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## Palm Oil Certification Schemes: ISCC

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## ISCC

### What is the ISCC?

The International Sustainability and Carbon Certification (ISCC) is a globally applicable certification that promotes the reduction of greenhouse gas emissions, sustainable land use, protection of the natural biosphere and social sustainability for all types of agricultural, forestry and other raw materials. This includes waste and residues, and other feedstocks of biological origin (e.g. plant dry matter (biomass) material, non-food cellulosic material and algae) and non-biological origin. Along with RSPO, it is one of the main international palm oil certifications for chain of custody. Started in 2006, the development of ISCC was supported by the German Federal Ministry of Food and Agriculture (BMEL - Bundesministerium für Ernährung und Landwirtschaft) through its Agency for Renewable Resources (FNR – Fachagentur Nachwachsende Rohstoffe).

ISCC offers two certification schemes to address different market requirements, both distinguishing between two different chain of custody models, Mass Balance and Segregation. ISCC EU can be applied to demonstrate compliance with the legal requirements of the Renewable Energy Directive (RED) and Fuel Quality Directive (FQD) for all Member States of the European Union (EU). The ISCC PLUS scheme is a voluntary certification for non-regulated markets and covers food, feed and industrial applications on a global scale, as well as biofuels for the non-European markets.<sup>1</sup> The conversion of land with high biodiversity value or high carbon stock for the production of biomass is not allowed, and ISCC requires minimum GHG savings to be achieved.

ISCC began operations in 2010 and as of 2020, more than 3,300 companies in 100 countries are ISCC certified. Approximately 50% of users are active in the waste and residue processing areas, having supplied more than 7 million tonnes of ISCC certified waste and residue feedstocks such as used cooking oil (UCO) or animal fat to market. Agricultural raw materials covering oil and sugar crops as canola, soy, palm oil and sugarcane are also key areas for ISCC. In addition, in 2018 ISCC recently developed the Independent Smallholders (ISH) certification approach and issued the world's first ISCC smallholder certificate.

The certified companies cover farms, plantations, First Gathering Points (FGPs) for agricultural materials, Points of Origin (PoO) and Collecting Points (CP) for waste and residue feedstocks.<sup>2</sup> They also cover different kinds of processing units (i.e. biodiesel, bioethanol and biogas plants) as well as diverse set-ups for trading and logistic activities (traders, warehouses, logistic centers). The largest number of ISCC certificates were issued in Spain (9%), followed by Indonesia (7%) and Hungary (6%). Most common organisations are traders (54%), CPs (34%), FGPs (28%) and diverse kinds of processing plants (28%). The largest certified cultivation areas for agricultural and forestry raw

<sup>1</sup> For instance, in 2018, ISCC PLUS has been recognized by the Government of Japan for the verification of compliance of imported biofuels with mandatory sustainability requirements. ISCC is also in compliance with certification requirements of the *Liquid Fuel Supply Regulation* of Queensland, Australia, as of January 2017.

<sup>2</sup> For companies certified by 2018.

materials in 2017 refer to rapeseed/canola, oil palm fresh fruit bunches (FFB) and corn/maize, while the most common certified waste and residues were used cooking oil (UCO), animal fat and starch slurry.

### **Impacts of the ISCC**

A significant development for ISCC during recent years is the intensified movement from agricultural and forestry raw materials towards waste and processing residues. Companies that process municipal solid wastes, land gas or used car tyres into valuable products are using ISCC to prove compliance with sustainability requirements. ISCC is continuously working on expanding the raw material base from waste and residues by conducting pilot projects with companies across the globe.

In a recent impact report, ISCC compiled data from the internal certificate database, farm audit reports, ISCC Integrity Program results, as well as the results of a survey among auditors. Key findings were that ISCC contributes to increased knowledge and capacity, enhanced agricultural practices and higher GHG savings among users. However, the report stated that impacts are generally difficult to quantify, and monitoring compliance with regard to human and labour rights is particularly challenging.<sup>3</sup>

At present sustainability certification is required only for a small portion of worldwide produced biomass, such as biofuels for the EU market. In addition, voluntarily certified products only cover a small proportion of unregulated markets. The impact of sustainability certification for biomass is therefore limited to only a small proportion of agricultural products that enter the food, feed and industrial applications value chains.

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<sup>3</sup> <https://www.iscc-system.org/wp-content/uploads/2019/06/ISCC-Impact-Report-2018.pdf>