

# **IMPLEMENTATION OF THE MALAYSIAN SUSTAINABLE PALM OIL (MSPO) CERTIFICATION SCHEME**

## **MEDIA STATEMENT**

**MINISTRY OF PLANTATION INDUSTRIES AND COMMODITIES (MPIC)**

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1. The Government has approved the set of Malaysian Standard for Malaysian Sustainable Palm Oil (MSPO), MS 2530 MSPO Parts 1-4, on 5 September 2013. YAB Deputy Prime Minister Tan Sri Mohd Muhyiddin Mohd Yassin announced it on 19 November 2013 during the PIPOC International Palm Oil 2013 Conference.

2. The MSPO was developed at the request of the Malaysian oil palm industry which is in need of a fair sustainability certification scheme to enhance market access. The MSPO certification scheme will be an alternative to the currently available sustainability certification schemes.

3. The series of Malaysian Standard on Malaysian Sustainable Palm Oil (MSPO), MS 2530:2013 Parts 1 to 4, is intended to cover the general requirements for sustainability criteria which the oil palm industry has to follow. These requirements are applicable to independent smallholders, plantations and organised smallholders, and palm oil mills.

4. MSPO (MS2530, 2013) is a set of auditable standards that set down the sustainability principles, criteria and indicator (PCI); and compliance to these are verified through the process of certification. MSPO contains 7 principles covering Management commitment and responsibility; transparency; compliance to legal requirements; environment, natural resources, biodiversity and ecosystem; best practices; and development of new planting.

5. The MSPO P&C are designed to address constraints and reflect local conditions bearing in mind that cultivation and processing methods and conditions are different in different parts of the world.

6. The inclusion of smallholders in the MSPO standards is especially significant because smallholders contribute up to 40 per cent of the total area under oil palm in Malaysia. MSPO has been drawn up with attention on the balance between strictness and compliance; and achievable targets of smallholders. The MSPO standard therefore supports smallholders' sustainability certification and standardises sustainable practices already evident in the industry. In addition, evidence of sustainability will ensure fair pricing of fresh fruit bunch (FFB) from smallholders, thereby enhancing their income. On 21 March 2014, the Cabinet approved the implementation of the MSPO certification system based on the sustainability requirements in the Malaysian Standard (MS) for MSPO. The audit for MSPO certification will be carried out by accredited certification bodies (CBs).

7. A pilot audit of MSPO certification was conducted at various oil palm premises beginning April 2014 and as at October 2014, three mills, three plantations and two smallholders have successfully complied with MSPO requirements and qualify for the award of the MSPO certificate.

8. Given that MSPO is a set of Malaysian Standards, MSPO can be used for government-to-government negotiations and trade thus facilitating market access. Equally important is the fact that MSPO can be used to support the branding of Malaysian palm oil. Subsequently, this will gain Malaysia a larger share of the edible oils and fats markets as Malaysian palm oil can be differentiated from other producing countries.

9. The challenge now is to work towards widespread national implementation and international recognition and acceptance of this set of auditable standards. Malaysia's efforts on sustainability are a continuous improvement process and the implementation of the MSPO certification scheme is proof of our commitment to sustainability.

**Ministry of Plantation Industries and Commodities**

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