

REGULATION OF THE PRESIDENT OF REPUBLIC OF INDONESIA
NUMBER 44 OF 2020
ON
INDONESIAN SUSTAINABLE PALM OIL PLANTATION CERTIFICATION SYSTEM

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF REPUBLIC OF INDONESIA,

- Considering :
- a. that Indonesian oil palm plantations employ a sufficiently-large workforce and contribute foreign exchange to the country so that an effective, efficient, equitable and sustainable oil palm plantation management system is needed to support national economic growth;
 - b. that to further ensure that palm oil plantation businesses are socially, economically and environmentally viable in accordance with legislation, it is necessary to improve the implementation of the Indonesian Sustainable Palm Oil Plantation Certification System;
 - c. that the legislation governing the Indonesian Sustainable Palm Oil Plantation Certification System are no longer in line with international developments and legal needs, so they need to be replaced and regulated in a Presidential Regulation;
 - d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Presidential Regulation on the Certification System for Sustainable Palm Oil Plantation in Indonesia;

Observing : Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia;

HAS DECIDED:

To issue : PRESIDENTIAL REGULATION ON INDONESIAN SUSTAINABLE PALM OIL PLANTATION CERTIFICATION SYSTEM.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Presidential Regulation:

1. Palm Oil Plantation means all activities of managing natural resources, human resources, production facilities, tools and machinery, cultivation, harvesting, processing, and marketing of oil palm.
2. Oil Palm Plantation Business means a business that produces oil palm plantation goods and/or services.
3. Indonesian Sustainable Palm Oil Plantation or Indonesian Sustainable Palm Oil, hereinafter referred to as ISPO, means a Palm Oil Plantation Business system that is economically feasible, socio-culturally viable, and environmentally friendly based on legislation.
4. ISPO certification means a series of conformity assessment activities on Oil Palm Plantation Businesses related to the provision of written guarantees that Palm Oil Plantation products and/or governance have met ISPO principles and criteria.
5. Palm Oil Plantation Business Actor, hereinafter referred to as Business Actor, means oil palm smallholders and/ or oil palm plantation companies managing Oil Palm Plantation Businesses.
6. Oil Palm Smallholder, hereinafter referred to as Smallholders, means Indonesian citizens who conduct Oil Palm Plantation Businesses with a business scale not meeting a certain scale.

7. Oil Palm Plantation Company, hereinafter referred to as Plantation Company, means a legally incorporated business entity, established according to Indonesian law and domiciled in the territory of Indonesia which manages a Palm Oil Plantation Business in a certain scale.
8. Oil Palm Plantation means all Palm Oil Plantation plant products and their processing consisting of main products, processed products to extend shelf life, by-products, and by-products.
9. The National Accreditation Committee (*Komite Akreditasi Nasional*), hereinafter abbreviated as KAN, means a non-structural institution that has the duty and responsibility in the field of accreditation of conformity assessment institutions.
10. ISPO Certification Body means an independent conformity assessment body that carries out ISPO Certification and issues ISPO certificates.
11. The Central Government means the President of the Republic of Indonesia who holds the authority of the government of the Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
12. Local Government means the head of the region as an element of the organizer of the Local Government who leads the implementation of government affairs which become the authority of the autonomous region.
13. Minister means the minister administering government affairs in the plantation sector.

Article 2

The scopes of the regulations in this Presidential Regulation include:

- a. ISPO certification;
- b. institutions;
- c. acceptance, market competitiveness, and participation;
- d. guidance and supervision; and
- e. penalty.

Article 3

The implementation of the ISPO Certification system aims to:

- a. ensure and improving the management and development of Oil Palm Plantations in accordance with ISPO principles and criteria;
- b. improve the acceptance and competitiveness of Indonesian Palm Oil Plantation Results in the national and international markets; and
- c. improve efforts to accelerate the reduction of greenhouse gas emissions.

CHAPTER II

INDONESIAN SUSTAINABLE PALM OIL PLANTATION CERTIFICATION

Part One

General

Article 4

- (1) ISPO Certification is carried out in order to ensure a sustainable Indonesian Oil Palm Plantation.
- (2) ISPO certification as referred to in section (1) is implemented by applying principles which include:
 - a. compliance with legislation;
 - b. application of good agriculture practices;
 - c. environmental management, natural resources, and biodiversity;
 - d. labor responsibilities;
 - e. social responsibility and community economic empowerment;
 - f. application of transparency; and
 - g. continuous business improvement.
- (3) The principles as referred to in section (2) are described in the ISPO criteria.
- (4) Further provisions regarding the principles and criteria of ISPO as referred to in section (2) and section (3) are regulated by Ministerial Regulation.

Article 5

- (1) ISPO Certification is required to be carried out by Oil Palm Plantation Businesses as referred to in Article 4.
- (2) The Oil Palm Plantation Business as referred to in section (1) consists of:
 - a. Oil Palm Plantation plant cultivation business;
 - b. processing business of oil palm plantations; and
 - c. integration of oil palm plantation cultivation and the processing of oil palm plantation products.
- (3) ISPO certification as referred to in section (1) is submitted by Business Actors which includes:
 - a. Plantation company; and/or
 - b. Smallholders.
- (4) ISPO Certification submitted by the Smallholders as referred to in section (3) point b may be carried out individually or in groups.
- (5) Groups as referred to in section (4) may take the form of groups of smallholders, joint smallholders' group or cooperatives.

Article 6

- (1) Business Actors who violate the provisions of the ISPO Certification obligations as referred to in Article 5 are subjected to administrative sanctions by the Minister.
- (2) Administrative sanctions referred to in section (1) in the form of:
 - a. written warning;
 - b. penalty;
 - c. temporary dismissal from the Oil Palm Plantation Business;
 - d. suspension of ISPO certificates; and/or
 - e. revocation of ISPO certificate.
- (3) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (1) and section (2) are regulated by Ministerial Regulation.

Part Two
ISPO Certification Body

Article 7

- (1) ISPO certification as referred to in Article 5 is carried out by ISPO Certification Bodies.
- (2) The ISPO Certification Body as referred to in section (1) is obligated to be:
 - a. accredited by KAN in accordance with legislation in the field of standardization and conformity assessment; and
 - b. registered with the ministry that carries out government affairs in the plantation sector.
- (3) The ISPO Certification Body as referred to in section (1) has the following duties:
 - a. to carry out an assessment of conformity with compliance with ISPO principles and criteria for Business Actors;
 - b. to issue, suspend or annul ISPO certificates for the Oil Palm Plantation Business based on the results of the ISPO Certification activities;
 - c. to carry out surveillance every year to the Oil Palm Plantation Business that already has an ISPO certificate; and
 - d. to follow up complaints and appeals related to the implementation of ISPO Certification.

Part Three
Certification Requirements and Procedures

Article 8

- (1) Plantation companies as referred to in Article 5 section (3) point a submit an application for ISPO Certification to the ISPO Certification Body to assess the fulfillment of ISPO principles and criteria as referred to in Article 4.
- (2) The application as referred to in section (1) is attached with the documents:

- a. plantation business permit;
 - b. land rights;
 - c. environmental permit; and
 - d. determination of plantation business valuation from plantation business licensor.
- (3) The smallholders as referred to in Article 5 section (3) point b submit an application for ISPO Certification to the ISPO Certification Agency by enclosing the following documents:
- a. certificate of plantation business registration; and
 - b. land rights.

Article 9

- (1) Request for ISPO Certification is submitted by Business Actors to ISPO Certification Bodies.
- (2) The ISPO Certification Body checks the completeness of the application requirements document as referred to in Article 8.
- (3) If the application meets the requirements as intended in Article 8, the ISPO Certification Body carries out ISPO Certification.
- (4) In the event that the application does not meet the requirements referred to in Article 8, the ISPO Certification Body rejects the application.
- (5) The ISPO Certification Body submits a notification to the Business Actor regarding the rejection of the application as referred to in section (4) accompanied by the reason for the refusal.

Article 10

The ISPO Certification Agency carries out ISPO Certification by assessing the fulfillment of the ISPO principles and criteria as referred to in Article 4.

Article 11

- (1) If the Business Actor has fulfilled the ISPO principles and criteria, the ISPO Certification Agency issues an ISPO certificate.

- (2) In the event that the Business Actor is deemed not to have met the ISPO principles and criteria, the ISPO Certification Body submits recommendations to Business Actors to make improvements and/or complete the requirements.
- (3) In the event that the Business Actor has made improvements and/or completed the requirements to fulfill ISPO principles and criteria, the ISPO Certification Agency issues an ISPO certificate.
- (4) In the event that the Business Actor fails to make improvements and/or complete the requirements to fulfill ISPO principles and criteria, the ISPO Certification process is not continued and the application for ISPO Certification is annulled.

Article 12

- (1) The ISPO Certification Body is obligated to submit a report to the ISPO Committee regarding:
 - a. ISPO certificate that has been issued; and
 - b. Business Actors that are making improvements and/or completing requirements to fulfill ISPO principles and criteria.
- (2) ISPO Certification Bodies which do not submit reports as referred to in section (1) are subjected to administrative sanctions by the Minister.
- (3) Administrative sanctions referred to in section (1) in the form of:
 - a. written warning; or
 - b. removal from the list maintained by ministries that carries out government affairs in the state crops area as ISPO Certification Bodies.
- (4) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (2) and section (3) are regulated in a Ministerial Regulation.
- (5) In addition to administrative sanctions as referred to in section (3), ISPO Certification Bodies may also be subject to sanctions by KAN in the form of freezing or revocation of accreditation certificates as ISPO Certification Bodies in

accordance with legislation in the field of standardization and conformity assessment.

Article 13

- (1) The ISPO certificate is valid for a period of 5 (five) years.
- (2) Before the term of the ISPO certificate as referred to in section (1) expires, the Business Actor submits an ISPO Re-Certification.

Article 14

Further provisions regarding ISPO Certification procedures are regulated by Ministerial Regulation.

Part Four

Surveillance

Article 15

- (1) The Oil Palm Plantation Business that has been certified by ISPO is obligated to be inspected by the ISPO Certification Body.
- (2) Surveillance as referred to in section (1) be carried out to check the fulfillment of ISPO principles and criteria by Business Actors.
- (3) Further provisions regarding surveillance as referred to in section (1) are regulated by a Ministerial Regulation.

Article 16

- (1) Oil Palm Plantation Businesses that do not meet ISPO principles and criteria as referred to in Article 4 are subjected to administrative sanctions by the Minister.
- (2) Administrative sanctions referred to in section (1) are in the form of:
 - a. suspension of ISPO certificates; or
 - b. ISPO certificate revocation.
- (3) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (2) are regulated by Ministerial Regulation.

Article 17

- (1) The ISPO Certification Body which does not conduct surveillance as referred to in Article 15 section (1) are subjected to administrative sanctions by the Minister.
- (2) Administrative sanctions referred to in section (1) in the form of:
 - a. written warning; or
 - b. removal from the list of ministries that hold government affairs in the plantation sector as ISPO Certification Bodies.
- (3) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (2) are regulated by Ministerial Regulation.
- (4) In addition to administrative sanctions as referred to in section (2), ISPO Certification Bodies may also be subject to sanctions by KAN in the form of freezing or revocation of accreditation certificates as ISPO Certification Bodies in accordance with legislation in the field of standardization and conformity assessment.

Part Five

Funding

Article 18

- (1) Funding for ISPO Certification submitted by a Plantation Company as referred to in Article 5 section (3) point a, is borne by each Plantation Company.
- (2) Funding for ISPO Certification submitted by Smallholders can be sourced from:
 - a. State budget;
 - b. Regional Budget; and/or
 - c. other legal sources,in accordance with legislation.
- (3) Funding as referred to in section (2) is distributed through the Smallholders' group, the joint Smallholders' group, or cooperatives, and can be provided during the initial ISPO Certification period.

- (4) Further provisions regarding the cost of ISPO certification as referred to in section (2) and facilitation as referred to in section (3) are regulated by Ministerial Regulation.

CHAPTER III INSTITUTION

Part One ISPO Committee

Article 19

- (1) In the context of implementing the coordination of the management and organization of ISPO, the ISPO Committee is formed.
- (2) The ISPO Committee as referred to in section (1) has the task:
- a. describe general policies in managing and administering ISPO that have been established by the ISPO Steering Committee into operational policies;
 - b. develop and develop ISPO principles and criteria;
 - c. prepare assessment standards for each level of compliance with ISPO principles and criteria;
 - d. formulate ISPO Certification requirements and schemes;
 - e. evaluate the implementation of the ISPO Certification system in order to maintain good plantation governance;
 - f. building ISPO Certification information systems; and
 - g. coordinate with ministries, institutions, local governments, and other parties deemed necessary in the context of managing and implementing ISPO Certification.
- (3) The ISPO Committee builds and develops the ISPO Certification information system as referred to in section (2) point f and implements a data sharing system and is electronically integrated to provide facilities for Business Actor to obtain an ISPO certificate.

Article 20

- (1) The ISPO Committee as referred to in Article 19 is chaired by the Minister and consists of government elements, business associations, academics, and independent observers.
- (2) Membership of the ISPO Committee from the government as referred to in section (1) is ex officio.
- (3) Membership of the ISPO Committee originating from independent observers as referred to in section (1) is a non-governmental organization that is an Indonesian legal entity or an Indonesian citizen who is an estate crops observer who has social, economic and environmental concerns.

Part Two

ISPO Steering Committee

Article 21

- (1) In order to provide policy direction on the implementation of the ISPO Committee the ISPO Steering Committee was formed.
- (2) The ISPO Steering Committee as referred to in section (1) has the following tasks:
 - a. establishing general policies in the ISPO system and mechanism;
 - b. supervise and evaluate policies as referred to in point a; and
 - c. determine the membership structure of the ISPO Committee.
- (3) ISPO Steering Committee as referred to in section (1) consists of:
 - a. Chairman: the minister who carries out coordinating matters in the economic field;
 - b. Daily Chairperson: Minister;
 - c. Member:
 1. Minister who carries out government affairs in the field of environment and forestry;

2. Minister who carries out government affairs in the field of agrarian and spatial planning;
3. Minister who carries out government affairs in the field of trade;
4. Minister who carries out government affairs in the field of industry;
5. Minister who carries out government affairs in the domestic field; and
6. the head of a non-ministerial government institution that carries out government affairs in the field of national standardization.

Article 22

Further provisions regarding the organization and working procedures of the ISPO Steering Committee are regulated by ministerial regulations that conduct coordination affairs in the economic field as Chair of the ISPO Steering Committee.

CHAPTER IV

ACCEPTANCE, MARKET COMPETITIVENESS, AND PARTICIPATION

Article 23

To improve market acceptance and competitiveness nationally and internationally, the Central Government and Local Governments has performed the following efforts:

- a. dissemination;
- b. advocacy;
- c. international diplomacy; and
- d. recognition of product acceptance and conformity assessment system.

Article 24

- (1) The community, business actors and stakeholders can participate in the management and implementation of ISPO certification.

- (2) Participation as referred to in section (1) can be carried out by:
 - a. propose and provide input regarding the management and implementation of ISPO Certification;
 - b. request and obtain information related to the management and implementation of ISPO Certification;
 - c. report misuse or abuse of the management and organization of ISPO Certification to the government, ISPO Committee, KAN, and/or ISPO Certification Bodies; and/or
 - d. together with the government to increase the acceptance and competitiveness of ISPO, as well as the results of the Indonesian Palm Oil Plantation and its derivatives in national and international markets.

CHAPTER V MONITORING AND SUPERVISION

Article 25

- (1) The Central Government and Local Governments provide guidance and supervision over the implementation of ISPO Certification for Business Actors.
- (2) Guidance and supervision by the Central Government as referred to in section (1) are carried out by the Minister, ministers and heads of institutions in accordance with their duties, functions and authorities based on the provisions of the legislation.
- (3) Development and supervision by the Local Government as referred to in section (1) are carried out by the governor and/or regent/mayor in accordance with their duties, functions and authorities based on the provisions of the legislation.
- (4) Guidance as referred to in section (1) to Smallholders includes the preparation and fulfillment of ISPO principles and criteria.

CHAPTER VI
TRANSITIONAL PROVISIONS

Article 26

- (1) ISPO certificates that have been issued before this Presidential Regulation comes into force are declared to remain in effect until the expiration of the ISPO certificate with the following conditions:
 - a. Business Actors make adjustments to the application of ISPO based on ISPO principles and criteria as regulated in this Presidential Regulation which is carried out on the basis of the results of surveillance by ISPO Certification Bodies.
 - b. The ISPO Certification Body, based on surveillance as referred to in point a, issues surveillance reports in accordance with the specified time period.
 - c. Business Actors is obligated to adjust the application of ISPO based on the surveillance report as referred to in point a in accordance with the specified time period.
 - d. based on the surveillance report as referred to in point b:
 1. if the Business Actor has applied the ISPO principles and criteria, the ISPO certificate is declared to remain valid; or
 2. if the Business Actor has not applied the ISPO principles and criteria, the Business Actor is asked to make adjustments until the next surveillance.
 - e. in the event that the Business Actor does not make the adjustment as referred to in point d number 2, the ISPO certificate that has been issued before this Presidential Regulation comes into force, is revoked.
- (2) Further provisions regarding adjustments to ISPO Certification as referred to in section (1) are regulated by the Minister as Chair of the ISPO Committee.

CHAPTER VII
CLOSING PROVISIONS

Article 27

When this Presidential Regulation comes into force, ISPO Certification provisions for:

- a. Plantation companies as referred to in Article 5 section (3) point a are effective from the time this Presidential Regulation is promulgated;
- b. The smallholders as referred to in Article 5 section (3) point b are valid for 5 (five) years from the enactment of this Presidential Regulation.

Article 28

At the time this Presidential Regulation comes into force, all legislation governing ISPO Certification is declared to remain effective to the extent not contrary to the provisions in this Presidential Regulation.

Article 29

The implementing regulations of this Presidential Regulation must be promulgated not later than 30 (thirty) days as of the enactment of this Presidential Regulation.

Article 30

This Presidential Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Presidential Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 13 March 2020
PRESIDENT OF REPUBLIC OF
INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 16 March 2020
MINISTER OF LAW AND HUMAN RIGHTS OF
REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF REPUBLIC OF INDONESIA OF 2020 NUMBER 75

Jakarta, 22 June 2020
Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA