

# Theory of Change and M&E System Development

*Summary of Findings: Theory of Change Intake Interviews*

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## Introduction

The consultants that have prepared this report are working collaboratively with RSPO and its stakeholders through a credible and effective process to deliver a theory of change and impact management and measurement system that is rigorous and implementable—helping to position RSPO as an accountable, credible, and learning-oriented standards system. Underpinnings of this work include:

- ✓ Build the knowledge, understanding and capacity of the RSPO to better understand and apply the concepts, tools and methodologies used throughout the process and to build the skills for M&E system implementation for on-going continuous improvement and managing impact.
- ✓ Future-proof the Theory of Change, with the flexibility to consider the future direction, innovations and all of the offerings RSPO can offer to ensure sustainable palm oil.
- ✓ Create practical tools and methods that can be institutionalized within the RSPO.

The team is taking a multi-phased approach to developing a Theory of Change. The first phase kicked off in mid-February 2017 with intake interviews with volunteers from the Secretariat, Board of Governors, and members of working groups and task forces. Interviewees opted in to the interview process. Their names and titles can be found in Annex 1.

The intent of the interviews was to better understand the RSPO system and engage with stakeholders and the Secretariat to surface: the mission and goals of RSPO and the underlying assumptions embedded in the mission and goals; current and future activities RSPO is using / could potentially use to implement its mission; and what impacts would result from successful implementation.

## Findings

One of the main takeaways from the interviews is that a large part of the findings are not new to RSPO, have been raised before, and what RSPO is already aware of. The issue is more that these issues persist year after year, indicating systemic challenges in failure to address them. Business as usual means not only that the problems will continue, but, in many cases could be exacerbated, leading to more challenges. There is the critical need to acknowledge these issues, determine root causes, and prioritize solutions and strategies. To effectively transform the palm oil market, RSPO needs to first transform *itself*.

The following table summarizes the feedback received from interviews into Strengths, Weaknesses, Opportunities and Challenges as RSPO aims to *transform markets to make sustainable palm oil the norm*. A full description of the elements of the SWOC analysis and options can be found in Annex 2. The questions used to guide the conversations can be found in Annex 3.

## Strengths, Weaknesses, Opportunities and Challenges

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Multi stakeholder initiative that crosses various sectors</li> <li>• Platform for seeking consensus-based solutions and innovation</li> <li>• Has raised awareness of unsustainable palm oil</li> <li>• Leader in certified palm oil</li> <li>• Have made progress (20% certified is an accomplishment from which to build on)</li> <li>• Credible third party assurance</li> <li>• Offers practical guidance and tools</li> <li>• Market commitments are significant and drive certification</li> <li>• Members are an asset               <ul style="list-style-type: none"> <li>○ Strong membership numbers</li> <li>○ Member diversity</li> <li>○ Members’</li> <li>○ knowledge base</li> </ul> </li> <li>• Provides a due diligence mechanism for financial actors</li> </ul>	<ul style="list-style-type: none"> <li>• Bureaucratic and slow due to consensus approach</li> <li>• Clarity of goals and strategies inconsistent internally and externally</li> <li>• Lack of metrics/KPIs and reporting (accountability and transparency)</li> <li>• Organizational structure unwieldy- Secretariat, BoG and WG</li> <li>• Lack of confidence in the Secretariat to lead the next phase in terms of tools, staffing and leadership</li> <li>• RSPO leadership role lacking in the sector on issues and solutions</li> <li>• Lack of demand uptake strategy and clear implementation plan</li> <li>• Grievance mechanism ineffective (inconsistent application and slow)</li> <li>• Inconsistency in applying rules and enforcement</li> <li>• Members not held accountable specifically on demand side</li> <li>• Assurance system quality subpar (auditors, CBs, and accreditation system)</li> </ul>
Opportunities	Challenges
<ul style="list-style-type: none"> <li>• Proactive government engagement to create enabling policies and enforcement of laws</li> <li>• National programs providing legal frameworks as entryway for smallholders – step-wise approach</li> <li>• Domestic markets especially Indonesia, China and India as markets for sustainable palm oil</li> <li>• Jurisdictional approaches as a solution for scale</li> <li>• Smallholder strategy to enable scale</li> <li>• Smallholders supported by government engagement strategy</li> <li>• Defining a sustainable production model in Africa and Latin America</li> <li>• Providing capacity building on approaches and tools (e.g. FPIC, HCV)</li> <li>• Working with/learning from other systems across diverse commodities</li> </ul>	<ul style="list-style-type: none"> <li>• Stagnation – moving beyond the existing commitments and certified production volumes</li> <li>• Human rights issues – violations and lack of future-looking strategy on labor</li> <li>• Engaging governments (resistance and potential “competition”)</li> <li>• Complacency of Asian companies to get involved</li> <li>• Engaging smallholders</li> <li>• Emerging alternative certifications</li> <li>• Company programs as competition</li> <li>• Managing/balancing competing Members’ interests</li> <li>• Maintaining relevancy with existing Members</li> <li>• Critical issues – e.g. deforestation and peat</li> <li>• Overall negative perception of palm oil and RSPO as the lightning rod</li> </ul>

## Analysis

RSPO is at an inflection point. While achieving 20% of certified sustainable palm oil production and having significant market commitments and uptake in Europe, there is a recognition that the RSPO is reaching a plateau and that the hard work is just beginning. New strategies, tools and tactics need to be developed in order to get to a place where sustainable palm oil is the norm (which by some accounts would be at least 60% certified<sup>1</sup>).

Building off the SWOC above and the content from interviews, the following issues have emerged as the strategic areas that could enable RSPO to continue on its path of market transformation and to make the climb beyond 20% certified. However, these issues require further discussion and decisions about how RSPO will address them. It is important to note that the issues are interrelated and not distinct: there are overlaps and crosscutting issues. These are not presented in a specific order.

### Strength of the Standard and Certification Process: Shoring Up Integrity

There is a sentiment that the standard is a good one, it is the de-facto standard for sustainable palm oil, and addresses good practices. (It is noted that the standard may need improvements in terms of addressing labor and human rights issues and needs to articulate best practices). Yet it is considered an essential tool to affect change.

A standard with an independent third party certification process is perceived as the galvanizing force that has brought stakeholders to the RSPO and has been a critical element of the engagement dialogue. The certification has become the recognized benchmark for sustainable palm oil. It creates the differentiation point for the commodity that enables market access and fulfillment of commitments to source sustainable palm oil.

In order for the RSPO to continue to drive change through the certification process, the certification program's integrity needs to be shored up. In its current state the following issues arise from the SWOC:

- Credible third party certification is a strength and required in international markets.
- Pre-certification tools and benchmarks (e.g. FPIC, HCV, NPP) are not quality assured. The number and quality of qualified auditors is a concern—they are not picking up non-compliances.
- Certification body quality is a concern, as is the commercial relationship between CBs and certificate holders.
- There is an oversight body (ASI), but there is concern as to why they not picking up the issues and addressing them.

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<sup>1</sup> We are distinguishing between a tipping/turning point which would occur at an early stage where you build critical mass, which is different from when a new norm is achieved (which we contend is when there is at least 60% adoption).

- The grievance process is “overused” because the pre-certification tools are not applied well (e.g.—FPIC) and the auditing and certification decisions are sub-par, leaving the grievance process as the tool to resolve what should maybe not have been certified in the first place. The mechanism is seen to be slow and inconsistently implemented.
- Monitoring, analysis and calibration of assurance processes need to be improved.
- There is a need to build the business case for the standard and certification.

## Certification and “Beyond”

There is a recognition that certification can’t be the only tool in RSPO’s toolbox if it wants to make sustainable palm oil the norm. In fact, if it wants to be the leader in the sector or even the leader in sustainability, it needs to do more than set a standard with third party certification. It needs to be the platform and “go-to” for sustainability palm oil knowledge, tools, guidance, etc. It also needs to engage in activities in addition to standards setting, monitoring impacts and overseeing a certification and assurance process.

The opportunities section highlighted many activities that are seen as necessary for change to make sustainable palm oil the norm, but that go beyond the current standard and certification. Many of these activities are already happening within RSPO (e.g.—Sustainability College, RSPO Next). However, these are done opportunistically and not programmatically. These opportunities include:

- Capacity building activities including training on RSPO tools and guidance with wider dissemination in accessible formats (e.g. languages).
- Leveraging and working more with members and supporters to build tools, guidance and deliver capacity building and training.
- Helping to build new and more sustainable models of production for greenfield opportunities and building in shared value models.
- Working with finance and government initiatives to create an “even playing field” for palm oil financing.
- Government engagement as a lever for change: policy and enforcement.
- Building the evidence to understand impacts of P&C and other tools.

## Membership Accountability & Commitment

All members have requirements as a part of their membership. This supports the notion that the vision of RSPO is to transform *markets* to make sustainable palm oil the norm (not just to transform sustainable palm oil production). The industry itself is responsible for making itself sustainable with all actors contributing to market transformation.

The RSPO Code of Conduct states:

“It is fundamental to the integrity, credibility and continued progress of the RSPO that every member supports, promotes and works towards the production, procurement and use of Sustainable Palm Oil.”

The Annual Communications of Progress (ACOP) are reports submitted by RSPO members to gauge their progress towards 100% RSPO-certified sustainable palm oil. These reports are *mandatory* for Ordinary and Affiliate members and are submitted each year. There is the perception that members are not meeting their commitments, there is a lack of transparency of reporting and/or lack of accountability on the commitments. There has been significant progress in increasing report submissions over the past three years going from 60% to 75% submission rates. While positive, there is no quality assurance of the reports, analysis of progress, accountability or consequences for lack of reporting or progress. If just the current membership delivered on their commitments, this would drive demand as a lever to create market incentives especially for small and medium sized growers. The ACOP is also underutilized as a tool to aggregate results to give a snapshot of trends.

To date, RSPO has focused on compliance with the P&C as the main lever for change at the production level. This has been coupled with promises of market access and some hopes around market-based premiums for sustainable production. A clear demand strategy is needed, but it needs to start with the members themselves stepping up to their commitments – creating a shared vision and leading by doing. The ACOP if uniformly and consistently implemented, has the potential to be used for trend analysis as well as serve as a management and measurement tool to determine performance of different market segments and actors.

The SWOC highlights some issues and opportunities including:

- Focusing on shared values and goals across the membership creating a shared vision.
- Leveraging the diversity, expertise and assets of Members.
- Membership commitments could exponentially increase demand for CSPO.
- Use of the existing ACOP reporting tool for transparency and reporting.
- There is a lack of mechanisms to enforce or incent living up to commitments.

- There is need for more evidence on cost/benefits and incentives for RSPO to remain relevant.
- Ensuring that all members have equal influence (perceived and real) to eliminate tensions.

## Government Engagement

RSPO was set up as a voluntary standard and certification system because of the lack of government engagement to address sustainability in the palm oil sector. However, in the past decade, governments in Asia, Africa and Latin America are becoming more active in terms of policy, programming and enforcement.

The interviewees noted that there are opportunities to engage with government in terms of:

- Setting policy and/or national initiatives for sustainable palm oil production (that could be stepping stones to RSPO).
- Jurisdictional approaches that create sustainability in palm oil and other commodity production.
- Helping to create frameworks for legality for smallholders.
- Enabling greater transparency regarding concession boundaries and land use.
- Enforcing laws and regulations.
- Setting up national initiatives.
- Initiatives to enable a level playing field for banks financing palm oil production.
- Creating sustainable procurement and consumption incentives and/or policies to accelerate demand.
- Demonstrating socio-economic benefits and potential for green growth.

There are activities that are already taking place around engaging governments that are either being done by the RSPO Secretariat, Members, or jointly. Some of these efforts have been proactive and some have been reactive. There is no formal government engagement strategy, goals or risk assessment. It should be noted that for some stakeholders, governments could be an inhibitor of RSPO's mission and that needs to be taken into account.

## Smallholder<sup>2</sup> Inclusion

Smallholder inclusion is vital to making sustainable palm oil the norm. As of mid 2016, smallholders account for 30% of the world's production and 40% of land coverage used for palm oil cultivation<sup>3</sup>. In some regions, smallholders dominate the industry. The first attempt by RSPO to address smallholder inclusion was the introduction of a standard for smallholders, seen as a modification of the standard that had been designed for larger growers.

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<sup>2</sup> As defined by RSPO as working on plantations of less than 50 hectares.

<sup>3</sup> <http://www.rspo.org/news-and-events/news/making-a-meaningful-impact-on-smallholders-livelihoods-and-the-palm-oil-sector>



SWOC analysis of the smallholder issue includes:

- Smallholders must be addressed and included in a meaningful way within RSPO.
- The current definition of smallholders might not be appropriate, already providing a barrier for addressing the issue.
- Tools (in addition to certification) need to be introduced as well as a clear understanding of incentives.
- Smallholders can be more easily brought into the RSPO fold via jurisdictional approaches and working with governments.
- Government schemes can act as regulatory frameworks address the legality barriers for smallholders and operate as step-wise approach.
- There is a need for clear evidence of cost/benefits for smallholders.

There was acknowledgment by many stakeholders that the smallholder issue must have a more prominent role in RSPO strategy in order to tip the production market.

## Organizational Excellence

In order to successfully achieve the vision to transform markets, the efforts of RSPO's Secretariat, Membership, and BoG must be underpinned by a shared vision, respect, and effectiveness. This is a crosscutting issue that will enable the effective implementation of the strategies and tactics used to drive change.

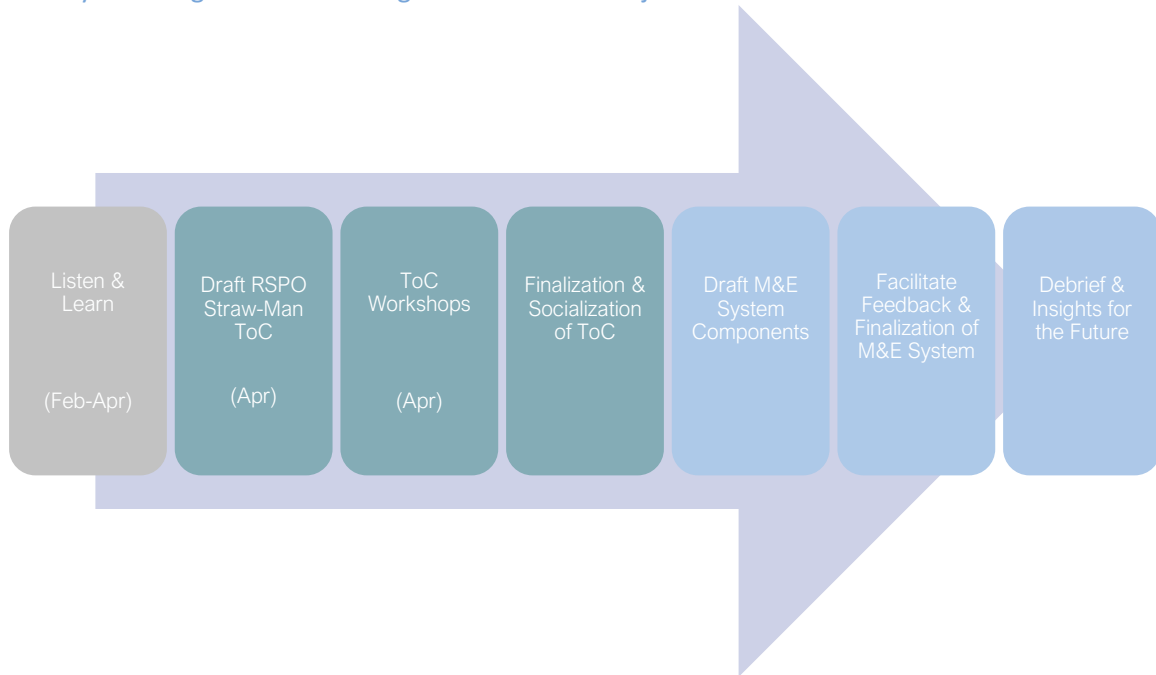
The SWOC highlighted many opportunities for improvement in this area.

- Need for a clear, consistent and communicated shared vision and strategies.
- Positioning of RSPO as credible leader in the sector on issues and innovation.
- Creation of robust monitoring and evaluation system including a set of key performance indicators for accountability and transparency.
- Organizational development including structure, processes and systems.
- Consistent implementation of rules and engagement.
- Building the credibility of the Secretariat with more staff with palm oil sector experience.

Although organizational excellence might not be a direct pathway to change, it is a key determinant as to whether RSPO will be successful in achieving its mission.

## Next Steps

### Theory of Change and Monitoring and Evaluation Project Process 2017



The consulting team will take the insights from the stakeholders, organizational documents and learnings from other systems to draft a Straw-Man Theory of Change (ToC). This will be further refined through a series of questions workshopped with the Board of Governors and the Secretariat to validate and/or negate assumptions, critical pathways and impacts. The European Roundtable meeting will be used for further stakeholder input. The finalized ToC will be used as the framework for developing the Monitoring and Evaluation System in the second half of the year.

## Annex 1: Stakeholders Interviewed

### List of Stakeholders Interviewed (including RSPO Secretariat)

Judith Murdoch	AAK
Tim Stephenson	AAK
Tulio Dias Brito	Agropalma
Hugo Byrnes	Ahold
Laura Jungmann	Ahold
Ms. Lim Sian Choo	Bumitama Agri Ltd.
Frazer Lanier	Citibank
Michael Zrust	Daemeter
Denys Munang	FGV
Norazam Bin Abdul Hameed	FGV
Ida Suryati Binti Ab. Rahim	FGV
K.Ilangovan	FGV
Marcus Colchester	Forest Peoples Programme
Edi Suhardi	Goodhope
Alwi Hafiz	GVL
Matt Karinen	GVL
Ian Hay	HSBC
Adam Harrison	Independent
Henry Barlow	Independent
Ben Vreeburg	IOI Loders Croklaan
Fiona Wheatley	Marks and Spencer
Jonathan Horrel	Mondelez Int.
Eddy Esselink	MVO
Madeleine Brasser	Oxfam
Johan Verburg	Oxfam
Chris Wangkay	Oxfam Indonesia
Dr. Lee Kuan Chun	Procter and Gamble
Girish Deshpande	Procter and Gamble
Geraldine Lim	Rabobank International
Stephen Krecik	Rainforest Alliance
William Crosse	Rainforest Alliance
Belinda Howell	Retailers Palm Oil Group
Jan van Driel	RSPO
Darrel Webber	RSPO
Bakhtiar Talhah	RSPO
Salahudin Yaacob	RSPO
Patrick Chia	RSPO
Stefano Savi	RSPO
Oi Soo Chin	RSPO
Yohanes Ryan	RSPO
Melissa Chin	RSPO
Tiur Rumondang	RSPO Indonesia
Sabarinah Marzuki	Sime Darby
Noor Izlin Andrina Ismail	Sime Darby

Joseph Paul Maliamauv	Tenaganita
Henry King	Unilever
Jan-Kees Vis	Unilever
Marcel Silvius	Wetland International
Sheila Senathirajah	Wild Asia
Dr Reza Azm	Wild Asia
Gonthong Lourdesamy	Wild Asia
Lim Ying Ying	Wild Asia
Declan O'Flaherty	Wild Asia
Benjamin Loh	WWF
Jessica Furmanski	WWF
David McLaughlin	WWF

## Annex 2: Detailed SWOC Table Analysis<sup>4</sup>

Strengths	Description	Building on our Strengths
<ul style="list-style-type: none"> <li>• Multi stakeholder initiative that crosses various sectors</li> <li>• Platform for seeking consensus-based solutions and innovation</li> <li>• Has raised awareness of unsustainable Palm Oil</li> <li>• Leader in certified palm oil</li> <li>• Have made progress (20% certified is an accomplishment from which to build on)</li> <li>• Credible third party assurance</li> <li>• Offers practical guidance and tools</li> <li>• Market commitments are significant and drive certification</li> <li>• Members are an asset               <ul style="list-style-type: none"> <li>○ Strong membership numbers</li> <li>○ Member diversity</li> <li>○ Members’ knowledge base</li> </ul> </li> <li>• Provides a due diligence mechanism for financial actors</li> </ul>	<ul style="list-style-type: none"> <li>• Brought broad global attention to issues and platform for defining solutions</li> <li>• Brought together many actors at a critical time to have the difficult discussions</li> <li>• Convening power- continues to provide a mechanism for bringing diverse actors together and facilitating dialogue</li> <li>• Creation of market-based standard which is leading in terms of edible oils (not fragmented like some commodities)</li> <li>• 20% of the world’s production now certified</li> <li>• Standard is a good standard for “good practices”</li> <li>• RSPO sets out global guidance and templates/tools</li> <li>• Members have knowledge, experience and resources to come up with innovative solutions</li> <li>• Diversity brings different perspectives</li> <li>• Have created practical guidance and tools (e.g.--FPIC, HCV) that complement the standard and address critical issues</li> <li>• Having a standard supported by an independent third party assurance system (<i>although its implementation effectiveness is in question</i>)</li> <li>• Europe and U.S.—uptake commitments are significant</li> <li>• Banks requiring RSPO certification for financing</li> <li>• Provides a way for financiers to be able to do due diligence</li> </ul>	<ul style="list-style-type: none"> <li>• Build upon what we do well and take a more leadership position for the sector</li> <li>• RSPO as platform for collective impact focusing on shared values and outcomes - not in role as enforcer of procedures and rules</li> <li>• Be proactive rather than reactive in addressing issues, new challenges (more forward-thinking)</li> <li>• Collaborate with other certifications including national and international, to complement strengths- RSPO brings a lot to the table</li> <li>• Leverage members (knowledge and diversity) for seeking innovative solutions to complex problems – focus on common and shared goals</li> <li>• Strengthen quality and consistency of assurance mechanisms</li> <li>• Enforce member’s commitments throughout their supply chains</li> </ul>

<sup>4</sup> The following details the SWOC, which highlights the complexity of many of the issues. There is not a one-to-one relationship between the columns due to the interrelated nature of issues, opportunities and mitigation strategies

Weakness	Description	Options for minimizing or Overcoming Weakness
<ul style="list-style-type: none"> <li>• Bureaucratic and slow due to consensus approach</li> <li>• Clarity of goals and strategies inconsistent internally and externally</li> <li>• Lack of metrics/KPIs and reporting (accountability and transparency)</li> <li>• Organizational structure unwieldy- Secretariat, BoG and WG</li> <li>• Lack of confidence in the Secretariat to lead the next phase in terms of tools, staffing and leadership</li> <li>• Leadership role in sector on issues and solutions</li> <li>• Lack of demand uptake strategy and clear implementation plan</li> <li>• Grievance mechanism ineffective (inconsistent application and slow)</li> <li>• Inconsistency in applying rules and enforcement</li> <li>• Members not held accountable specifically on demand side</li> <li>• Assurance system quality subpar (auditors, CBs, and accreditation system)</li> </ul>	<ul style="list-style-type: none"> <li>• Multi stakeholder approach is bogging the system down, some things/ decisions can be done without it</li> <li>• Lack of clear and communicated goals, priorities and strategies across the organization and members</li> <li>• Lack of transparency creates the perception that things are not moving/changing</li> <li>• Lack of accountability at BoG, WG and Members – soft targets or not explicit with little consequences of not reporting on them or meeting them</li> <li>• WG all volunteers with no facilitation or administrative support - hard to get and maintain traction</li> <li>• RSPO needs to take on more leadership to pull members together more in reaching goals</li> <li>• ACOP, demand side has no accountability to deliver—no enforcement mechanism</li> <li>• Grievance mechanism—resourcing, investigative quality, time results in slow and inconsistencies in application</li> <li>• “Fairness” has not been applied in addressing issues: inconsistent dealings with certificate holders</li> <li>• Secretariat interventions—need to set rules of the game and stick to them</li> <li>• Assurance—audit and certification quality subpar and they are not finding the non-compliances (risk to credibility)</li> <li>• Lack of consistent, accessible guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Some things can be done without full consensus – focus on shared goals and allow innovation on the how</li> <li>• Cohesive vision and overview/plan</li> <li>• Develop clear Terms of Reference, goals and priorities at all levels – BoG, Secretariat, WGs</li> <li>• Provide administrative support to WG</li> <li>• Change from adversarial nature of relationships to collaboration through shared goals and objectives</li> <li>• Tracking implementation progress and reporting on progress, understanding blockages</li> <li>• Transparency on reporting and consequences for all members</li> <li>• Investment in staff and systems</li> <li>• Quality Assurance program needs to provide accessible tools and resources, ensure better skilled or trained auditors, more accountability of CBs as well as Quality Assurance of New Planting Procedure and HCV Assessments</li> <li>• Universal application of rules</li> <li>• “Rethinking” the assurance model – e.g. escrow fund to pay CBs so there is no direct client relationship</li> <li>• Monitoring and evaluation of quality management system</li> </ul>

Opportunities	Description	Options for taking Advantage of Opportunity
<ul style="list-style-type: none"> <li>• Proactive government engagement to create enabling policies and enforcement of laws</li> <li>• National programs providing legal frameworks as entryway for smallholders – step wise approach</li> <li>• Domestic markets especially Indonesia, China and India as markets for sustainable palm oil</li> <li>• Jurisdictional approaches as a solution for scale</li> <li>• Smallholder strategy to enable scale</li> <li>• Smallholders-government engagement strategy</li> <li>• Defining a sustainable production model in Africa and Latin America</li> <li>• Providing capacity building on approaches and tools (e.g.-FPIC, HCV)</li> <li>• Working with/learning from other systems across diverse commodities</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive engagement with government: stakeholder group currently missing from the RSPO and critical for legal issues (policy and enforcement) and smallholder strategy</li> <li>• Government as source for enabling policies – green growth with partnership with RSPO - regional banks, UN agenda. (RSPO as catalyst.)</li> <li>• ISPO/MSPO can bring in small and medium sized growers to legality and as stepwise approach for RSPO</li> <li>• Major consumption markets low awareness and largely untapped</li> <li>• Jurisdictional approaches take land use planning and concepts at management unit level to scale (social conflicts, biological corridors) but still many challenges remain on how to implement it so need new types of partnerships</li> <li>• Jurisdictional approach to engage with governments and other certification programs</li> <li>• Future market growth beyond EU is dependent on key eastern countries with high internal demand. Not internationally traded and cultures are distinct so need different strategy/strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• Formalization of a government engagement strategy</li> <li>• Based on core strengths, position RSPO as leader with governments</li> <li>• RSPO as catalyst across governments and countries</li> <li>• Demand update strategy needs to include: <ul style="list-style-type: none"> <li>○ enforcing commitments of current members</li> <li>○ differentiating CSPO</li> <li>○ raising awareness of unsustainable palm oil</li> <li>○ country-specific and company specific membership strategies</li> <li>○ leveraging multinational companies to extend sourcing commitments to emerging markets</li> </ul> </li> <li>• Jurisdictional approach includes interoperability with other certifications</li> <li>• Need evidence on impacts of implementation of P&amp;C <ul style="list-style-type: none"> <li>○ governments and smallholders – cost/benefits - socio-economic benefits</li> <li>○ businesses for own commitments</li> <li>○ Civil Society for reinforcement of the support of the mission</li> </ul> </li> </ul>

Challenges	Description	Options for overcoming challenge
<ul style="list-style-type: none"> <li>• Stagnation – moving beyond the existing commitments and certified production volumes</li> <li>• Engaging governments (resistance and potential “competition”)</li> <li>• Complacency of Asian companies to get involved</li> <li>• Engaging smallholders</li> <li>• Emerging alternative certifications</li> <li>• Company programs as competition</li> <li>• Managing/balancing competing Members’ interests</li> <li>• Maintaining relevancy with existing Members</li> <li>• Critical issues – e.g. deforestation and peat</li> <li>• Human rights issues – violations and lack of future-looking strategy on labor</li> <li>• Overall negative perception of palm oil and RSPO as the lightning rod</li> </ul>	<ul style="list-style-type: none"> <li>• The early adopters want to move faster but to reach a tipping point (10,20,30%?) will be very challenging – lack of incentives (premiums), clear value proposition, and smallholder inclusion</li> <li>• Despite efforts to address smallholders, certification has not been the right tool/or the only tool needed - smallholder issue is not being addressed. Certification is a hurdle - costs and complexity of standard and rules</li> <li>• Inclusiveness - ambition of platform but voices dominated by those with resources and stakeholders have to be members to participate in WG, RT - costs</li> <li>• Specific groups not represented: <ul style="list-style-type: none"> <li>○ Governments, particularly local governments</li> <li>○ Consumer groups</li> <li>○ Labor and other groups - assumed represented by NGOs- but they try to bring in their voice, but do not "represent" them</li> </ul> </li> <li>• Global issues – need to take a strong position and convene membership around it</li> <li>• Need to change the narrative around palm oil</li> <li>• Not brand facing and seen as too slow, existing members investing directly in supply chains or other certifications– making RSPO less relevant</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of tangible economic benefits to attract</li> <li>• Barriers (real and perceived) to certification</li> <li>• Stronger advocacy position</li> <li>• Allow nonmember participation – govts/smallholders</li> <li>• Work with national programs with shared objectives – socio-economic development and reach to smallholders</li> <li>• Take leadership position on specific global issues like deforestation and peat</li> <li>• Define a human rights strategy</li> <li>• Smallholder strategy that considers size, access to resources (tools, capacity building, finances)</li> <li>• Changing the perceptions - different message for different markets <ul style="list-style-type: none"> <li>○ Message to western markets (e.g. EU) – palm oil can be sustainable</li> <li>○ Message to large consuming markets (e.g. China) – there is unsustainable palm oil</li> </ul> </li> <li>• Improve member communication and collaboration</li> <li>• Evidence on impacts of implementation of P&amp;C – for govts and smallholders – cost/benefits - socio-economic, environmental benefits, for supply chain actors of delivering on own sustainability commitments</li> </ul>



## Annex 3: Interview Questions

1. What do you see as RSPO's role in the making sustainable palm oil the norm?
  - a. What do you see as the main challenges/barriers to achieving this vision?
  - b. How does/should RSPO demonstrate progress towards this?
  - c. In other words, what is the evidence they need to have (from your perspective)?
  - d. Where are their strengths and weaknesses in terms of delivery based on what you have just described?
  
2. What specific thematic issues should RSPO be tackling in the short, medium and long term to drive sustainability?
  
3. What tools and processes do you feel RSPO should be using?
  - a. How effective do you feel their existing tools are to achieving their goals?
  - b. Which tools do you consider most critical for RSPOs' success?
  
4. What do you think is out of scope for the work of RSPO? What should other organizations/entities do?
  
5. What is your stakeholder group and working group/standing group/task force/complaints panel role in terms of helping to drive change?
  
6. What opportunities do you feel RSPO has in the near future and the long term?