Resolution GA14-6d

Proposed Resolution to be adopted at the 14th General Assembly of the Roundtable on Sustainable Palm Oil (RSPO)

30th November 2017

TITLE: GENERATION OF SUSTAINABILITY PRACTICES AND FAIR TRADE FOR INDEPENDENT MILLS

Submitted by: Comercializadorea Internacional Ciecopalma S.A.

Background:

In the current RSPO structure, there is a gap to facilitate the certification of an independent mill without a supply base in SCC, this is without obtaining a certification in P&C. This produces a total deformation of the RSPO standard since the gap allows unsustainable practices and unfair competition together with the production of CSPO.

An independent mill can be certified under the supply chain standard, complying with the general chain of custody requirements and specific requirements, according to the supply chain model chosen by the mill (Module A - Identity Preserved, Module B - Segregated or Module C - Mass Balance). This has been clearly stated in the document: RSPO Supply Chain Certification Systems for accreditation and certification bodies, adopted by the RSPO Board of Governors on 21 November 2014 and Revised 14 June 2017.

The document, which serves as a guide for certification bodies for audits of the supply chain standard, states in sections 3.1.1 and 4.1.3:

3.1.1 ... Independent mills shall be certified against the requirements of the RSPO Supply Chain Certification Standard.

4.1.3 ... This does not apply to independent mills, which do not have a fixed supply base and therefore are not included as part of a P&C assessment. Independent mills shall be audited against the Supply Chain Standard and a supply chain certificate is needed...;

And the independent mill is defined in the same document as:

A mill operating independently of and with no legal relationship to any specific plantation. This includes through parent or sister companies

This sets the vast majority of mills under conditions of unfair competition against the independent mills. A standard mill who own or control in some way one single hectare or more of palm crops has to fulfill all the processes required by the P & C, that at least includes the principles (91): 1.1.1, 1.1.2, 1.2.1, 1.3.1, 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.3.1, 2.3.2, 2.3.3, 2.3.4, 3.1.1, 3.1.2, 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.3.3, 4.4.1, 4.3.3, 4.1.4, 4.4.2, 4.4.3, 4.4.4, 4.7.1, 4.7.2, 4.7.3, 4.7.4, 4.7.5, 4.7.6, 4.7.7, 4.8.1, 4.8.2, 5.1.1, 5.1.2, 5.1.3, 5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5, 5.3.1, 5.3.2, 5.3.3, 5.4.1, 5.6.1, 5.6.2, 5.6.3, 6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.2.1, 6.2.2, 6.2.3, 6.3.1, 6.3.2, 6.4.1, 6.4.2,
6.4.3, 6.5.1, 6.5.2, 6.5.3, 6.5.4, 6.6.1, 6.6.2, 6.7.1, 6.8.1, 6.8.2, 6.8.3, 6.9.1, 6.9.2, 6.9.3, 6.10.1, 6.10.2, 6.10.3, 6.10.4, 6.11.1, 6.11.2, 6.12.1, 6.12.2, 6.12.3, 6.13.1, 8.1.1. The P&C certification implies a series of efforts and high operating costs that are not being verified to an independent mill, who can only certify SCC. The following extreme example is possible to exist: A certified independent mill (in SCC), which processes certified fruit in P&C can develop their work and obtain CSPO selling the product to the market, despite having underage workers, without documentation working in their facilities together with a group of pregnant women which work on the sterilizers, the wastewater is discharged directly into a body of fresh water without any treatment and is located within a primary forest that is also a refuge for 12 species considered endangered and sell certified RSPO oil.

Potential Benefit:

Avoid unfair conditions and ensure that the RSPO standard is not diluted through unscrupulous operations generating sustainability practices, as well as fair trade, avoiding criticism to RSPO for allowing this type of unfair practices.

THIS RESOLUTION PROPOSES:

All mills without exception must meet the requirements of the P&C standard in such a way that they are in equal operating conditions, as well as fair trade. The independent mills that have only been certified in SCC have a period of 6 months after the approval of this Resolution to obtain certification in P&C or the certificate that allows them to trade CSPO & CPK should be suspended.

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References:

RSPO Supply Chain Certification Systems - For accreditation and certification bodies
Adopted by the RSPO Board of Governors on 21 November 2014, Revised 14 June 2017