



Indonesian Sustainable Palm oil as an Alternative Scheme

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Why Indonesian needs ISPO?

Challenges in development of oil palm plantations



- Indonesia Voluntary Mitigation Actions (Copenhagen) to reduce GHG 26 % , later if any assistant available then 41% reduction is programmed
- Letter of intent between Norway and Indonesia on Cooperation on reducing GHG emission from deforestation and forest degradation (REDD+)
- Indonesian commitment in many forum to reduce GHG emission
- EU Directive on Promotion of Renewable Energy sources



Program to reduce GHG emission

The Reduction of GHG emission will achieved, inter alia, through the following actions:

1. Sustainable Peat Land Management
2. Reduction in Rate of Deforestation and Land Degradation
3. Development of Carbon Sequestration
4. Promotion of Energy Efficiency
5. Development of Alternative and Renewable Energy Sources
6. Reduction on Solid and Liquid Waste
7. Shitting to Low- Emission Transportation Mode



Objectives

- To support the Indonesian government commitment in many forum on reducing GHG emission
- To increase Indonesian palm oil producers awareness in protecting the environment
- To protect Indonesian Environment
- To increase Indonesian oil palm competitiveness in international market



Why implement ISPO and not
other scheme?



Other schemes

- EU Directive on the promotion the use of energy on renewable sources (EURED)
- Roundtable on Sustainable Biofuel (RSB) is for biofuel only, which Indonesia might develop this type of scheme in the future
- RSPO is an international scheme is good and multi stakeholders involvement, but to be implemented in Indonesia by the government of Indonesia for the whole country of course it does not follow Indonesian regulations, as government, advisory award and sanction is very important.



ISPO as Requirements

- ISPO as requirements or standards base on rule regulations
- Indonesian rule and regulations base on International requirements on Good Agricultural Practices , better environment and responsibilities on social and economic development
- The difference between ISPO and RSPO, ISPO is on official legal requirements by the government
- Therefore ISPO is mandatory, not as alternative scheme.



ISPO Commitments

1. Indonesia need to protect their environment, implement sustainable practices for commodities sector such as palm oil, cocoa, coffee, etc.
2. This requirements need to have a strong legal framework to push the growers to implement all rules and regulations consequently.
3. These legal requirements must also follow WTO (Committee on TBT) and other international Commitments such as Kyoto Protocol ,UNFCCC etc.
4. At the same time it give response to all allegations imposed to Indonesia by many institutions and organizations.



The establishment of ISPO requirements/criteria

- To implement Minister of Agriculture Decree No. 17/2009 which graded the plantations in class. This is a **pre-certification requirements**.
- The certification system to follow the international standard to certified palm oil according to the international standard which approve by WTO in this case is International Organization for Standardization (ISO)



Pre-certification arrangement Responsibility of the government

The Assessment on the Oil Palm Plantations Management (PUP), which consists of:

- Legalities
- Plantations Management
- Cultivation aspects
- Processing
- Social
- The impact on regional economic
- Environment
- Reporting



The classification of the plantations

- Result of Assessments
 - 80-100 class 1
 - 60-79 class II
 - 40-59 class III
 - 20-39 class IV
 - < 20 class V

Government will assist plantations who can not fulfill the requirements by giving advocacy, only plantations which is in class I, II and III can apply for certification.



Criteria of ISPO

- The detail criteria is extracted from 110 rules and regulations, from many Ministries which currently has to be implemented by the plantations in Indonesia and maybe some regulations has been issue 10 to 11 years
- ISPO some are similar with RSPO, some has different in application
- ISPO is mandatory
- The certification implementation not only follow the consumer/manufactures demand to produce sustainable palm oil, but to be responsible to our own environment



System applied in ISPO Certification

System applied for certification is ISO :

1. ISO 19011 : 2002

Guideline for quality and/or environmental management system auditing.

2. ISO/IEC Guide 17021

General requirement bodies operating assessment and certification/ registration of environment management system.

3. ISO/IEC 14001 : 2004

Environment management system

4. ISO/IEC 9001 : 2008

Quality management system



Criteria ISPO and its implementation

- All criteria ISPO based on Rules and Regulations so it has legalities , meanwhile the auditors are the quality and environment, so they report to Assessment Committee under ISO Committee.
- In certification process, no tolerance is given the non compliances, it should be zero



ISPO certification system

- Standard
ISPO requirements is used standard for auditing
- Accreditation requirements this to follow:
 - ISO/IEC Guide 66 :1996
 - ISO/IEC 17021 : 2006
 - ISO 17011: 2004
- Competencies of assessment Team
- Assessment process



Implementation of ISPO

- a) Foreign certification body must be accredited by KAN, has to have an office in Indonesia
- b) Implementation of certification system at the latest January 2012, time given for ISPO should implement is 2014
- c) For smallholders the requirements still under discussion it will be finish by end of 2011. It has to be follow by field trial soon



Implementation of ISPO

- d) Non compliances in legal aspects
- e) Grievances or claim
- f) Arbitration by Arbitrative panel
- g) Cooperation in certification with other organizations RSPO, RSB, EU and EPA USA
- h) Promotion of ISPO



ISPO and RSPO (example)

ISPO

1. Legalities
Plantation has to aside a side 20% of their land for plasma
2. Overlapping with mining
3. Planting in peatlands
Moratorium on planting in primary forest, peatlands, over-logged forest
4. Environment
5. Disturbances from non moving objects noise, vibration and odour

RSPO

1. Yes . Some different
2. Not exist
3. As new planting criteria
4. No
5. No



ISPO and RSPO (example)

- | | |
|--|--|
| 6. Protected forest as in Perpres No 32/1990 | 6. HCV |
| 7. Green House Gas Emission Identified sources and reduce emission | 7. Assessment of polluting activities, identified and plan to reduce |
| 6. Establishment of cooperatives | 8. No |
| 7. Enhancing the role of community rights and endogenous people | 9. No |
| 8. Empowering the local economic activities | 10. No |



Fact findings (example)

- According to the finding by ISPO most of plantations can fulfill the regulations except , some regulations which issued long a go
- Many old plantations which is more than 100 years old have problems to follow the legal permit as stated in ISPO, ISPO Assessment Committee, will look at the problems carefully and discuss with the related Ministry
- Some plantations have difficulties in implement new regulations since they are in this business for a long time



Thank you

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