Roundtable on Sustainable Palm Oil (RSPO)

Monitoring & Evaluation System:

RSPO M&E Public System Report – March 2018

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1. Scope and Boundaries of the M&E System

The overall objective of the RSPO Monitoring & Evaluation (M&E) system is to monitor at a global level the impact of RSPO's strategies and activities. The RSPO M&E system started in 2013 with an Impact Monitoring Framework that comprised the statement of desired change and progress indicators aligned to RSPO's standards.

In 2016, RSPO has launched an initiative to better improve its M&E system through the development of a Theory of Change (ToC), which was approved by the RSPO Board of Governors (BOG) in September 2017. The approved ToC serves as a blueprint for the development, implementation and improvement of the entire M&E system. The RSPO's ToC has identified three key roles of RSPO:

1. RSPO as a standards system
2. RSPO as an engagement platform
3. RSPO as a leader in sector sustainability

Of these key roles, the M&E system has focused on the first role. The improved M&E system shall be able to include monitoring of the other roles, as key to sector transformation and driving change. The scope of the M&E system includes RSPO members, the palm oil supply chain, the workers and communities and environment where members operate, as well as actors that support the palm oil sector (e.g. governments, financiers). The monitoring is not just at the field level, but also includes the supply chain and the enabling environment.

The M&E system is in line with the scope of the RSPO's ToC, which makes explicit how RSPO expects its strategies and interventions will lead to the expected outputs, outcomes and impacts as identified in the key causal pathways (see RSPO Theory of Change Narrative Document[1]).

Further improvement of the M&E system includes indicators that are strategically aligned with the ToC to monitor and evaluate progress from direct outputs, to outcomes and impacts on critical pathways, as well as key evaluation questions to provide insight into the intended and unintended effects of RSPO's strategies and supporting activities. The indicators also use reference points such as the ISEAL common core of indicators and the UN Sustainable Development Goals (SDGs).

The RSPO's ToC also provides a guiding framework for the current RSPO Principles & Criteria (P&C) revision process and for monitoring, evaluating and reporting the effects of the standard and assurance system. As such, additional indicators may be identified during the RSPO P&C review that would later be integrated into the M&E system.

RSPO is now in the process of implementing the improved M&E system for 2018. The general schedule presented below is indicative of the M&E activities that are planned for 2018. RSPO is also targeting to recruit a Data Scientist by Q2 of 2018 to support M&E functions relating to the collection, analysis and interpretation of RSPO's data.

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[1] https://www.rspo.org/about/impacts/theory-of-change

TABLE 1   GENERAL SCHEDULE FOR M&E ACTIVITIES

Time frame	Activity
Q1 2018	• Internal and external socialisation on the RSPO's Theory of Change • Consolidating and updating of M&E, ToC, Research and Impacts webpages • Prioritisation of indicators and research questions • Support P&C restructuring and metrication processes, advising on indicators and systems that align with the Theory of Change • Develop multi-year RSPO Research Agenda
Q2 2018	• Finalisation of draft priority indicators • Data mining and digitising existing data of priority indicators • Realigning organisational roadmap with the Theory of Change • Define research design for new approaches such as Jurisdictional Approach • Conduct 1-3 priority outcome assessments using existing longitudinal data to assess existing tools and processes
Q3 2018	• Define reporting needs of new indicators • Pilot test new indicators
Q4 2018	• Adjust M&E plan based on pilots, integrate into business processes • Create dashboards, integrate into RSPO internal portal

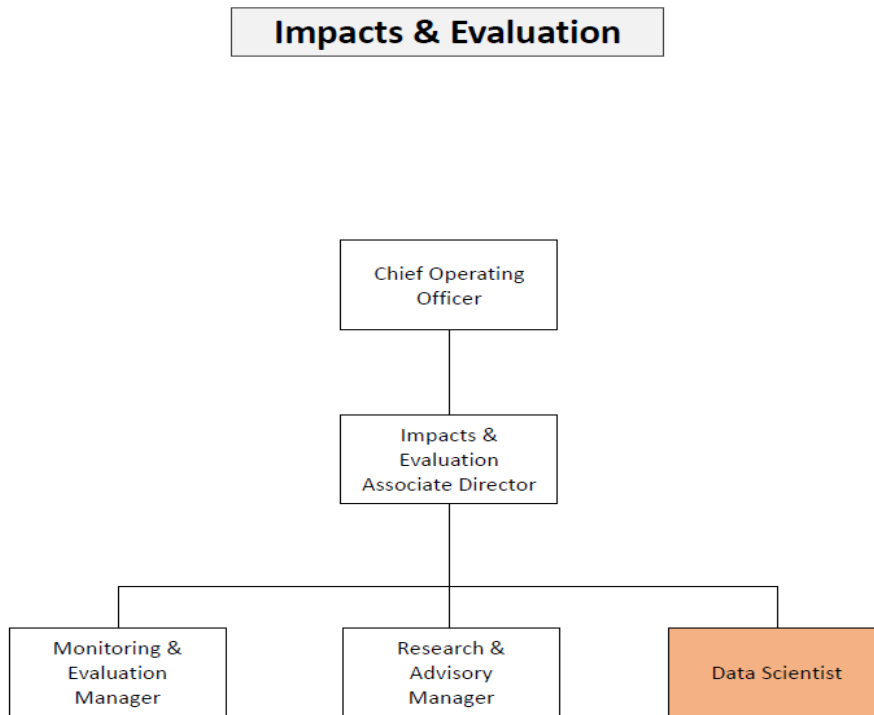## 2. Roles and Responsibilities

The RSPO Impacts and Evaluation (I&E) Department is responsible to collate and report impacts of the RSPO in order to provide continuous improvement and feedback to the RSPO standards and policies (see **Figure 1**).

RSPO has recently completed restructuring of all its departments; with effect from 1 March 2018, the Complaints Unit that was previously under the I&E Department has been moved to the Chief Operating Officer's Office to ensure systematic and more effective synergies between all departments. This means that the I&E Department is now entirely made up of M&E staff.

The roles and responsibilities of staff in the I&E Department are given in **Table 2**.

A total of RM 2.3 million has been allocated for the I&E Department for the financial year of 2017/2018, approximately 11% of total RSPO budget (see **Table 3**). We foresee that the allocated budget will be adequate for the implementation of the improved M&E system in 2018. It is to note that the budget in **Table 3** is allocated for projects and is exclusive of staff salary. Salary is under a separate operational budget, hence the current budget is sufficient for implementation of the M&E system. The current M&E staff is anticipated to be adequate to meet the needs of the M&E system until 2019.

FIGURE 1   RSPO I&E DEPARTMENT ORGANISATION CHART (2018)

Impacts & Evaluation

Note: RSPO is targeting to recruit a Data Scientist by Q2 of 2018[2].

TABLE 2   ROLES AND RESPONSIBILITIES FOR RSPO I&E STAFF

Name	Position	Contact Details	Roles and Responsibilities	Background
Soo Chin Oi (50% FT on M&E)	Director (Impacts and Evaluation)	Email: soochin.oi@rspo.org	• Oversee the overall management of the I&E Division	• BSc in Forestry • 10 years' experience in resource and environmental management
Elisa Chong (100% FT on M&E)	Monitoring & Evaluation Manager	Email: elisa.chong@rspo.org	• Lead, develop, implement and manage all M&E initiatives for RSPO	• MSc in Urban Water Engineering & Management • 8 years' experience in environmental

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[2] https://www.rspo.org/about/careers

Name	Position	Contact Details	Roles and Responsibilities	Background
			• Ensure compliance with ISEAL	impact assessments and environmental compliance and monitoring
Cheryl Ong (100% FT on M&E)	Research & Advisory Manager	Email: cheryl.ong@rspo.org	• Lead and manage RSPO commissioned outcome and impact evaluation studies • Identify gaps in knowledge on impacts and create initiatives • Encourage research by external partners	• PhD in Science (Biogeochemistry) • 6 years' experience in research and 1-year experience in sustainability consultancy
TBC (100% FT on M&E)	Data Scientist	• N/A	• Collect, analyse and interpret data for M&E purpose • Extract and analyse internal database	• N/A

Note: ☐ means this position is currently vacant but targeted to be filled by Q2 of 2018.

TABLE 3   RSPO BUDGET FOR FINANCIAL YEAR 2017/2018

	Budget FY2017 (RM '000)		
	Operating	Projects	Total
Technical Division	3,314	3,265	6,579
Impact Division	1,720	563	2,283
Communications Division	7,886	2,090	9,976
Strategic Projects	-	898	898
Secretariat	300	352	652
Overseas Offices	292	429	721
TOTAL	13,512	7,597	21,109

3. Defining the Intended Change

The RSPO's Board of Governors (BoG) has formally approved the RSPO's Theory of Change (ToC) on 18 September 2017. The RSPO's ToC reflects RSPO's vision to **transform markets to make sustainable palm oil the norm**. The RSPO's ToC is illustrated in the form of an infographic with a supporting narrative document that describes the intended impacts that RSPO wishes to achieve as well as the key causal chains to achieve them[3]. The graphical visualisation of the ToC is a simplified version of the ToC for communicating to a wider audience. A more technical and detailed version of the key causal chains is used for operationalising the ToC and is available for internal use.

a) **Process of change**

The process of change is the backbone of the RSPO change theory, which is fundamental to trigger the transformation of the palm oil sector. The change is characterised by a progression of Mobilise, Act and Transform.

Mobilise: RSPO brings together stakeholders and supporters through various mechanisms (roundtables, working groups, task forces, governance structures, etc.) around a common vision, opportunities to engage, and clear strategies for change. This mobilisation also extends to mobilising investments and resources to support implementation.

Underpinning this mobilisation are Commitment, Collaboration and Accountability.
- Commitment: All the actors commit to their contribution to transforming markets.
- Collaboration: Recognising the need to work together and making that happen: transformation of markets can't happen without collaboration.
- Accountability: Commitments are to be fulfilled with a shared responsibility for impact. The expectation of partners and all members is that they actively participate and work together to transform the markets and that there is a mutual and agreed accountability for results.

Act: All of the mobilised actors and RSPO implement the strategies and supporting activities and collaborate. Actions include implementation of the P&C, verification/assurance, providing support and seeking solutions, learning, and measuring progress. As evidence and results become available—these are disseminated leading to adaptive management and scale.

Transform: Behaviour of actors shifts, outputs and outcomes become tangible and measurable—as a result, markets and the actors that influence those markets behave differently with the objective of making sustainable palm oil the norm.

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[3] The RSPO's ToC infographics, narrative document and video can be accessed at
https://www.rspo.org/about/impacts/theory-of-change

b) RSPO Vision

*RSPO will **transform markets** to make **sustainable** palm oil the **norm***

Markets
Markets imply all actors in palm oil supply chains (not just a producer and a buyer).

Sustainable
RSPO aspirations and definitions will link to the Sustainable Development Goals. The goals are global, represent multi-stakeholder voice, and link to people, planet and prosperity.

Norm
"The new normal"—the desired and accepted way of working that is sufficiently large and embedded into culture and practice.

Transform
The transformation is a journey in which RSPO "raises the ceiling and the floor" through a process of helping stakeholders through continuous improvement, moving from good practice to best practice, and adapting to changing circumstances and environments.

c) Goals
The ultimate goals of the impacts of RSPO strategies and activities are:
- ***Resilient and Healthy Landscapes and Communities***
  Protection and restoration of resources and people have the means to provide for themselves and advocate for their rights.
- ***Green and Inclusive Growth***
  Sustainable palm oil is a driver for economic growth and development at the local, regional and/or national level while ensuring that natural assets continue to provide the resources and environmental services on which well-being relies. Benefits accrue to all involved.

d) Impacts
Impacts are the positive and negative long-term effects on planet, people, markets and systems resulting from strategies and interventions. These may be direct or indirect effects, intended or unintended. The intended impacts as defined by the RSPO's ToC are based on the Planet, People and Prosperity themes, recognising that these are interrelated and interdependent. They are aligned with the Sustainable Development Goals (SDGs) to ensure relevancy for all actors in the palm oil supply chain (see **Table 4**).

TABLE 4   INTENDED IMPACTS

Themes	Intended impacts	Definition
Planet Environmental benefits	• Conserved, protected & enhanced ecosystems that provide for the next generation	Ecosystems and their goods and services are conserved, protected, enhanced, and made resilient through sustainable consumption, production and management of natural resources [sustainably managing forests, combating desertification, halting and reversing land degradation, halting biodiversity loss (SDG 15)]. Climate change is addressed through continuous GHG reductions, and air and water pollution are controlled.
People Social benefits	• Sustainable livelihoods & poverty reduction • Human rights protected, respected & remedied	The palm oil sector protects and improves rural livelihoods, equality [4], and social well-being. Human rights are respected. People participate in processes that affect them with shared access and benefits. Everyone engaged in palm oil production has equal opportunities to fulfil their potential in work and community, with dignity and equality, and in a healthy working and living environment.
Prosperity Economic benefits	• Competitive, resilient & sustainable sector	Sustainable palm oil reaches its full potential in terms of contributing to innovative economies and accelerated prosperity, and as a model for green and inclusive growth for emerging economies. A sustainable, competitive, and resilient palm oil sector ensures long-term viability of the entire supply chain and shared benefits for the private sector, as well as the livelihoods of the people and communities where palm oil is grown.

e) **Expected Long-term Outcomes**

Over time and as a result of the various RSPO and other actors' strategies and activities, the expected long-term results (long-term outcomes) include:

Biodiversity Protected: Biodiversity, or the variety of life, forms the foundation of the health of ecosystem services and allows for ecosystems to adjust to disturbances (resiliency). Conservation of biodiversity includes the preservation of rare, threatened, and endangered species, and preservation of HCV areas.

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[4] Equality means equal opportunity, equal access and equal results.

Ecosystem Services Enhanced: Essential ecosystems services from natural and managed ecosystems are preserved, contributing to planet and people well-being. These include clean air and water, food, fuel, and culture.

Land Degradation Neutrality: A state whereby the amount and quality of land resources necessary to support ecosystem functions and services and enhance food security remain stable or increase (SDG 15.3.1), considering land productivity, land cover and change, and carbon stocks.

Agency and Voice: All rights holders (e.g. workers, communities, women, migrants, indigenous people, vulnerable populations, etc.) can activate, access, and claim their rights through their engagement in palm oil production and trade.

Communities and Companies in Harmony: There is dissolution of disputes and grievances between communities, palm oil growers, and other actors in the palm oil sector, which are replaced by shared understanding, dialogue, and amicable and peaceful resolution.

Sustainable and Resilient Businesses: Businesses of all sizes and scales can compete in the long-term and weather economic shocks.

Inclusive Access to Benefits: Economic, social, and environmental value accrues to all involved in the palm oil sector.

Sustainable Land Use Planning: National/subnational practices and technologies integrate the management of land, water, biodiversity, and other environmental resources to meet human needs while ensuring the long-term sustainability of ecosystem services and a competitive, resilient palm oil sector.

Level Playing Field: Consistent, unbiased, and equitable policies and systems for all actors provide clarity of the rules and define the spirit of participation. A level playing field requires consistent application of rules and their enforcement. This creates a situation of fair competition, access to markets and finance, and opportunity for all.

A key precondition for long-term outcomes and impact is a **Market for Sustainable Palm Oil**. This includes more growers, hectares and volumes on the production side, as well as more markets, new actors engaged and institutional support.

f) **Key Strategies**
RSPO aims at driving change through several interrelated strategies as detailed in the ToC:
- Innovating standards and benchmarks
- Credible certification, verification and grievance
- Participatory approach for smallholders
- Jurisdictional approaches

- Generating demand, commitments and uptake
- Matching supply and demand
- Engaging the supporting sector

g) **Assumptions**

The RSPO ToC is a *theory* of how the RSPO strategies and interventions work. There are many **assumptions** built in the causal chains that are important to the ability of RSPO to achieve its vision and have impact. There are assumptions at all levels of results, assumptions about how certain activities will lead to specific results and how these in turn can lead to further changes. The key assumptions are documented in the causal chains. The M&E system will be testing these assumptions to build evidence on what works under what conditions, and to adjust activities and focus. Some of the key overall assumptions are:

- RSPO P&C is the blueprint for socially responsible, and economically and environmentally sustainable palm oil production, as agreed upon through a multi-stakeholder process.
- Measuring performance through sustainability metrics will be a valuable tool for growers to track impacts of better management practices and guide continual improvement in operations.
- RSPO must deploy all of the strategies that are on the ToC to achieve the intended change– although some might move faster than others.
- Some form of assurance to verify the effective implementation of the RSPO P&C is necessary but may take different forms – from community-based monitoring to independent third-party certification, depending on market and risk factors.
- There are clear and demonstrable benefits for growers that apply RSPO P&C and for buyers that source sustainably produced palm oil.
- RSPO needs to be bigger and go broader in terms of its reach.
- Market intervention (e.g. supply and demand matching) is needed in the near to medium-term as well as accountability for buyers to fulfil their commitments and ensure the uptake of sustainably produced palm oil.

h) **Influencing Factors and Unintended Effects**

Influencing factors are factors that influence the effectiveness of RSPO activities and investments but that are out of the direct control of the organisation. During the process of developing the ToC, several areas were identified during stakeholder consultations and interviews, and were considered in the development of strategies.

Influencing factor	Potential affected results
Climate change and natural disaster	Productivity and resilience
Political instability and conflict	Productivity, smallholders, uptake
Government policies	RSPO uptake and market access, smallholders
Company policies	RSPO uptake and market access
Sourcing preferences and risk tolerance of buyers	RSPO uptake and market access, Smallholders

Influencing factor	Potential affected results
Competing government standards	RSPO uptake and market access, Smallholders
Competing company programs	RSPO uptake, incentives
Negative "palm free" campaigns	RSPO uptake, enabling environment
Existing level of organization of growers	Adoption of BMPs, improved risk management
Existence and level of price premiums	Adoption of BMPs
Availability and affordability of agricultural inputs	Adoption of BMPs
Technology	Adoption of BMPs, smallholders

Unintended effects identified by stakeholders during the ToC development process:
- Members not sourcing certified RSPO.
- Compliance costs and complexity too high for smallholders.
- Lack of price premium or markets.
- Lowered income due to lowered productivity or limited expansion.
- Intensification leading to reduced biodiversity and resilience to climate change.
- Sustainable palm oil is sold to meet the renewable energy biofuels targets in the EU and not ending up in consumer products as CSPO.

4. Performance Monitoring

Based on the RSPO's ToC (2017), indicators have been developed to monitor progress towards outputs, outcomes and impacts. RSPO follows ISEAL's guidelines in rationalising the indicators at 3 levels:

1. Level 1: Program wide monitoring
   - Reach and output indicators
   - Data collected from all certified units, membership, New Planting Procedures and Annual Communication of Progress (ACOP) and analysed annually
2. Level 2: Sample monitoring
   - Case studies and outcome assessments
   - A sample or subset of data
3. Level 3: Research
   - In-depth quantitative and qualitative scientific studies, focused on long-term outcomes and impacts

In 2012, a total of 26 indicators were selected based on several criteria recommended by Community on Sustainability Assessment (COSA) and a subset are part of the annual RSPO Impact Report. With the recently approved RSPO's ToC in 2017, a list of core M&E indicators have been revised and updated to be aligned with

the ToC and where possible, to the ISEAL Common Core Indicators and the Sustainable Development Goals (SDGs) indicators[5].

Data used for M&E purposes are collected by different departments in RSPO, i.e. assurance data and New Planting Procedure data from the Assurance Department, membership data from the Finance & Admin Department, trademark data from the Outreach & Engagement Department, Remediation and Compensation Procedure (RaCP) data and Greenhouse Gas (GHG) emission data from the Standard Development Department, and complaints data from the Complaints Unit.

All raw data are stored in the Salesforce data management system and/or Google drive, and managed by the respective departments. All departments have their own internal procedures for managing and handling data that enters the RSPO systems including data checking, verification, analysing and storage. For example, audit reports uploaded in the RSPO IT Platform by Certification Bodies will be checked and approved by the RSPO Head of Certification. Once approved, the certification unit uploads the audit summary data on our Salesforce data management system and/or Google drive with restricted access. Currently, the Assurance team are in the process of improving the RSPO IT Platform to enable direct input of audit results into the RSPO IT Platform that is then automatically synched with the Salesforce database. This will reduce manual data re-keying and improves data quality.

A comprehensive data registry was developed internally in 2017 to inventory the various sources and is maintained by the I&E Department.

The I&E Department analyses data obtained from the various departments in RSPO on an annual basis and the M&E results are shared with stakeholders via RSPO Impact Reports 2017, 2016, 2015 and 2014[6].

RSPO also has a Privacy Policy which came into force on 15 November 2013 in accordance to the Malaysian Personal Data Protection Act 2010. All signed copies of Non-Disclosure Agreements are kept in-house.

5. Outcome and Impact Evaluation

Since 2015, RSPO has established the Socially and Environmentally Sustainable Oil Palm Research (SEnSOR) programme[7], which is an independent five (5)-year integrated multi-disciplinary external research programme designed to fill key knowledge gaps in testing and developing the RSPO's P&C for sustainability in oil palm agriculture. The first- and second-year outputs have been made available on its website[8]. In 2017, SEnSOR has commissioned two (2) impact studies which are (1) testing impact of RSPO high conservation value (HCV) areas in retaining biodiversity and carbon stocks in oil palm, and (2) impact of RSPO membership on avoiding biodiversity losses in oil palm landscapes.

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[5] The list of RSPO core M&E indicators can be downloaded under M&E documents at
https://rspo.org/about/impacts/measuring-and-evaluating-impacts
[6] https://www.rspo.org/key-documents/impact-reports
[7] http://www.sensorproject.net/
[8] http://www.sensorproject.net/reports/

Based on the ToC, a Research Agenda[9] has been developed in early 2018. The document has been developed through consultation with key experts within the RSPO Secretariat, detailing RSPO's priority research questions to help focus, inform and coordinate our research work to test and validate our ToC. The scope of the Research Agenda is to understand and demonstrate the outcome and impact of RSPO's strategies and interventions in order to improve RSPO standards. The list of research questions is centred around six different themes related to RSPO: cost and benefit analysis, certification, assurance and grievance; demand generation and support sector, human rights; smallholders; and ecosystem conservation and management. With the establishment of the Research Agenda, one to three (1-3) studies will be commenced starting from Q2 of 2018. The Research Agenda will also be used to actively encourage the conduct and publication of independent research on RSPO outcomes and impacts.

In addition, RSPO is in support of two (2) other current long-term RSPO impact or outcome studies conducted by other universities and organisation. The topics covered by these two (2) studies are competitiveness of RSPO certified growers in Malaysia, and impact of RSPO certification on rural livelihoods in Malaysia and Indonesia. RSPO is also actively participating in workshops organised by the Academic Research on Palm Oil Sustainability (ARPOS) based in Malaysia. We aim to identify and participate in more scientific research conferences globally in 2018 to disseminate information of the Research Agenda and to encourage uptake of research on impacts and outcomes of RSPO. These two studies are ongoing studies, which have been developed prior to the establishment of the Research Agenda. Moving forward, the Research Agenda will serve as a guide for independently conducted research studies to ensure that the research conducted will be in line with the ToC.

As of 2018, all published RSPO outcome and impact evaluation research reports and/or journal articles will be recorded and shared in a newly developed Research Library[10] on the RSPO website.

6.   Improving the Effectiveness of the M&E system

The M&E system has been vastly improved through the development of RSPO's first ToC that was recently completed in September 2017. RSPO is now in the process of implementing the ToC and the improved M&E system throughout the whole organisation as shown in **Table 1** in Section 1 of this report. The process of implementing the M&E activities involves inter-departmental collaboration that will foster internal buy-in and support. For example, we are currently working on prioritising M&E indicators in collaboration with the data owners. Once the indicators are agreed, there is a plan to start the collection and analyses of the indicators which will be reported in mini digest reports internally. This will feed the entire organisation and its stakeholders with information that they need to make decisions on how to improve their work.

Further, to improve access and sharing of M&E results across the RSPO divisions and to facilitate for more effective discussion of M&E results, particularly during the preparation of the annual RSPO Impact Report, a Comments Template Form was created in 2016 for internal use and record. The annual RSPO Impact Report

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[9] https://rspo.org/files/download/d0c4115fbf2b976
[10] https://rspo.org/about/impacts/research-library

provides the means for compilation and distribution of M&E results to the entire organisation as well as to our stakeholders.

7. Opportunities for Engagement

Stakeholders were consulted on this revision of the M&E system through active involvement in the development of the ToC through a combination of interviews, workshops, webinars and the European roundtable conference. RSPO has set up a dedicated webpage on Impacts to communicate to stakeholders and the general public on its Theory of Change and M&E system for transparency and input[11]. The page also contains current and past M&E Public System Reports and annual Impact Reports. In addition, a new Research and Evidence webpage[12] is also published which contains information on key research priorities of RSPO, a compilation of published research reports, and a point of contact for research inquiry. RSPO will be using the newly developed Research Agenda, as mentioned previously, to foster collaboration and partnership in research between RSPO members, industry peers, research community, interested investors or funders, and other related stakeholders to advance knowledge on the outcomes and impacts of RSPO strategies and interventions.

We welcome any feedback, questions or comments on RSPO M&E system. All M&E related matters can be directed to RSPO's M&E Manager, Elisa Chong at rspo.impacts@rspo.org.

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[11] https://rspo.org/about/impacts/measuring-and-evaluating-impacts
[12] https://rspo.org/about/impacts/research-and-evidence