

FFB Legality: Saving the forest while improving the smallholders

RSPO

Roundtable on Sustainable Palm Oil

RSPO Legal FFB Task Force

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SUSTAINABILITY
WHAT'S NEXT?



Why Legal FFB TF?

- RSPO has been successful to deliver sustainable palm oil in the market place and demonstrate that sustainability is possible as well as feasible for the global palm oil value chain
- One challenge is that the plantation expansion by the growers, particularly by individuals or independent smallholders, has entered areas which legally are not zoned for agricultural cultivation. These areas include, but not limited to, national park, reserve forest and production forest.

Supply chain

- The FFB from these questioned areas likely have been used in the global palm oil supply chains.
- Furthermore, a number of processing facilities owned by RSPO members, direct or indirectly, have also involved in processing these FFBs.
- On the trading side, RSPO certified materials have been traded as identity preserved (IP), segregation (SG), mass balance (MB) and B & C.
- The MB is highly potential to pose a credibility risk, when, the uncertified palm oil portion derived from palm trees planted from unknown or possibly illegal areas are mixed with certified FFB to produce MB CSPO.

Effects on sustainability

- There is no system yet in place to trace the oil palm fruits derived from mills external suppliers (i.e. those produce by independent smallholders or outgrowers).
- This issue has affected the credibility of certified mills and RSPO members, who are supposed to uphold their sustainability standard.
- In order to seal the possible leakages of the RSPO standard, the external suppliers of either certified mills or RSPO producer members shall also be traceable and its legality can be proven.
- C4.1.4 of P&C 2013 (M) – the mill shall record origins of 3rd party sourced FFB



Hence the TF

- In order to maintain its credibility, RSPO BoG has called for formation of a Taskforce to improve the standard of palm oil supply chain system, to be named as “FFB Legality and Traceability Taskforce”, and place under the RSPO Standard and Certification Standing Committee.
- The members of the Taskforce shall comprise of a balanced representatives of RSPO immediate stakeholders, whom are closely related to the external palm oil fruits suppliers.



Objective

- To define the 'legal FFB' in RSPO context compare it with the local legal definition
- To produce an improved supply chain mechanism in assuring robust traceability which taking into account all legality requirements applicable in countries where RSPO members operate.
- Promote, monitor and improve its implementation

The mandate of the Taskforce

- To provide recommendation on legal FFB sourcing, be it in terms of policy, mechanism, approach(s), tools etc;
- Support and monitor trials of the application of the controlled mechanism for FFB sourcing;
- Provide recommendation to the Secretariat/Standing Committee/ BoG for approval of policies/ project(s)/ funding as per the WG requirement.



Proposed composition

Category	Division	Proposed
Growers (Malaysia , Indonesia, ROW)	3	Wilmar Asian Agri Sime Darby Felda NBPOL GVL
Social NGO	2	Oxfam Novib Sawit Watch
Environmental NGO	2	WWF Indonesia FFI
Supply Chain (Manufacture, Bank/Finance, Retailer, Processor & Traders)	2	Unilever IFC

To include experts

The Taskforce may also be inviting representation from the expert(s) and/ or government officials as deem necessary, such as, but not limited to:

- Sawit Watch/ SPKS
- FORMISBI (Forum on Indonesian Sustainable Palm Oil)
- Jikalauhari (Province of Riau)
- Certification bodies
- Government institutions
- International organisations
- Etc

Structure

- The Taskforce will be chaired by two Co-Chairs. The Co-Chairs, together with the representatives from the Secretariat are responsible to ensure for the overall cohesion, coordination and facilitation of the Taskforce. Suggestion to imitate the other Working Group within RSPO.
- The day-to-day activities of the Taskforce will be executed by the RSPO Secretariat.

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SUSTAINABLE PALM OIL

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Thank You