

Eligibility and Application Framework

RSPO NEXT

Introduction

RSPO NEXT recognises the importance of having supply chains and programs that support the delivery of certified products through the entire supply chain: the grower, refinery, manufacturing and consumption portions must share a responsibility to developing robust uptake of CSPO through a partnership of commensurate effort.

We have developed a framework of eligibility that is focused on the priorities of ensuring two important concepts;

- a) Continue to support acceptance and uptake of RSPO P&C certified material and
- b) Requiring the concept of commensurate effort in the supply chain with regards to RSPO NEXT

What is Commensurate Effort in this context?

The concept that the Supply Chain members, particularly those at the end of the production chain, mirror the participation efforts of the producers through robust market participation and uptake reflecting equal levels of commitment and engagement. It is a philosophy that supports a balancing of uptake in response to the efforts of producers to deliver supply to the market. RSPO NEXT for producers is focused on the practices of those at the producing end of the supply chain but includes, in this document, the basis for Supply Chain engagement. Further guidance for RSPO Supply Chain members will be developed in a parallel process in a working group.

Who is Eligible?

The top asset owning company of the group must be an RSPO member in good standing and the one applying for RSPO NEXT participation. The requirements of RSPO NEXT regarding organisation wide policy must be in place throughout the organisation, even in management units that are not yet RSPO certified and on land not (yet) developed for production.

The scope of organisational participation includes the entire land bank and supply base of directly owned and/or managed operations – which by RSPO definition includes not only the estate that is managed but also the schemed/associated smallholders (where the land is usually managed by the company) and ‘exclusively contracted’ outgrowers. Elements of the RSPO NEXT standard also apply to all the independent supply base of Palm FFB.

Individual management units seeking RSPO NEXT verification must either be RSPO P&C certified at the time of the audit or must pass the P&C certification audit at the same time as the RSPO NEXT verification audit.

New acquisitions that take place after engaging with RSPO NEXT at an organisation level will have a maximum of 2 years from the date of effective management or ownership (whichever is earlier) to achieve RSPO P&C Certification.

What is the minimum threshold for participation in RSPO NEXT?

For P&C members

- Minimum of 60% of “certifiable” units are successfully P&C certified before they may begin participation in RSPO NEXT

For Supply Chain members

- 100% of their Palm Oil product buy is covered by CSPO/PKO and/or credits (currently Book and Claim)
- AND a time bound plan for moving to physical and/or Smallholder certificates
- AND a program of Measuring, Reduction and Reporting on GHG

Once eligible for participation what is the minimum initial participation?

For P&C Members

- The first entry will be a minimum of 30% of all potential certification units

For S&C Members

- The first entry will be 20% or 150,000 MT, whichever is less
- Additionally, there is a target of 50% of production or consumption within 3 years of first participation

Are there triggers that will require mandatory increases of participation?

No

When can a claim be made?

Claims may be made once the minimum participation levels of NEXT have been reached. Any claim must include disclosure of proportion relative to total purchases of palm oil

- For example: “*We use the equivalent of 100 MT of Palm Oil products and 20 MT is covered via the purchase of RSPO NEXT production*”

Transparency & Disclosure

All Participants must annually disclose the following by volume on a post performance basis.

For Producers:

- Total palm oil production
- Total RSPO certified production by category
- Total RSPO NEXT production by category

For Supply Chain Members

- Total palm oil purchases
- Total RSPO certified palm oil purchases by category
- Total RSPO NEXT purchases category

What are RSPO NEXT Credits?

Currently, there is no physical supply chain in place for RSPO NEXT. To facilitate market uptake we are developing a program of credits that will each represent 1MT of CSPO/PK from an RSPO NEXT verified management unit. Only one type of credit will be offered. They will be issued at the time of successful verification and will be valid for the term of the P&C Certificate. Development of a physical supply chain model will be also explored.

Who May Buy RSPO NEXT CREDITS?

Eligibility to purchase credits will follow the same guidance as for P&C Credits

Who May Make a Claim?

Only in accordance with RSPO Claims rules.

How to verify activities and claims?

Audit of the certification units with claims being verified by combination of on the ground audit and ACOP submissions. For organisations that have not reached full RSPO NEXT participation baseline reviews of organisational policy will be also needed.

Consequences for missing targets

Public disclosure

Revision Schedule

No sooner than 2 years and no later than 3 years

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