

Frequently Asked Questions (FAQ):

RSPO Management System Requirements and Guidance for Group Certification of FFB Production (FINAL, March 2016)

Please note: this FAQ document will be regularly updated upon receipt of relevant questions by stakeholders.

Category	Questions	Answers
Documents	1. What documents do I need to look at for Group Certification?	<p><u>Group Certification itself:</u></p> <ul style="list-style-type: none"> ○ RSPO Management System Requirements and Guidance for Group Certification of FFB Production, (Final) March 2016 (includes specific guidance for individual member compliance for individual members with up to 50ha individual plantation size) ○ RSPO National Interpretation, if in existence for your country ○ RSPO Principles & Criteria 2013 (for guidance for individual member compliance of individual members with over 50ha individual plantation size) <p><u>In addition, if new plantings occurred since November 2005:</u></p> <ul style="list-style-type: none"> ○ RSPO Compensation and Remediation Procedure (Note: further guidance about applicability to independent growers is currently being developed) <p><u>In addition, if new plantings occurred since 01.01.2010:</u></p> <ul style="list-style-type: none"> ○ RSPO New Plantings Procedure <p><u>Additionally, auditors need to reference:</u></p> <ul style="list-style-type: none"> ○ RSPO Certification Systems, particularly: <ul style="list-style-type: none"> ▪ Section 4.3.2 concerning the responsibility of certification of associated smallholders and outgrowers under a mill ▪ Requirements concerning Group Certification will be included in the revised RSPO Certification Systems document
Technical Content of the guidance for	2. How different is the guidance in Part 3 of this	<p>This document introduces a mechanism for group certification that can be used to demonstrate compliance with the RSPO P&C 2013 and it introduces a concept of “appropriate to scale”, particularly for smallholders and individual growers, i.e. for all those who are not estates/plantations of mills and therefore may not have the same access to resources to</p>

<p>application of the RSPO Principles & Criteria</p>	<p>document with the current P&C?</p>	<p>achieve RSPO certification. For key requirements, e.g. for new developments (Principle 7), and chemical use (Criterion 4.6) the requirements and guidance are as rigorous as that within the Principles and Criteria.</p> <p>Through the Group Certification mechanism, particularly through the role of the Group Manager and the Internal Control System, the rigour of the RSPO P&C Standard is not being compromised nor are the requirements diluted. See section on 'compliance' below for further details on how different sizes of growers will achieve compliance with the full P&C.</p>
<p>Applicability of Group Certification to different types of Growers</p>	<p>3. Is Group Certification only available for independent smallholders?</p>	<p>No. The document is intended to facilitate the RSPO certification process for any FFB producers who are not a mill-with-supply-base (i.e. mills with own or associated estates/plantations). All types of growers that do not have any mill-with-supply-base control or influence in decision-making are eligible to use the group certification mechanism. This includes independent, associated smallholders (including scheme smallholders), outgrowers and any independent growers regardless of the size of their plantation.</p> <p>Where associated smallholders and outgrowers are concerned, the following factors will need to be analysed in order to determine whether Group Certification (called 'Option 2' in section 1.3 of the Group Certification document) or 'traditional' certification under the mill's P&C certificate (called 'Option 1', as referenced in Section 4.2.3 of the Certification Systems document) is more appropriate:</p> <ul style="list-style-type: none"> ○ Does the mill-with-supply-base have enforceable decision-making power about the operations of the growers? This does not include where only extension type services (e.g. agronomic advisory, and other similar assistance) are provided to the grower. ○ Do the growers have sufficient capacity and resources to implement full P&C requirements themselves? <p>Figure 1 below shows a diagram indicating which mechanism of certification should be used for the different scenarios, with further detailed examples provided in TABLE 1 underneath</p>

Figure 1 - Simplified Diagram on Certification Scenarios

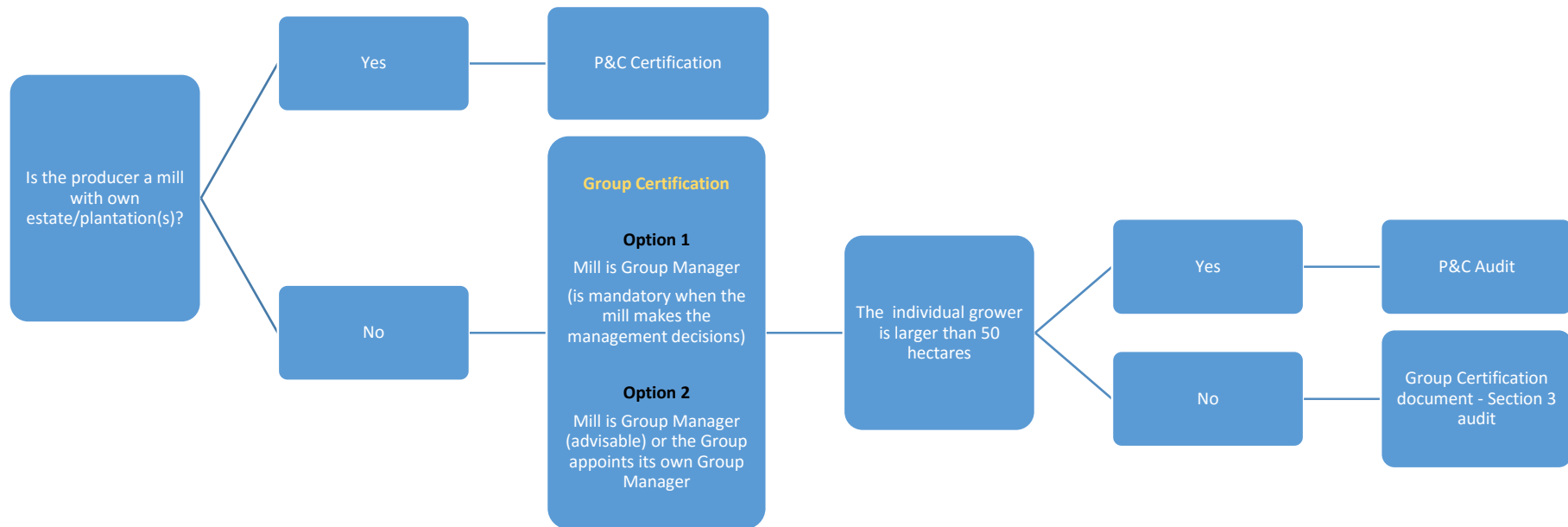


Table 1- Examples of certification scenarios for smallholders and outgrowers with different degrees of mill involvement

	The growers have capacity and resources for certification	The growers don't have capacity and resources for certification	Growers are not involved in anything operational
The mill-with-supply-base has management control on the planted land area and can enforce decisions on growers and their operations.	Growers should be certified under mill's P&C certificate.	Growers should be certified under mill's P&C certificate.	Growers should be certified under mill's P&C certificate.
The growers are land-owners and leased the land to a company that owns a mill and has developed palm on the growers' land. The growers receive dividends based on production on their applicable plot of land. The mill-with-supply-base makes decisions on behalf of the growers.	Production should be certified under mill's P&C certificate.	Production should be certified under mill's P&C certificate.	Production should be certified under mill's P&C certificate.
The mill is an independent mill, and has no management control on decisions of the growers on their operations, nor on the	Growers should be certified under separate Group Certification certificate; the mill is certified separately under the RSPO	Growers should be certified either under separate Group Certification certificate, with the mill as Group Manager, and the mill is certified separately under	NA

<p>planted land; but still contractually buys from the growers</p>	<p>Supply Chain Certification System.</p>	<p>the RSPO Supply Chain Certification System,</p> <p><u>OR</u></p> <p>The mill and growers are certified together as mill-with-supply-base under the RSPO Principles & Criteria, using the respective National Interpretation where this exists, or in the absence thereof, under Local Interpretation.</p>	
<p>The growers do not have any contractual obligations with any mill, and operate on their own.</p>	<p>Growers should be certified under separate Group Certification certificate.</p>	<p>Growers should be certified under separate Group Certification certificate.</p>	<p>NA</p>
<p>The growers own a mill, but there is no contractual obligation for the growers to sell to the mill. The growers may or may not sell to the mill. The mill has no management control on decisions of the growers on their operations.</p>	<p>Growers should be certified under separate Group Certification certificate; the mill can act as Group Manager. The mill will be certified separately under the RSPO Supply Chain Certification, if independent, or under RSPO P&C if mill-with-supply-base (i.e. if the mills has other own estates/plantations).</p>	<p>Growers should be certified under separate Group Certification certificate; the mill can act as Group Manager. The mill will be certified separately under the RSPO Supply Chain Certification, if independent, or under RSPO P&C if mill-with-supply-base (i.e. if the mills has other own estates/plantations).</p>	<p>NA</p>



<p>The growers own a mill, and there is a clear proportion of the FFB that is sold to the mill. Management of the mill and the growers may be separate, though ownership is the same.</p>	<p>Growers can be certified <u>either</u> as separate Group Certification certificate, where the mill can act as Group Manager, and the mill will be certified separately under the RSPO Supply Chain Certification, if independent, or under RSPO P&C if mill-with-supply-base (i.e. if the mills has other own estates/plantations)</p> <p><u>OR</u></p> <p>The mill and growers are certified together as mill-with-supply-base under the RSPO Principles & Criteria, using the respective National Interpretation where this exists, or, in the absence thereof, under Local Interpretation</p>	<p>Growers can be certified <u>either</u> as separate Group Certification certificate, where the mill can act as Group Manager, and the mill will be certified separately under the RSPO Supply Chain Certification, if independent, or under RSPO P&C if mill-with-supply-base (i.e. if the mills has other own estates/plantations)</p> <p><u>OR</u></p> <p>The mill and growers are certified together as mill-with-supply-base under the RSPO Principles & Criteria, using the respective National Interpretation for smallholders where this exists, or, in the absence thereof, under Local Interpretation.</p>	<p>NA</p>
---	---	---	-----------

Category	Questions	Answers
	<p>4. What would be valid reasons why the mill might not take on the role of Group Manager?</p>	<ul style="list-style-type: none"> • Geographical and communications isolation of the growers from the mill; • The growers do not have any contractual obligations with the mill; • The mill has no decision making power over the activities of the growers; • The growers do not want the mill to be the Group Manager and have sufficient resources and capacity to appoint an alternative.
	<p>5. Does this document allow medium or large sized growers without mill (i.e. non-smallholders) to be certified?</p>	<p>Yes. The document is intended to facilitate RSPO certification process for all FFB producers who are not mill-with-supply-base. For all growers above 50ha in size this means that the group certification mechanism as outlined in sections 1 & 2 of the document can be used. However, these growers will need to implement the full P&C minus mill requirements at individual level.</p> <p>Note: <i>RSPO is conducting a study on the implications of this on medium-sized growers, which will be taken into consideration during the revision of this document.</i></p>
	<p>6. Can associated smallholders and outgrowers use Group Certification?</p>	<p>Yes. The document is intended to facilitate RSPO certification process for all FFB producers who are not mill-with-supply-base.</p> <p>Whilst this would incur additional costs associated with holding 2 certificates, it would be the appropriate option for scenarios whereby associated smallholders or outgrowers are operating without enforceable management control of a mill-with-supply-base (see Table 1 above).</p> <p>Important note: <i>The 3-year rule of certification still applies for all mills-with-supply-base and their associated smallholders and outgrowers, i.e. the mill is obliged to certify their associated smallholders and outgrowers within 3 years of obtaining their own certificate (RSPO Certification Systems 4.2.3).</i></p>

	7. Who cannot use Group Certification as a mechanism for RSPO certification?	A mill-with-supply-base of which the estates/plantations are managed and belong to the CPO mill. They will need to follow the standard RSPO P&C certification route.
	8. Can a cooperative with its own mill use Group Certification?	<p>Yes. The mill will be required to implement the requirements applicable to mills as established in the RSPO P&C and RSPO Supply Chain standard. The growers within the cooperative can be included in the P&C certificate of the mill or, if the mill has no management influence over the growers, they can use the mechanism of group certification (see Table 1 above).</p> <p>Whilst this would incur additional costs associated with holding 2 certificates, it would be the appropriate option for scenarios whereby not all cooperative members sell their FFB to the cooperative's mill due to better transport linkages to other mills, or where the individual members hold full control of management of their plantations, effectively operating as independent growers.</p>
	9. Can Group Certification be used by growers who hold shares in a mill?	<p>Yes. The growers can choose to get certified using the Group Certification mechanism.</p> <p>This would be the appropriate option for scenarios where the grower delivers their FFB to a different mill than the one he/she holds shares in, often due to geographic proximity. In these scenarios the mill typically has no management control of the grower's plantation. Both mill and the shareholders are de facto independent operations (see Table 1 above).</p>
Group size	10. What is the smallest possible group size for Group Certification?	One. An independent grower can opt to use the group certification mechanism, effectively setting him/herself up as group manager of a group of 1.
	11. What is the largest possible group size	There is no upper limit of group size. Considerations may however be given to effective management, i.e. what would constitute a manageable size for a group considering the geographic dispersity or ease of reach of individual members and other factors such as

	<p>for Group Certification?</p>	<p>levels of capacity building needed to be undertaken. Depending on those factors a suitable management structure will need to be developed and/or growers may opt for establishing more than one group.</p>
	<p>12. Can a group be formed by growers of different sizes and types?</p>	<p>Yes. The Group Certification requirements allow any independent grower regardless of the size of their operation and their level of association with a mill to join a group. This means that a group can contain for example independent smallholders, associated smallholders and outgrowers who have full management control of their own operations, and other independent growers ranging from plots of less than 1ha to thousands of hectares in individual plantations. Depending on these factors, a suitable management structure will need to be developed and a capacity building programme for individual growers adapted.</p> <p>It is important to note that in practice, it is more likely that groups will be made up of similar types of members, as this is much easier to manage from a systematic perspective.</p> <p><u>A note for auditors here:</u> individual members with more than 50ha will be required to implement P&C requirements fully themselves, whereas members with less than 50ha will achieve compliance of P&C requirements through strong support by the Group Manager, i.e. through a combination of implementing the requirements for individual growers with less than 50ha themselves AND the requirements of the Group Manager. In practise this means that auditors will need to audit P&C compliance amongst individual members with more than 50ha each AND of individual members with less than 50ha each.</p> <div data-bbox="869 1082 927 1206" style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>!</p> </div> <p>The sample calculations will be applied to both these subgroups separately, whereby the auditor selects a sample of the growers with more than 50ha individual size and a sample of the growers with less than 50ha of individual size.</p>
	<p>13. How do you define 'small' and 'large' groups?</p>	<p>Small groups are those with a total production area of less than 500ha. Large groups are those with a total production area of 500ha or above.</p>

	<p>14. Would groups containing growers, who are not independent smallholders, qualify to trade Independent SH certificates via the credit platform?</p>	<p>No. Only groups composed entirely of independent smallholders are qualified to trade ISH Certificate. RSPO will develop guidance for this under the new IT trading platform.</p>
	<p>15. What is the meaning of “appropriate to scale”?</p>	<p>It is a way to differentiate what will be required as proof of compliance from a smaller farmer and the larger scale farm operation, as well as taking into account the general situation of the group (e.g. are the members literate; does the group have access to IT systems/GIS technology)</p> <p>It creates the opportunity to ensure that the proof of compliance is commensurate to the scale of the operation.</p> <p>Auditors should use the standard RSPO definitions as guidance for this: Smallholders are that: <50 ha Medium growers are those: >50 ha <500ha Large growers are those: >500ha</p> <p>It will require intelligent judgement by an auditor to provide evidence of the scale of the operation, bearing both size and group realities in mind.</p> <p>This will be included in the auditor training.</p>
<p>Compliance</p>	<p>16. How would a Group Manager assure compliance of group members</p>	<p>A capacity building programme will need to be developed and implemented covering all group members and addressing all relevant issues in the RSPO requirements.</p> <p>Additionally, a group manager will typically develop templates for all requirements that demand gathering of data to facilitate monitoring of implementation.</p>

	<p>with the RSPO requirements?</p>	<p>Ultimately however, it will be the Internal Control System with its internal auditing cycle that will lead to successful implementation of all RSPO requirements. This is assessed as part of the Group Certification requirements in Section 2, element 3 of the document.</p> <p>Should the internal auditor identify non-compliances at individual members' sites, the Group Manager will monitor the implementation of the corresponding corrective actions.</p>
	<p>17. How do growers with more than 50ha plantation size demonstrate compliance with Group Certification requirements?</p>	<p>They follow the requirements applicable to plantations as established in the NI of the RSPO P&C (i.e. all requirements except mill-specific requirement). In the absence of an NI, the growers with more than 50ha plantation size need to implement the requirements as detailed in the RSPO P&C (minus mill-specific requirements).</p> <p>Furthermore, they are required to supply all relevant requested information to their Group Manager.</p> <p>Note: <i>RSPO is conducting a study on the implications of this on medium-sized growers, which will be taken into consideration during the revision of this document.</i></p>
	<p>17.1 Does 'following the RSPO P&C' mean that growers with more than 50ha plantation size have to do individual assessments (EIA, SIA, HCV) for their plantations?</p>	<p>For certification purposes, all plantations that are part of the certification group shall have an assessment of social (Criterion 6.1) and environmental (Criterion 5.1) impacts as well as High Conservation Values (Criterion 5.2). RSPO encourages that this evaluation can be conducted jointly as a group, i.e. including all producers who make up the group.</p> <p>However, it can sometimes be more convenient to perform the evaluation grouping members according to their size or geography, which is also a valid alternative.</p> <p>Whenever a group is composed of members with varying plantation sizes (i.e. those with up to 50ha and those above 50ha), a joint assessment will have to follow the requirements of full P&C.</p>

		<p>Please note that the ‘Guidance for Independent Smallholders on Managing High Conservation Values in Established Plantation (Criteria 5.2) - Guidance for Group Managers (Version 2.4, 09-Dec-2015)’ only applies for those growers with up to 50ha of individual plantation size and should only be followed by groups/or subgroups with only members of up to 50ha of individual plantation size.</p> <p>Please note stipulations for ESIA and HCV assessments under P7 and, for any new plantings from 01 January 2010, the requirements of the New Plantings Procedure.</p>
	<p>17.2 Does ‘following the RSPO P&C’ means that growers with more than 50ha plantation size have to maintain their own registers?</p>	<p>No. The group manager, who is responsible for implementing a system of internal control, will be responsible to maintain all records centrally.</p>
	<p>18. How do auditors evaluate compliance with the Group Certification document?</p>	<p>Auditors will assess the system requirements for Group Certification as outlined in section 2 of the ‘RSPO Management System Requirements and Guidance for Group Certification of FFB Production’, aided by auditor guidance included at the bottom of the requirements. Furthermore, they will assess the group manager’s compliance with all requirements as established in the column entitled ‘requirements for group managers’ in section 3 of the ‘RSPO Management System Requirements and Guidance for Group Certification of FFB Production’, aided by the column with specific auditor guidance included in the same table. The auditors will then proceed to audit a sample of the group members following the sampling requirements as established in E3.1.2 of ‘RSPO Management System Requirements and Guidance for Group Certification of FFB Production – March 2016’ [Note: Requirements concerning Group Certification will be included in the revised RSPO Certification Systems document].</p> <p>For group members below 50 ha – requirements in Section 3. For group members above 50 ha – requirements in P&C 2013 of NI.</p>

<p>Mill</p>	<p>19. Can a mill become a Group Manager?</p>	<p>Yes.</p>
	<p>20. Can a mill support independent growers in seeking Group Certification?</p>	<p>Yes. Mills are encouraged to provide support, notably concerning capacity building, to independent growers seeking Group Certification and may even consider to become the Group Manager.</p>
	<p>21. Can a mill use the Group Certification requirements and guidance to help certify their associated smallholders and outgrowers?</p>	<p>This would be the appropriate path of certifications for scenarios where the mill has no influence over decision-making at the grower level (see Table 1 above). However, the 3-year rule of certification would still apply for all mills-with-supply-base, i.e. the mill is obliged to certify their associated smallholders and outgrowers within 3 years of obtaining their own certificate (RSPO Certification Systems 4.2.3).</p>
<p>National Interpretations</p>	<p>22. What is the operational link between an NI and the Group Certification document?</p>	<p>The NI of the RSPO Principles and Criteria provides further information on the relevant national laws and regulations and therefore serves as critical point of reference for the implementation of section 3 of the 'RSPO Management System Requirements and Guidance for Group Certification of FFB Production – March 2016' document.</p> <p>Furthermore, NIs provide definitions of smallholders (e.g. features and plantation size) and types of smallholder linkages to mills (e.g. associated vs. independent). These definitions apply to all smallholders seeking group certification and are of particular importance with regards to the requirement established in the RSPO Certification Systems in section 4.2.3 whereby mills are responsible to certify their associated smallholders within 3 years of obtaining their own certificate.</p>
	<p>23. What is the operational link</p>	<p>An LI is permissible for certification of a mill in the absence of an existing NI under the RSPO Certification Systems Annex 1.</p>

	<p>between an LI and the Group Certification document?</p>	<p>Should this mill have associated smallholders or outgrowers, the 3-year rule of certification applies, i.e. the mill is obliged to certify their associated smallholders and outgrowers within 3 years of obtaining their own certificate (RSPO Certification Systems 4.2.3). Please refer to table 1 above in order to determine whether Group Certification (called 'Option 2' in section 1.3 of the Group Certification document) or 'traditional' certification under the mill's P&C certificate (called 'Option 1' there) would be the more appropriate path of certification for associated smallholders and outgrowers. In either case, the analysis of applicable national laws and regulations in the LI is a critical reference point for group certification also.</p>
	<p>24. Can an NI simply adopt the Group Certification document in its entirety as model for certification of smallholders and other independent growers?</p>	<p>This refers to point 2.3 in Annex 1A of the RSPO Certification Systems, whereby SPC NIs are asked to adopt 'the applicable guidance for smallholders'. An NI may adopt the Group Certification document in its entirety as model for certification of smallholders and other independent growers. However, any additional guidance as well as the national legal context as established in the NI of the RSPO P&C are considered critical also for compliance with RSPO Group Certification requirements.</p>
	<p>25. Is an NI still required to develop specific SH Guidance for the country level?</p>	<p>Yes, unless it is agreed by the NI taskforce to fully adopt Section 3 of the generic document.</p>
	<p>26. Does the NI still define different types of smallholders (associated/independent)?</p>	<p>Yes. These definitions apply to all smallholders seeking group certification and are of particular importance with regards to the requirement established in the RSPO Certification Systems in section 4.2.3 whereby mills are responsible to certify their associated smallholders within 3 years of obtaining their own certificate, whilst certification of independent smallholders does not fall under any such time constraint.</p>

RSPO

Roundtable on Sustainable Palm Oil

