spraying / Plant Protection Products
- Organization of warehouse / storage
- Transportation of FFBs to the mill

What this means for the Central Office:

- Organize storage for pesticides and dangerous materials
- Organize application of pesticides
- Organize competency and training of application staff
- Organize transportation of palm fruits to oil mills and logistics
Further on ISCC provides a scorecard for identifying gaps and enabling customized ISH training…

Scorecard to ease training

Scorecard allows monitoring at different time points the progresses of the sustainability performances of the ISH and required training content
…with the scorecard linked to audit checklists of ISCC and ISPO – enabling the Central Office to see when ISHs are certification ready.

Connection between scorecard and checklist!

ISCC 202 Checklist

- EU Cross Compliance farms
- ILO Labour Conventions ratified in country of interest
- Family farm, no staff employed
- No irrigation
- No storage of P&F material on farm
- No storage of fertilizer
- Subcontractor service fertilizer
- Subcontractor spraying

Non-Compliant

Number of criteria in list to check: 155
Number of criteria still to check: 12
Number of Non-Compliances: 79
Number of major must criteria violated: 50
Percentage of major must criteria confirmed: 25
Number of major must N/A: 3
Number of minor must N/A: 7

Compliant

No criteria in list to check: 11
Number of criteria still to check: 11
Number of Non-Compliances: 3
Number of major must criteria violated: 0
Percentage of major must criteria confirmed: 95
Number of major must N/A: 0
Number of minor must N/A: 0

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The ISH training is based on a three level Train-the-trainer concept with level 1 training provided by ISCC in English and Bahasa.
Thank you for your attention!

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