

RSPO

Roundtable on
Sustainable Palm Oil

RSPO STRATEGY



RSPO SMALLHOLDER STRATEGY

JUNE 2017

OBJECTIVES, OUTPUTS AND IMPLEMENTATION

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EXECUTIVE SUMMARY

The Roundtable on Sustainable Palm Oil (RSPO) seeks to “transform markets to make sustainable palm oil the norm.” In order to fulfil this mission, RSPO acknowledges the significance of smallholders and the need for a change in current practices and approaches to improve their inclusion into the RSPO system.

To date, RSPO has been supporting smallholders through a variety of different approaches including funding support programs through the RSPO Smallholder Support Fund (RSSF), development of “Guidance for Group Certification of FFB Production” and the Smallholder Academy, currently being developed. These efforts, while providing value for smallholder farmers (SH), do not go far enough to provoke the large-

scale inclusion of SH that will be essential for the RSPO mission.

The development of the RSPO Smallholder Strategy was prompted by the passing of Resolution 6f, in the RSPO 12th General Assembly, in November 2015. Since then, RSPO has successfully engaged relevant stakeholders to begin to understand the three points mentioned above and define the key elements of a strategy.

In March 2017, the RSPO Board of Governor (BOG) approved the strategic framework that underpins the full RSPO Smallholder Strategy, which was significant in that it conveyed, embedded, within the objectives, the following key statements and decisions:

1. RSPO can provide support to smallholders purely in pursuit of livelihood improvements, that may not necessarily result in certification.
2. The RSPO certification system and standard (P&Cs) should be reviewed and, potentially, simplified in order to better meet the needs of smallholder farmers.
3. The business case for smallholder integration into the RSPO system, and the sustainable palm oil market, has not yet been made and is fundamental to SH inclusion.

This document proposes the RSPO Smallholder Strategy, recognizing that business as usual for RSPO operations will not suffice and that a determined effort is needed to:

assess the current status of RSPO’s ability to engage SH

detail and segment the various types of SH and the diverse challenges each segment faces;

design and implement solutions to address these.

Expanding upon the strategic framework and keeping in mind those three key statements, the full Smallholder Strategy, includes Guiding Principles to represent the broad philosophy that guides the strategy implementation,

highlight strategy fundamentals, and support decision making.

As well, the strategy presents intermediate outcomes, outputs, assumptions and an implementation plan.

As detailed within this document, through the successful implementation of the RSPO Smallholder Strategy:

01.

Smallholder (SH) livelihoods will be improved through capacity building efforts, organization, and tools that increase their yields, and support adoption of better management practices, including improved environmental and social performance.

SH are organized in well-managed, professional groups that provide ongoing resources and value to their members

SH have access to tools and training that respond to their specific needs

SH have higher yields as a result of improved capacity for farming practices and agronomy

02.

The number of smallholders included in the RSPO system will increase as a direct result of simplification of the certification approach and pro-active engagements with pilots such as jurisdictional approaches

Equal opportunities exist for SH to enter the RSPO system through a standard that is tailored to their needs and reduces unnecessary burdens to certification.

Headline sustainability requirements are upheld by SH (e.g., NDPE)

RSPO experiences an increase in the inclusion of SH into its system.

03.

The business case for smallholder inclusion in the RSPO system will be made through increased support, including market linkages and incentives.

Partnership models for SH inclusion into the RSPO bring material benefits to farmers via financial and non-financial incentives and mills

SH operate in a more level playing field, with a stronger position to negotiate based on improved access to information

SH have greater access to finance and lenders have reduced risk

1. Core sustainability requirements will have to be defined but may reflect NDPE (no deforestation, peat, exploitation) commitments, as relevant to smallholder farmers.

INTRODUCTION

In November 2015, the 12th General Assembly of the Roundtable on Sustainable Palm Oil (RSPO) voted to adopt Resolution 6F which mandates the development of a “comprehensive strategy and a subsequent action plan that mobilises the full potential of smallholders to both contribute to as well as to benefit from sector transformations, with positive impacts for the environment and host communities.” The resolution was submitted by Oxfam, with the support of 10 members from across the RSPO membership categories.

The passing of the resolution prompted a series of actions to

best understand the smallholder farmer (SH) challenges, needs and the key interventions or changes for RSPO to consider. Consultations, stakeholder engagement, meetings, and workshops were conducted and draft documents were produced and circulated among the various RSPO Secretariat groups, including the RSPO Board of Governors (BOG).

In February 2017, the Smallholder Working Group (SHWG) reviewed the strategic framework to structure the RSPO Smallholder Strategy. Based on those inputs, the revised strategic framework was presented to the BOG in March 2017 and subsequently accepted by the BOG.

The strategy detailed in this document builds on this strategic framework and provides a proposed approach for RSPO, including the Secretariat as well as RSPO members, to implement and support interventions that will ultimately lead to attaining the objectives and goal.

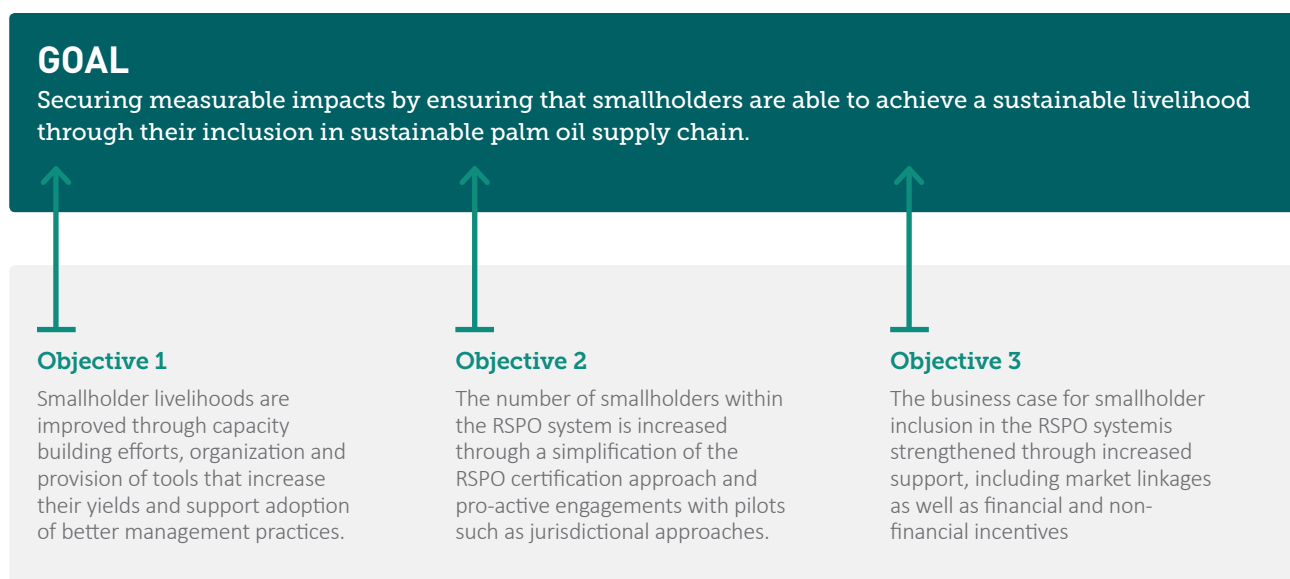


Figure 1.
BoG Approved Strategic Framework

THE PROBLEM STATEMENT

As part of the preparation and development of the Smallholder Strategy and the related consultation processes in Asia, Africa and Latin America, several key problems that prevent smallholder inclusion into the RSPO system were identified. These can be summarised as follows:



Current RSPO system does not provide equal opportunities for smallholders. The standard is designed for large growers and does not necessarily account for the SH context, capacity and resources. As a result:

- a. The standard poses excessive challenges for SH
- b. The standard includes elements that are not relevant for the context of SH
- c. The current RSPO governance structure:
 - i. Does not enable sufficient representation to voice SH interests
 - ii. Impedes clear decision making on SH issues



Costs involved in achieving certification are too high



General awareness among SH about RSPO is very low



There is a vast diversity of smallholders – one size fits all approach will fail



Capacity and resources for farmers to meet RSPO requirements are lacking



Incentives for SH to engage with RSPO and for stakeholders to invest in building capacity of SH are weak and/or unclear



There is a lack of resources and cost-effective models to address these problems

The graphic below depicts how some of these challenges prevent progress toward SH inclusion into sustainable supply chains, and feedback loops that could help address these problems.

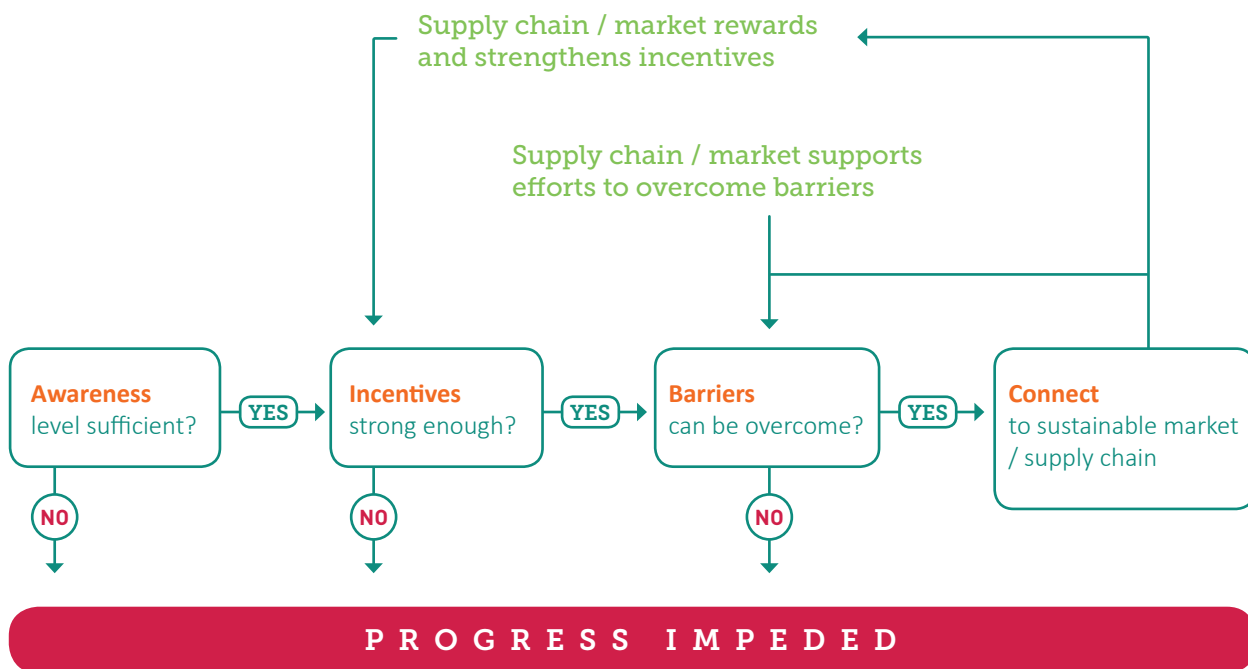


Figure 2. Smallholder Farmer Challenges to Supply Chain Inclusion

This following provides a summary on how the Smallholder Strategy will address these challenges. Reference is made to specific objectives within the strategy that propose solutions and the logframe in Section 4 provides greater details on outputs and outcomes required to deliver the proposed solutions.

Problem	Proposed solutions offered within the Smallholder Strategy
<p>A lack of equal opportunities for SH within RSPO system</p>	<p>SH are recognised as equal partners, reflected through:</p> <ul style="list-style-type: none"> • Specifically for SH, prioritise capacity building to improve their livelihoods (Obj 1) • A standard tailored to SH (see under Obj 2) • Adapted governance structure: <ul style="list-style-type: none"> » WITH A DEDICATED UNIT ON SH WHERE SH INTERESTS HAVE COMMENSURATE AND STRONGER REPRESENTATION » TO PROVIDE INCREASED DECISION-MAKING POWER ON SH ISSUES

Problem

Proposed solutions offered within the Smallholder Strategy

Costs involved in meeting the standard are too high for SH; (including complexity of legal requirements)

Develop a standard tailored for SH, that better responds to the SH profile, facilitating entry into the RSPO system, whilst ensuring that core sustainability requirements (e.g., NDPE), as well as the RSPO brand, are maintained (Obj 2).
The standard tailored for SH should include a simplified approach for certification, and consider:

- Introduction of an entry level and/or stepwise approaches
- Simplification of legal requirements
- Links to jurisdictional approaches

General low awareness on RSPO and the benefits it provides by SH

- Awareness raising and communication about benefits for SH to join the RSPO, across the three regions. This should be a joint effort by both RSPO Secretariat and its members (Obj 1)
- Communication on incentives (financial as well as non-financial benefits), demonstrated through real cases and examples (Obj 3)

Vast diversity among smallholders – no one size fits all

Provide clear definition and categorization of types of SH, respecting regional differences and organizational structures. Ensure link to eligibility to simplification (Obj 1 and 2)

Lack of i) capacity building for improved practices to meet RSPO requirements and ii) service providers to build this capacity

- RSPO and its members pro-actively promote capacity building of SH, prioritising improving SH livelihoods, improving BMPs, legality with respect to land tenure, and access to finance (Obj 1)
- Develop systems to empower SH by supporting SH to become organized; and supporting professionalization of SH organizations and groups (Obj 1)
- Capacity building of (local) technical assistance providers (Obj 1)

Lack of clear incentives for SH to engage with RSPO and stakeholders to invest in building capacity of SH

Develop the business case

- For SH to recognize how improved practices and entering the RSPO system can improve their livelihoods (Obj 3)
- For supply chain actors and other stakeholders to invest in improving SH livelihoods, to include supporting SH on a pathway to segregated supply. (Obj 3)

Lack of resources and cost-effective models to deliver improved SH practices

- Develop supply chain actor partnership models to deliver support
- Develop multi-stakeholder fair and transparent partnership models (SH)
- Ensure linkages and build on jurisdictional landscape initiatives (Obj 3)

FRAMING THE STRATEGY FOR RSPO SMALLHOLDER FARMER INCLUSION

The RSPO Smallholder Strategy is presented in a logframe (see Section 4.3) to detail and organize the suggested approach for RSPO to pursue its stated goal for SHs. This structure provides a format to present the objectives, intermediate

outcomes and outputs envisaged as we make progress toward the objectives, and assumptions about pre-conditions required for RSPO to achieve the goal.

Building on the objectives approved by the BOG in March, the logframe has been expanded to include:

- 1. Guiding Principles.** Guiding Principles will clarify the philosophical underpinnings of strategy development, to inform decision making and to help the RSPO Secretariat and members define decision points throughout the course of strategy implementation. Reference to the guiding principles are especially critical when weighing the appeal of different intervention options during implementation. These principles are defined and elaborated in Section 4.1 below.
- 2. Intermediate Outcomes.** Intermediate outcomes are the intended short or medium-term impacts of an output arising from a specific intervention, usually requiring a collective effort of multiple partners and actions, and not all within direct control of the implementers. Intermediate outcomes represent milestones of change that occur after the completion of outputs and that contribute substantively to the intended impact of the objectives.
- 3. Outputs.** Outputs are the tangible products, services, engagements and knowledge products created during strategy implementation. These are typically under direct control of the implementer, and created by a specific activity pursued under the strategy, commissioned with the intent of achieving specific intermediate outcomes.
- 4. Assumptions.** Assumptions are the pre-conditions presumed to be in-place for the strategy outputs to deliver intermediate outcomes as envisaged by the logframe. It follows that the intermediate outcomes sought should contribute to the objectives if the assumptions are met.
- 5. Implementation Plan.** The implementation plan details the steps to be taken for operationalization of the strategy, describing main actions necessary to produce the outputs and achieve related intermediate outcomes. The detailed implementation plan will be developed during Year 1 of strategy implementation, with local context in mind and in partnership with RSPO regional offices. See Section 5.

Figure 3 below presents how these various elements fit into to one overarching framework for delivering the strategy. The figure should be read from bottom to top (starting at number 1 to 4), where the implementation plan identifies and describes activities (point 1) necessary to

deliver the outputs (point 2). The outputs then lead to the intermediate outcomes, representing progress toward a specific objective (point 3), if all assumptions are in place. The combination of the intermediate outcomes then, collectively, contribute to meeting the overall goal (point 4).

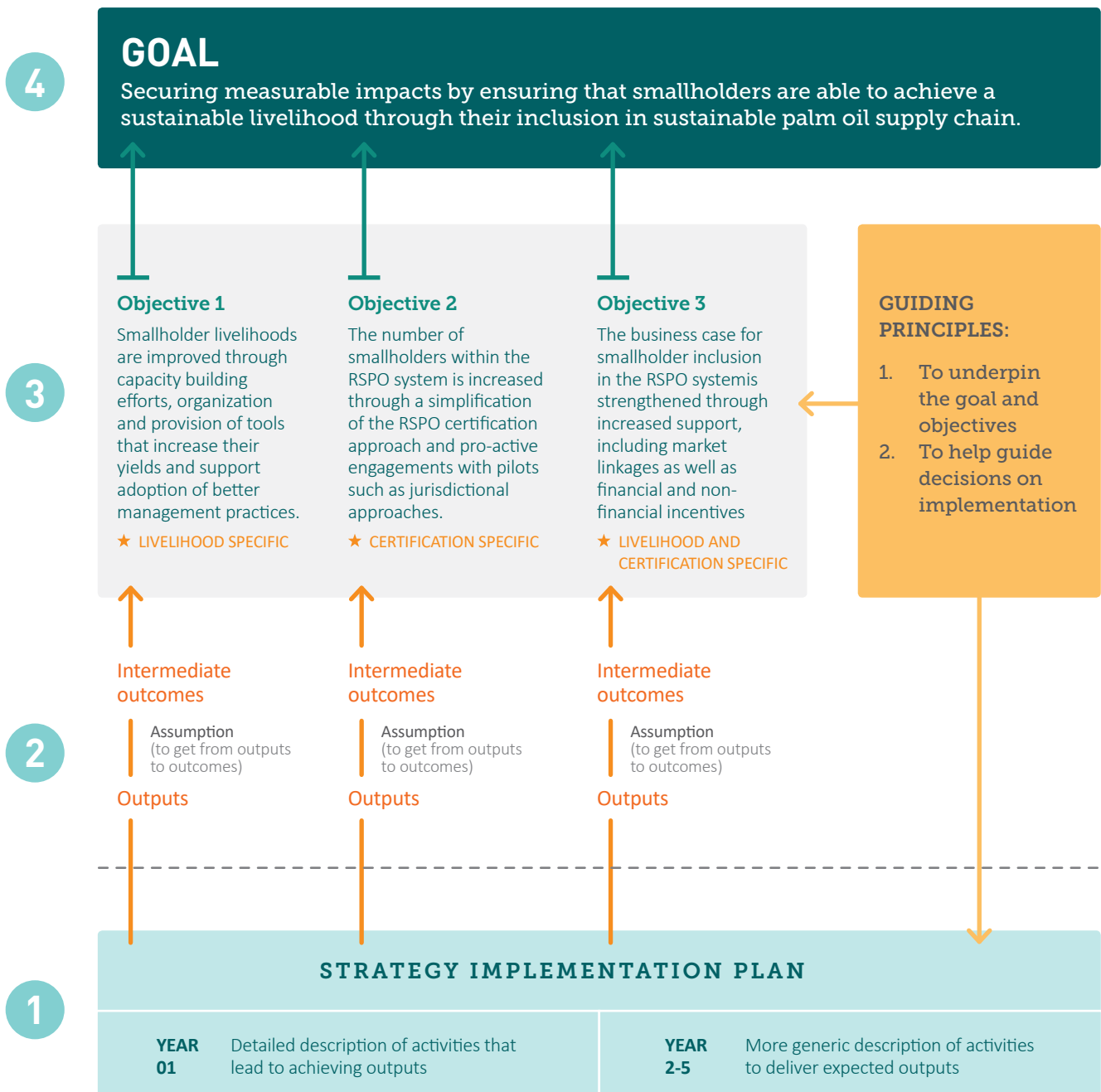


Figure 3.
Components of the Strategic Framework

4.1

GUIDING PRINCIPLES

These guiding principles should be applied by those who are tasked with implementation of the strategy and/or its oversight. When decisions are made about program priorities, timelines and budgets, options should be measured against all six principles. They are described briefly below.

1. CAPACITY BUILDING PRIORITISES SH LIVELIHOOD IMPROVEMENTS ABOVE CERTIFICATION

This principle is included to ensure that building capacity and training of smallholders linked to i) Good Agricultural Practices; ii) social and environmental best management practices; and iii) access to finance, are all prioritised when engaging with smallholders. Capacity building efforts linked to improving SH livelihoods can be seen as the entry point for engagement. Hence, this capacity building is important and prioritised as support from RSPO, even where there is no guarantee that smallholders that receive training will ever become certified.

2. CORE SUSTAINABILITY REQUIREMENTS ARE MAINTAINED WHILE THE CERTIFICATION PROCESS IS TAILORED FOR SH

This principle recognises that on the one hand (a) there is a need for a RSPO standard that is tailored to SH, because the existing certification standard

and P&Cs are not adequate for the context of SH and create unnecessary demands to meet; while on the other hand (b) a tailored SH approach must ensure an adequate level of rigor and not compromise compliance with core sustainability requirements, such as those expressed in NDPE commitments.

3. DELIVERING SMALLHOLDER SUPPORT IS VALUED THROUGH THE RSPO SYSTEM AND THE MARKET

This principle is to ensure that the delivery of support to smallholders is recognised as a priority within the system. This could be actioned, for example, through accepting that SH can enter into the RSPO system if they participate in training and/or meet certain requirements. It could also be actioned through explicit mechanisms by which responsible SH production contributes towards segregated production, or some other form of claim.

4. TARGETED COMMUNICATION EFFORTS HIGHLIGHT AND REINFORCE POSITIVE IMPACTS OF RSPO MEMBERS SUPPORTING SH INCLUSION

Communication in this context is two- fold. Firstly, communication would ensure that SH are aware of RSPO and benefits to becoming part of the system;

Six Guiding Principles were developed to support the strategy in two ways:

To underpin the development of the objectives and the goal, by making explicit what the strategy should prioritise; and

To provide general direction for decision making for the RSPO Secretariat and members during implementation.

Secondly, to ensure that decisions taken over inclusion of smallholders contribute positively to the RSPO brand and do not carry unnecessary or excessive reputational risk.

5. RSPO ENDORSED SH SUPPORT MODELS ARE SCALABLE, IMPROVE FARMER SELF-SUFFICIENCY, AND PASS INCENTIVES ALONG THE SUPPLY CHAIN

This principle will help ensure that priority is placed on formulation and pursuit of efforts that are scalable through e.g. formation of long term partnerships, synergistic approaches, and/or jurisdictional models; and that, as possible, support SH to help themselves, building the right type of capabilities.

6. GLOBAL AND REGIONAL CONTEXTS MATTER, AND PROVIDE BASIS FOR TAILORING APPROACHES TO SH INCLUSION

This principle makes explicit that RSPO is a global organisation that aims to include smallholders globally, while recognising there are key differences in the modes, models and factors affecting smallholders where they operate. Given this, solutions provided and efforts made to include smallholders into the RSPO system must be tailored and responsive to local and regional context.



Figure 4. Guiding Principles

4.2 OBJECTIVES

The proposed strategy has three objectives, and 13 intermediate outcomes, identified as milestones in pursuit of the objectives. The intermediate outcomes are

interdependent, both within each objective and even across all three objectives. Consequently, success of one tends to be contingent on outputs or success of the other.

The three objectives define a process by which SH should

Improve their capabilities, particularly their farming practices and thus livelihoods.

Enjoy improved access to the RSPO system, as well as incentives to join and continuously improve within it.

Enjoy improved market value as their practices incorporate considerations around environmental and social sustainability and overall improved business skills.

4.2.1. OBJECTIVE 1

Smallholder livelihoods are improved through capacity building efforts, organization, and tools that increase their yields, support adoption of better management practices.

Rationale & Core Items

Through Objective 1, the RSPO Smallholder Strategy acknowledges the significance of prioritizing farmer livelihoods, recognizing that SH, despite their variation, are rationale actors that make key decisions relative to their livelihood needs. Therefore, to fully support and best engage SH, interventions need to focus first on activities that support their livelihoods, such as (a) improved productivity via training in good agricultural practices, (b) building capacity to improve their ability to obtain legal land status, as a means of entering the formal sector, and (c) improved access to finance and other potential benefits.

Objective 1 deliberately omits use of the term certification, as its focus is fundamentally on capacity building to improve farmer performance (including sustainability practices to improve market access) and livelihoods,

whether or not farmers are on a pathway to achieve certification.

Beyond the focus on interventions producing direct benefits, Objective 1 also embodies the notion that, to the maximum extent possible, all interventions should ultimately result in farmers having improved self-sufficiency, through enhanced ability, and better access to tools and resources to help themselves. This is not just a smart model for scale and long-term success, but rather an approach to better engage SH, to prompt more commitment and re-frame the current rural development dialogue where SH are recipients rather than active participants in support programs.

Relative to this, one key intermediate outcome for Objective 1 is SH empowerment via strengthening of farmer organizations and groups, such as cooperatives and associations.

The interventions defined as part of this intermediate outcome focus on not just supporting the SH to become organized but also professionalizing the organizations via capacity building to ensure good management, transparency and accountability.

A third core theme for Objective 1 is rooted in the recognition that many institutions, organizations, and initiatives are already actively pursuing these general aims, and that such efforts should be enumerated, reviewed and supported to (1) ensure RSPO efforts build off existing practices, taking maximum advantage of lessons learned, and (2) provide for a multiplier effect, where RSPO investments can be leveraged to support existing programs to scale and reach more farmers more effectively.

What Successful Implementation of Objective 1 Offers

Successful implementation of Objective 1 will

equip RSPO and its members with the tools to better understand capacity gaps, to map these onto an improved typology for SH models, to reach consensus on best management practices for improved yields as well as key elements of social and environmental sustainability, and approaches to deliver training and capacity building that effectively reaches, educates and motivates SH participation.

When Objective 1 is achieved, it is envisaged that SH will:

- Be organized in well-managed, professional farmer groups that provide ongoing resources and value to their members, such as trainings and access to inputs or credit
- Have access to tools and training that best respond to their specific needs and requirements
- Have improved capacity, particularly for agronomic practices, leading to increased yields and better livelihoods

4.2.2. OBJECTIVE 2

The number of smallholders included in the RSPO system is increased through a simplification of the RSPO certification approach and pro-active engagements with pilots such as jurisdictional approaches

Rationale & Core Items

Objective 2 addresses the fact that the current RSPO certification standard poses too high of a burden for SH to overcome, and does not provide sufficient clear and direct incentives and support to help them overcome these.

The objective assumes that there are options to reduce this burden for SH and that the standard can be adapted to the context of smallholders without reducing the rigor of the standard. Defining a revised approach tailored to SH, looking at options to adapt the process to achieve certification as well as adapting the standard itself, is the first output.

Acceptance of the proposed revised approach by the market, the buyers and offtakers, as well as NGOs and other key stakeholders, is also a core theme for Objective 2 and crucial to its success. As such, implementation for Objective 2 features activities that focus on stakeholder consultations to help define and assess the options for simplification.

As well, one of the critical aspects for acceptance will be that core sustainability requirements are maintained. Activities in support of Objective 2 will help define what these requirements are, in consultation with key environmental and social NGOs, and also

conduct a benchmark analysis of comparable initiatives, including ISPO and MSPO that could be considered as entry level. This is reflected in the second intermediate outcome for Objective 2.

Other key activities will include identification of jurisdictional or supply chain initiatives that present opportunities for scaling up smallholder participation; reviewing, analysing and proposing new engagement options for SH to participate in the RSPO system; and thorough risk assessment of potential options for pre-certification engagement with farmers to aid in RSPO decision making.

RSPO's existing efforts to review the certification process will continue to be supported and pursued under this objective which will also work in alignment with the P&C review process.

What Successful Implementation of Objective 2 Offers

If successfully implemented, once Objective 2 is achieved:

- Equal opportunities exist for SH to enter the RSPO system through a standard that is tailored to their situation and significantly reduces the burden to meet certification.
- SH are incentivised to continuously improved their practices through explicit mechanisms by which SH production contributes towards a segregated, or other, claim
- Headline sustainability (e.g., NDPE) requirements and the RSPO brand will be upheld by SH
- An increased number of SH will be participating within the RSPO system, representing SH from all 3 RSPO regions.

4.2.3. OBJECTIVE 3

The business case is made for smallholder inclusion in the RSPO system through increased support, including market linkages as well as financial and non-financial incentives.

Rationale & Core Items

This objective targets a more fundamental constraint on progress toward greater SH inclusion in sustainable production by defining, strengthening and better communicating the business rationale for pursuit of certification, and inclusion into the RSPO system. Objective 3 interventions seek to impact SH that may be pursuing certification, those that have never heard of RSPO, and those SH that are currently certified.

A core theme to Objective 3 is that improving the business case for SH inclusion within the RSPO system is an effort that requires, and can only succeed with strong partnerships. Accordingly, outputs for Objective 3 include engagement to target participation of the entire palm oil supply chain and related stakeholders, such as financiers.

In particular, Objective 3 will review existing models between SH and mills to develop a

typology and assessment of the different types of arrangements and attempt to define the costs and benefits to each participant. Distilling this type of information from existing cases will help to identify the types of incentives, financial and non-financial, that can be developed for these partnerships to function. In the most basic terms, the business case needs to demonstrate that benefits (e.g., SH improved capacity) and outputs (e.g., segregated product) are equivalent to or greater than the resources (time and money), invested. And that benefits are captured adequately across the supply chain actors.

Incentives, however important, are not the only component that will factor into a strong business case. Incentives will need to be one part of a fair and transparent system that offers an even playing field and enables all part of the supply chain to fulfil their function.

Activities under Objective 3 will then include of the factors that contribute to an uneven playing field, including practices for FFB pricing and contracting, among others. Other factors include access to inputs and finance; Accordingly, and in alignment with Objective 1, a review of the barriers for SH to receive financing will also be produced.

The more challenging of the three, this objective will only achieve success if it can make a compelling case for supply chain actors and other financiers to invest in inclusion SH as part of sustainable supply chains. As such, capacity building, communications, outreach, and the simplified approach covered in the other two objectives are essential to achieving Objective 3.

What Successful Implementation of Objective 3 Offers

- Compelling and well documented examples of partnership models and approaches for SH inclusion into the RSPO system that
 - » Bring material benefit to farmers via financial and non-financial incentives
 - » Are cost effective and bring value to mills and buyers
- The ability for SH to operate in a more level playing field, with a stronger position to negotiate based on improved access to information
- Increase access to finance for SH and reduced risk for lenders

4.3

STRATEGY LOGFRAME: PRESENTING THE GOAL, OBJECTIVES, INTERMEDIATE OUTCOMES, OUTPUTS AND RELATED ASSUMPTIONS

GOAL

Securing measurable impacts by ensuring that smallholders are able to achieve a sustainable livelihood through their inclusion in sustainable palm oil supply chain²

The proposed strategy has three objectives, and 13 intermediate outcomes, identified as milestones in pursuit of the objectives. The intermediate outcomes are

interdependent, both within each objective and even across all three objectives. Consequently, success of one tends to be contingent on outputs or success of the other.

OBJECTIVE 1

Smallholder livelihoods are improved through capacity building efforts, organization, and tools that increase their yields, support adoption of better management practices.

OUTPUTS

1.1.1. Assessment of farmer capabilities (baseline level) completed

Baseline mapping to understand existing SH capabilities, including yields, performance on BMP and access to finance, among others

- a. Incentives for SH to improve capabilities and adopt BMPs and improved practices are clearly articulated (link to Objective 3)
- b. Benefits of engaging with RSPO and services offered are well defined and communicated

1.1.2. Awareness raising programmes for SH on value of yield improvements and BMPs delivered

INTERMEDIATE OUTCOMES

- 1.1. SH have improved understanding of tangible benefits of improving practices and are aware of services being offered**

ASSUMPTIONS

- All outputs will factor considerations related to the various SH types as well as specific country and region considerations
- Incentives for SH to enter the RSPO system exist (link to Objective 3)
- RSPO members, including supply chain actors, NGOs, are willing to help raising awareness and communicate positive impacts and benefits of RSPO (linking it to GAP and BMPs)

2. “Sustainable palm oil supply chain” or “sustainable palm oil production” does not refer exclusively to RSPO certified palm oil production, rather it references supply chains that are aligned and require environmentally and socially sustainable practices.

OUTPUTS

1.2.1. Existing capacity building services and initiatives are mapped and assessed

- a. Mapping and assessment of existing initiatives (RSPO members & others) conducted
- b. Efforts and initiatives evaluated based on scale, costs and outcomes
- c. Review to include diversity of service providers: NGO, gov't and/or farmer associations, supply chain actors (mills)
- d. Review to include the most effective ways to deliver training, (e.g. classroom, field based, train the trainer/escalating, etc.)
- e. Identification of relevant institutions that demonstrate high potential for delivery of services but require strengthening (e.g., extension services, etc.)
- f. Strengthening of existing programmes via
 - Increased financial resources
 - Improved curriculum (link to Sustainability Academy)
 - Training of trainers and institutional capacity building

INTERMEDIATE OUTCOMES

1.2. Capacity building services improved via institutional strengthening to provide better and more targeted services for SH

- a. Focus on productivity and agronomy for livelihood improvements
- b. Focus on SH professionalization

ASSUMPTIONS

Capacity building and training organizations and institutions throughout RSPO member countries and regions are willing and interested in improving their services

OUTPUTS

1.3.1. Assessment and review of farmer groups

- a. Minimum criteria for engagement defined (willingness to participate, no outstanding disputes, critical mass of SH, relevance for RSPO)
- b. Assessment of farmer groups to understand baseline capabilities and needs
- c. Training programs reviewed and assessed
- d. Trainings delivered

INTERMEDIATE OUTCOMES

1.3. SH are supported to form and join farmer groups (cooperatives and associations) that are professionalized and empowering SH:

- a. SH are supported and informed re. benefits of establishing and joining groups (Link to Outcome 1.4)
- b. SH groups have
 - improved management capacity
 - Greater transparency and accountability

ASSUMPTIONS

- SH are willing to organise themselves,
- External support from government organisations, supply chain actors, NGOs and/or other local organisations to help farmers organise are available,
- Farmer organisations are capable to deliver required training and understand BMP required by RSPO.

OUTPUTS

1.4.1. SH capacity needs are prioritized and capacity is built to address the gaps

- a. SH segmentation and definition produced, per regions/countries.
- b. Mapping and stakeholder consultations to understand and prioritise smallholder needs for support
- c. SH priorities on capacity building needs catalogued, per region/country, for the following categories
 - Productivity (data on avg. yields)
 - Legal compliance (including local regulations, mapping, documentation)
 - BMPs (including social & environmental aspects)
 - Business skills/ financial literacy (link to Objective 3)
- d. Training programmes are delivered to SH
 - As necessary, new programmes are designed and implemented
 - Existing programmes and institutions are strengthened and services expanded or improved

INTERMEDIATE OUTCOMES

1.4. Capacity of a large number of smallholder has been built across the three regions, resulting in an increased number of SH that:

- a. Can demonstrate proof of legal land holding
- b. Apply good agricultural practices
- c. have improved business skills and improved access to finance
- d. Apply environmental and social management practices
- e. Are members of a farmer group (coop, association, etc.) (link to Outcome 1.3)

ASSUMPTIONS

- Capacity building respond to the needs of SH as defined in 1.1.1
- As possible, support is based on and links to existing efforts particularly those that are market based (low-subsidy) or institutional (public sector led)
- SH capacity building will also link to Objective 2 core sustainability criteria (e.g., NDPE) to, as possible, support SH to develop a minimum threshold of environmental and social practices as relevant to market access
- Short term results initially in selected priority landscapes, to demonstrate success and proven concept
- Alignment with ongoing work on Smallholder Academy
- There is an interest of growers, mills and government agencies to support setting up (pilot) GAP training centers (link to Objective 3).
- Obstacles to legal status for SH in regards to land tenure can be address (in part) through capacity building efforts.

OBJECTIVE 2

The number of smallholders included in the RSPO system is increased through a simplification of the RSPO certification approach and pro-active engagements with pilots such as jurisdictional approaches

OUTPUTS

2.1.1. An agreed approach for simplification of RSPO certification for smallholders is available³

- a. A paper presenting a range of options to simplify RSPO certification is completed, including
 - Options to simplify the process and/or the standard (including entry level, stepwise pathway to improved performance) are reviewed and analysed, modelled on best elements of existing successful examples and approaches
 - A prioritisation of preferred options to simplify or streamline process and/or the standard, based on a structured scoring matrix
- An overview of how the main barriers identified to RSPO certification would be addressed under the different options, as well as the main sustainability risks under each option
- b. Preferred option(s) for simplification are selected based on agreed scoring and shortlist
- c. A preferred candidate simplified approach is approved by the board, by the market, NGOs and key stakeholders for piloting and further development (see output 2.2.1)

INTERMEDIATE OUTCOMES

Markets, NGOs and other key stakeholders accept a pilot simplified approach for inclusion of SHs into the RSPO system

ASSUMPTIONS

- Options for simplification look into both simplification of process as well as simplification of the standard
- Market and key stakeholders are willing to find common ground to balance inclusion with risk of 'less sustainable' practices
- Pilot simplified approach is cost-effective and robust
- Pilot simplified approach covers and ensures maintenance of headline sustainability issues, including social and environmental issues.

3. This output focuses on reviewing existing systems and standards that help inform how RSPO can simplify the approach certification for SH. This would include a) simplifying the standard, or b) the process or c) the standard and process together. These are then presented and described in the options paper and a candidate approach is selected. Output 2.2.1 then further defines the detailed content of this candidate approach that is output of 2.1.1.

OUTPUTS

2.2.1. Detailed content and initial implementation tools of candidate simplified approach for SH is made available and field tested⁴

- a. Core livelihood support and sustainability risk areas are identified based on:
 - Benchmarking of various standards and initiatives, including ISPO, MPSO and RSPO member smallholder initiatives
 - Key NGO campaigning issues
 - Interviews with key stakeholders
 - Smallholder livelihood support needs
- b. Clarity is provided on claims that can be made

- to the market when smallholders are accepted within the agreed simplified approach and a system is developed to govern this
- c. Selected simplified approach is pilot tested in the three different regions, including
 - Within jurisdictional landscapes
 - By RSPO members
 - In priority landscapes

2.2.2. Simplified approach for SH is adapted and finalized based on results pilots

- a. Simplified approach is finalized based on results of pilot and feedback from farmers, market and wider stakeholders.

INTERMEDIATE OUTCOMES

Agreed simplified approach contributes to supporting livelihoods and maintaining and improving core sustainability practices, while also reducing the burden of certification for SH

ASSUMPTIONS

- Core farmer needs for support are addressed through the simplified approach
- The simplified approach covers and ensures maintenance of headline sustainability issues, including social and environmental issues.
- Farmer support needs to improve their livelihoods are known and integrated as part of the simplified approach
- Key barriers to RSPO certification are sufficiently reduced as a result of the simplified approach and tools are made available for farmers and/or other stakeholders to apply simplified approach
- There is an interest in all 3 main RSPO regions to field test the simplified approach

OUTPUTS

2.3.1. Simplified approach for SH is integrated as part of the RSPO certification system

- a. Clarity is provided on SH and that are eligible to use the simplified approach, and SH categories defined
- b. Targeted, clear and simple guidance and tools are made available to support companies and/

- or smallholders to implement the simplified approach.
- c. A simple, cost-effective, robust verification system is developed. Where possible, these are based on self-assessments, automated, remote sensed and/or digital tools.

INTERMEDIATE OUTCOMES

Finalized simplified approach for smallholders is adopted by RSPO and its members and widely used by RSPO members

ASSUMPTIONS

- Links to the RSPO P&C review and Theory of Change processes are made
- Defined SH categories are adapted to regional context
- Existing simplified tools, e.g. on SEIA, GHG and HCV for smallholders are used and/or adapted for use (where possible)
- Ensure to build on and link to Smallholder Academy tools and guidance (Link to Objective 1)

4. Details are developed for the candidate approach selected as a result of output 2.1.1

OUTPUTS

- 2.4.1. Smallholder farmers improve their FFB production practices and work to comply with social, environmental sustainability requirements.**
- a. Awareness on benefits of entering RSPO is raised
 - b. Farmers are trained on GAPs and BMPs
 - c. Farmers are trained on social and environmental sustainability measures
 - d. Farmers have access to finance to invest in improving practices

INTERMEDIATE OUTCOMES

SH demand for inclusion in the RSPO certification system increases as demonstrated by SH investing their time and resources to improve their practices, allowing them to participate in and advance within the simplified RSPO system.

ASSUMPTIONS

- The costs for farmers to meet requirements for entry into and progression within the RSPO system do not present a barrier to implement improved practices
- Farmers are willing to invest (and thus incentives are in place) to improve their production practices
- Simplified approach is scalable
- Farmers have the capacity to self-assess and report their performance credibly, and improve their practices.

OUTPUTS

- 2.5.1. RSPO members pilot, refine and scale models to support smallholders in identified priority landscapes, accelerating improvement of farmer practices**
- a. Models for smallholder support are developed, refined and scaled
 - b. Increase in number of smallholders that meet legal compliance through legal compliance support programs, including as part of jurisdictional programs

INTERMEDIATE OUTCOMES

Actors throughout the supply chain proactively support and invest in programs for smallholder inclusion into and advancement within the RSPO system, including through (piloting) jurisdictional programs and other efforts to scale up

ASSUMPTIONS

- There are incentives for supply chain actors to form partnerships focused on smallholder inclusion (Link to objective 3)
- Jurisdictional programs, and other largescale interventions, help leverage program efforts to have impact at scale
- Local governments collaborate and support meeting legal requirements, including through jurisdictional programs
- Regional differences are recognized and respected and different approaches adopted for different contexts/regions

OBJECTIVE 3

The business case is made for smallholder inclusion in the RSPO system through increased support, including market linkages as well as financial and non-financial incentives.

OUTPUTS

3.1.1. Costs and benefits of verified responsible production for SH are documented, including identification of options to reduce costs and increase benefits

- a. Costs and financial demands of certification for SH documented
- b. Benefits of certification for SH documented
- c. Partnership models between SH and mill/buyer are reviewed, typology formed
- d. Costs and benefits of integrating SH into supply chains under these models reviewed per region; strengths/weakness identified; options to replicate best models identified
- e. Pilots to scale effective models, and to improve them, are commenced

INTERMEDIATE OUTCOMES

Effective, cost efficient partnership models that bring material benefit to farmers are:

- a. Improving and documenting the business case for SH sustainability;
- b. Supporting SH inclusion into sustainable supply chains; and
- c. Providing financial and non-financial benefits for SH and buyers, alike (link to Objective 2)

ASSUMPTIONS

- All outputs will factor considerations related to the various SH types as well as specific country and region considerations
- Activities to define business case closely linked to capacity building efforts (link to Objective 1)
- Alignment with P&C review in order to better understand costs and burden of P&C compliance for SH certification
- Interest from supply chain actors to increase inclusion of SH must exist
- Effective models to improve business case through partnership are developed and can be scaled

OUTPUTS

3.2.1. Incentives (financial and non-financial) to reward good practice are identified and strengthened

- a. Review options to improve existing incentive mechanisms for SH, such as relationships with buyers, collection centers, agents, and traders, and input providers
- b. Identify cases where provision of incentives to SH bring material benefit to downstream partners, eg traders, mills, buyers
- c. Clarify bottlenecks to scaling identified incentives, eg a systems delivery failure, market failure, other break down
- d. Review and adapt existing claims system for segregated CSPO, taking into account sustainable farmer FFB (Link to Objective 2)

INTERMEDIATE OUTCOMES

Incentives (financial and non-financial) stimulate SH to improve their practices and motivate progress along an identified pathway toward verified responsible practice

- a. Options to deliver incentives at scale and more cost efficiently are identified
- b. Business case for downstream actors to partner with farmers in delivery of incentive systems is made clear.
- c. Documented positive benefits of better practice begin to create momentum for a 'spread effect'

ASSUMPTIONS

- SH derive greater value for FFB produced in accordance with RSPO system requirements.
- Cost of providing incentives can be borne by the market.

OUTPUTS

3.3.1. Analysis of barriers and risks for banks to lend to SH

- a. Review of risks and default rates of SH
 - Interview with lending institutions with rural or agriculture focus
 - b. Review of cost and access to capital for SH conducted
- c. Define key financial skills / critical capabilities (for SH & SH associations)

INTERMEDIATE OUTCOMES

Financial institutions have improved products and tools for lending to SH including:

- a. Short-term operational capital
- b. Long-term investment (for replanting)

ASSUMPTIONS

- Outcomes related to access to finance closely linked to Objective 1 outputs that target improved financial literacy among SH and SH groups.
- Link to Objective 2: using verification process as risk reduction mechanisms
- Link to Objective 1, increased financial literacy

OUTPUTS

3.4.1. Factors that contribute to an uneven playing field for SH are examined and tools to strengthen and better inform SH reviewed

- a. Analysis of existing mechanisms and structures for FFB pricing conducted
- b. Existing practices for contracting and negotiating FFB sales examined and best practices catalogued

INTERMEDIATE OUTCOMES

Improvements that provide increased transparency and access to information among SH (pricing, costs, etc.) enable them to make more informed decisions and derive greater value

ASSUMPTIONS

Information asymmetry reduces the earning potential of SH farmers.

IMPLEMENTATION PLAN

The implementation plan for the strategy describes how the outputs, related outcomes and objectives are delivered, including a timeline and details of specific activities. However, given the broad scope of the RSPO Smallholder Strategy and the significant differences of context and characteristics of SH across the different geographies represented by RSPO members, a pre-implementation phase first needs to be conducted in order to gather data and information to make well informed decisions

to prioritise the implementation. Decisions include:

- Detailing governance and responsibility for the strategy implementation, allocation of the budget and resources
- Defining indicators to measure impact (in close collaboration with the efforts related to the Theory of Change)
- Defining the priority sites and sequence for roll out

5.1 PRE-IMPLEMENTATION PHASE

To ensure more effective and successful implementation, four important elements of the strategy should be considered and addressed in detail prior to the detailed development of an implementation plan:

A. Prioritising sites for interventions:

Considering efficient resource use and the potential for impact, site selection for strategy implementation will be of great importance. As such, RSPO needs to first define the criteria to prioritise sites for interventions, investments of time and resources, and, ultimately, pilot and trials. Priority sites and areas should be selected based on pre-defined and agreed upon criteria that could include a combination of the following, among others:

- a. Environmental and social (livelihood) priorities

- b. A critical mass of SH
- c. A critical mass of RSPO members and operations, including a jurisdictional approach
- d. A pressing need
- e. An area that represents potential for significant impact or scale
- f. Priority sites for interventions should be selected for each of the three regions and interventions should include aspects of all three objectives, given their interdependence.

B. Coordination with existing initiatives

(RSPO members or others): Recognizing the value of leveraging existing efforts, RSPO should, whenever possible, build on existing strengths and initiatives of the RSPO and its members. Existing tools and materials that are readily available or can easily be adapted

should as much as possible be used to help meet the outputs and related outcomes and objectives. Resources readily available and successful initiatives that align with the objectives should be mapped and assessed prior to implementation.

C. Governance structure: During pre-implementation, the augmented governance structure should be fully established with full clarity on roles and responsibilities for the implementation of the strategy. This will support more successful implementation and greater accountability.

D. Developing impact indicators: Monitoring and Evaluation (M&E) is fundamental to any strategy, to help ensure that interventions and outputs actually help achieve the desired impact. Prior to implementation, a clear structure for M&E should be defined, including:

- a. Geography specific, recognizing regional context
- b. Be based on thematic areas, to be identified. The table in Section 4.3 below proposes some thematic areas.
- c. Definite indicators to measure impact for each thematic area.

5.1.1. PRIORITISING SITES FOR INTERVENTIONS

The SH strategy will be implemented globally, but pilot testing should focus on those areas where efforts on SH inclusion are already ongoing. This provided that pilots are implemented in all three regions.

In areas with ongoing initiatives, there is already an interest and more likely to be a

critical mass and partners available that can help and support the implementation of the pilots. In that case, pilots can help increase impact and results can be achieved in a shorter timeframe. The table in Section 4.3 below includes some guidance to help select appropriate sites for interventions.

5.1.2. MAPPING EXISTING STRENGTHS AND INITIATIVES

The strategy should build on strengths and ongoing successful initiatives on SH inclusion. Moreover, several other review processes of the RSPO system are currently ongoing. For the

strategy to be effective, efforts to coordinate with wider review processes is essential. See the logframe below for suggested coordination.

5.1.3. GOVERNANCE STRUCTURE

While the RSPO has grown in size and regional presence, the primary role of the organisation is still to support large growers. In order to allow for SH to be treated as equal partners, it is imperative that this is also reflected in the RSPO governance structure.

Currently, the Smallholder Working Group (SHWG) is the only RSPO body that engages on smallholder issues. The strategy document of November 2016 concluded that the SHWG cannot be the only RSPO body responsible for

the implementation of the strategy and there is a need to adapt the governance structure.

The strategy includes an augmentation of the current governance structure to more comprehensively represent smallholder interest with allocation of responsibilities to deliver the strategy held within one single body.

The augmented governance structure is presented in the figure below. This SH Strategy differentiates two specific roles of governance, one for strategy implementation and the other for broader representation of SH views in all aspects of RSPO activities and decisions.

The two main objectives of the augmented structure are:

1. Create a clear structure for the implementation and oversight of the SH Strategy.

This will be achieved through the creation of i) an additional standing committee on smallholders, that is responsible for the implementation of the SH Strategy and ii) a dedicated unit for SH within the RSPO Secretariat.

- The Standing Committee on SH will coordinate the implementation of the SH Strategy and be responsible for the budget. They would amongst others have the power to make decisions throughout the implementation of the strategy and ensure that the Guiding Principles are respected in decision making. The Standing Committee on SH can form a (or more) Task Force responsible for delivering a specific output of the strategy.
- The dedicated SH unit in the RSPO Secretariat would be responsible for the day to day implementation of the strategy, convening, documenting and sharing all relevant experiences, lessons learned, etc.

2. Ensure improved representation of SH interest

throughout all relevant RSPO bodies. In the current governance structure, there is no assurance that smallholders are considered or taken into account in discussions of specific working groups or standing committees. In practices, discussions tend to focus on the main topic of the specific body (e.g. GHG or Claims) and then at a later stage, there is consideration of how this may apply to or impact SH. To modify this type of approach and ensure that SH are included in the planning from the start, it is proposed that members of the dedicated RSPO smallholder unit are represented in each standing committee as well as the various different working groups.

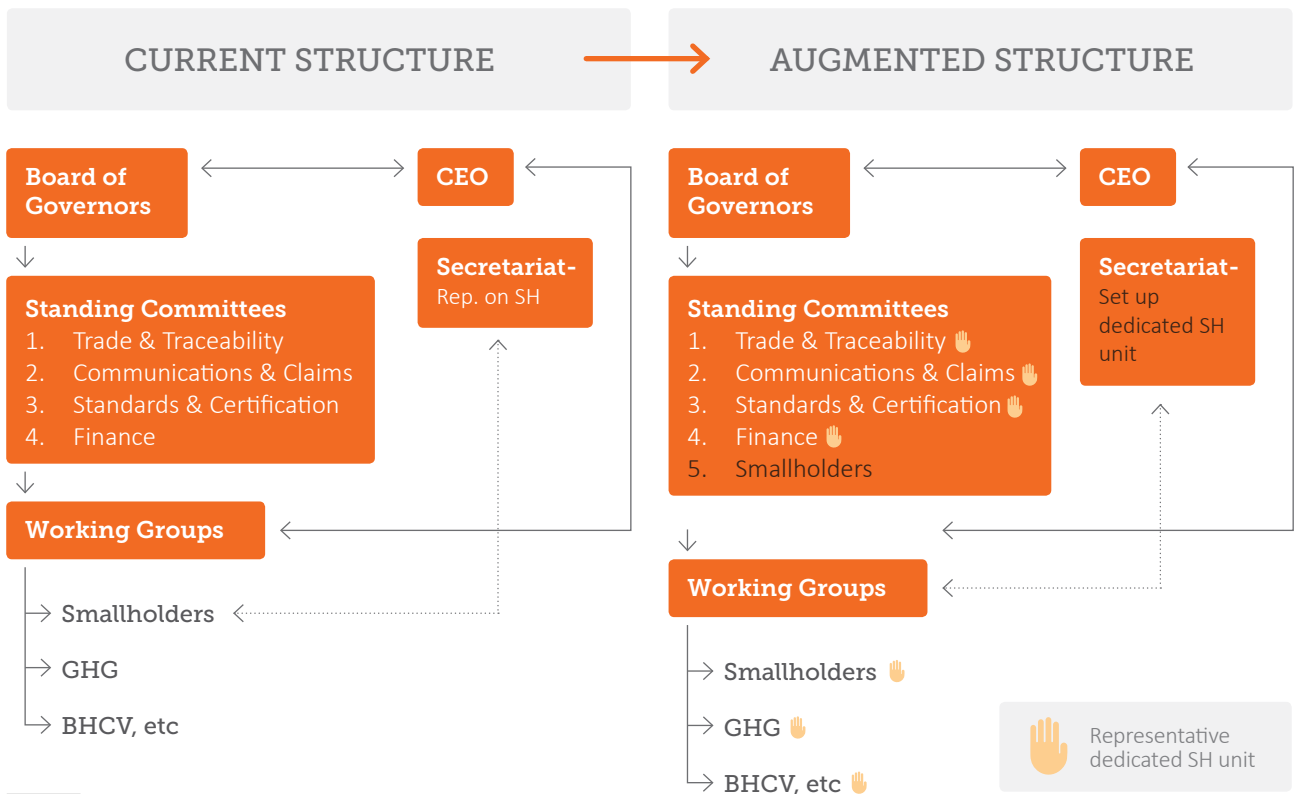


Figure 5.
Augmented Governance Structure



Figure 6.
Representation and Accountability

5.1.4. MONITORING AND EVALUATION

Monitoring is critical to ensure the overarching goal and objectives result in on-the-ground impact. Intermediate progress should be monitored and requires:

- The development of impact indicators and an approach to M&E (year 1). The table below provides some suggested guidance for developing the M&E approach.
- Planning for a baseline survey (year 1 and 2) to obtain necessary data
- Development of a full monitoring and evaluation (M&E) approach as aligned with RSPO's overall metrics work (via the Theory of Change and other)

To facilitate documentation, key thematic areas could be identified for which impacts are measured based on defined indicators. Suggestions for thematic areas include:

1. Participation in a structured capacity building programmes to improve livelihoods
2. Participation in a structured sustainability programmes (including training)
3. Participation in farmer groups, associations, cooperatives (and perceptions about their value to farmer)
4. Participation in partnership programmes with private sector (either millers or buyers) and perceptions about the nature and value of this partnership
5. Current standards of practice on BMPs, legality, and wider social and environmental sustainability
6. Access to finance (short term operational credit and long-term investment)
7. Perceptions about the value of becoming sustainable and/or certified against standards
8. Security of farm land tenure
9. Farm productivity

5.2

IMPLEMENTATION PHASE

The results of the activities in Y1 (the pre-implementation phase) are fundamental to developing the implementation plan. As this has yet to take place, the implementation plan of this strategy does not go into detail at the level of activity.

However, to illustrate how the various steps of the framework are interlinked and expected to contribute to achieving the objectives and ultimately the goal, some tangible activities are included in the Implementation Plan below. One is selected per each objective.

In general, the implementation phase will be structured around the following broad steps:



Defining and understanding the problem or the issue:

Mapping of the situation – depending on the context, this can include a diagnostic study, baseline mapping, benchmarking, survey, desk review, etc.



Analysis of the data mapped/information collected/survey conducted.



Decision making and/or consultation, prioritisation and/or selection. Those

who are responsible for the implementation of the strategy should ensure that the Guiding Principles (presented in section 3.1) should be followed in this process of decision making and prioritization.



Field testing, where pilots are adding value, including selection of sites, aiming to cover all three regions.



Documentation and review of testing.



Adaptation based on results of the field testing where needed.



Rolling out, scaling up, where needed supported through **development of tools and guidance.**

5.3

PRE-IMPLEMENTATION ACTIVITIES AND SELECT IMPLEMENTATION ACTIVITIES

PHASE-1 : PRE-IMPLEMENTATION

Pre-pilots for Baseline Smallholder Data Collection

Mapping & surveys to collect data on existing SH capabilities, including data on yields, performance on BMP, information on access to inputs, extension services, and access to finance, among others

Identification of priority sites for `interventions`

- Activities related to the 3 objectives should be implemented in the same location as they are interlinked & interdependent
- Priority sites could include:
 1. areas that have critical mass of SH and RSPO member activities;
 2. areas that demonstrate urgency due to environmental conditions or livelihood needs;
 3. areas that reflect priorities of RSPO regional leads;
 4. areas that enable secretariat to best leverage resources

Mapping of existing RSPO strengths and resources RSPO

- Align capacity building activities with the Smallholder Academy
- Align tailoring of the standard and consideration of stepwise approaches with P&C review
- Ensure SH strategy is integrated into the Theory of Change
- Consider whether and how the RSSF can be adapted to help deliver the strategy
- Map and use existing tools, guidance, platforms, initiatives etc. of RSPO and its members

PHASE-2 : IMPLEMENTATION (Selected and not Comprehensive)

OBJECTIVE 1

Existing capacity building services and initiatives are mapped and assessed

- **Diagnostic study on existing capacity building services, initiatives and needs to expand services**
 - Identify largest hurdles to legal compliance for SH per country/region
 - Identify organizations working on those issues
 - Define pathways for support
 - Inventory of existing sharing platforms for smallholders
- **Coordination with Smallholder Academy**
- **Seek to exchange and disseminate information and experiences through existing platforms**
 - Expand RSPO platform on SH
- **Assessment of financial resources needed and available from the RSPO, including RSSF**
- **Engage academic institutions and support establishment of research councils**

OBJECTIVE 2

Agreed approach for simplification of RSPO certification is available

- **Prepare brief options paper presenting possibilities of approaches to simplify RSPO certification, including an analysis and review of**
 - Stepwise approaches, simplifying processes and or simplifying the standard, successful lessons learned by other standards, including SAN, BCI, FSC and UTZ
 - RSPO company initiatives on smallholder inclusion
 - Review of models and approaches that are successful in smallholder inclusion, e.g. Unilever tea, Nestle and Starbucks coffee, Mars and Mondelez cocoa etc.
 - Understand incentives provided and risk mitigation strategies taken by those models
 - Pass or fail system versus diagnostic
- **Incorporate feedback received during the workshop and additional stakeholder consultation**

OBJECTIVE 3

Review of costs and access to capital for SH conducted

- **Conduct desk review on challenges for SH to access credit in target regions/ countries**
- **Engagement with banks and regulatory bodies to identify costs, existing product offerings, and main barriers**
- **Incorporate feedback received during the workshop and additional stakeholder consultation**
- **Engagement with organizations working on similar issues in comparable sectors**
- **Based on desk review, develop questionnaire for financial institutions and SH groups**
- **Engagement with other FI's that have been successfully distributing capital to loan recipients with similar risk profiles**
- **Based on desk review, develop questionnaire for financial institutions and SH groups**
- **Engagement with other FI's that have been successfully distributing capital to loan recipients with similar risk profiles**
- **FGD with rural bank officers in priority landscapes**
- **Engagement with organizations conducting financial research (e.g., Institute for Smallholder Finance, Rural and Agriculture Learning Lab, Climate Policy Initiative, IFC, etc.)**

Governance structure

- Establish augmented governance structure
- Determine and develop plan to obtain any additional resources (staff as well as budget)
- Answer outstanding questions such as the role of the SHWGs and SH representation in BOG

Develop Communication Plan Around RSPO Smallholder Strategy

Develop plan to support RSPO members and secretariat to best communicate implications of SH Strategy

Monitoring & evaluation

- A comprehensive monitoring and evaluation approach should include:
 - » Developing impact indicators (year 1)
 - » M & E (yr 2-5)
 - » Planning of baseline survey to monitor progress against (year 1 and 2)
- Decisions to be made include, amongst others:
 1. what level of granularity,
 2. scope of geographic coverage;
 3. survey approach (e.g. content, type of data to be collected, etc.);
 4. frequency of monitoring;
 5. who will monitor, who to collaborate with, role of members;
 6. documentation, databases and management;
 7. who evaluates.

EXPECTED OUTPUTS YEAR 1

- Increased capacity building services and tools to train and build partnerships with SH
- Increased awareness within relevant government agencies of sustainability and RSPO
- Increase in resources of RSPO to support SH or institutions that support SH

OUTPUT LONGER TERM YEAR 2-5

- Document and exchange / disseminate existing experiences

EXPECTED OUTPUTS YEAR 1

- Options paper on interest and acceptability simplification completed
- Workshop to assess acceptability of the market

OUTPUT LONGER TERM YEAR 2-5

- Selected approach developed in further detail, linked to P&C review
- RSPO members interested to field test approach
- Selected simplified approach field tested in selected priority landscapes and in 3 different regions
- Adaptation of simplified approach based on results pilot testing, where needed different for regional context
- Rolling out and scaling up use of the simplified approach, supported through tools and guidance

EXPECTED OUTPUTS YEAR 1

- Range of typical costs of capital for SH in priority landscapes
- Inventory of main hurdles from perspective of FIs
- Inventory of main hurdles from perspective of SH
- Review of existing efforts/ initiatives that are successfully overcoming identified hurdles
- Criteria defined to determine institution and area for pilots
- Financial literacy capacity building curriculum developed/improved
- Alternative risk profile mechanism selected
- Capacity building program for lenders developed

OUTPUT LONGER TERM YEAR 2-5

- Engagement with FIs (RSPO members or others) to develop TOR for Pilot
- Engagement with SH group to participate in pilot
- Pilot project to provide SH is structured, designed and implemented

The RSPO is an international non-profit organization formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

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