

RSPO

Roundtable on Sustainable Palm Oil

RSPO Standard for Group Certification

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Contents

Terms and Definitions	1
INTRODUCTION	3
Scope of this Document	4
Applicable Standards and Requirements	5
Reference Documents	6
GROUP CERTIFICATION STANDARD	7
1. Group Requirements	7
1.1. Group Elements	7
1.2. Compliance with standards	7
1.3 Group Manager	8
2. Group Management Documentation Requirements	9
2.1. Group Management Documentation structure and content	9
2.2. Internal assessment system	11
3. Chain of Custody	13
Figure 1: Group Certification Structure	8
Table 1: Example of sample size for group members in an internal assessment.....	17

Terms and Definitions

Certification	<p>The procedure by which a third party gives written assurance that a clearly identified process has been methodically assessed such that adequate confidence is provided that specified products conform to specified requirements.</p> <p>[Definition from: <i>IFOAM Accreditation Criteria</i>]</p>
Certification Body	<p>Third party that assesses and certifies the conformity of organizations with respect to published standards or other normative documents.</p> <p>[Definition from: <i>RSPO Certification Systems Document – June 2007</i>].</p> <p>In this document, the term “Certification Body” refers specifically to RSPO - approved bodies to assess oil palm growers for compliance to RSPO requirements.</p>
Certified Fresh Fruit Bunches	Fresh Fruit Bunches (FFB) from an RSPO certified plantation.
Certified Sustainable Palm Oil (CSPO)	<p>Palm oil from an RSPO certified mill (and its supply base).</p> <p>[Definition from: <i>RSPO Supply Chain Certification Systems Document – November 2009</i>].</p>
Corrective Action Request (CAR)	A request to resolve or close-out a specific non-conformance to the relevant standard, issued by either an internal or external assessor.
Crude Palm Oil (CPO)	<p>First stage palm oil product produced from fresh fruit bunches (FFB) at a mill.</p> <p>[Definition from: <i>RSPO Supply Chain Certification Systems – November 2009</i>].</p>
Formal Group Member	An oil palm grower that has been accepted in the group as a formal member for inclusion in RSPO group certification. All formal group members shall comply to the required relevant RSPO Standard for Sustainable Oil Palm Production as a prerequisite to joining a group (see 1.2.1)
Fresh Fruit Bunches (FFB)	Harvested oil palm fruit bunches.
Group Certification	Joint certification of a group of oil palm growers with the certification applying to the whole group.
Group Manager	Person or group of people responsible for running the internal control system and managing the group. In some certification schemes, the Group Manager entity is sometimes referred to as an <i>Internal Control System Unit</i> .
Group Management documentation	A documented set of procedures and processes that a group implements to achieve its specified requirements. This also includes the <i>Internal Control Systems (ICS)</i>

Prospective Group Member	An oil palm grower that is part of a programme to achieve compliance with RSPO requirements as organized by a group. Once the prospective member is in compliance with the RSPO standard they shall be formally included as a member of the certified group (i.e. become a formal group member). Until RSPO compliance is achieved, the FFB production from prospective member sites will not count towards the total certified production of the group.
Roundtable on Sustainable Palm Oil (RSPO)	Not-for-profit association working to advance the production, procurement and use of sustainable palm oil products. www.rspo.org
RSPO Principles & Criteria for Independent Smallholders	RSPO Principles and Criteria for Sustainable Palm Oil Production for independent smallholders under Group Certification (under development– Jan 2010) – an auditable standard applicable to producers who meet the RSPO eligibility criteria for independent smallholders.
RSPO Principles & Criteria (P & C)	RSPO Principles and Criteria for Sustainable Palm Oil Production (October 2007) – an auditable standard applicable to palm oil mills and their supply base.
RSPO Standard for Group Certification	RSPO requirements that shall be met by a producer group for group certification.
Smallholders	<p>Independent smallholders, while very varied in their situations, are characterized by their: freedom to choose how to use their lands, which crops to plant and how to manage them; being self-organized, self-managed and self-financed; and by not being contractually bound to any particular mill or any particular association. They may, however, receive support or extension services from government agencies.</p> <p>[Definition from: <i>RSPO Principles and Criteria for Sustainable Palm Oil Production: Guidance on Scheme Smallholders – July 2009</i>].</p> <p>Where an endorsed National Interpretation includes a definition for smallholders, this will also be recognized.</p>
Traceability	The ability to trace and track (identify and measure) all the stages from the plantation to the mill.

INTRODUCTION

Access to certification for producers of all sizes is an important element of RSPO certification. In order to facilitate access for small producers and offer reduced costs, a group certification model has been developed for RSPO Sustainable Palm Oil Productionⁱ. Group certification allows each individual group member to benefit from the economies of scale of being part of a larger group, as well as making certification more affordable as costs are shared. For the present, Group Certification under RSPO is to cover independent smallholders. Scheme smallholders that does not have mill can also be included within Group Certification. Larger independent oil palm growers (i.e. usually exceeding 50 ha, or as defined by national interpretations, and without an associated mill) may also be included within Group Certification as decided by the RSPO.

Group Certification is a commonly used tool in the certification of natural resource management (e.g. organic production, good forest management, good agricultural practices). It allows a number of production units to be certified under a single certificate, which is held by a central organization or individual (the *group manager, group administrator or group entity*). The group manager is responsible for establishing an internal control system which controls the group, and for carrying out a program of internal assessments of members' performance. This is in order to be certain that all group members are complying with the RSPO production requirements.

All groups are required to meet group certification standards related to internal control systems in addition to sustainable oil palm productions standards.

The group manager and a sample of the group members are assessed by an independent certification body (see Figure 1).

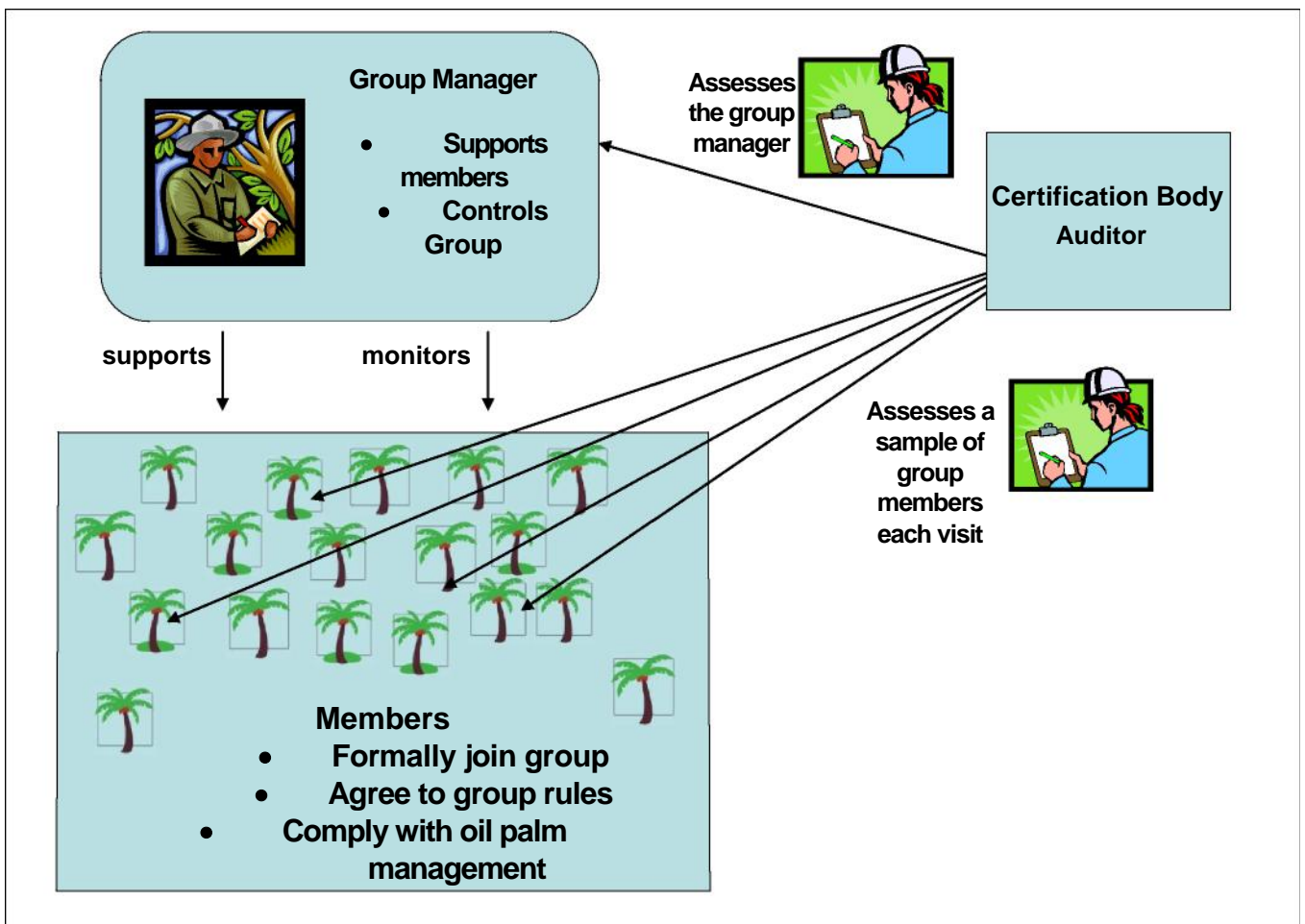


Figure 1: Group Certification Structure

Scope of this Document

This standard specifies the RSPO requirements for a group of oil palm growers to be certified as a group. This includes requirements for the group manager (the certificate holder) managing a group of oil palm growers under a single certificate, a process referred to as Group Certification. The standard is also applicable for scheme smallholders who does not have associated mill (see RSPO Principles and Criteria for Sustainable Palm Oil Production: Guidance on Scheme Smallholders).

A group may be formed of any number of members as long as the group manager can demonstrate sufficient capacity and resources to manage the group (see 1.3.6).

Group members shall all be smallholders, i.e. they must be oil palm growers where the plantation is not formally associated with a mill (by contract, credit agreement or other similar means) and where there is no exclusive contract to sell FFB to any particular miller/grower. Independent growers who are not smallholders (see "smallholders" definition) may be included in the RSPO Group Certification. Please see "Applicable Standards and Requirements" for differences in RSPO standards.

RSPO Group Certification should remain flexible to be able to include different smallholder scenarios around the world. It is suggested that the individual country National Interpretation bodies define what characteristics of growers qualify for Group Certification. However, individual National Interpretations must provide sufficient justification to the RSPO in any decision to include specific types of growers in Group Certification. Justification shall be based on specific thresholds that are set by the RSPO (**NB: This is yet to be developed**). It is also recommended that National Interpretations shall be allowed to review the characteristics of growers to be included in Group Certification within 2 years of adoption of the RSPO Group Certification Protocol based on field tests of Group Certification in that particular country.

The group can carry out collective marketing on behalf of group members.

Applicable Standards and Requirements

There are three key requirements within any certification system (a standard, certification requirements and accreditation requirements). The only difference for group certification is that some additional specific standards, certification and accreditation requirements may apply. These are explained below:

- **Certification standard.** These set out the requirements to be met and against which certification assessments are made. For Group Certification there are 2 standards:
 - The RSPO Standard for Group Certification (describing the internal control documentation and mechanisms that the group manager and members must have in place) [contained within this document].
 - The relevant RSPO Standard for Sustainable Oil Palm Production which must be met by each group member within the Group. For independent smallholders this will be the ***RSPO Principles and Criteria for Sustainable Palm Oil Production: Guidance for Independent Smallholders under Group Certification*** or an endorsed RSPO National Interpretation for Independent Smallholders. In the eventuality that RSPO allows Group Certification for larger independent growers, the relevant standard will be the ***RSPO Principles and Criteria for Sustainable Palm Oil Production*** or any relevant RSPO endorsed National Interpretation.
- **Accreditation requirements.** These are the requirements to be met by certification bodies, and are designed to ensure that they are competent and produce credible, consistent results. These are outlined in Section 3 of the RSPO Certification Systems document (June 2007). For group certification, additional accreditation requirements are found in Part 1 of the document RSPO Accreditation and Certification Guidance of Group Certification for Certification Bodies (draft 3).

- **Certification process requirements.** These set out how certification bodies should assess an operation and reach a decision on whether or not a set of requirements (i.e. the standard) has been met. These are detailed in Section 4 of the RSPO Certification Systems document (June 2007). For group certification, additional requirements and guidance are found in Part 2 of the document RSPO Accreditation and Certification Guidance of Group Certification for Certification Bodies [draft 3].

Reference Documents

The following are documents which should be used in association with this document:

RSPO Group Certification Documents

- RSPO Standard for Group Certification.
- RSPO Guidance for Group Managers **(NB: This is yet to be developed)**

RSPO Certification Documents

- RSPO Certification Systems, 26 June 2007.
- RSPO Supply Chain Certification Systems, November 2009.

RSPO Standards for Sustainable Palm Oil production

Generic Global Standards:

- RSPO Principles and Criteria for Sustainable Palm Oil Production, October 2007.

Approved RSPO National Interpretations

- Roundtable on Sustainable Palm Oil (RSPO) Malaysia National Interpretation (MY-NI)-Indicators and Guidance to establish the RSPO Principles & Criteria, April 2008.
- National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production - Republic of Indonesia, May 2008.
- The Roundtable on Sustainable Palm Oil (RSPO) PNG National Implementation Working Group (PNG NIWG) - Indicators and guidance required to establish the RSPO Principles and Criteria, March 2008.
- National Interpretation of RSPO Principles & Criteria for Sustainable Palm Oil Production For Scheme Smallholders - Republic of Indonesia, May 2009.

RSPO Smallholder Guidance on palm oil production standards

- RSPO Principles and Criteria for Sustainable Palm Oil Production: Guidance on Scheme Smallholders, July 2009.
- RSPO Principles and Criteria for Sustainable Palm Oil Production for Independent Smallholders under Group Certification (under development).

GROUP CERTIFICATION STANDARD

1. Group Requirements

Producers can form or join a group for group certification. The organization and its members shall demonstrate their ability to meet the RSPO Standard for Group Certification and the relevant RSPO Standard for Sustainable Oil Palm Production.

1.1. Group Elements

- 1.1.1 The group shall be managed by a central administration (i.e. The Group Manager), which is responsible for ensuring the group's compliance with the applicable standards and manages the Group Management Documentation.
- 1.1.2 The group shall consist of group members who have formally joined the group.
- 1.1.3 The Group Management Documentation shall include the documenting and monitoring of all the individual group members for membership status, production process, and other relevant aspects to ensure compliance with the relevant RSPO Standard for Sustainable Oil Palm Production and the RSPO Group Certification Requirements.
- 1.1.4 The Group Manager shall specify in the Group Management Documentation the maximum number of members that can be supported by the management system and the human resource and technical capacities of the Group Manager.

1.2. Compliance with standards

- 1.2.1 All group members that are formal members of the group seeking RSPO certification under group certification shall comply with the required relevant RSPO Standard for Sustainable Oil Palm Production.
- 1.2.2 Group managers may run a programme to support prospective members in achieving compliance with RSPO requirements. Where such a programme is in place, there must be robust mechanisms in place to ensure that neither the prospective members nor the Group Manager makes any claim suggesting they are RSPO certified. Once the prospective member is in compliance with the RSPO standard they shall be formally included as a member of the certified group. Until RSPO compliance is achieved, the FFB production from prospective member sites will not count towards the total certified production of the group.

- 1.2.3 Formal members of the Group shall sign an agreement with the Group Manager committing to achieving compliance with the relevant RSPO standard for sustainable oil palm production. The Group Manager and each member shall keep copies of the agreement.
- 1.2.4 All the individual group members shall adhere to and show evidence that the internal requirements, as set out in the systems, programmes or policies adopted by the Group Manager are met.
- 1.2.5 The group manager shall comply with the requirements of the RSPO Standard for Group Certification.
- 1.2.6 There shall be evidence to show that formal group members, individually and collectively, continually strive to maintain their compliance with the relevant RSPO Standard for Sustainable Oil Palm Production.

1.3 Group Manager

The Group Manager of the Group shall demonstrate its capacity for managing group certification and performance assessment against the RSPO Standard for Group Certification.

- 1.3.1 The Group Manager shall be either a legal entity or an individual acting as a legal entity.
- 1.3.2 If the Group Manager is not an individual, there shall be a description of the general structure of the Group Manager detailing the positions and responsibilities of all personnel clearly identified.
- 1.3.3 The Group Manager and/or their personnel shall be able to communicate in a language understood by all group members (in both spoken and written form).
- 1.3.4 The Group Manager and/or their personnel shall be able to demonstrate knowledge of the requirements of oil palm production, the RSPO Standard for Sustainable Oil Palm Production, the RSPO Standard for Group Certification, and internal group procedures and policies.
- 1.3.5 The Group Manager and/or their personnel shall not have any conflict of interest likely to affect their capacity to meet the requirements for Group Managers and shall be able to provide evidence of this.
- 1.3.6 The Group Manager shall demonstrate sufficient resources – i.e. human, financial, physical and other relevant resources – to enable effective and impartial technical and administrative management of Group Certification.
- 1.3.7 The Group Manager shall have the capacity to control, monitor and evaluate all members pertaining to their compliance to the RSPO requirements including communicating with them and visiting them at the required frequencies.
- 1.3.8 The Group Manager shall have a documented system which sets out its mission and

objectives, policies and procedures for operational management and decision making in order to demonstrate ability to manage the group in a systematic and effective manner.

- 1.3.9 There shall be clear policies and procedures for communication between the Group Manager and group members.
- 1.3.10 The group manager shall ensure all formal and prospective members understand the relevant RSPO Standards. This may include the development of a strategic plan on how group certification shall be achieved for prospective members, and the identification, definition and/or provision of training needs and/or communication strategies relevant to the implementation of the applicable RSPO Standard for Sustainable Oil Palm Production and the RSPO Standard for Group Certification. This can be provided directly by the Group Manager, an externally run training course or other means of provision of training or expertise.
- 1.3.11 The Group Manager shall ensure that if any group marketing system is developed and managed for the group, this is mutually fair and transparent to enable the securing of raw materials or trading of the group members' collective produce, or setting-up of an equivalent arrangement. The group marketing system shall include; rules for purchasing and selling within the group, rules for claims of RSPO certified, dissemination of markets, and price information and related logistics (i.e. transportation to mill etc).
- 1.3.12 The Group Manager shall ensure that the total of all sales and claims of RSPO certified FFB production from group members does not exceed the total certified FFB production of the group in its entirety.

2. Group Management Documentation Requirements

The Group Manager assesses compliance of the plantation practices and manages group members to ensure compliance with the RSPO Standard for Group Certification and the relevant RSPO Standard for Sustainable Oil Palm Production. The Group Manager shall have a documented internal system that contains the elements necessary for assessing the performance of group members and their plantations.

2.1. Group Management Documentation structure and content

The Group Manager shall have its operational structure, policies and procedures, and basic information on individual group members documented. The system verifies whether operations within the group comply with the RSPO Standard for Group Certification Requirement and the relevant RSPO Standard for Sustainable Oil Palm Production.

- 2.1.1 The Group Manager shall have an operating structure that defines group management documentation (i.e. internal control systems), decision-making and responsibilities within the group.
- 2.1.2 All group records shall be retained for at least 5 years.
- 2.1.3 The Group Manager shall have documented membership requirements for the participation of individual members in the group. This shall include:
 - 2.1.3.1 Requirements and procedures for joining the group.
 - 2.1.3.2 Requirements and procedures for leaving the group.
 - 2.1.3.3 Procedures for incorporating a remedial system for member non-compliance.
 - 2.1.3.4 Procedures for expulsion from the group.
- 2.1.4 There shall be a group-level operation manual that includes the following:
 - 2.1.4.1 Internal assessment protocols.
 - 2.1.4.2 Policies and procedures for accepting / removing members.
 - 2.1.4.3 Policies and procedures for applying corrective action requests (CARs) to group members for non-compliance with the relevant RSPO standards.
 - 2.1.4.4 Procedures for communicating corrective action requests (CARs).
 - 2.1.4.5 Clear description of the process to fulfill any correction action requests (CARs) issued internally by the Group Manager or by the certification body including timelines and the implications if any of the CARs are not complied with.
 - 2.1.4.6 Policies and procedures for handling complaints, appeals, corrective action requests (CARs), and group member performance assessment.
 - 2.1.4.7 Policies and procedures for group monitoring, including carrying out and updating group risk assessment and annual surveillance of group members.
- 2.1.5 The Group Manager shall develop and maintain a database of group members included within the Group Scheme. This includes the information below as a minimum for each member:
 - 2.1.5.1 A copy of each group member's application form to the group with relevant information for each member that is updated regularly, i.e. name of producer, address, contact details, type of land ownership, size of plantation area, location, etc.
 - 2.1.5.2 Total annual production and production per unit area (hectare) for previous years,

from at least one year prior to joining the group, and the estimated production for the current year.

2.1.5.3 Results from the last internal and external assessments showing performance levels to the relevant RSPO Standard for Sustainable Oil Palm Production, including dates these were carried out, any plans for implemented improvement and corrective action requests (CARs) raised and closed out for each group member.

2.1.5.4 The date of group membership acceptance and date of departure or expulsion from the group if relevant.

2.1.5.5 Maps of the plantation area for each group member. This can be in the form of individual maps or a collective map covering all group members.

2.1.6 A summary of all the data on land use (in hectares) shall be kept and regularly updated covering the entire group that includes at least the following:

2.1.6.1 Total overall land area for each group member.

2.1.6.2 Total oil palm planted area for each group member.

2.1.6.3 Total RSPO certified production area for each group member.

2.1.6.4 Other crop production areas (i.e. non oil palm) for each group member if any.

2.1.6.5 Total undeveloped area or areas set aside for any particular reason (i.e. conservation, customary, identified HCV etc) for each group member, if any.

2.1.6.6 Total area with infrastructure for each group member, if any.

2.2. Internal assessment system

2.2.1 Prospective members intending to join the group to be included under group certification shall only be allowed to become formal members of the group after an initial compliance assessment for entry by the Group Manager. This initial assessment will determine that all group members who formally join the group with the intention of being included under group certification, are able fulfill the group membership requirements and are able to meet the relevant RSPO Standard for Sustainable Oil Palm Production.

2.2.2 The Group Manager shall implement a regular and ongoing internal assessment programme for all current group members that includes at least the following:

2.2.2.1 Internal assessments shall be documented and these documents maintained for 5 years.

2.2.2.2 Regular (at least annual) internal assessment visits to a sample of group members to confirm continued compliance with all the requirements of the relevant RSPO Standard for Sustainable Oil Palm Production and RSPO Standard for Group Certification. All members shall be monitored at least once during the period of validity of the group certificate (normally 5 years).

2.2.2.3 The Group Manager shall identify the relevant RSPO Standard for Sustainable Oil Palm Production that is appropriate for each group member. It is the performance against this standard that is assessed at each internal assessment.

2.2.2.4 The sample size for internal assessments shall be based on a risk assessment of the group members, where a higher risk requires a higher sample size.

Example: Low risk groups are those where the group is relatively homogeneous, i.e. geographically as well as socioeconomically, there are no current replanting activities, there are no new members, the group is well established and has no history of non-conformities. Low risk can also be defined by the high likelihood that a group member will maintain compliance with the relevant standard. High risk groups are those where there is considerable heterogeneity in the group (e.g. geographically separated, very different terrain, different levels of experience of oil palm cultivation, very diverse sizes of plantation, different socioeconomic situations amongst members, etc). High risk can also be defined by a low likelihood for a group member to maintain compliance with the relevant standard.

2.2.2.5 The sample size shall be determined by the formula $(0.8/y) \times (z)$, where z is the multiplier defined by the risk assessment. Low risk = multiplier of 1, medium risk = multiplier of 1.2, high risk = multiplier of 1.4 (see Table 1).

2.2.2.6 The group shall use a minimum sample to be visited annually for internal assessment of $(0.8/y)$, where y is the number of group members, and where selection of group members is based on random selection techniques.

Table 1: Example of sample size for group members in an internal assessment

Example of sample size of group members to be assessed in an internal assessment				
Number of group members = y	Minimum = $0.8 \sqrt{y}$	Low risk = $(0.8 \sqrt{y}) \times (1)$	Medium risk = $(0.8 \sqrt{y}) \times (1.2)$	High risk = $(0.8 \sqrt{y}) \times (1.4)$
6	2	2	3	3
14	3	3	4	5
25	4	4	4	6
39	5	5	6	7

Example of sample size of group members to be assessed in an internal assessment				
Number of group members = y	Minimum = $0.8 \sqrt{y}$	Low risk = $(0.8\sqrt{y}) \times (1)$	Medium risk = $(0.8\sqrt{y}) \times (1.2)$	High risk = $(0.8\sqrt{y}) \times (1.4)$
56	6	6	7	8
75	7	7	8	10
100	8	8	10	11
500	18	18	21	25
1000	26	26	30	35
2500	40	40	48	56
3600	48	48	58	67

2.2.2.7 The Group Manager shall ensure that different group members are visited in each annual internal assessment to those that have been selected for assessment by the certification body, unless there are circumstances which require a revisit of the same members (e.g. pending corrective action requests (CARs), complaints received from stakeholders, risk factors etc).

2.2.2.8 Additional internal assessments shall be scheduled when potential problems arise or when the Group Manager receives information from stakeholders about alleged non-conformities of the relevant RSPO Standard for Sustainable Oil Palm Production by group members.

2.2.3 Non-conformities identified by the Group Manager shall be resolved internally according to a documented system of applying corrective action requests (CARs). See 2.1.4.3.

3. Chain of Custody

The Group Manager shall have a system in place to enable the trading of RSPO certified Fresh Fruit Bunches (FFB) produced from the group.

3.1 The group manager shall document and implement a system for the tracking and tracing of FFB produced by the group members, and intended to be sold as RSPO certified FFB.

3.2 There shall be a collective group procedure for the sale of all certified FFB originating from the plantations of group members that is agreed by the group members and the Group Manager and is designed to ensure that non-certified FFB are not sold as RSPO certified FFB. This shall be contained in any group marketing system that is developed for the group, and shall follow one of the supply chain models as per the RSPO Supply Chain Certification Systemsⁱⁱ, i.e. Identity Preserved, Segregation or Mass Balance.

- 3.3 The group manager shall ensure that all invoices for sales of RSPO certified FFB originating from the group are issued with the required information as per the adopted supply chain model requirements within Annex 6 of the RSPO Supply Chain Certification Systems document – November 2009.
- 3.4 The physical transporting of RSPO certified FFB originating from the plantations of group members shall be done either directly by the group (i.e. through own transportation), or via sub-contracted intermediaries. For intermediaries the requirements as outlined in 3.7 shall also apply.
- 3.5 All sales of FFB originating from the plantations of group members shall be documented. This shall include:
 - 3.5.1 Invoices and receipts (purchase and sale).
 - 3.5.2 Information on transport.
 - 3.5.3 The relevant group members' group identification number.
 - 3.5.4 Description of the product sold (i.e. RSPO certified or not), product volume and destination.
- 3.6 The Group Manager shall maintain copies of all relevant documentation and records of group product transactions for a period of 5 years.
- 3.7 If an intermediary exists in the supply chain from the group to the mill that wants to be included within the group certification control rather than obtain their own supply chain certification, the intermediary shall be identified by the Group Manager. The Group Manager shall have a contract with the intermediary to fulfill the RSPO Standard for Group Certification and agree to be assessed on an annual basis by the Group Manager as well as in certification assessments. It is the responsibility of the Group Manager to ensure that the intermediary shall comply with the following conditions:
 - 3.7.1 There shall be a contract between the intermediary and the Group Manager.
 - 3.7.2 The intermediary shall have complete purchasing and selling records.
 - 3.7.3 The intermediary shall have RSPO supply chain systems in place to separate certified from non-certified materials through any of the RSPO supply chain options (i.e. Identity Preserved, Segregation or Mass Balance).

ⁱ Nussbaum, R. (2002) *Group Certification for forests: a practical guide*, ProForest, Oxford and Forest Research Programme, London. P6.

ⁱⁱ Note that this does not include book and claim.