

Lesson Learnt and Challenges in Auditing Independent Smallholders

Presentation By Senniah Appalasamy
Client Manager, BSI Group
Senniah.appalasamy@bsigroup.com



Contents

- 1. Reference Documents for Auditing.**
- 2. Types of Independent Smallholder Group Structures seen.**
- 3. Audit Process – Document Audit and Interview with Farmers/Field Audit.**
- 4. Constraints seen among Independent Smallholders to get Organised as a group.**
- 5. Common nonconformance seen among Independent Smallholders.**
- 6. Steps to get Certified.**

1. Reference Documents for Auditing.

- i. RSPO P&C for Independent Smallholder under Group Certification (National Interpretation).**
- ii. RSPO P&C Generic Guidance for Independent Smallholder under Group Certification – June 2010.**
- iii. RSPO Standard for Group Certification *Final – approved July 2010 (Amendment April 2013).***
- iv. RSPO Certification System 2007_revised 4.2.4 July 2011.**
- v. RSPO Accreditation and Certification Requirements for Groups Certification_26 August 2010 – *Applicable for CB.***
- vi. Reference to Announcement by RSPO Secretariat on 10 May 2013 – Option to trade certified FFB produced by smallholders.**
- vii. Annex 6 of the RSPO Supply Chain Certification Systems document – November 2009. (chain of custody requirement under Standard for Group Certification).**

2. Types of Independent Smallholder Group Structures seen.

i. Independent Smallholders form own Group Management by electing from group members (i.e. Chairman, Vice Chairman, Treasurer etc.) and **Partnering with Palm Oil Mill** without losing their Independent Status to sell the FFB to their preferred Palm Oil Mill.

Partnering mill gives IT support and an office to manage the data base and ICS documents. (i.e. Thailand)

ii. Independent Smallholders **partnering with external member acting as group manager** – form a Producer Group Management i.e. Group manager, field coordinators, farm assistants etc. (i.e. Malaysia)

iii. **Independent Smallholders form a Group Structure among themselves** with external support and advice. (i.e. Indonesia)

iv. Completely on their own – possible after certification. (i.e. Thailand)

• *Note: All the model received external support. i.e. NGO, Government extension services , experts etc.*

3. Audit Process - Document Audit and Interview with Farmers / Field Audit

- i. Public Stakeholder Notification (RSPO, CB and local notice board).**
- ii. Document Review prior to assessment.**
- iii. Assess sample of group members. Full data of the group and group members required prior to on-site assessment.**
- iv. Onsite – Assessed Group Manager, ICS, Group Structure, Group Members, Field visit, Document Review, Stakeholder Consultation.**

Certification Unit and Certified Palm Product

The Certification Unit:

Group Manager (*sometime can be a group management committee*)

FFB produced by the Group Members is Certified.

(However, for the Sales and Trading of Certified Sustainable Palm oil, FFB converted to CSPO, CSPK, CSPKO and CSPKE tonnage).

Note: Reference to Announcement by RSPO Secretariat on 10 May 2013 – Option to trade certified FFB produced by smallholders.

4. Constraints seen among Independent Smallholders to get Organised as a group.

1. Smallholder has own way of managing farms and being on routine for many years.
2. Difficulty in convincing them to follow a standard practice and maintaining farm records.
3. Language constraints: limited guidance documents in local language for smallholders which can be easily understood. Some too technical for their level.
4. Understanding of the benefit of Sustainable Practices.
5. Always expect external support to organise due to Leadership Conflicts.
6. External support needed for HCV and SEIA documentation.
7. Finance.

5. Common nonconformance seen among Independent Smallholders.

Most Common issue is related to:

i. Safe working practices

- Agrochemical handling

ii. maintaining accurate data.

- Farm records

iii. Understanding on New Planting requirements. (Principle 7 and NPP)

6. Steps to get Certified...

- i. The Independent Smallholder Group/Group Manager need to be a RSPO member to be Certified. Apply EARLY to become a RSPO member because it will go through verification process before approval.**

- ii. Apply for RSPO Smallholder Support Fund through partnership with external party who is willing to support the preparation stages.**

- iii. Refer to RSPO Standard Document relevant to Group Certification to prepare the group and their relevant documentation.**

- iv. Pilot test audit was already conducted in Thailand, Indonesia and Malaysia. Discussion with relevant group manager/external support consultants will be helpful to share the knowledge and experience. Observe actual audits.**

v. Support from external parties is required mainly to developing records and teaching the smallholders to maintain the Internal Control System. So...look for a support group.

vi. To ensure the Independent Smallholders understand the benefit of producing Certified FFB through Sustainable Practices.

vii. Prepare Guidance on the GreenPalm Book & Claim Trading System for the Independent Smallholders Group Management/Group Manager in local language.

Thank You