

RSPO Certification Systems - New subsection on Group Certification

Explanatory Note:

The below information regarding the new group certification requirements relevant for certification bodies and the RSPO accreditation body is to be included into the next revision of the RSPO Certification Systems document (RSPO Certification Systems *Final document approved by RSPO Executive Board 26 June 2007 (Approved by Executive Board on August 30, 2011 on Revised Procedure for Endorsement of the International Generic Criteria as a National Interpretation in small producing countries (Annex 1A))*) but is part of the current public consultation process for the RSPO Group Certification document. The text derives from draft one of the RSPO Group Certification document and as such was already subjected to the first round of public consultation for that document.

The RSPO Smallholder Working Group invites comments: kindly use the specific section in the comments template.

Accreditation and Certification

The procedure for RSPO Group Certification suggested is fundamentally in accordance with the existing accreditation and certification process requirements laid out in the RSPO Certification Systems 2007 and subsequent revisions. However, the following notable differences are to be taken into account by the certification body and the accreditation body:

- The RSPO certificate of compliance is awarded to the Group Entity.
- Traders of FFB, who may handle FFB between the group member and the palm oil mill, must be either independently certified to the RSPO Supply Chain Certification Standard or shall be part of the Group structure with a chain of custody system under the control of the Group manager that complies with the applicable parts of the RSPO Supply Chain Standard.
- The rules for partial certification do not apply to a Group.

Group Certification

RSPO uses an accreditation body that publishes a list of RSPO accredited certification bodies on their web-site. For information on current RSPO accreditation body refer to the RSPO website.

Successful RSPO certification of a Group requires that the Group Entity has a contract with the accredited certification body for conducting RSPO Audits and the management systems of the Group are audited by an RSPO accredited certification body. Representative samples of the Group Members are included in the audit to determine if the management systems are being implemented in accordance with the RSPO requirements for Group Certification.

The RSPO Certificate of Compliance is awarded to the Group as a whole with the individual growers listed as an annex together with the size of the landholding, date of joining the Group, date of leaving

the Group (if applicable). This allows the Group members to collectively sell their RSPO certified FFB to a palm oil mill or they can sell certificates equal to the equivalent quantity of CSPO that could have been produced from the FFB production (based on a fixed and theoretical oil extraction rate) through the RSPO Book and Claim system. All changes in membership number, total hectares or total FFB volumes can be adjusted at the next surveillance audit.

RSPO Certificate of Compliance

A single certificate is awarded to the Group. The certificate number is shared by all Group members with each member having a unique identification code following the Group certificate number.

Sampling for Group Audits

The Auditor is required to carry out a risk assessment of Group members. The risk assessment allows the Auditor to identify an appropriate sampling intensity of Group members for the certification assessment. The risk assessment shall take into account the diversity of the Group members (i.e. range of size, management structure, diversity of terrain, etc.) and any perceived risk relating to the activities being undertaken (e.g. how much replanting or expansion is occurring, how many members are new and, for subsequent assessments, whether there is a history of non-conformities).

Additionally, the risk assessment shall take into account the perceived risks relating to the capacity of the Group Manager to be performing adequately (e.g. change of management, high turnover of staff, very small staff compared to the size of Group they are managing). The more diverse the Group and the more risk factors associated with the Group or Group manager, the higher the risk and therefore the need to increase the sample size.

Low risk groups are those where the Group is relatively homogeneous i.e. geographically as well as socioeconomically, and where there are no current replanting activities, no current expansion, no new members, the Group and its manager are well established and, for subsequent assessments, have no history of non-conformities.

High risk Groups are those where there is considerable heterogeneity in the Group (e.g. geographically separated, very different terrain, different levels of experience of oil palm cultivation, very diverse sizes of plantation, different socioeconomic situations amongst members, etc.), where there is recent expansion or replanting, and/or where the Group management has recently undergone changes.

Medium risk Groups are those where there is some homogeneity but it is not uniform across the Group. There is no replanting and or expansion but the Group management has a history of non-conformities.

For Guidance a 'risk level' shall be set at Level 1 - low risk, Level 2 - medium risk, Level 3 - high risk. The sample size should then be determined by the formula $(0.8\sqrt{y}) \times (z)$, where z is the multiplier defined by the risk assessment. Multipliers are set as follows: Low risk = multiplier of 1, medium risk = multiplier of 1.2, high risk = multiplier of 1.4 (see Table 4).

Table 4: Example of sample size for group members in an internal assessment

Number of group members = y	Minimum = $0.8\sqrt{y}$	Level 1 - Low risk = $(0.8\sqrt{y}) \times (1)$	Level 2 - Medium risk = $(0.8\sqrt{y}) \times (1.2)$	Level 3 - High risk = $(0.8\sqrt{y}) \times (1.4)$
6	2	2	3	3
14	3	3	4	5
25	4	4	4	6
39	5	5	6	7
56	6	6	7	8
75	7	7	8	10
100	8	8	10	11
500	18	18	21	25
1000	26	26	30	35
2500	40	40	48	56
3600	48	48	58	67

Note: Sample sizes are always rounded up (e.g. 2.4 is rounded up to 3). Rounding up is done as final step in the calculation.

Scenario examples:

Example 1

A group is formed of 100 group members:

The Group has been together for 10 years under the same Group Manager and all of the smallholdings are of the same size and all in the same valley which has a flat terrain. All palms are between 6 and 15 years old and no Group member have loans or debts and the land is all under matriarchal ownership. This represents a low risk situation and all have a risk factor of 1. Therefore the number of Group members is 8 out of 100 members.

Example 2

A group is formed of 100 group members:

The Group has been together for 10 years under the same Group Manager and all of the smallholdings are of the same size and all in the same valley which has a flat terrain. 80 of the Group Members have palms that are between 6 and 15 years old but 20 members are replanting. No Group members have loans or debts and the land is all under matriarchal ownership. This represents a low risk situation for the 80 Group members who have palms that are between 6 and 15 years old (risk factor 1 and therefore

a sampling rate of 7 out of 80 Group members) and a high risk situation for the 20 members who are replanting (risk factor 3 and therefore a sampling rate of 5 out of 20 Group members from this high risk replanting Sub-Group).

Example 3

A group is formed of 100 group members:

The Group has been together for 10 years under the same Group Manager and all of the smallholdings are of the same size and all in the same valley which has a flat terrain. 80 of the Group Members have palms that are between 6 and 15 years old but 20 new members have just joined. No Group members have loans or debts and the land is all under matriarchal ownership. Of the 80 Group members who have palms between 6 and 15 years of age, 40 had previous non-conformities. This represents a low risk situation for the 40 members who have no history of non-conformities (risk factor 1 and sampling rate of 5 out of 40). There is a medium risk for the other 40 members who had previous non-conformities and therefore a risk factor of 2 and therefore a sampling rate of 6 out of 40 Group members. There is a high risk situation with the 20 new members who have joined the Group and these have a risk factor of 3 and therefore a sampling rate of 5 out of 20 for this Sub-Group.