

Sustainable Palm Oil: Challenges to the Industry & Engineers

AGRICULTURAL AND FOOD ENGINEERING TECHNICAL DIVISION

reported by



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The Agricultural & Food Engineering Technical Division (AFETD) of IEM organised a technical talk titled Roundtable on Sustainable Palm Oil: Challenges to the Industry & Engineers, on 8 May, 2017, at Wisma IEM.

The talk, attended by 27 participants, was delivered by Mr. Jan Van Driel, Head of Certification at Roundtable on Sustainable Palm Oil (RSPO).

The worldwide demand for vegetable oil is growing fast over the years. In 2016, global oil production was 65 million tons (MT) of palm oil, 50 MT of soya oil, 28 MT of rapeseed oil and 15 MT of sunflower oil.

Palm oil is popular because it is relatively cheap, versatile, gives a high yield per unit area of plantation and is the most widely produced. It is stable for cooking at high temperatures and is a healthy oil.

But despite the increasing demand, supply is limited as the oil palm can only be grown in countries near the Equator. Some concerns have also been raised over the sustainability of oil palm plantations; the clearing of forests to grow oil palm also means a decrease in environment for the orang utan, an endangered species.

RSPO was established in 2004 to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The seat of the association is in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur, with a satellite office in Jakarta.

RSPO is an association under Swiss Law composed of various organisations from different sectors of the palm oil industry (producers, processors, traders, consumer goods manufacturers, retailers, banks & investors, environmental or nature conservation NGOs and social or developmental NGOs) for the purpose of developing and implementing global standards for sustainable palm oil.

RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When properly applied, these criteria can help to minimise the negative impact of oil palm cultivation on the environment and communities in palm oil-producing regions. The RSPO has more than 3,000 members worldwide who represent all the links along the palm oil supply chain. They are



Mr. Jan Van Driel giving the technical talk at IEM

committed to produce, source and/or use sustainable palm oil certified by the RSPO. In return, the CSPO carries a premium price in the global commodity trade, especially the European market.

So far, 11.77 MT of palm oil are certified sustainable; this is about 20% of global palm oil production. Of these, 51% of RSPO Certified oil comes from Indonesia, 42% from Malaysia and the rest from Papua New Guinea (5%), Brazil (1%) and Colombia (1%).

The RSPO Certification Scheme covers a large sector of the palm oil industry, i.e. oil palm growers, palm oil processors and traders as well as consumer products manufacturers.

The Principles & Criteria, which forms the basis of the RSPO certification scheme, comprise eight basic principles: Commitment to Transparency, Compliance with Applicable Laws and Regulations, Commitment to Long-term Economic & Financial Viability, Use of Appropriate Best Practices by Growers and Millers, Environmental Responsibility & Conservation of Natural Resources and Biodiversity, Responsible Consideration of Employees and of Individuals & Communities Affected by Growers & Millers, Responsible Development of New Plantings and Commitment to Continuous Improvement in Key Areas of Activity.

In order to claim compliance with the P&C and to achieve RSPO certification, growers must be assessed by a third-party RSPO-accredited certification body every five years, with an annual audit for continued compliance. Members of the RSPO must submit Annual Communications of Progress (ACOP) reports in order to assess their progress towards producing and procuring RSPO-certified sustainable palm oil, to any of the four supply chain models for RSPO Certified Sustainable Palm Oil (CSPO): Identity preserved, segregated, mass balance and book and claim. A crucial component of the ACOPs is Time bound Plans (TBPs), in which members must state clear timelines for producing or sourcing 100% RSPO CSPO.

RSPO Next, launched in 2015, is a voluntary commitment in addition to the existing P&Cs and incorporates more stringent assessment standards, with guidelines regarding deforestation, fire, peat, human rights and landscape approaches, among other issues.

One of the important criteria highlighted here is the RSPO New Plantings Procedure (NPP). Key steps for NPP include conducting impact assessment (through licenced assessors), preparing implementation plan, verification by certification body and public notification on the RSPO website for at least 30 days.

RSPO has biodiversity protection measures that depend heavily on a High Conservation Value (HCV) approach and requires implementation of Best Management Practices (BMPs) for peatland management.

It has a cut-off date of November, 2007, after which new plantings should not replace primary forest or areas required to maintain HCV areas. Areas cleared after this date will not be certified unless an RSPO-approved compensation plan is developed (in line with its newly released guidance for compensation).

On social themes, RSPO has comprehensive requirements for Social Impact Assessment (SIA), detailed standards for "free, prior and informed consent" (FPIC) and guidance on workers' rights and health and safety. It prohibits the use of forced labour and has a policy aimed at protecting women in the workplace.

A third party accredited auditor is required to carry out the certification process. In order to be certified, full compliance with all criteria is required, or an approved timebound plan for addressing minor non-compliances. RSPO provides on-line status updates and a relatively high level of transparency throughout the complaint resolution process.

As time was limited, the presentation only covered the tip of the iceberg. Engineers interested in this field may refer to RSPO website for further details and the IEM website for courses organised by AFETD, particularly on RSPO. The talk ended with AFETD chairman Ir. Yong Hong Liang presenting a memento to Mr. Jan Van Driel. ■

IEM DIARY OF EVENTS

Title: 2-Day Course on "STRATEGIES in sustaining BOILER RELIABILITY - design, erection & maintenance"

26 - 27 October 2017

Organised by : Mechanical Engineering Technical Division

Time : 9.00 a.m. - 5.30 p.m.

CPD/PDP : 14

Kindly note that the scheduled events below are subject to change. Please visit the IEM website at www.myiem.org.my for more information on the upcoming events.