

Challenges and Opportunity in New Planting Procedure (NPP) verification

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**A Renewed Commitment to
Achieving Market Transformation**



General Content



- Introduction and Background
- How we go so far?
- Challenges in NPP verification: have we done enough?
- Opportunity for improvement

INTRODUCTION



What is the RSPO New Planting Procedure (NPP)?

a set of **Assessments**
and **Verification**
activities

conducted by

Growers

&

Certification
Bodies

prior to a new oil palm
development

in order to help guide responsible planting..

INTRODUCTION



What is the RSPO New Planting Procedure (NPP)?

New oil palm plantings from 1st January 2010 are to be in accordance with the RSPO Procedures for New Plantings (NPP).

*New oil palm plantings in the context of these procedures mean lands planned or proposed for oil palm plantings but upon which **no work** towards that end has commenced as at 1st January 2010.*

(RSPO Procedures For New Oil Palm Plantings Guidance Document, 2010)

INTRODUCTION



What is the RSPO New Planting Procedure (NPP)?

The NPP applies to any development of new plantings, regardless of size (ha).

*The **intention** is that new oil palm plantings will NOT negatively impact **primary forest**, **High Conservation Values (HCV)**, **high carbon stocks (HCS)**, **fragile and marginal soils** or **local people's lands**.*

A successful implementation of the NPP ensures that all the indicators of the RSPO Principles and Criteria (P&C) 2013 Principle 7 are being implemented and therefore in compliance when the new development starts.

(NPP 2015 RSPO New Planting Procedure, 2015)

BACKGROUND OF NPP DOCUMENTS



the Facts:

1. The very first NPP document was proposed to the RSPO General Assembly in November 2008 and formalised in May 2009.

It was approved by the RSPO Executive Board in September 2009 and came into force for all new oil palm plantings from 1 January 2010.

BACKGROUND OF NPP DOCUMENTS



the Facts:

2. The previous NPP documents range in date from 2010 to 2012 and were in need of updating based on the new requirements introduced in the RSPO P&C 2013 [e.g. C.7.3; C.7.8; and HCV ALS]

→ **NPP 2015**, endorsed by RSPO BoG on 25th November 2015

BACKGROUND OF NPP DOCUMENTS



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ENDORSEMENT OF THE NEW PLANTING PROCEDURE (NPP) AND BOG DECISION ON SANCTIONS FOR NON-SUBMISSION OF NPP

Announcement, 21 December 2015



Endorsement of the New Planting Procedure (NPP)

The RSPO Board of Governor (BoG) has endorsed the New Planting Procedure (NPP) at their recent meeting in November 2015. This **endorsed document**, **NPP 2015** replaces the earlier version which was published in 2009 (this includes the five supporting documents as published on the RSPO website).

The process for updating the NPP began early 2015 with the production of the initial draft which was put through the BoG. Following best practices, the draft was published on RSPO website for a 60 day public consultation from 3rd August – 2nd October 2015 seeking recommendations and inputs on the draft document. To improve public understanding on the contents and its implication for RSPO

BACKGROUND OF NPP DOCUMENTS



The updated NPP documents aims to

- (1) **consolidate relevant requirements into one comprehensive document;**
- (2) **improve the clarity and effectiveness of the NPP process,** as well as
- (3) **ensure consistency with the RSPO P&C 2013 and other supporting documents.**

The NPP documents may have further amended as requested.

Did we notice the changes???



1) Assessment & Verification process

2010 previous version	2015 current version
Two categories of NPP: - New Development (<i>stakeholders may submit comments</i>) - On-going new planting i.e. new plantings that straddle the cut-off date 1 st Jan-2010 (<i>is meant for notification only</i>)	No more “on-going” planting Stakeholders may submit comments within notification periods
Company may choose verification methods by a CB either Document Review only, or, Document review + field visit	All verification by a CB must include Documents review and Field Visit.
No Checklist for CB's Auditors	NPP Checklist is being prepared by RSPO for CB's auditor to conduct verification



Did we notice the changes???

2) Contents

2010 previous version	2015 current version
Not clear guidance of NPP Implementation for the growers, its only saying after 1 st January 2010	More clarity on the guidance of NPP implementation for the growers
Very general rules and not clear on the applicability for Smallholders	There is a particular guidance on the applicability and how to implement NPP for Smallholders <i>(including scheme/associated and independent smallholders)</i> and outgrowers.
Non inclusion of FPIC process, Carbon Stock assessment, and GHG emission	FPIC, HCS, GHG are included and must be identified and carried out by the growers, subjects to be verified by CB's auditors
No clear sanction of non-submission of NPP	Sanctions is applied.
No clear mechanism to submit comment during NPP notification period	Mechanism to submit comments is available



Did we notice the changes??? – key topics

- **RSPO member planning a new development:** If a grower is an RSPO member at the time of the planning of the new development, the grower must complete the NPP process detailed in the document.
- **New land acquisitions by RSPO members:** If land clearing is actively occurring at the time of acquisition, operations must cease completely and the NPP requirements shall be followed for any area that has not yet been converted.

Did we notice the changes??? – key topics



- Where **RSPO members have a majority shareholding in and/or management control** of subsidiaries, those subsidiaries are subjected to the NPP requirement (Refer to RSPO P&C Certification System document).
- **If land clearance occurred after 1 January 2010:** If land was developed after 1 January 2010 and did not comply with NPP requirements; the grower has to ensure compliance with Principle 7 at the time of certification. This may be the case if land clearance occurred before the grower became an RSPO member or for any new acquisitions where clearing and development have already taken place.

Did we notice the changes??? – key topics



- For new plantings **between November 2005 and 31 December 2009**, the NPP does not apply but the grower must comply with Principle 7 which includes requirements such as FPIC, Social and Environment Impact Assessment (SEIA), and HCV assessment.

→ *would might have replacing “on-going” new planting*

Did we notice the changes??? – key topics



Table 1 Different scenarios for new plantings and understanding when NPP applies

Scenarios from 1 January 2010	NPP	Certification Body (CB) Verification	30-day Public Comment Period
Conversion from natural vegetation to oil palm or from forest plantations or agroforestry to oil palm. Including for undeveloped areas of any new acquisitions.	Yes	Yes	Yes
Conversion of abandoned agricultural land (undeveloped for > 3 years)	Yes	Yes	Yes
Conversion of existing agricultural land (including land under livestock ranches and agricultural crops) to oil palm. Including for any new acquisitions.	Yes	No	No, 30 –day notification only but no comment period

Did we notice the changes??? – key topics



Scenarios from 1 January 2010	NPP	Certification Body (CB) Verification	30-day Public Comment Period
Replacing oil palm with a subsequent oil palm crop is considered as replanting and therefore not subject to the requirements of the NPP if the previous oil palm crop has not been abandoned for more than 3 years.	No	N/A	N/A
For new plantings within an RSPO-certified management unit	No, as this case will be audited against Principle 7 during surveillance or re-certification audits	N/A	N/A

Did we notice the changes??? – key topics



NPP for Smallholders:

7-Feb-2017: Ratification of Resolution 6f at GA in Bangkok (10 November, 2016). The Resolution demanded a reprieve from the New Planting Procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed.

01-Sep-2017: DRAFT of NPP guidance documents for Smallholder was being published for public consultation



Did we notice the changes??? – key topics



NPP for Smallholders:

26-Oct-2018: BoG Meeting – 27 June 2018 – deliberated the proposal further and has come up with the following decisions:

- 1) Review the NPP Procedure for smallholders along with the ongoing P&C review and the development of the new Smallholder Standard;
- 2) RSPO Secretariat obtained advice from SHWG, ERWG and BHCVWG and endorsement from Supply Chain Standards and Certification [notably eNGO board members], in parallel with the P&C review process;
- 3) For smallholders falling under the mill's P&C Certificate (existing or new certificate): the BoG endorsed the tools for use (i.e. the generic NPP applies, tools are supportive);
- 4) For all other smallholders: the BoG extends the exemption from NPP submissions until the new P&C and the new Smallholder Standard is in place (i.e. the continued small-scale, low impact risks are accepted)

Did we notice the changes??? – key topics



Sanction for Non-submission of NPP effective 1st January 2016

1. Sanction whereby new planting areas (developed after January 2010) that has not gone through the NPP process will not be able to trade the CPO and PK as CSPO and CSPK for the first 3 years after its certification. If these areas are part of the management unit being certified, the mill will be registered as producing mass balance CSPO and CSPK during the sanction period. The Certification Body shall record and report the status of such area (without NPP submission) and production in the Public Summary Report.

All the NPP submission accepted (completed and published on the website) by RSPO after 1st January 2016 with planted area without prior NPP are subject to the sanction. This shall be reported by the Certification Body at the time of the P&C Assessment in the Public Summary Report and ensure that the production is excluded from the certified volume claimed by the mill for the first 3 years of certificate period.

Did we notice the changes??? – key topics



2. For the management unit which has not gone through the NPP process and at the same time did not comply with the HCV assessment requirement,

- Sanction is applied for not submitting NPP
- Shall follow procedures described in the [Remediation and Compensation Procedures \(RaCP\) 2015](#).

3. For the management unit that has not gone through the NPP process and at the same time did not comply to elements of the RSPO P&C Principle 7 (i.e SEIA, FPIC, HCS), it will be referred to and dealt with [Complaint Procedures](#). In such cases, the Complaints Panel (CP) will decide on the sanctions.

** This sanction is not applicable to independent smallholder.*

For further clarification on the NPP update and the relevant sanctions for non-submission, please contact Mr Salahudin Yaacob, RSPO Technical Director (salahudin.yaacob@rspo.org) or Mr Jan van Driel, Head of Certification (janvandriel@rspo.org)

Did we notice the changes???

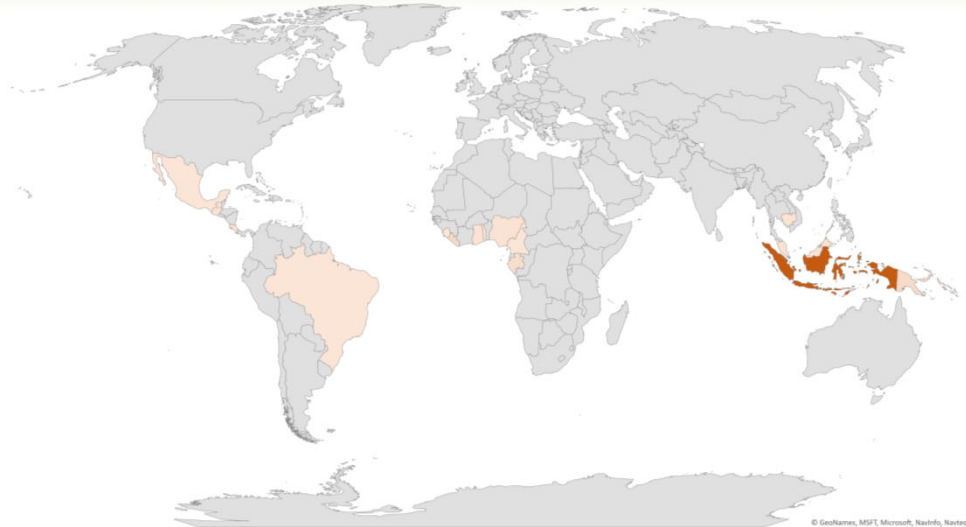


Please refer to <https://www.rspo.org/certification/new-planting-procedures> for more information

How we go so far?



NPP activities/Notification [2012-2018]



How we go so far?



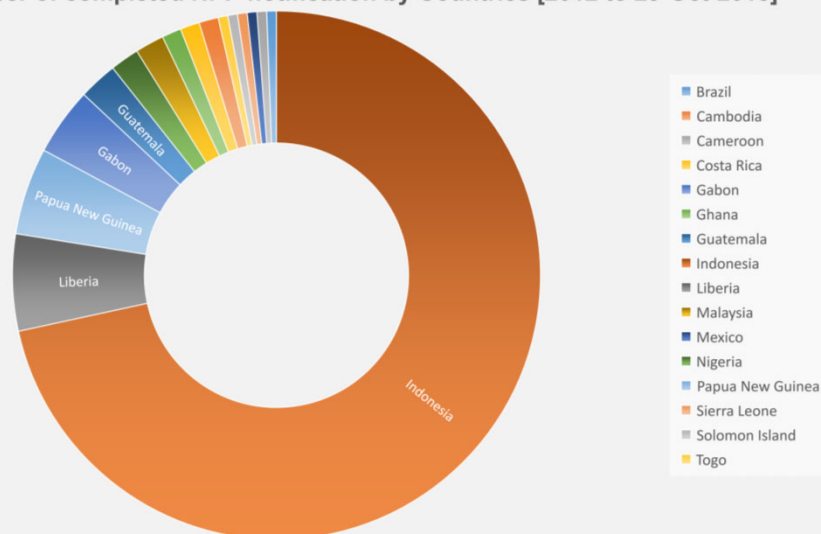
Country	Number of NPP activities/notification [Year]							TOTAL	%
	2012	2013	2014	2015	2016	2017	2018		
Brazil	-	-	-	1	-	-	-	1	0.6%
Cambodia	1	-	1	-	-	-	-	2	1.2%
Cameroon	1	-	-	-	-	-	-	1	0.6%
Costa Rica	-	2	-	-	-	-	-	2	1.2%
Gabon	4	1	-	-	1	1	-	7	4.1%
Ghana	1	-	1	-	-	-	-	2	1.2%
Guatemala	-	-	1	-	-	2	1	4	2.4%
Indonesia	20	12	61	11	10	4	3	121	71.6%
Liberia	3	5	2	-	-	-	-	10	5.9%
Malaysia	-	-	1	1	1	-	-	3	1.8%
Mexico	-	-	-	-	-	1	-	1	0.6%
Nigeria	1	-	-	-	1	1	-	3	1.8%
Papua New Guinea	1	2	2	-	2	0	2	9	5.3%
Sierra Leone	-	-	-	-	-	1	-	1	0.6%
Solomon Island	-	-	-	-	-	-	1	1	0.6%
Togo	-	-	-	-	1	-	-	1	0.6%
TOTAL	32	22	69	13	16	10	7	169	100.0%
%	18.9%	13.0%	40.8%	7.7%	9.5%	5.9%	4.1%	100.0%	

As of 29/10/2018

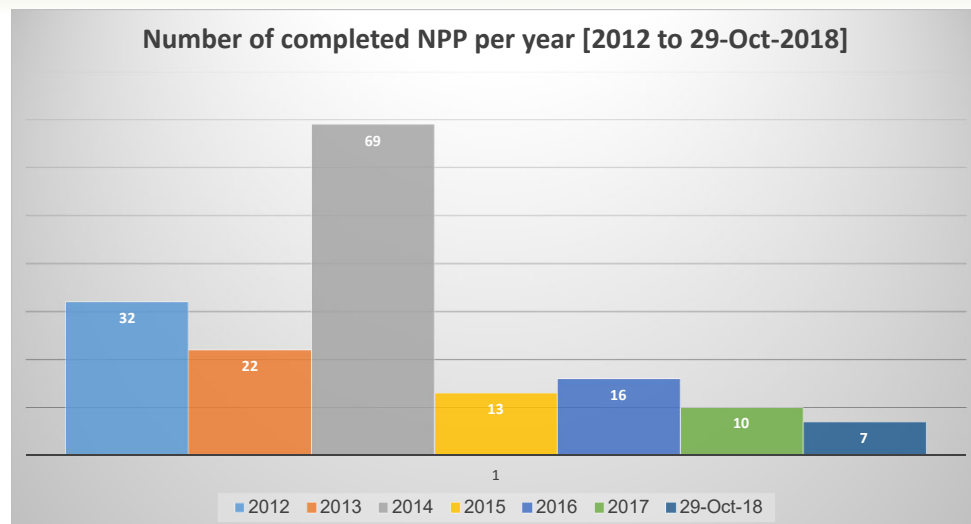
How we go so far?



Number of completed NPP notification by Countries [2012 to 29-Oct-2018]



How we go so far?



Challenges in NPP verification: have we done enough?



COMMON CONCERN	Examples
Lack of capability to prepare NPP-related requirements and records especially for the new RSPO member	e.g. FPIC, HCV, HCS, Management Plans, Notification, etc
Misunderstood of the NPP 2015 implementation between auditors and growers	Applicability of scenarios defined by RSPO e.g <i>Forest to oil palm</i> , <i>Conversion from Agricultural land to Oil Palm</i> , <i>Conversion from other crops to oil palm</i> ,
Insufficient local resources in some particular countries (mostly in Africa)	such as independent consultant, local expert, auditors, translator with technical knowledge
Quality of presented NPP documents and records	HCV reports, SEIA, FPIC, land compensation, Management Plans, Lay-out Maps,
Openness of information, documents, and records in certain situation	Legal document, land compensation records, Maps



Challenges in NPP verification: have we done enough?

COMMON CONCERN	Examples
Limited access for logistics/accommodation (mostly in remote areas)	No concrete roads, bridges, boats
Un-uniform audit checklists among CB's auditor	- <i>Aspects to be checked</i> - <i>Verification methods</i>
Lack of Auditor's skills in assessing certain areas	<i>FPIC, HCS, GHG,</i>
Non-technical issues for waiver field visit?	- <i>Diseases outbreak (e.g. e-bola, Malaria, Dengue, HIV, Typhoid, etc)</i> - <i>Local national conflicts within country</i>



Opportunity For Improvement

- more workshop for involved parties (e.g. growers, consultant, HCV assessor, CBs auditors) to increase awareness and understanding of NPP requirements and implementation
- To be more open and honest providing information to the CB's auditors.
- More training and pilot projects to increase auditor skills in assessing FPIC, HCS, and GHG



Opportunity For Improvement

- to be more discipline in checking the accuracy of the Data/information and Quality of NPP documents.
- Providing uniform NPP audit checklist to be used by CB's auditors could be useful



Thank You

