

MINUTES OF MEETING OF
RSPO 7th RSPO JWG MEETING

Date: 21st and 22nd January 2020

Start time: 0900 – 1830

Venue : Invito Hotel, Kuala Lumpur

Attendance :

<u>Members and Alternates</u>	<u>RSPO Secretariat</u>
<ol style="list-style-type: none">1. Audrey Lee Mei Fong (OLAM)2. Balu Perumal (MNS)3. Chin Kai Xiang (Bunge)4. Glyn Davies (WWFMY) – Co-chair5. John Watts (INOBU)6. Lim Sian Choo (BAL)7. Lee Kuan Chun (P&G)8. Marcus Colchester (FPP)9. Putra Agung (RA)10. Rauf Prasodjo (UNILEVER)11. Rob Nicholls (MM)12. Sander van den Ende (SIPEF) – Co-Chair13. Balu Perumal (MNS)	<ol style="list-style-type: none">1. Dillon Sarim2. Javin Tan3. Salahudin Yaccob
<p><u>Absent with Apologies</u></p> <ol style="list-style-type: none">14. Alagendran Maniam (SDP)15. Sutiyana (FORTASBI)16. Tom Lomax (FPP)17. Wahyu Wigati (GAR)18. Jon Hixson (YUM's Brand)19. Maria Amparo Alban (ACDC)20. Michael Rice (BothEnds,)	

No	Description																									
1.0	<p>Opening Remarks</p> <p>The co-chairs welcomed everyone to the 7th JWG meeting and informed everyone of the objective of the meeting. The following key issues will be discussed on Day 1:</p> <ol style="list-style-type: none"> 1. JA concept 2. RSPO membership for JA 3. Jurisdictional/Landscape indicator (threshold) 4. Rewards for JE (incentives) 5. Verification/Certification System (Assurance) <p>These key issues will be discussed while the JWG go section by section in the CSD, directly applying the changes. At the end of the meeting, the JWG will have the second draft of the CSD ready for the second round of public consultation.</p>																									
2.0	<p>Update from Secretariat</p> <ol style="list-style-type: none"> 1. The Secretariat informed the JWG that the Benchmarking Study conducted by NFC in September 2019 is already available on the RSPO website: https://www.rspo.org/about/supporting-bodies#jurisdictional-working-group 2. As of December 2019, the service agreement with NFC has ended. 3. Rainforest Alliance (RA) will be representing the ENGO sector, becoming an alternate to WWF Malaysia. 4. Currently, there is a vacant seat for the SNGO sector, resulting from the withdrawal of Setara Jambi. 5. The current composition of the JWG shown below: <p>MEMBERS (SUBSTANTIVE) as of Jan 2020</p> <table border="1" data-bbox="105 1144 1078 1525"> <tbody> <tr> <td data-bbox="105 1144 312 1234">Dr. Glyn Davies (co-chair) WWF-Malaysia</td> <td data-bbox="312 1144 520 1234">Sander van den Ende (co-chair) SIPEF</td> <td data-bbox="520 1144 727 1234">Alagendran Maniam Sime Darby</td> <td data-bbox="727 1144 935 1234">Audrey Lee Olam International Limited</td> <td data-bbox="935 1144 1078 1234">John Watts INOBU</td> </tr> <tr> <td data-bbox="105 1279 312 1368">Jon Hixson YUM's Brand</td> <td data-bbox="312 1279 520 1368">Kaixiang, Chin Bunge Lodgers Croklaan B.V.</td> <td data-bbox="520 1279 727 1368">Kuan Chun, Lee Procter & Gamble</td> <td data-bbox="727 1279 935 1368">Marcus Colchester Forest Peoples Programme</td> <td data-bbox="935 1279 1078 1368">Michael Rice Both ENDS</td> </tr> <tr> <td data-bbox="105 1413 312 1503">Sian Choo, Lim Bumitama Agri Ltd</td> <td data-bbox="312 1413 520 1503">Sutiyana FORTASBI</td> <td colspan="3"></td> </tr> </tbody> </table> <p>MEMBERS (ALTERNATE) as of July 2020</p> <table border="1" data-bbox="105 1547 1078 1760"> <tbody> <tr> <td data-bbox="105 1547 312 1637">Balu Perumal Malaysian Nature Society</td> <td data-bbox="312 1547 520 1637">Rauf Prasodjo Unilever</td> <td data-bbox="520 1547 727 1637">Putra Agung Rainforest Alliance</td> <td data-bbox="727 1547 935 1637">Rob Nicholls Musim Mas</td> <td data-bbox="935 1547 1078 1637">Tom Lomax Forest Peoples Programme</td> </tr> <tr> <td data-bbox="105 1671 312 1760">Wahyu W. Wigati Golden Agri-Resources Ltd</td> <td colspan="4"></td> </tr> </tbody> </table>	Dr. Glyn Davies (co-chair) WWF-Malaysia	Sander van den Ende (co-chair) SIPEF	Alagendran Maniam Sime Darby	Audrey Lee Olam International Limited	John Watts INOBU	Jon Hixson YUM's Brand	Kaixiang, Chin Bunge Lodgers Croklaan B.V.	Kuan Chun, Lee Procter & Gamble	Marcus Colchester Forest Peoples Programme	Michael Rice Both ENDS	Sian Choo, Lim Bumitama Agri Ltd	Sutiyana FORTASBI				Balu Perumal Malaysian Nature Society	Rauf Prasodjo Unilever	Putra Agung Rainforest Alliance	Rob Nicholls Musim Mas	Tom Lomax Forest Peoples Programme	Wahyu W. Wigati Golden Agri-Resources Ltd				
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No	Description
3.0	<p>Direct edits to the CSD</p> <p>See:</p> <ol style="list-style-type: none"> 1. Annex 1: RSPO Jurisdictional Approach_JWG_Jan2020 2. Annex 2: 'RSPO Jurisdictional Certification_Track Changes 22012020' for more information on the changes.
4.0	<p>2nd Public Consultation</p> <p>The JWG agreed on the following for the public consultation:</p> <ol style="list-style-type: none"> 1. The second public consultation will commence in late Feb/early March and will run for another 60 days. 2. As per the BoG's recommendations, the target audience for the second public consultation will include non-RSPO members, including governments and growers (including smallholders). 3. Focus group discussion, involving smallholders group should be conducted in the 60-day period to better inform the smallholders, as well as getting inputs from the under-represented group from the 1st public consultation. 4. The 2nd public consultation will prioritise priority regions (Indonesia, Malaysia, Africa, Latin America and Thailand). Face to face consultations will be conducted in these regions. 5. The JWG will meet after the 2nd public consultation ends to finalize the CSD. The Secretariat will send a Doodle Poll for the next meeting.
5.0	<p>Closing meeting</p> <p>There being no other matter, the co-chairs thanked everyone for the participation in the 7th JWG meeting.</p>

Annex 1: RSPO Jurisdictional Approach_JWG_Jan2020



RSPO Jurisdictional Approach

7th JWG Physical Meeting
21 & 22 January 2020
Invito Hotel & Residence, Kuala Lumpur,

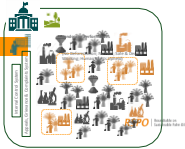


Year	Topic	Preparation
2009-2011		
2009-2011	Learning Networks as a meeting alternative	Co-Chairs
2009-2011	Global Roundtable on RSPO	RSPO Secretariat
2009-2012		
2009-2012	RSPO Working Group	RSPO Secretariat
2009-2012	RSPO Membership Fee	RSPO Secretariat
2009-2012	RSPO Membership Fee (Individual)	RSPO Secretariat
2009-2012	RSPO Membership Fee (Corporate)	RSPO Secretariat
2009-2012	RSPO Membership Fee (Government)	RSPO Secretariat
2012-2013		
2012-2013	RSPO Working Group	RSPO Secretariat
2013-2014		
2013-2014	RSPO Working Group	RSPO Secretariat
2014-2015		
2014-2015	RSPO Working Group	RSPO Secretariat
2015-2016		
2015-2016	RSPO Working Group	RSPO Secretariat
2016-2017		
2016-2017	RSPO Working Group	RSPO Secretariat
2017-2018		
2017-2018	RSPO Working Group	RSPO Secretariat
2018-2019		
2018-2019	RSPO Working Group	RSPO Secretariat
2019-2020		
2019-2020	RSPO Working Group	RSPO Secretariat

Secretariat Update

- Benchmarking Study is up on RSPO Website, <https://www.rspo.org/about/supporting-bodies#jurisdictional-working-group>
- End of service agreement with NewForesight Consultancy – December 2019
- Rainforest Alliance (RA) – representing ENGO, alternate to WWF
- Vacant seat – SNGO (withdrawal of Setara Jambi)

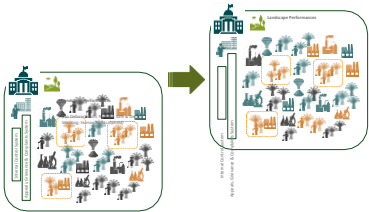
JA Concept



Scope (Geographical & Actors)

- A jurisdiction is:**
- A government administrative area where a particular system of laws is applied.
 - Usually led by an authority that has the power or right to govern and to interpret and apply the law.
 - Usually has a common goal, which is the prevailing wealth in the geographical area.

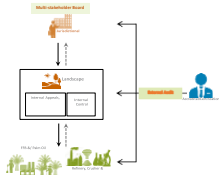
Jurisdictions hence operate according to a set of rigid regulations, which define the mandates and authorities in planning, budgeting and implementation of programs and activities.





Requirements:

- i. Management structure and system – the crucial need of a central facilitating and governing body (it is referred in this document) & management system ensuring
- ii. Impact at scale – Jurisdictional Performance
- iii. Continuous improvement – certification & regulatory interventions



RSPO | Responsible Sourcing of Palm Oil



Year of Issue	Version	Validity
CPO (RSPO)	2004*	Independently
CPO (BIRD) (RSO)	1997*	Independently
CPO (IA)	1997*	Individual through IA
CPO (SRM)	1997*	Individual through IA

Jurisdictional/ Landscape Performance:

✓ **Indicative HCV&HCS, peatland mapping assessment**

- ✓ No use of fire
- ✓ Go & No-Go Areas
- ✓ RaCP
- ✓ FPIC, HRD, DUW, SEIA
- ✓ RSPO NPP
- ✓ **Disqualifying requirements**



RSPO | Responsible Sourcing of Palm Oil

Applicable Standards

*In absence of National Interpretation, generic F&C and Standards applied

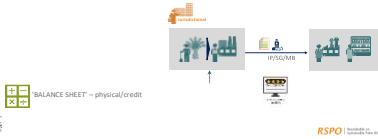
Impact Area / IC	Principles of F&C (2019)	Principles of GRI Standard (2016)	Supply Chain Certification
Prosperity Competitive, resilient and sustainable sector	<ol style="list-style-type: none"> 1. Enhance productivity and transparency 2. Operate legally and respect rights 3. Optimize productivity, efficiency, reduce impact and enhance resilience 	<ol style="list-style-type: none"> 1. Optimize productivity, efficiency, positive impacts and resilience 	<p>General Chain of Custody Requirements and specific modules are:</p> <p>Module A – Identity Protected</p> <p>Module B – Segregated</p> <p>Module C – Mass Balance</p> <p>Module D – CPO Mills: IP</p> <p>Module E – CPO Mills: MB</p>
People Sustainable livelihoods & poverty reduction, human rights protected, respected & enhanced	<ol style="list-style-type: none"> 4. Respect community and human rights and deliver benefits 5. Support livelihood resilience 6. Respect workers' rights and conditions 	<ol style="list-style-type: none"> 2. Legality, Respect for Land Rights and Community Wellbeing 3. Respect human rights, including workers' rights and conditions 	<p>Module F – Multi-rite Certification RSPO <small>Issue 10, 2019</small></p> <p>Module G – Supply Chain Group Certification</p>
Planet Conserved, protected and enhanced ecosystems and the environment that provide for the next generation	<ol style="list-style-type: none"> 7. Protect, conserve and enhance ecosystems and the environment 	<ol style="list-style-type: none"> 4. Protect, conserve and enhance ecosystems and the environment 	<p>Module H – Chemicals</p>



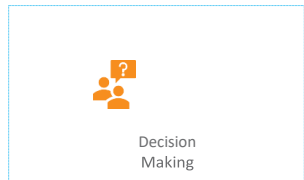
RSPO | Responsible Sourcing of Palm Oil



CPO Claims & Trading



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RSPO Membership for IA

[Proposal for membership](#)



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jurisdictional/ Landscape Performance:

Element	Element 1	Element 2	Element 3	Element 4
Plan developed to conduct a sector wide jurisdictional level:	1. Indicate per standards, NCI and NCS jurisdictional level 'No go!' areas (for compensation and protection) required.	2. Indicate per standards, NCI and NCS jurisdictional level 'No go!' areas (for compensation and protection) required.	3. Indicate per standards, NCI and NCS jurisdictional level 'No go!' areas (for compensation and protection) required.	4. Indicate per standards, NCI and NCS jurisdictional level 'No go!' areas (for compensation and protection) required.
I. FPC procedures and mechanisms for recognition of land rights (Engg, customary and user rights)	1. FPC procedures and mechanisms for recognition of land rights (Engg, customary and user rights)	2. FPC procedures and mechanisms for recognition of land rights (Engg, customary and user rights)	3. FPC procedures and mechanisms for recognition of land rights (Engg, customary and user rights)	4. FPC procedures and mechanisms for recognition of land rights (Engg, customary and user rights)
II. Indicators NCI and NCS mapping (in alignment with IFDC requirements), including mapping of pastured LUCA in accordance to BSPO LUCA guidance document	1. Indicators NCI and NCS mapping (in alignment with IFDC requirements), including mapping of pastured LUCA in accordance to BSPO LUCA guidance document	2. Indicators NCI and NCS mapping (in alignment with IFDC requirements), including mapping of pastured LUCA in accordance to BSPO LUCA guidance document	3. Indicators NCI and NCS mapping (in alignment with IFDC requirements), including mapping of pastured LUCA in accordance to BSPO LUCA guidance document	4. Indicators NCI and NCS mapping (in alignment with IFDC requirements), including mapping of pastured LUCA in accordance to BSPO LUCA guidance document
III. Legal gap analysis on DLW, HRD, SGA requirements, children protection, forest and/or trafficked labour	1. Legal gap analysis on DLW, HRD, SGA requirements, children protection, forest and/or trafficked labour	2. Legal gap analysis on DLW, HRD, SGA requirements, children protection, forest and/or trafficked labour	3. Legal gap analysis on DLW, HRD, SGA requirements, children protection, forest and/or trafficked labour	4. Legal gap analysis on DLW, HRD, SGA requirements, children protection, forest and/or trafficked labour
IV. Regulation on use of fire, fire prevention and control measures	1. Regulation on use of fire, fire prevention and control measures	2. Regulation on use of fire, fire prevention and control measures	3. Regulation on use of fire, fire prevention and control measures	4. Regulation on use of fire, fire prevention and control measures



Rewards for JE

Option 1
 RSPO to develop additional category of 'rewards' within FairTrade - LA incentive - based on CSPO volume produced, with a cap of 70% of its total production volume? (to be approved)

Option 2
 RSPO to allocate 10% of trading fee proceeds on supporting appropriate forest related CSPO volume produced (to be approved)

Verification/Assurance

1. Respective RSPO System Document is made application based on applicable standards
2. JE Management Unit Certification – RSPO Certification System for Production (additional section)
3. Jurisdictional Performance:
 - I. NCI/NCS assessment – NDISG
 - II. RCP – existing LUCA guidance; Compensation mechanism to be developed
 - III. NFP – existing mechanism and/or jurisdictional level
 - IV. FPC, HRD, and DLW – additional approval processes by RSPO respective WG?

Annex 2: 'RSPO Jurisdictional Certification Track Changes 22012020'

LIST OF ACRONYMS

RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles and Criteria
CSPO	Certified Sustainable Palm Oil
JA	Jurisdictional Approach
FFB	Fresh Fruit Bunch
CPO	Crude Palm Oil
PKO	Palm Kernel Oil
CSO	Civil Society Organisation
NGO	Non-Governmental Organisation
CB	Certification Body
FPIC	Free, Prior and Informed Consent
HCV	High Conservation Value
HCS	High Carbon Stock
SEIA	Social and Environmental Impact Assessment
P&C	Principles & Criteria
ISH	Independent Smallholder
ICS	Internal Control System
ToC	Theory of Change
NI	National Interpretation
NPP	New Planting Procedure
SG	Segregated
MB	Mass Balance
<u>DLW</u>	<u>Decent Living Wages</u>
<u>HRD</u>	<u>Human Rights Defenders</u>

GLOSSARY

Scheme Smallholder	Smallholder farmers, landowners or their delegates that do not have the: <ul style="list-style-type: none"> • Enforceable decision-making power on the operation of the land and production practices; and/or • Freedom to choose how they utilize their lands, type of crops to plant, and how they manage them (whether and how they organize, manage and finance the land).
Social and Environmental Impact Assessment (SEIA)	An analysis and planning process to be carried out prior to new plantings or operations. This process incorporates relevant environmental and social data, as well as stakeholder consultations, in order to identify potential impacts (both direct and indirect) and to determine whether these impacts can be satisfactorily addressed, in which case the proponent also defines specific actions to minimise and mitigate potential negative impacts.
Stakeholders	An individual or group with a legitimate and/or demonstrable interest in, or who is directly affected by, the activities of an organisation and the consequences of those activities.
Jurisdictional Entity (JE)	An association, corporation, partnership, proprietorship, trust, or individual that has legal standing in the eyes of law established within a respective jurisdiction. A legal entity has legal capacity to enter into agreements or contracts, assume obligations, incur and pay debts, sue and be sued in its own right, and to be held responsible for its actions ¹ .
Oil Palm Products	Products produced by the oil palm, including its fruits and kernels. Depending on the context, the phrase 'oil palm products' in this document can also refer to products such as shells, palm kernels, palm kernel expeller, palm oil, palm kernel oil (PKO) or products derived thereof, palm (kernel) fatty acids (P(K)FAD), olein, stearin or products that are derived from fractionation of palm oil and palm kernel oil. Oil palm products may also refer to products containing any of the above.
RSPO Certified Oil Palm Products	Any product that contains oil palm products certified in compliant to RSPO Standards through individual RSPO membership and/or properly sourced through the RSPO 'Identity Preserved' (IP), 'Segregated' (SG) or 'Mass Balance' (MB) supply chain models.
RSPO JA Verified Complied Oil Palm Products	Any product that contains oil palm products verified in compliant to RSPO Standards for production by accredited CB through JE membership.
Complied Actor	Verified RSPO-complied oil palm products producer and/or user
Off-product Claims	Claims regarding the membership status of an individual member and/or their support of the aims of the RSPO.
Certification Body (CB)	An independent body that is accredited by an accreditation body for RSPO to conduct certification audits against the requirements of the RSPO Supply Chain Certification Standard.
Claims	Any communication to any stakeholder group in any format of the presence of certified sustainable oil palm product in a specific product or product groups.
Book & Claim (RSPO Credits)	Model that supports the production of RSPO-certified sustainable oil palm products through the sale of RSPO Credits. One RSPO Credit represents one metric tonne of RSPO-certified sustainable oil palm product.

¹ Business Dictionary, 2019, <http://www.businessdictionary.com/definition/legal-entity.html>

Identity Preserved (IP)	The Identity Preserved (IP) supply chain model assures that the RSPO certified oil palm product delivered to the end user is uniquely identifiable to a single RSPO certified mill and its certified supply base.
Mass Balance (MB)	Supply chain model that allows certified claims to be transferred from one oil palm product to another either through physical blending or administratively under strictly controlled circumstances.
Segregated (SG)	The Segregated (SG) supply chain model assures that RSPO certified oil palm products delivered to the end user come only from RSPO certified sources.
Refinery	A production site that processes fats and oils into higher value fats and oils.
Jurisdiction	<p>A jurisdiction is a:</p> <ul style="list-style-type: none">• A government administrative area where a particular system of laws is applied. government administrative area where a system of laws is applied, it could mean countries, state or district.• Usually led by an authority that has the power or right to govern and to interpret and apply the law.• Usually has a common goal, which is the prevailing wealth in the geographical area. <p>Jurisdictions hence operate according to a set of <u>rights</u> regulations, which define the mandates and authorities in planning, budgeting and implementation of programs and activities.</p>
Jurisdictional Approach	A type of landscape management, responds heavily to the needs and challenges of growers and millers (specifically independent smallholder) as well as relevant stakeholders for inclusion in the RSPO system.
Independent smallholders	As defined in the RSPO P&C 2018

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1. INTRODUCTION

The Roundtable on Sustainable Palm Oil (RSPO) is a global, multi-stakeholder initiative on sustainable palm oil production and use. Members of the RSPO and participants in its activities come from many different backgrounds, including plantation companies, manufacturers and retailers of oil palm products, environmental and social non-governmental organizations (NGOs), and from many countries that produce or use oil palm products.

The principal objective of the RSPO is to promote the growth and use of sustainable palm oil through cooperation within the supply chain and open dialogue between its stakeholders. RSPO certification is an assurance to the customer that the standard of palm oil production is sustainable.

In 2018, the RSPO Theory of Change (ToC) identified jurisdictional approaches as one of the key strategies in achieving its vision of making sustainable palm oil the norm (Refer Annex 1). Next to the conventional certification approach, where the focus is the mill and its supply based, RSPO looking to upscale this approach onto a jurisdictional level.

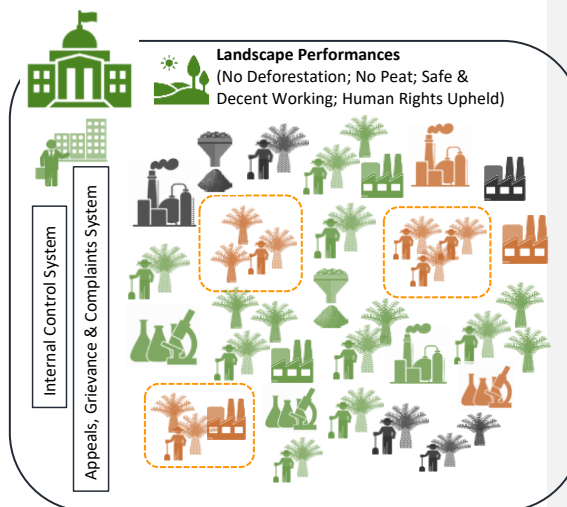
In the context of sustainable oil palm products, this will involve the certification and verification of the production & processing of oil palm products at the jurisdictional level that uses a particular model of jurisdictional landscape development. This approach is referred to as the Jurisdictional Approach to Certification (JA for short). Due to the scale and the complexity of jurisdiction, the proposed system shall be practical, credible and robust enough to enable the whole jurisdiction to comply with relevant RSPO standards & requirements.

1.1 WHAT IS RSPO JURISDICTIONAL APPROACH TO CERTIFICATION?

RSPO Jurisdictional Approach to Certification (JA) is an approach aim to minimize the negative impact of palm oil cultivation on the environment and communities at scale through the progressive certification stepwise certification and verification of the production & processing of sustainable oil palm products at jurisdictional level.

It involves continuously progressing towards i) achieving landscape level no deforestation, no new planting on peat, ensuring safe and decent working conditions, and strong upholding h-to human rights, and ii) the certification-and verification of sustainable production and processing of oil palm products, managed and supported through a multi-stakeholder governed entity (referred as **Jurisdictional Entity (JE)** within this document).

The approach requires government leadership, support, and collaboration in playing a key role in facilitating a multi-stakeholder process, setting up overall governance, regulations and frameworks to bring jurisdiction members to apply RSPO standards progressively. The approach calls for governmental support and collaboration in playing a key role in facilitating an entirely multi-stakeholder process strengthened overall governance, regulations and frameworks to bring everyone to reach a similar standard progressively. The 'similar standard' in referring to advancing the implementation and uptake of sustainable palm oil. Governmental support and collaboration plays a crucial role in advancing the implementation and uptake of sustainable palm oil.



1.2 WHY IMPLEMENTING JURISDICTIONAL APPROACH TO CERTIFICATION?

The Jurisdictional Approach (JA) is a type of landscape management that responds heavily to the needs and challenges of growers and millers (specifically independent smallholder) as well as relevant stakeholders for inclusion in the RSPO system. JA provides a more cost-effective (through consolidation of resources and efforts) management and approach in strengthening stakeholders' engagement through strong government involvement and broadening stakeholder actions for structural change on topics that go beyond the capacity of single producers or even the full supply chain.

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Jurisdictional Approach to address deforestation and environmental degradation, as well as strengthening social safeguarding emerged from major public and private sector commitments as a means to scale positive results both for responsible production and conservation. It emphasizes multi-stakeholder partnerships to tackle landscape/jurisdictional environmental challenges, focuses on the political level at which land use decisions and relevant governance policies for sustainability are made and enforced.

JA holds the key for strengthening enablings conditions that are locked into public policies and business models confers benefits, such as increases in access to markets and finance, job creation, poverty alleviation, more abundant natural resources, and a healthier and more resilient environment.

The Jurisdictional Approach streamlines some of the processes with all stakeholders involved, from local governments to large mill owners to small-scale farmers. For example, the government and larger companies pay for mapping and monitoring. This ensures that farms are not in protected areas and that farmers are not cutting down primary forests to expand their fields. It also takes the financial burden off smallholders to meet this requirement for certification.

Companies are seeing the potential of JA - in particular jurisdictional sourcing and certification - to simplify traceability and certification, and to lower the cost of meeting their commitments through efficiencies of scale. Local stakeholders welcoming JA to make sure that strategies and path towards sustainability are owned by regional society and defended by regional society and not imposed from outside.

The most important and promising element of JA so far has been the opportunity to drive dialogue and convergence of common goals across business, government, and community stakeholders. With governance, planning and enforcement repeatedly identified as both critical and limiting factors, this opportunity for dialogue and convergence is most valuable because it can redirect, focus and/or energise governments.

This approach is also a significant step towards collaboratively working to improve the livelihoods of small-scale farmers and conserving the important forest areas for biodiversity and environment. This collaborative effort also enables the approach to solve sustainability problems at the grassroots level; optimising the use of resources and sharing expertise within the jurisdiction.

It is dependent on government policy to support RSPO certified production at jurisdictional level, and government backed institutions to implement and enforce the JA.

In conclusion, Jurisdictional Certification will follow the RSPO 2018 Principles & Criteria, as well as other RSPO Standards. The challenge, however, is that the RSPO P&Cs have been developed with plantation concessions and estates or growers and smallholders in mind, and not whole jurisdictions. Even the National Interpretation processes have not considered jurisdictions. This means that complicating factors of government policy or laws, which may allow or even encourage certain activities that are inconsistent with RSPO jurisdictional certification will need to be addressed by RSPO for the first time. In addition, there may be actors within a jurisdiction which are non-compliant with the Jurisdictional Approach, but are still acting within the law, and their actions could put at risk the compliance of the majority. Taking these factors together, the RSPO Jurisdictional Working Group has agreed upon the framework which follows, but notes that new Standards and processes may be needed to address new challenges as they arise.

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1.3 THE PURPOSE OF THIS DOCUMENT

This document establishes requirements with clarity for enabling Jurisdictional Approach to Certification. It encompasses clarities on the unit of certification and verification; applicability of relevant RSPO standards, requirements and procedures; system and management requirements, highlighting the roles of governments; verifications, claims and credit system; and certification system requirements for jurisdictional certification.

This document is organised as follows:

SECTION	CONTENT
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Section 2: Scope	General context of Jurisdictional Approach to Certification 2.1 Unit of Certification and Verification Boundary of the Jurisdiction 2.2 Jurisdictional Approach Requirements 2.3 Making Claims and Verifications 2.4 RSPO Membership(s) within The Jurisdiction
Section 3: Application of Standards & Requirements	3.1 Landscape-level Performance 3.2 What RSPO Standards and applicable to WHO? 3.3 General RSPO Requirements
Section 4: Jurisdictional System Requirements	4.1 JE Management Requirements 4.2 Internal Control System (Management & Operational) 4.3 Internal Appeals, Grievances & Complaints System
Section 5: Stepwise Approach to Making Claims	5.1 Stepwise Approach Requirements 5.2 Stepwise Approach Making Claims 5.3 Supporting Jurisdictional Entity
Section 6: Certification Process Requirements	6.1 Jurisdictional System Requirements 6.2 Landscape-level Performance 6.3 Farm-, Estate-, Mill- and Facility-level Compliance

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Note:

This document does not provide broader guidance for *how* to set up a Jurisdictional Approach.

2. SCOPE

This section on scope provides a general context of the Jurisdictional Approach to Certification framework: i) defining the boundary of the Jurisdiction and progressing unit of certification; ii) what standards, procedural and system requirements applies and how are the requirements applying Jurisdictional Approach; iii) verification and claims mechanism; and iv) process establishing the compliances to relevant requirements. Details requirements are captured in following sections of this document.

2.1 UNIT OF CERTIFICATION AND VERIFICATION BOUNDARY OF THE JURISDICTION

The boundary of a Jurisdiction (referred as unit of certification) is initially defined by local authority (government) through a collection of legislative, regulatory, political and general administrative boundaries, where they have the authority to apply the RSPO standards, which could be further refined by Jurisdictional Entity (JE) with justification.

JA is essential a Group Certification Approach which incorporates legal commitments and enforcement into JE, the central facilitating and governing body, Internal Management System to facilitate ensure full compliance against RSPO Standards.

This approach puts emphasis on FFB producers (estate and individual farmer), millers, crushers, refiners, and oleochemical plants to progressively and continuously strengthening its sustainable practices.

This allows individual growers to be certified against RSPO Standards together with under separate group or individual certificate, which is held and supported by a central entity (Jurisdictional Entity; JE) progressively.

Individual industry participants (RSPO members within the jurisdiction) are free to opt to be certified through JE or pursue its own certification within the Jurisdiction. Independently certified participants will have access to the overall enabling environment provided by JE within the Jurisdiction. Unit of certification and verification that are found to be in compliance, carried out through external auditing by accredited CB, with Stage 1-4 requirements stipulated in Table x of this document and achieving full certification and compliance with relevant RSPO standards are issued with a Certification of Compliance. [Note: an option to include a list of non-compliance to be excluded]

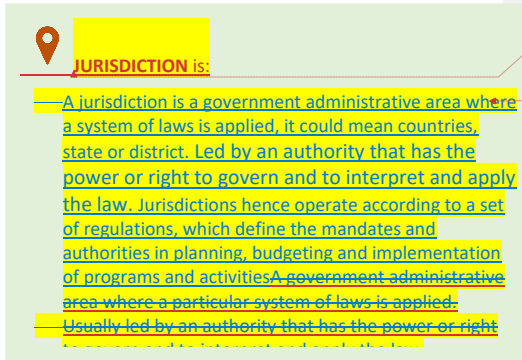
Unit of certification and verification that are found to be in compliance, carried out through external auditing by accredited CB, with Stage 1-3 requirements stipulated in Table x of this document are issued with a Verification Statement, which enable claims to be made on oil palm products (FFB/CPO) verified full certification and compliance with relevant RSPO standards.

Respective individual or group The Certification of Compliance is issued with a maximum validity of 5 years and subjects to annual surveillance audits. Verification Statement issued is to be validated on an annual basis. New Planting Procedure (NPP) completion letter by RSPO Secretariat shall state the validity of the Procedure that has been independently evaluated by RSPO CB, which could be applied on landscape level or individual unit or group level.

In large Jurisdictions, the JE may choose to apply the JA landscape by landscape or through smaller administrative units.

2.2 JURISDICTIONAL APPROACH REQUIREMENTS

RSPO JA leverages multi-stakeholder partnerships for tailored policy interventions, market incentives and finances to advance careful land use planning of production and protection of HCV, HCS, peatland and protected areas; human



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rights protection; land rights community land-use rights protection; and improve livelihoods, social wellbeing and environmental standards for all stakeholders that live and work in and around oil palm operations.

As such, JA requirements are built around:

- i. Management structure and system – the crucial need of a central facilitating and governing body (JE is referred in this document) & management system ensuring
- ii. Impact at scale – Jurisdictional Performance
- iii. Stepwise approach (refer to Section 5) Continuous improvement – certification & regulatory interventions

JA is essential a Group Certification which incorporates legal commitments and enforcement into its Internal Control System to ensure compliance against RSPO Standards. This allows individual growers to be certified against RSPO Standards together under a single certificate, which is held by a central entity (Jurisdictional Entity, JE). Individual industry participants are free to opt to be certified through JE or pursue its own certification. Independently certified participants will have access to the overall enabling environment provided by JE within the Jurisdiction. JE is responsible for:

- (i) ensuring credible and effective functioning of the entity governed by a multi-stakeholder board;
- (ii) conducting monitoring and reporting on performance of compliance on landscape indicators²;
- (iii) establishing an Internal Control System which provides supports, oversights and controls (through both the market approach and legal instruments) and for carrying out internal assessments of all mills, supply bases and supply chain actors' performance towards complying with RSPO production requirements; and
- (iv) establishing an internal Appeals, Grievances & Complaints System which ensure a fair, transparent and impartial process to duly handle and address appeals, grievances and complaints.

A jurisdiction would be recognized as RSPO pilot with a multi-stakeholder group (transforming into the Multi-stakeholder Board) established with clear commitment towards 100% RSPO prior to establishment of fully functioning JE. JE shall then be registered as RSPO member once reported complied with Stage 2 landscape indicators and requirements stated within Section 4 of this document. JE shall then be able to make claim once verified complied with Stage 3 landscape indicators onwards on volume produced verified complied.

It is fundamental to the integrity, credibility and continued progress of the RSPO that every member supports, promotes and works towards the production, procurement and use of Sustainable Palm Oil. RSPO membership rules, relevant RSPO procedures and requirements beyond Standards are applicable to JE upon registered as RSPO member, example New Planting Procedure (NPP).

2.2.1 STANDARDS REQUIREMENTS

Palm oil production by all mills, supply bases and supply chain actors within the unit of certification shall be certified or verified compliance with the latest applicable RSPO Standards below:

- RSPO Principles & Criteria (RSPO P&C)³
- RSPO Independent Smallholder Standard³
- RSPO Supply Chain Certification Standard

2.2.12 ROLE OF THE JURISDICTIONAL ENTITY: MANAGEMENT STRUCTURE & SYSTEM REQUIREMENTS

Government leadership, support and collaboration are crucial in playing a key role in facilitating an entirely multi-stakeholder process to strengthened overall governance, regulations and frameworks to bring everyone to reach a similar standard and facilitating compliance to the RSPO standards progressively. This is

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to be done through the establishment of the JE, responsible for as the central facilitating or governing body, is responsible for:

- i. Ensuring credible and effective functioning of the JE entity governed by a multi-stakeholder board;
- ii. Facilitate respective jurisdictional assessments, procedures and processes (i.e. HCV/HCS, RaCP), informed by a gap analysis of local jurisdiction law and regulations compared with RSPO Standards;
- iii. Conducting, monitoring, and reporting on performance of compliance on landscape level indicators⁴ and compliances of RSPO Standards by relevant and respective stakeholders;
- iv. Establishing an Internal Control System which provides supports, oversights and controls (through internal audit system) both the market approach and legal instruments) and for carrying out internal assessments of all growers, mills, processors, mills, supply bases and supply chain actors' performance towards complying with RSPO production requirements; and
- v. Establishing an internal Appeals, Grievances, & Complaints & Appeals System which ensure a fair, transparent and impartial process to duly handle and address appeals, grievances, and complaints.
- vi. Provide oversight supports to all stakeholders (through training through internal audit system) on all aspects of compliance to RSPO Standards and requirements, market incentives and government regulations; local laws and regulation; and relevant grievances and complaints.
 - Facilitate external auditing process for the jurisdictional certification and respective certification(s) through JE (non-RSPO member).
- vii. Facilitate respective jurisdictional assessments, procedures and processes (i.e. HCV/HCS, RaCP). The JE has the authority to determine membership eligibility and enforce suspension or termination on non-compliant members within the Jurisdiction.
- viii. Commission external auditing process for the jurisdictional certification.
- v. Multi-stakeholder processes

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Solid structures that are supported by and transparent and credible management systems are essential for the efficient and effective functioning of the JE. are the utmost requirements ensuring the effectiveness and efficiency of JE, the central body, bring its industry to reach a similar standard progressively.

Detailed management system requirements are captured in Section 4 of this document.

Under the JA, all JEs are required to meet jurisdictional system requirements (Section 4), stepwise approach requirements (Table x of Section 5) and the performance of landscape indicators, in addition to the sustainable oil palm production standards of the RSPO. The JE and a sample of the group members are assessed by accredited CB against both the requirements of the JA (this document) and sustainable production requirements of RSPO (see Figure 1 for simplified illustration).

2.2.2 IMPACT AT SCALE — LANDSCAPE PERFORMANCE - IMPACT AT SCALE

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By undertaking JA, landscape indicators will include environmental and social measures, beyond the area of oil palm production, and will depend on a JA, as an approach to minimize the negative impact of palm oil cultivation on the environment and communities at scale, requiring credible, holistic and integrated landscape management at the scale of the entire jurisdiction. Apart In addition to needing from a credible management system, landscape level indicators are essential needed for assessing jurisdictional practices and impacts and reliable reporting progress to allow rewards for significant steps towards jurisdictional sustainability.

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It is the ambition of the JA to provide a context in which all commodities can benefit from the RSPO standards and follow the jurisdiction land-use plan. It is however recognized that the JE cannot vigilate non palm oil crops and that a certain level of non-compliances (i.e.: clearing of HCV/HCS etc) may continue through licensing or illegal activities for non-palm oil crops. This means that LUCA, RaCP, and NPP requirements only apply to oil palm. Rather than having this possibility disqualify the entire approach it is hoped that a positive example set by the JA will provide the catalyst for other commodities to follow utilizing the framework provided.

⁴ Refer section 5 of this document for landscape indicators

New measures for assessing jurisdictional sustainability, in which sustainable development and management of palm oil are explicit goals, required to be credibly assess, report, verify and make claims about sustainability of production in the Jurisdiction. These new measures are developed in accordance to RSPO Standards P&C (2018) contributing to deliver positive-delivering impacts to Planet, People and Prosperity (RSPO three key pillars of Impacts).

Refer Chapter 3.1 of this document for more detailed information and descriptions. Landscape performance beyond

New systems and rating tools for assessing jurisdictional sustainability have been developed. The Landscape Standard²¹ aims to help companies, governments and financiers to credibly assess, report and make claims about sustainability of production landscapes. The Commodities/Jurisdictions Approach²² identifies jurisdictions that meet eligibility criteria for preferential sourcing set by Unilever and Marks & Spencer. The Landscape Assessment Framework²³ is more flexible, providing a framework of sustainability pillars that governments and landscape actors can use to organize information and communicate progress towards their own tailored landscape sustainability goals, to help facilitate adaptive management as well as partnership or investment to advance those goals. The Sustainable Landscape Rating Tool²⁴ can be used to collect and communicate standardized information on jurisdictional policies and governance. An important initial step is to assess and reliably report what jurisdictions are doing to make the shift to sustainability and what the impacts of those shifts are, which is one motive for this global assessment and for the GCFImpact.org online platform (see jurisdictions to attract the partners that they need is credibility. Do the jurisdiction's efforts represent real progress over and above the "normal" development pathway? Is this progress verified and broadly accepted? Box 5).

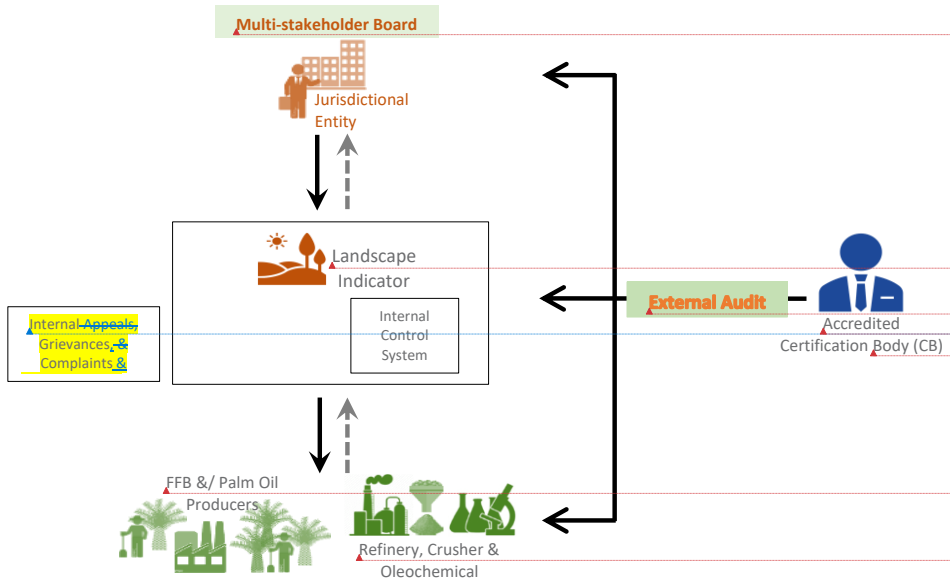
2.2.3 CONTINUOUS IMPROVEMENT – STANDARDS REQUIREMENTS & BEYOND

Palm oil production and processing by all mills, FFB supply bases (estate and individual farmer), crushing, refinery and oleochemical plant within the Jurisdiction shall be certified in full compliance with the latest applicable RSPO Standards below:

- RSPO Principles & Criteria (RSPO P&C)⁵
- RSPO Independent Smallholder Standard³
- RSPO Supply Chain Certification Standard

Refer Chapter 3.2 of this document for more descriptions on the applicability of relevant RSPO Standard above to stakeholder group. The chapter includes the applicability of other RSPO requirements to respective stakeholder group(s).

⁵ In absence of National Interpretation, generic P&C and Standard applied.



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Figure 1 – Assurance Structure of Jurisdictional Approach to Certification

2.3 MAKING CLAIMS & VERIFICATIONS

The pathway to jurisdictional certification is neither easy nor quick. Explicit supports are needed for JE to put the processes into meaningful practice. Through JA, market supports through making claims are built throughout the stepwise approach below:

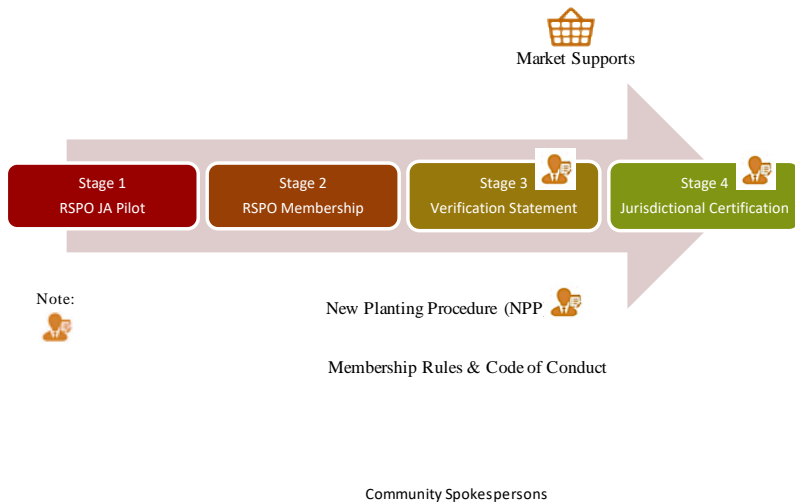


Figure 2. JA Stepwise Approach

2.3 STEPWISE APPROACH

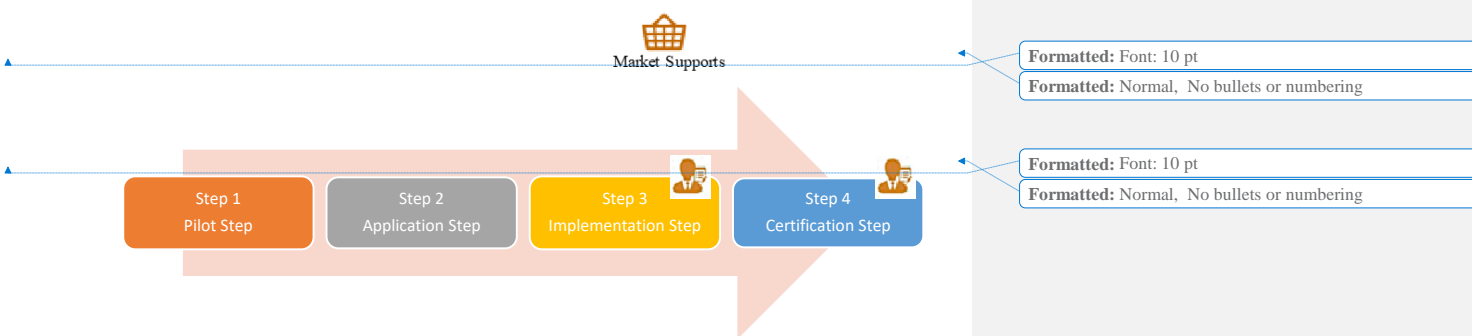
Given the scale of intervention required for jurisdictional certification, and the range of readiness and compliance of different actors within a jurisdiction, it is necessary to take a stepwise approach to achieving full jurisdictional certification. The stepwise approach allows all FFB and palm oil producers, as well as supply chain actors to enter the system through either individual membership (company level) or JE membership, and gives time for the necessary institutional, policy and regulations to be put in place. The approach is designed to allow time for continual improvement and progress towards meeting all requirements by all producers and supply chain actors through strengthened roles of government within the system.

Key requirements are:

- Multi-stakeholder Board established with balanced representative of stakeholders (government, producers, NGOs and supply chain actors).
- JE is established with legal authority over all producers and demonstrate progress in meeting landscape indicators and ensuring compliances of producers and supply chain actors.
- Transparent and effective functioning internal control system and grievance and complaints mechanism established ensuring credible governance of JE.
- Compliance to landscape performances/measures and procedure (i.e. NPP) at every stages are measured by fulfilling all the requirements of the current stage and all proceeding stages, in addition to compliance to applicable standards.
- Progressively adopting sustainable practices on farm- or estate- level production of palm oil.

Although the jurisdictional certification is a gradual process, four distinct steps have been identified that allow progress to be monitored. The details of these steps are elaborated in Section 5: Stepwise Approach (Table xx), and they move from:

- Step 1: Pilot step**, when a jurisdiction determines that they would like to pursue a jurisdictional approach to certification and make public policy statements and / or put in place regulations in support of this objective. The RSPO Board must approve the jurisdiction's written request to be identified as a RSPO Pilot.
- Step 2: Application step** is achieved when a multi-stakeholder board is in place, and a Jurisdictional Entity (JE) established, and various landscape indicators are being measured. This step is completed when the JE has successfully applied to the RSPO Membership Unit to become a RSPO member.
- Step 3: Implementation step** is when the internal control systems of the JE are well established and requirements for RSPO certification are being put in place. This step is completed when an independent and accredited Certification Body completes a full audit of the JE for RSPO certification.
- Step 4: Certification step**, is the final step in the process, at which point the producers, processors and supply chain actors within the jurisdiction which have been certificated under the JE, may trade RSPO certified products. Market claims can be made based on the volume in accordance to latest RSPO Rules on Market Communications and Claims.



JE is then able to apply for RSPO membership upon successfully reported complied with all requirements stipulated in Stage 1 and 2. JE is able to sell its palm oil volume as CSPO once it reaches Stage 3 (verified full compliance to



New Planting Procedure (NPP)

Membership Rules & Code of Conduct

Community Spokespersons

requirements at Stage 1, 2 and 3) for the volume produced that verified full compliance based on applicable RSPO Standards (audited by accredited CB). Market claims can be made based on the volume in accordance to latest RSPO Rules on Market Communications and

Claims:

The stepwise approach allows all FFB and palm oil producers, as well as supply chain actors to enter the system through either individual membership (company level) or JE membership. This approach is designed to allow time for continual improvement and progress towards meeting all requirements by all producers and supply chain actors through strengthened roles of government within the system. Key requirements are:

- Multi stakeholder Board established with balanced representative of stakeholders (government, producers, NGOs and supply chain actors).
- JE is established with legal authority over all producers and demonstrate progress in meeting landscape indicators and ensuring compliances of producers and supply chain actors.
- Transparent and effective functioning internal control system and grievance and complaints mechanism established ensuring credible governance of JE.
- Compliance to landscape performances/indicators measures and procedure (i.e. NPP) at every stages are measured by fulfilling all the requirements of the current stage and all proceeding stages, in addition to compliance to applicable standards.
- Progressively adopting sustainable practices on farm or estate level production of palm oil.

Compliance to all requirements are to be audited by accredited Certification Body (CB). Verification Certification system requirements shall be followed in accordance to applicable standards and procedure. Detail requirements are stipulated at Section 6 of this document.

A jurisdiction would be recognized as RSPO pilot with a multi stakeholder group (transforming into the Multi-stakeholder Board) established with clear publicly declared commitment and roadmap towards 100% RSPO prior to establishment of fully functioning JE.

JE is then able to apply for RSPO membership upon successfully reported complied with all requirements stipulated in Stage 1 and 2. JE is able to sell its palm oil volume as CSPO once it reaches Stage 3 (verified full compliance to requirements at Stage 1, 2 and 3) for the volume produced that verified full compliance based on applicable RSPO Standards (audited by accredited CB). Market claims can be made based on the volume in accordance to latest RSPO Rules on Market Communications and Claims.

Aside from compliance to relevant standards, any other relevant existing and/or new (future) RSPO procedures and requirements (i.e. New Planting Procedure) are applicable to JE and its stakeholders.

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Figure 2: JA Stepwise Approach

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2.4 **RSPO MEMBERSHIP MEMBER(S) WITHIN THE JURISDICTION** [TO BE FURTHER DEVELOPED]

Once the jurisdiction has complied with the preconditions and there is a functional resourced JE, the jurisdiction can streamline the certification process. The jurisdiction will treat all existing and potential participants as JE Members. JE Members will be informed that they must comply with the Government Regulation⁶ regarding JE Membership as per the requirements of JE mentioned above. The JE Membership requires potential members to be either be considered either a Nominal JE Member or a Certified JE Member. Certified JE Members can be any of the existing categories or as part of the JE Group. The possible categories and basic conditions and rights are summarized in the table below.

	<u>Not RSPO Certified</u>	<u>RSPO Certified</u>				
	<u>Nominal</u>	<u>Chain of Custody</u>	<u>Independent Nucleus</u>	<u>Scheme Group Smallholders</u>	<u>Independent Group Smallholder</u>	<u>JE Group</u>
<i>Conditions and rights</i>	<u>JE Compliant</u>	<u>JE Compliant</u>	<u>JE Compliant</u>	<u>JE Compliant</u>	<u>JE Compliant</u>	<u>Je Compliant</u>
	<u>Not RSPO Certified</u>	<u>RSPO Member</u>	<u>RSPO Member</u>	<u>Linked to RSPO Member</u>	<u>RSPO Member</u>	<u>RSPO Member</u>
	<u>No certificate number</u>	<u>Individual RSPO certificate</u>	<u>Individual RSPO certificate</u>	<u>Linked to Individual RSPO certificate</u>	<u>RSPO Group Certificate</u>	<u>Linked to RSPO JE Group Certificate</u>
	<u>Can trade RSPO</u>	<u>Can trade</u>	<u>Can trade</u>	<u>Can trade</u>	<u>Can trade</u>	<u>Can trade</u>

Existing certified RSPO Members can stay as they are or join the JE Group. As with all other certificate holders, JE Group members are only considered certified once they have been included in the scope of an RSPO audit. The JE Group Manager will provide the support to achieve this. JE Group Members can include any category of industry participant (ie/large grower, smallholder, trader, processor)⁷. JE Group Members will receive individual Palm Trace accounts linked to the JE Group certificate. Unresolved noncompliance of an individual JE Group Member will result in only that Member's trading rights to be suspended.

The legally registered JE can become a RSPO Member, representing growers, traders and processors, refiners, crushers and any other relevant stakeholders within the defined Jurisdiction. Stakeholders represented within the jurisdiction encompasses RSPO members and non-RSPO members.

RSPO member(s) within the jurisdiction is/are to pursue its own certification leveraging on jurisdictional level performance of the jurisdiction. RSPO member within the jurisdiction may make management decision to pursue its certification through JE membership.

Non RSPO member(s) within the jurisdiction is/are to pursue certification through JE membership. Non RSPO members may make management decision pursuing own certification through its own RSPO membership in due course.

1) **JE as one RSPO member**

As the participants within the JE will consist of Growers, Traders and Processors it may be required for the RSPO to either create a new membership category or allow for JE participants to become individual members. The first option would require RSPO to create a new Membership category, ie/JE Member, with voting rights. The JE Administrator would have to submit and ACOP statement for its group as a whole.

⁶ It is recommended that the Government pass specific regulation with respect to the JE requirements

⁷ Recognizing the difficulty of auditing such a heterogeneous group, the RSPO System requirements for auditing JE Groups may need to be adjusted to allow for strategies such as stratification to streamline the services and auditing compliance.

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2) JE recognised by RSPO – individual RSPO membership is to made mandatory

Alternately, RSPO can recognize JE Participants within the existing membership framework. Since existing RSPO Members working within a JE will not need to relinquish their membership each JE participant may be required to become an individual RSPO Member and retain their original identity, ie Grower, Trader, Processor. These Members may have their Membership fee waived as they will fall under the JE umbrella. However, individual members will need to provide ACOP reports and commitments to the RSPO as do all other members. This latter model will commit members to complying to RSPO standards beyond the boundaries of the JE.

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Compliance to all requirements are to be audited by accredited Certification Body (CB). Certification system requirements shall be followed in accordance to applicable standards and procedure. Detail requirements are stipulated at Section 6 of this document.

A jurisdiction would be recognized as RSPO pilot with a multi-stakeholder group (transforming into the Multi-stakeholder Board) established with clear publicly declared commitment and roadmap towards 100% RSPO prior to establishment of fully functioning JE.

Aside from compliance to relevant standards, any other relevant existing and/or new (future) RSPO procedures and requirements (i.e New Planting Procedure) are applicable to JE and its stakeholders.

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2.5 Financing mechanisms

The guiding principle is that growers (or groups of growers) should be allowed to trade their produce and retain sales revenue, from both physical sales and PalmTrace credits, which retains the financial incentives for individual and group of growers to participate in the RSPO certification process. The current system of RSPO members getting income from FFB and palm oil trading would continue, and this system would apply to non-RSPO members that are certified under the JE group certificate, where each grower / group would be issued an independent 'trading number' to generate sales income. This would provide financial benefits in addition to the considerable cost savings that derive from being a JE member (e.g. reduced audit fees, HCV and HCS assessments done centrally, etc).

The financing of the Jurisdictional Entity to be an effective institution (to oversee, implement and enforce the jurisdictional approach to RSPO certification) is not generated, therefore, through income from FFB or palm oil sales of its members. The financing of the JE will vary in each jurisdiction, and will need to be financed through a number of potential mechanisms including, inter alia: i) direct government budgetary support; ii) grants from public and private sector; iii) JE membership subscriptions and fees; iv) a proportion of the current RSPO trading fee which would be redirected to the JE.

Figure 1. Assurance Structure of Jurisdictional Approach to Certification

3. APPLICATION OF STANDARDS & REQUIREMENTS

Jurisdictional Approach to RSPO Certification: the successful transition to sustainable oil palm production, development and consumption—encompassing social, environmental and economic dimensions—across an entire political geography, such as state, district, province, country or nation. Success is measure across the entire jurisdiction encompasses the full range of activities, production system, ecosystems and actors.

It is fundamental to the integrity, credibility and continued progress of the RSPO that every member supports, promotes and works towards the production, procurement and use of Sustainable Palm Oil. JA is an important complement to farm- and processor-level interventions. Farm- and processor-level interventions to promote and measure progress towards sustainability, will always be needed. Technical assistance, finance, law enforcement and other types of landscape/jurisdictional-level interventions are essential to drive changes at farm- and processor and landscape-level.

Jurisdictional-level measures developed based on RSPO Standards P&C (2018) are required to streamline jurisdictional-level interventions and processes through strengthening overall governance, regulations and frameworks. This contributes to streamlining both internal and external auditing, monitoring and reporting processes for all stakeholders across the entire jurisdiction, while maintaining high certification standards.

3.1 LANDSCAPE/JURISDICTIONAL-LEVEL PERFORMANCES

Streamlining landscape/jurisdictional-level interventions or processes is key to the success of JA. Hence, it is crucial ensuring landscape/jurisdictional-level interventions and/or activities are properly implemented and measured. Table below presents key requirements on key landscape/jurisdictional level indicators for performance.

Progress through the stepwise approach is verified through external audits to ensure the measures of each step are achieved.

Note: Existing RSPO mechanisms will be utilised to verify the requirements in each step. The first of contact for a JE to be a member is the RSPO membership unit. Relevant units within the RSPO Secretariat will conduct the verification of each of the requirements. Text to be developed.

Table x. Jurisdictional-level Measures

Stage 1	Stage 2	Stage 3	Stage 4
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<p>Plan developed to conduct and/or develop jurisdictional level:</p> <ul style="list-style-type: none"> EPIC procedures and procedures for recognition of land rights (legal, customary and user rights) formulated Indicative HCV and HCS mapping (in alignment with RSPO requirement), including mapped of peatlands Historical Land Use Change Analysis (LUCA) in accordance to RSPO LUCA guidance document Legal gap analysis on DLW, HRD, SEIA requirements: children protection, forced and/or trafficked labour Regulation on use of fire, fire prevention and control measures 	<ul style="list-style-type: none"> Indicative peatlands, HCV and HCS mapped Jurisdictional level 'No go' zones (for conservation and protection) mapped LUCA completed with (potential) liability declared and made publicly available Procedure for recognition of land rights (legal, customary and use rights) developed EPIC procedure developed Regulation on use of fire, fire prevention and control measures in place Legal gaps on DLW, HRD, SEIA requirements, children protection force and/or trafficked labour identified Assessment of disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor) 	<ul style="list-style-type: none"> Progress towards the roadmap EPIC procedures and guidelines are in place and implemented Spatial planning is in place, incl. SEIA procedures and guidelines HCV and HCS mapping and implementation procedures are in place New Planting Procedures as per RSPO requirements being implemented Disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor) 	
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Note:

- i. Guidance on **landscape** jurisdictional-level indicative HCV and HCS mapping (assessment and governance mechanism) is to be developed **alongside with NDJSG's development of Procedure for HFCC and HFCL. As an interim measures, existing jurisdictional-level landscape mapping efforts and initiatives (methodologies, approach) can be recognised.**
- ii. **New SOPs /mechanisms will be developed for the verification process by the RSPO Membership Unit for approving Step 1 completion.**
- iii. **SOP shall include timeline of approval.**
- iv. **Full internal audit is required for growers over 50ha, while maintaining the current smallholders internal audit procedures.**
- v. **Follow the HCVRN guidelines for jurisdictional assessment of HCV etc.**

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3.2 **WHICH HAT-RSPO STANDARDS AND APPLICABLE TO WHOM?**

To ensure the credibility of palm oil sustainability claims by the Jurisdiction, relevant all-stakeholders within the jurisdiction within the unit of certification “the Jurisdiction” that take legal ownership and produce or handle RSPO-certified and compiled sustainable oil palm products need to be RSPO certified to make claims -and trade CSPO (applicable to RSPO member) and RSPO-complied (applicable to non-RSPO member). Effective ‘mainstreaming’ of sustainability for production on jurisdictional level shall encompassing most (if not all) stakeholders within its supply chain.



Fe driving large-scale shifts towards



● Certified under the RSPO Principle and Criteria
● Certified under the Supply Chain Certification Standard
● Exempt from certification in cases where there is no physical handling of certified materials (trading, no relabelling / repacking (distributors, retailers))

sustainability within the jurisdiction, JE shall at least perform to ensure compliance to RSPO Standards adopted by all level of oil palm producers (farm to estate level), palm oil producers (mill), crusher, refinery and fractionation plant. In view of the complexity of palm oil supply chain, which goes beyond the boundary of a defined jurisdiction, ensuring compliance to RSPO Standards by JE through the entire chain or within the jurisdiction is challenging.

The JE will aApplicable RSPO Standards which are relevant to actors with different size and characteristics:

Palm oil (CPO) and fresh fruit bunch (FFB) producers are certified or complied through strict verification of the production process to the stringent relevant RSPO Standards by accredited Certifying Bodies and can be withdrawn at any time in case of infringement of the rules and standards.

All organisations in the supply chain that use RSPO certified or compiled sustainable products are audited to prevent overselling and mixing palm oil with conventional (not certified or compiled) products. These organisations can claim the use of RSPO certified sustainable oil palm products on pack by using the RSPO Trademark.











Mills and other supply chain actors are certified under the RSPO Supply Chain Certification Standard (SCCS). Traders and distributors who take legal ownership, store and sell products to their customers but do not unpack, repack or relabel those products are exempt from Supply Chain Certification.

RSPO Standards applicable to JA are:

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- RSPO Principles & Criteria for the Production of Sustainable Palm Oil (RSPO P&C 2018)⁸
- RSPO Independent Smallholder Standard (RSPO ISS 2019)⁸
- RSPO Supply Chain Certification Standard (RSPO SCCS)

The latest versions of the above documents apply.

	RSPO Principles & Criteria (P&C 2019)	RSPO Independent Smallholder Standard (ISS 2019)	RSPO Supply Chain Certification Standard (SCCS)
 <p>Competitive, resilient, and sustainable sector</p>	<ol style="list-style-type: none"> 1. Behave ethically and transparently 2. Operate legally and respect rights 3. Optimise productivity, efficiency, positive impacts and resilience 	<ol style="list-style-type: none"> 1. Optimise productivity, efficiency, positive impacts and resilience 	<p>General Chain of Custody Requirements and specific modules are:</p> <p>Module A – Identity Preserved</p> <p>Module B – Segregated</p>
 <p>Sustainable livelihoods & poverty reduction. Human rights protected, respected & remedied</p>	<ol style="list-style-type: none"> 4. Respect community and human rights and deliver benefits 5. Support smallholder inclusion 6. Respect workers’ rights and conditions 	<ol style="list-style-type: none"> 2. Legality, Respect for Land Rights and Community Wellbeing 3. Respect human rights, including workers’ rights and conditions 	<p>Module C – Mass Balance</p> <p>Module D – CPO Mills: IP</p> <p>Module E – CPO Mills: MB</p> <p>Module F – Multi-site Certification</p>
 <p>Conserved, protected and enhanced ecosystems that provide for the next generation</p>	<ol style="list-style-type: none"> 7. Protect, conserve and enhance ecosystems and the environment 	<ol style="list-style-type: none"> 4. Protect, conserve and enhance ecosystems and the environment 	<p>Module G – Supply Chain Group Certification</p>
<p>Applicable to WHOM?</p>	 <p>Mill with supply base</p>  <p>Estate</p>	 <p>Independent Smallholder</p>	 <p>Independent Mill</p>  <p>Crusher</p>  <p>Refiner</p>  <p>Oleochemical</p>

[Note that the RSPO has specific standard for independent smallholders which is designed to encourage their certification. This may be further facilitated by the JA.](#)



⁸ In absence of National Interpretation, generic P&C and Standard applied.

- ✓ I am NOT a **scheme smallholder** (see [Glossary definition Annex 1](#)).
- ✓ The total **size¹** of my oil palm production areas is
 - ≤ smaller or equal to 50 ha if no threshold is defined in National Interpretation; OR
 - ≤ smaller or equal to the maximum size defined in National Interpretations (e.g., for Indonesia this implies threshold size is 25 ha or below and for Ecuador 75 ha or below.)
- ✓ I have the enforceable decision-making power on the operation of the land and production practices; and/or
- ✓ I have the freedom to choose how I utilize the land, type of crops to plant, and how I manage them (whether and how they organise, manage and finance the land).
- ✓ I meet any further criteria relative to the applicability of this standard as provided in the National Interpretation in my country.



How to define the total size of a palm production area?

The total size of the oil palm production area is defined by accumulating all plots owned by a smallholder. These are existing plots as well as areas available for the expansion of new oil palm plantings, or areas allocated for new plantings, that are owned by one single smallholder – within the unit of certification (e.g. the group the smallholder is part of).

Source: RSPO Independent Smallholder Standard (2019)

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3.3 GENERAL RSPO REQUIREMENTS

General RSPO requirements applicable to the JE and all producers and supply chain actors are:

- ✓ ~~RSPO Code of Conduct for Members 2017 (RSPO-POL-F02-001 V2.0 ENG). Endorsed by the RSPO General Assembly GA14, on 30th November 2017 in Kuala Lumpur, Malaysia~~
- ✓ ~~RSPO Code of Conduct for Supply Chain Associates 2017 (RSPO-POL-F02-002 V2.0 ENG). Endorsed by the RSPO General Assembly GA14, on 30th November 2017 in Kuala Lumpur, Malaysia~~
- ✓ Annual Communications of Progress (ACOP) 2015³ (<http://acop-rspo-org/faq.php>)
- ✓ RSPO New Plantings Procedure (NPP) 2015 (RSPO-PRO-T01-009 V1.0 ENG). Endorsed by the Board of Governors on 20th November 2015
- ✓ RSPO Remediation and Compensation Procedures (RSPO-PRO-T02-001 V2.0 ENG). Endorsed by BoG on 16th November 2015
- ✓ RSPO Policy on the Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons 2018 (RSPO-POL-T08-003 V1 ENG). Endorsed by the Board of Governors on 24th September 2018.
- ✓ **RSPO Code of Conduct for Members 2017 (RSPO-PIL-F02-001 V2.0 ENG), Endorsed by the RSPO General Assembly GA14, on 30th November 2017 in Kuala Lumpur, Malaysia, taking account of the role of government.**

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The latest versions of the above documents apply.

Note:

- i. Existing LUCA process can be adopted for assessing environmental and social liability for JA. However applicable practical compensation mechanism is to be developed.

⁹ Specific ACOP reporting requirement is to be developed and applicable for JE.

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4. JURISDICTIONAL SYSTEM REQUIREMENTS

The Jurisdictional Entity (JE) plays a key role ensuring industrial players moving towards full certification and compliance and structured in a way to ensure strong checks and balances in the jurisdiction. Effective and credible governance, landscape-level planning and management, and enforcement are both critical factors towards achieving jurisdictional certification.

As captured in Section 2.2, inter alia, JE is required to meet Jurisdictional System Requirements. The following three elements outline the system requirements for Jurisdictional Certification:

- Element 1: Jurisdictional Entity (JE) Management Requirements
- Element 2: The Internal Control System – Operational & Policies and Management
- Element 3: The Internal Appeals, Grievances, & Complaints & Appeals System

4.1 ELEMENT 1: JURISDICTIONAL ENTITY (JE) MANAGEMENT REQUIREMENTS

Rationale: In order to be able to have commercial relationships in relevant transactions of FFB & palm oil certificates the entity carries a liability, which requires it to be legally registered.

Element 1.1 The JE shall be legally formed

- ✓ Be a registered entity as defined by law in the country of registration
- ✓ Has appointed management representatives (either an individual or institution) (an individual/designation within the Entity)
- ✓ Is authorised by the government to apply RSPO Standards to all palm oil producers and processors in the jurisdiction, either through membership of the JE or legal agreement
- ✓ Become a member of RSPO (by Step 3)
- ✓ Has Established legal authority over all FFB and CPO producers and players?
 - Either through membership or legal instrument
- ✓ Established and documented clear organisational structure and statutes document, clearly defining the scope, functions and legal authority, and (not limited to) detailing the positions and responsibilities of all personnel involved
- ✓ JE shall be able to demonstrate communication its of the structure, roles, objectives and functions of the Entity to all key players
- ✓ All JE personnel shall demonstrate commitment to impartiality
- ✓ All JE personnel shall be free of conflict of interests, any potential conflict shall be properly identified, declared and documented, and dealt with in a credible and transparent manner

Note:

Sovereignty in government is to be recognised.

Element 1.2 The JE shall be governed by a Multi-stakeholder Supervisory Board

- ✓ The multi-stakeholder supervisory board consists of balanced representation of stakeholders (at minimum, government representatives, Social NGOs, Environmental NGOs, producers (millers, smallholders, and estates and workers) and supply chain actors)

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- ✓ All members of the multi-stakeholder supervisory board shall commit to ensure impartiality and free of conflict of interest in decision-making
- ✓ Documented functions, roles and responsibility of all members of the multi-stakeholder supervisory board
- ✓ Documented specific mandate of the multi-stakeholder supervisory board in ensuring JE is well managed and that procedures are in place to review all aspects of its operations ~~with a view to increasing quality~~
- ✓ The multi-stakeholder Supervisory Board shall carry, at least, the following roles and responsibilities:
 - Ensure annual financial audit conducted for JE
 - ~~Oversee~~ Ensure the financial stability and feasibility of the JE
 - Ensure effective implementation of all procedures and processes
 - Ensure continuous progress towards ~~full~~ certification and compliances

Element 1.3 The JE shall be able to demonstrate sufficient resources and capacity for managing JA and performance assessment against the RSPO Standards

- ✓ The JE and/or personnel shall demonstrate competence and knowledge of RSPO Standards
- ~~✓ RSPO standards, processes and requirements~~
- ✓ The JE shall be able to demonstrate competence and knowledge of a Applicable international, national and/or local regulatory requirements and mechanisms
- ✓ Demonstrate a robust business plan including income generation
- ✓ Sufficient resources (human, financial, physical and others)
- ~~✓~~

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Element 1.4 The JE shall be able to demonstrate ~~sufficient/adequate resources and~~ efficient capacity to control, monitor and evaluate all key players as to their compliance to landscape-level performance and relevant RSPO Standards ~~(performance assessments)~~

- ✓ Manage Internal Control System (ICS)
- ✓ Manage internal auditing process and procedure
- ✓ Manage Internal Grievance & Complaints System
- ✓ Ensure compliance ~~with and certification to~~ RSPO Standards and procedures
- ~~✓ Ensure compliance with all other relevant RSPO requirements~~
- ~~✓ Sufficient resources (human, financial, physical and others)~~
- ✓ Internal procedures and processes, including record keeping
- ✓ Ensure no conflict of interest
- ✓ Ensure yearly independent financial audit conducted
- ✓

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4.2 ELEMENT 2: POLICY FRAMERWORK ~~THE INTERNAL CONTROL SYSTEM — OPERATIONAL & POLICIES AND MANAGEMENT~~

Element 2.1 The JE Internal Control System shall ~~have contained~~ documented policies and procedures for operational management

- ✓ Procedures for decision-making

- ✓ Policy consistent with all the requirements of RSPO, including but not limited to, on the Protection of Human Rights Defenders, Whistleblowers, Complainants and Community Spokespersons
- ✓ Uphold ~~ed of~~ commitment to impartiality
- ✓ Management of conflict of interests
- ✓ Governance structure and a Appointment of members of the Supervisory Board
- ✓ ~~Governance structure of the Supervisory Board~~
- ✓ Functions, roles and responsibility of JE personnel and the Supervisory Board
- ✓ Recording and documentation, and records keeping
- ✓ Conduct internal auditing, including competence and knowledge of internal auditor
- ✓ Handling and resolving grievance & complaints
- ✓ Monitoring and reporting
- ✓ Consultation process
- ✓ Budgeting and financing
- ✓ Procedures to implement other relevant RSPO requirements (i.e. NPP)
- ✓
- ✓ Management of outsourcing activities/events

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Element 2.2 JE shall develop and implement the internal audit system, which includes, but not exclusively: procedures, processes, timeline, operational plans, monitoring and evaluation records.

- ✓ Procedure to maintain up to date records of all JE group members ~~layers and all their~~, internal auditors,
- ✓ All JE members have to be internally audited against relevant RSPO Standards before going for the initial and recertification external audits.
- ✓ Procedure to implement other relevant RSPO requirements (i.e. NPP)
- ✓ Sanctions, reward ing and training mechanisms s-promoting progressive improvement and compliance of producers and supply chain actors
- ✓ Requirements on internal auditor competences and knowledge
- ✓ Procedures: methodology, audit criteria, frequency and addressing non-conformity
- ✓ Internal auditors declare no conflict of interest
- ✓ Ensure the q Quality of internal auditing s
- ✓ NOTE: guidance to be provided for internal audit.

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Element 2.3 JE ICS shall develop and implement an effective monitoring and reporting system for recording ~~ef all~~ information on oil palm products production and

- ✓ Establish and implement a monitoring system and mechanism for HCV/HCS/peat for the entire jurisdiction but only for compliance of the JE members;
 - ✓ Establish baseline with improvement plan on:
 - Landscape level performance (landscape indicator)
 - Farm-, Management unit-, and facility- level compliances to RSPO Standards
 - ~~C~~ Certification progress by JE RSPO - members

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- o
- ✓ Map and recording keeping of existing maps (.shp files) of existing production areas, land bank and facilities of JE members and expansion plan of production areas and facilities
- ✓ Checking/Tracking of FFB and all palm product production and sales and CPO production and sales (credit and physical), and credit sales. Clearly labelled based on the following categories:
 - o CSPO/SPKO (by RSPO member)
 - o ISH certified FFB (by RSPO member)
- CPO/PKO (by RSPO member)
- ✓
- o RSPO complied oil (by non-RSPO member)
- o RSPO complied FFB (by non-RSPO member)
- o CPO/PKO (by non-RSPO member)
- ✓ Establish cost effective recording and reporting of (data and document management) system for:
 - o Documentation and evidence recording for compliance to RSPO Standards
 - o Facilitate access to relevant documentation and evidence recording appropriate for external auditing
 - o External auditing by accredited CB of JA requirements

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4.3 ELEMENT 3: THE INTERNAL APPEALS, GRIEVANCES, & COMPLAINTS & APPEALS SYSTEM

The JE shall have a sufficiently transparent, independent and reliable capacity to receive, review and adjudicate complaints and grievances and take effective action. The RSPO Complaints Panel will have authority over the JE and its producers since the JE is a member of the RSPO and producers are related to the JE. Complaints against non members will be addressed through the JE. To avoid conflict of interest in complaints there will be a separate body (see figure x) to manage the complaints (see below). The JE shall have an effective grievance mechanism in accordance with P&C 2018 4.2 (to check if this requirement exists in ISH standard). The JE and Supervisory Board shall also ensure there is a transparent, independent and reliable capacity to receive, review and adjudicate complaints and appeals, and take effective action. JE may either rely on the existing RSPO Complaints and Appeals Procedure or ensure there is a separate body at the jurisdictional level to handle complaints and appeals. In either case, parties have the right to escalate complaints and appeals to the RSPO Complaints Panel which will have authority over the JE and its producers since the JE is a member of the RSPO and producers are related to the JE.

To avoid conflict of interest in complaints and appeals procedure, there will be a separate body to manage the complaints. The Complaints and Appeals bodies have the authority to impose sanctions on members and / or suspend members. These mechanisms complement and do not replace local systems in the Jurisdiction for dispute resolution such as ombudsmen, arbitration bodies and courts.

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- Grievances, complaints, and appeals: The JE shall have documented procedure for handling grievances, complaints, and appeals, including:
 - o A documented process to receive, evaluate and make decisions on grievances.
 - o JE members can raise complaints where they are unsatisfied with the conclusion of the grievance mechanism, and this procedure should be documented.
 - o As parts of the complaints procedure, it will include processes for making an appeal and this process shall be transparent and publicly accessible;
 - o Data demonstrating and tracking the receiving, validation, and investigation of grievances, complaints, and appeals;
 - o Documenting the decisions and actions taken to resolve the grievances, complaints, and appeals including actions to prevent re-occurrence.
- Appeals: can be made regarding decisions taken by the complaints panel. The following evidence (as a minimum) is required for demonstrating the appeal handling process:

- The complaints/appeals panel shall give written acknowledgment to the appellant (person/entity) about the receipt, progress, and outcome of the appeal;
- The decision to be communicated to the appellant shall be made by, or reviewed and approved by, individual members of a complaints panel not previously involved in the subject of the appeal;
- The appeals panel shall give formal notice to the appellant of the end of the appeals-handling process.

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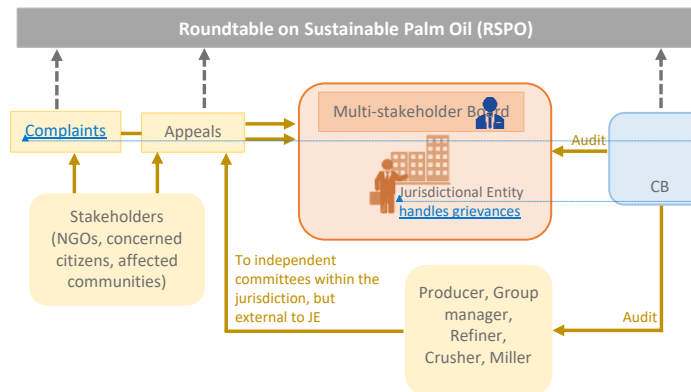


Figure x. Structure of Internal Appeals, Grievances & Complaints System

Structural requirements of the JE on impartiality: grievances, complaints, and appeals

- **Documents, procedures:** The JE shall have a documented procedure for safeguarding impartiality related to the following aspects:
 - Social and environmental impact assessments;
 - Land acquisition and FPIC
 - Monitoring and evaluation of social and environmental impacts;
 - Internal audits.
 - *Note: These are considered the key aspects of the JE. Additional aspects may be added when agreed upon by stakeholders within the jurisdiction.*
- **Grievances, complaints, and appeals:** The JE shall have documented procedure for handling grievances, complaints, and appeals, including:
 - A documented process to receive, evaluate and make decisions on grievances, complaints, and appeals; this process shall be transparent and publicly accessible;
 - Data demonstrating and tracking the receiving, validation, and investigation of grievances, complaints, and appeals;
 - Documenting the decisions and actions taken to resolve the grievances, complaints, and appeals including actions to prevent re-occurrence.
- **Appeals:** can be made regarding decisions taken by the JE on qualification, and sanctions as a result of internal audits related to RSPO certification. The following evidence (as a minimum) is required for demonstrating the appeal handling process:
 - The JE shall give written acknowledgment to the appellant (person/entity) about the receipt, progress, and outcome of the appeal;
 - The decision to be communicated to the appellant shall be made by, or reviewed and approved by, individuals not previously involved in the subject of the appeal;
 - The JE shall give formal notice to the appellant of the end of the appeals handling process.

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5. STEPWISE APPROACH TO MAKING CLAIMS

Stages to achieving Jurisdictional Certification

It has been agreed by the JWG, and supported by the first round of public consultations, that a staged approach should be taken to achieve jurisdictional certification. Moreover, there is general consensus that there should be four stages, which will include both "systems" and "landscape" indicators.

There has been general agreement about the nature of the indicators which cover all the topics that will satisfy the RSPO 2018 Principles & Criteria. The challenge, however, is that the RSPO P&Cs were developed with plantation concessions and estates or growers and smallholders in mind, and not whole jurisdictions. Even the National Interpretation processes have not considered jurisdictions.

For example, if a JE reports that it has "developed the FPIC procedure" or "mapped HCV and HCS areas" what procedure will be in place to determine these are of sufficient standard to satisfy RSPO, and allow a CB to sign them off so that the JE can proceed to the next stage? There may be some generic guidance that can be followed for the jurisdiction, for example: the UN Guidance on Indigenous People; RSPO Guidance for FPIC; CBD targets etc., but the range of different circumstances in each jurisdiction precludes setting hard indicators at the outset, and this in turn brings uncertainty and risks certification of low standards.

There are additional complicating factors of government policy or laws, which may allow or even encourage certain activities which are inconsistent with RSPO jurisdictional certification. In addition, there may be actors within a jurisdiction which are non-compliant with the Jurisdictional Approach, while still acting within the law, and their actions could put at risk the compliance of the majority.

Taking these factors together, the JWG has not been able to agree on a solution to prescribing thresholds for the quality of each standard that must be met to go from one stage to the next.

Proposal

Looking at the institutional processes of RSPO, the JWG agreed that the RSPO Board should be the final arbiter for setting standards for jurisdictional certification, as well as approving any National Interpretation of jurisdictional certification requirements. However, the Board should not review JE processes and determine if the correct level of any standard has been reached to allow a JE to move to the next stage in the certification process. Similarly, a Certification Body can only audit if precise indicators are set which they can verify; a CB cannot make a judgement on what the threshold should be to reach sufficient levels to achieve a standard.

It is proposed, therefore, that an Appraisal Body is set up for Jurisdictional Certification, to review JE reports and determine whether the landscape level indicators are of sufficient quality to allow a successful audit, which allows the JE to move to the next stage or completion of the process.

The RSPO complaints procedure shall remain intact, where infractions can be challenged, but this is seen as separate to the Appraisal process.

The ultimate aim of the RSPO jurisdictional approach is to ensure all applicable stakeholders/producers in a jurisdiction are in compliance to the RSPO Standards/Principles & Criteria. However, the process towards full compliance of all producers in a jurisdiction to the RSPO Principles & Criteria is a challenging and time-consuming process.

To realise the full potential of JA, governments, producers (especially small to medium scale farming) and supply chains actors putting the processes into practice need more support. Hence the proposed Stepwise approach to making claims serving to ensure jurisdictional governments and other actors continue receiving positive signals and supports that their efforts are worthwhile and should be expanded.

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As stated in section 2.3, there are four stages designed with requirements stipulated for a jurisdiction to reach to final certification stage of making full claim as sustainable jurisdiction, where requirements of all four stages verified fulfilled, system requirements are verified complied and all FFB, palm oil producers and supply chains actors verified compiled and certified.

5.1 STEPWISE APPROACH REQUIREMENTS

Each step has its own requirements on systems and landscape-level performance (landscape indicator), in addition to farm-, estate-, mill-, and facility-level compliance of FFB and oil palm producer and supply chain actors to RSPO Standards (-

see Table X) below present the system and landscape indicators requirements, as well as mapping and reporting of farm-, estate-, mill- and facility-level compliance. Details assurance requirements of each stages can be found at following table x-x.

	Step 1	Step 2	Step 3	Step 4
System Performance Indicators Requirements	<p>I. Multi-stakeholder group established with mandate from the acknowledgement by relevant government authority</p> <p>II. Statement of intent to achieve 100% RSPO compliance made public by relevant government authority.</p> <p>III. Plan developed for:</p> <p>a. Establishment of the and institutionalise JE</p> <p>b. Developing Relevant policies, system, procedures to support fulfilling Jurisdictional Approach Management Requirements (Refer Chapter 4)</p> <p>c. Spatial mapping (create a database including geospatial reference) of all producers, millers, refinery and crushers, HCV/HCS and other relevant information.</p> <p>d. Database of information on producers, processors, and supply chain actors within the Jurisdiction.</p>	<p>I. JE is legally established with a multi-stakeholder board in place (Element 1.1 and 1.2 of System Requirements)</p> <p>II. Fundamental relevant structure of JE Internal Control System (ICS) developed (see Element 2) ensuring functioning of JE in monitoring, overseeing and providing relevant supports for: a) complying to landscape-level performance; and b) continuous improvements by producers, millers and crushers towards complying to RSPO Standards. Relevant Oil palm planted areas and land bank of all producers, millers, refineries and crusher and refinery facilities spatially mapped.</p> <p>III. Database compiled on producers, processors, and supply chain actors within the Jurisdiction.</p> <p>III.</p>	<p>I. Internal Control System of JE (including internal audit) is well established functioning (Element 2 – fully implemented).</p> <p>II. Quality control system in place and policy framework (Element 1)</p> <p>III. Plan in place to establish Internal Appeals, Grievances, & Complaints & Appeals Mechanisms (Element 3). Governance structure and procedures as prescribed in the CSD in place (see next chapter)</p> <p>IV. Financing viability and transparent accounting procedures in place.</p> <p>V. Oil palm planted areas and land bank of JE members, and a detailed database required for RSPO certification.</p> <p>Oil palm planted areas mapped in accordance to holding sizes (big players, medium size growers⁴⁰ and independent smallholders).</p> <p>List of all key players (growers, millers, crushers, refiners) made available (database).</p> <p>VI. Other relevant RSPO requirements implemented (e.g. i.e.</p>	<p>Fully functioning JE (full compliance with Jurisdictional Approach System Requirements – Section 4 of this document) (see Section 4).</p> <p>The JE receives group certification through external audit, following respective RSPO Standards.</p> <p>Allocation of trading rights to JE group members.</p> <p>Complete comprehensive database of all key players (growers, millers, crushers and refiners).</p>

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⁴⁰ Definition of medium size growers is to be determined through existing RSPO process by medium size TR.

			ACOP (annual reporting of progress) - NRP	
Landscape-level Performance Indicators (Landscape Indicators)	Plan developed to conduct and/or develop jurisdictional level: I. FPIC procedures and procedures for recognition of land rights (legal, customary and user rights) formulated II. Indicative HCV and HCS mapping (in alignment with RSPO requirements), includes mapping of peatlands III. Historical Land Use Change Analysis (LUCA) in accordance to RSPO LUCA guidance document IV. Legal gap analysis on differences between RSPO P&C and jurisdiction law and policies, DLW, HRD, SEIA requirements, children protection, forced and/or trafficked labour V. Regulation on use of fire, fire prevention and control measures	I. Indicative peatlands, HCV and HCS mapped. II. Jurisdictional level 'No-go' zones (for conservation and protection) mapped. III. LUCA completed with (potential) liability declared and made publicly available. IV. Procedure for recognition of land rights (legal, customary and user rights) developed. V. FPIC procedure and guidelines completed for the Jurisdiction. VI. Regulation on use of fire, fire prevention and control measures in place. I. Legal gap analysis completed II. FPIC guidelines developed and recognition of land rights (legal, customary and user rights) III. Initial spatial planning conducted, incl. VII. Legal gaps identified on the differences between RSPO P&C and jurisdiction law and policies, on DLW, HRD, SEIA requirements, children protection, forced and/or trafficked labour identified. Indicative SEIA (as required by relevant law) V. Indicative HCV and HCS mapping (in alignment with RSPO requirements) VI. New Planting Procedures as per RSPO requirements agreed VIII. Assessment of disqualifying social and environmental issues and steps taken to address them requirements, including, nNo	I. Progress towards the roadmap II. FPIC procedures and guidelines are in place and being implemented. III. Spatial planning is in place, including HCV, HCS, and peatland, and RaCP requirements are being implemented. IV. SEIA procedures and guidelines are being implemented. V. HCV and HCS mapping and implementation procedures are in place VI. New Planting Procedures as per RSPO requirements being implemented VII. Disqualifying social and environmental criteria are addressed or certification cannot proceed. Disqualifying requirements: No replacement of primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor)	

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		conversion replacement of HCV, HCS primary forest or peatlands, land conflicts, labor disputes, and legal non-compliance (e.g. slavery, child labor, human rights violations) and systematic land grabbing. (An assessment panel/(national interpretation process) is to be established)		
Mapping of producers	Proposal to map all producers formulated	All producers are geographically mapped	Compliance of producers and supply chain actors to RSPO Standards	Full compliances of all actors

Table x. Stepwise Approach for Jurisdictional Approach for Certification Requirements

Note: (1) For landscape or performance indicators, make use of national interpretation, where it is available.

(2) Reference should be made to HCVRN’s ‘Scaling up the HCV Approach in Landscapes and Jurisdiction’ guidance for landscape performance indicators.

An assessment panel/(national interpretation process) is to be established

Paragraph on RaCP implementation at jurisdictional level (to be developed)

Issues on overseeing body (Glyn to help develop)

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5.2 STEPWISE APPROACH TO MAKING CSPO CLAIMS/MAKING JA RSPO CERTIFIED CLAIMS

Any individual batch of RSPO verified complied oil palm products can be traded through ‘Book and Claim’ (credit), ‘Mass Balance’ (MB), ‘Segregated’ (SG) or ‘Identity Preserved’ (IP) supply chain models via JE membership only if the JE is certified (Step 4). Claims relating to RSPO certified products can only be made once JE is certified (Step 4).

The JE will be recognized by the RSPO as a JA pilot upon reaching Step 2 and the JE will be registered as RSPO ordinary member upon reaching Step 3. Submission of relevant documents and statements as evidence of compliance to listed requirements of relevant steps to RSPO Secretariat is mandatory.

Certified RSPO Claims must be compliant with the latest RSPO Rules on Market Communications and Claims (currently version 2016) as published on the RSPO website.

There will be a specific category to label JA RSPO certified credits and physical oil palm products in PalmTrace and on RSPO certificates that will distinguish the oil palm products from RSPO Certified plantations and mills that have obtained their certification through regular RSPO external audits. Total volumes of JA RSPO certified oil palm will be separated from total volumes of certified oil palm products from regular RSPO certified plantations and mills in RSPO Supply Chain Certificates.

JA RSPO certified credits will be labelled as JA-CSPO, JA-CSPKO, and JA-CSPKE in PalmTrace. JA RSPO certified palm oil mills will be clearly labelled as MB-JA, SG-J and IP-JA palm oil mills in RSPO Supply Chain Certificates.

JE members who are RSPO members will be allowed to choose to trade their RSPO products either as a regular RSPO member or as a JE member but cannot trade through both routes to avoid double counting of volumes.

JE members who are not RSPO members will be allowed to trade their JA RSPO certified products when the JE is certified. The RSPO will issue an RSPO trading number to each JE member of the certified JE. The JE

certificate will list all JE members who would like to trade their JA RSPO certified palm oil products with each of the participating JE members' RSPO trading number.

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No public claims relating to production and/or use of sustainable oil palm products, RSPO certified oil palm products can be made by JE on Stage 1 and Stage 2. However, a JE can be recognised by RSPO as pilot JA upon reaching Stage 3 and be registered as RSPO ordinary member upon reaching Stage 2. Submission of relevant documentation and statement as evidence of compliance to listed requirements of relevant stage to RSPO Secretariat is mandatory.

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- i. Membership fee shall be paid.
- ii. Membership sector is to be determined.
- iii. Participation of JA into RSPO supporting bodies (i.e. standing committees, WG, TF etc) are to be further determined.

RSPO certified oil palm products claims can be made ONLY for FFB and/or CSPO, as well as supply chain actors achieved certification through individual RSPO membership and FFB and/or CPO, as well as supply chain actors verified full compliances to RSPO Standards through JE membership, when a JE verified reaching stage 3 and stage 4 (final certification).

Third party verification by accredited CB is mandatory before a RSPO certified oil palm products claim can be made. The claim made must be compliant with the RSPO Rules on Market Communications and Claims 2016¹¹ as published on the RSPO Website.

Any individual batch of RSPO certified oil palm products certified via individual RSPO membership (by RSPO member within the jurisdiction) can be traded through one of four supply chain models that are approved by accredited CB: i) Identity Preserved (IP); ii) Segregated (SG); iii) Mass Balance (MB); or iv) Book and Claim (Credit).

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Any individual batch of RSPO verified complied oil palm products can be traded through 'Mass Balance' (MB) or 'Book and Claim' (Credit) supply chain model via JE membership ONLY if the JE is certified (Step 4) verified complied to Stage 3. Should a JE is certified, any individual batch of oil palm products can be traded through one of three supply chain models: i) Segregated (SG); ii) Mass Balance (MB); or iv) Book and Claim (Credit).

However, this batch of RSPO certified oil palm product could ONLY be traded through MB should it be traded via JE membership, (IF) the JE verified complied to Stage 3.

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There will be a specific category to sell jurisdictional certified credits in PalmTrace.

Note:

Principle for converting verified complied FFB to verified complied palm oil

FFB producers (smallholder or estate without a mill) can sell verified complied FFB produced through physical supply chain models or as RSPO credits equivalent. One tonne of FFB is transferred to tonnes of Verified Complied Crude Palm Oil credits using a default oil extraction rate (OER) of 20%, subject to auditor's verification and confirmation. Example, 100 tonnes of verified complied FFB = 20 tonnes of verified Complied Crude Palm Oil. Default Kernel Extraction Rate (KER) for kernel oil or kernel expeller are 5%*0.45 and 5%*0.55 respectively.

Trading of RSPO certified oil palm products shall be conducted by certificate holder through individual RSPO membership or through JE membership; while trading of RSPO complied oil palm products shall be conducted by complied actor(s) through JE membership.

¹¹ RSPO Rules on Market Communications and Claims 2016 (RSPO-GUI-G001-001 V3 ENG). Endorsed by the Board of Governors on November 2016. Revised in January 2019.

5.3 SUPPORTING JURISDICTIONAL ENTITY (TO BE DEVELOPED)

[Placeholder] — options for supporting JE

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Option 1:

RSPO to develop additional category of claim 'rewards' within PalmTrace — JA incentive/incentive or JA credit — based on CSPO certified and complied volume produced, with a cap of 70% of its total production volume? Or no cap? (if JA is certified — total credit is allowed to be traded would be 70% of the total volume; should total certified and complied volume does not reach to 70% of total production, credit is granted to the total volume verified/complied or certified).

JA credit could then be traded through RSPO PalmTrace by JE. JA credit has its specific claims — Support jurisdictional production of sustainable palm oil — specific Trademark. JA credit cannot be purchased as for compliance.

Option 2:

RSPO is to allocate 10% of trading fee received in supporting JE. Allocation based on total CSPO volume traded through PalmTrace/verified/complied and traded through RSPO PalmTrace.

6. CERTIFICATION SYSTEM REQUIREMENTS

~~Credibility—the key to RSPO success—is one of the most important factors influencing the ability of JA to attract partners and investors. Stepwise approach has been established to recognise credible and reward steps towards jurisdictional certification. — not just the final steps—needing to be credibly assess, verified, report and make claims.~~

Assurance mechanism (certification system) of JA is built upon existing RSPO process and system, with added requirements and elements for a credible claim to be made towards sustainability of production and consumption jurisdiction. The certification system made up of three key elements:

- I. ~~Certification Standards/RSPO Standards and relevant requirements – refer Section 3 and Section 5 of this document~~
- II. ~~Accreditation requirements will follow the RSPO existing system and will be provided by ASI. —This is the approval mechanism for ensuring that the organizations which undertake certification audits and surveillance audits are competent and produce credible, consistent results. Accreditation requirements are detailed in specific section of applicable RSPO certification system documents of specific scope (i.e. RSPO certification system document for Principle & Criteria).~~
- III. ~~Certification will proceed following RSPO Standards and Systems and carried out by accredited CBS. process requirements —This is the process of establishing whether or not a set of requirements (i.e. RSPO P&C 2018) has been met, usually carried out by an accredited CB. Certification process requirements are detailed in specific section of applicable RSPO certification system documents of specific scope.~~

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~~New requirements to allow jurisdictional certification processes include: This section set out the certification system for jurisdictional certification (this document) leveraging on existing RSPO system, while capturing addition assurance requirements. Certification system/mechanism is required for:~~

- I. ~~Required new SOPs for RSPO membership unit determining correct procedures for establishing JE as RSPO members. Jurisdictional system requirements~~
- II. ~~PalmTrace identifies producers and mills which are members of the JE Group Certification. Landscape-level performance~~
- III. ~~The Standing Committee on Standards and Assurance Committee will be required, from time to time, to assess the quality of JA certification document. Farm-, estate-, mill- and facility-level compliance to RSPO Standards~~

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6.1 JURISDICTIONAL SYSTEM REQUIREMENTS

~~Placeholder: To leverage on updated RSPO Certification system document for production, which would have incorporated the group certification requirements. We could have any requirements specific to JA be included during the review process.~~

6.2 LANDSCAPE-LEVEL PERFORMANCE

~~In the process of auditing, the CB will need to examine jurisdiction wide compliance for the landscape performance indicators. This is different to the JE Group audit where sampling may be used, as per current group certification practice. [To be developed]~~

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6.3 FARM-, ESTATE-, MILL- AND FACILITY-LEVEL COMPLIANCE

There are three certification systems which apply:

~~two certification system made applicable: production of sustainable palm oil products ; and use of certified sustainable palm oil products.~~

a) ~~RSPO Certification System Document for Production of Sustainable Palm Oil [2020? To be endorsed by BoG first quarter of 2020] shall be followed in the implementation of certification or verification compliant against the requirements of i) RSPO P&C and/or its National Interpretations (including applicable RSPO requirements not captured within, i.e. NPP); and ii) RSPO ISS.~~

a)

b) RSPO Supply Chain Certification Systems, to be endorsed by the BoG in 2020 ~~shall be followed in the implementation of certification or verification compliant against the requirements of RSPO Supply Chain Certification Standard.~~

c) RSPO Independent Smallholders Standard

In achieving cost effectiveness for external audits (certification and surveillance), production areas and facilities certified through individual RSPO membership are to be excluded in the audit scope of jurisdictional certification. However, CB is to conduct desktop verification on the status of applicable certificate.

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