



# What can Europe do to support the RSPO Smallholder Strategy ?



## GOLD PARTNERS



European  
Palm Oil Alliance

## RECEPTION PARTNER

CRODA

## SILVER PARTNERS



## EXHIBITORS



**ZSL**  
LET'S WORK  
FOR WILDLIFE

## Agenda Item

- Welcome
- Introduction to RSPO SH Strategy
- Q&A

### Breakout Group Discussion

- Introduction to session
- Groups discussion for each of the 3 objectives

Break-out groups reporting back to plenary and discussion

### Plenary Discussion

- Challenges around strategy implementation
  - What concerns exist and why
  - What are potential solutions
- 
- Wrap up

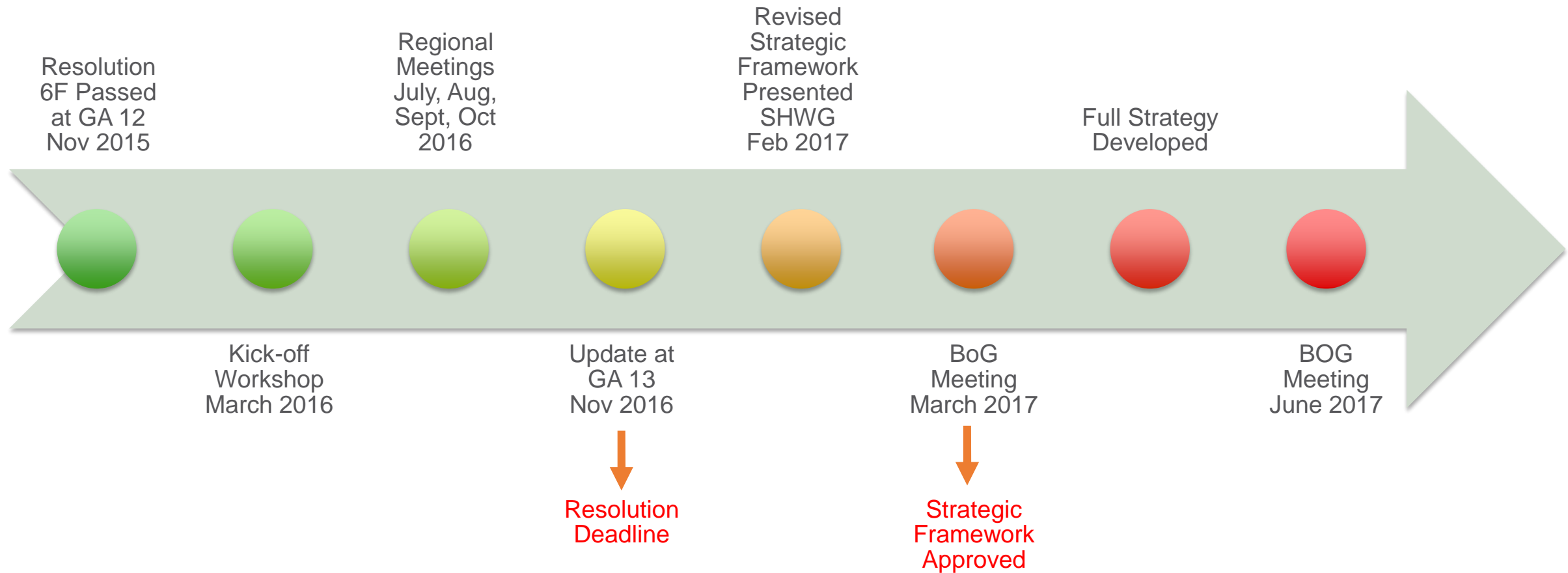




## Developing the RSPO Strategy for Smallholders

### Background and Update

# Smallholder Strategic Framework - Timeline



## Goal

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



### Objective 1

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

Outcomes: Livelihood specific

### Objective 2

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

Outcomes: Certification specific

### Objective 3

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

Outcomes: Livelihood & Certification specific

# How will the SH Strategy address key challenges?

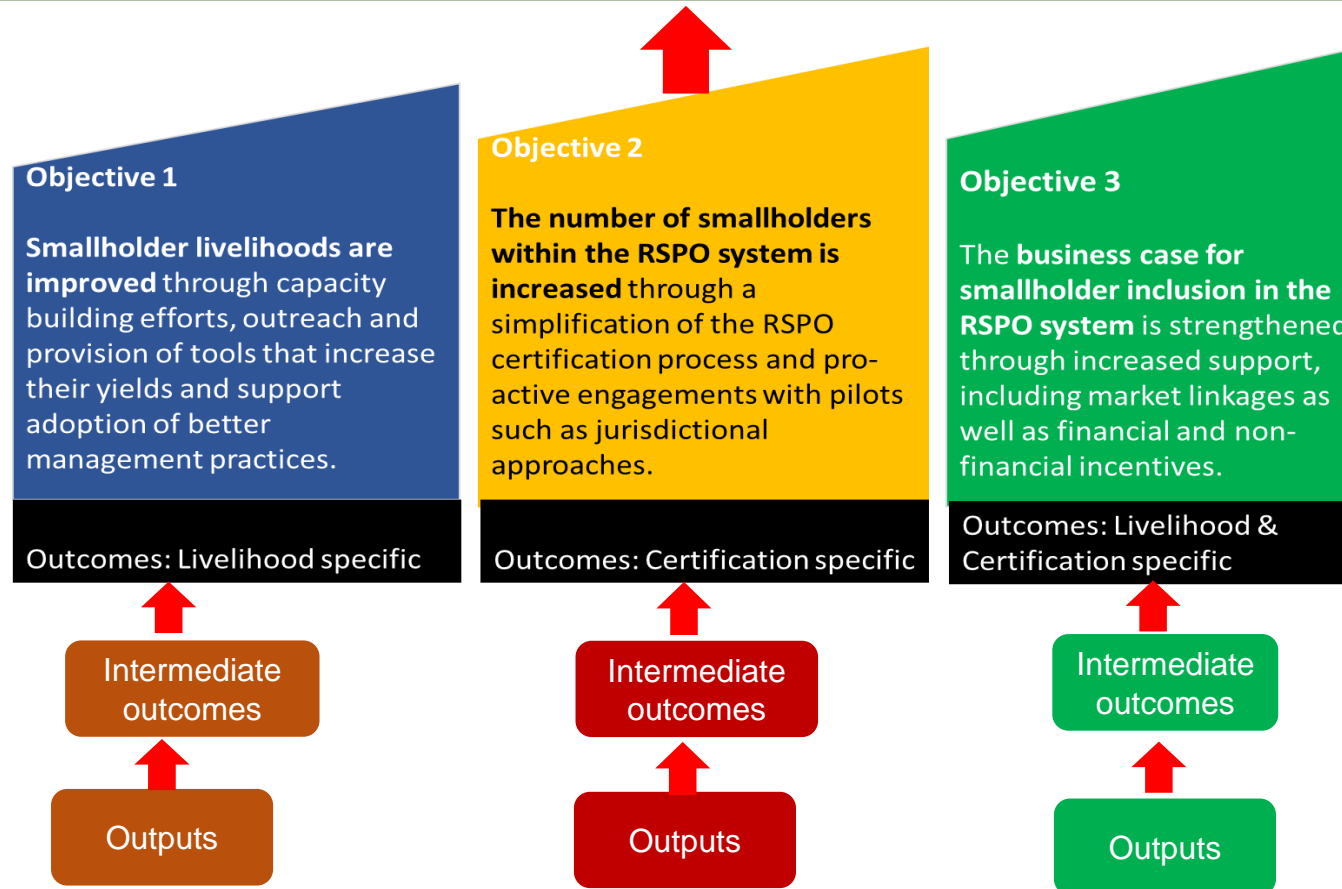


Key Challenges	Proposed Solutions w/in SH Strategy
1. SH have low capacity and capacity building programmes or supporting resources are lacking	<ul style="list-style-type: none"><li>• Expand and improve capacity building services and tools that respond to SH livelihood needs</li></ul>
2. RSPO governance structured <ul style="list-style-type: none"><li>• Does not enable sufficient representation for SH</li><li>• Impedes clear decision making on SH issues</li></ul>	<ul style="list-style-type: none"><li>• The RSPO governance structure is augmented and roles expanded to better represent SH (pre-implementation)</li></ul>
3. RSPO standard poses excessive challenges for SH <ul style="list-style-type: none"><li>• Does not reflect SH context</li><li>• Certification costs are too high</li></ul>	<ul style="list-style-type: none"><li>• An agreed approach to simplify certification for SH is identified and accepted</li></ul>
4. There is a lack of clear incentives to invest in SH capacity and livelihoods	<ul style="list-style-type: none"><li>• Partnership models for SH inclusion into the RSPO system bring direct and tangible benefits to farmers</li><li>• Clarity for supply chain actors to benefit from investments in SH</li></ul>



# Full Strategy Overview

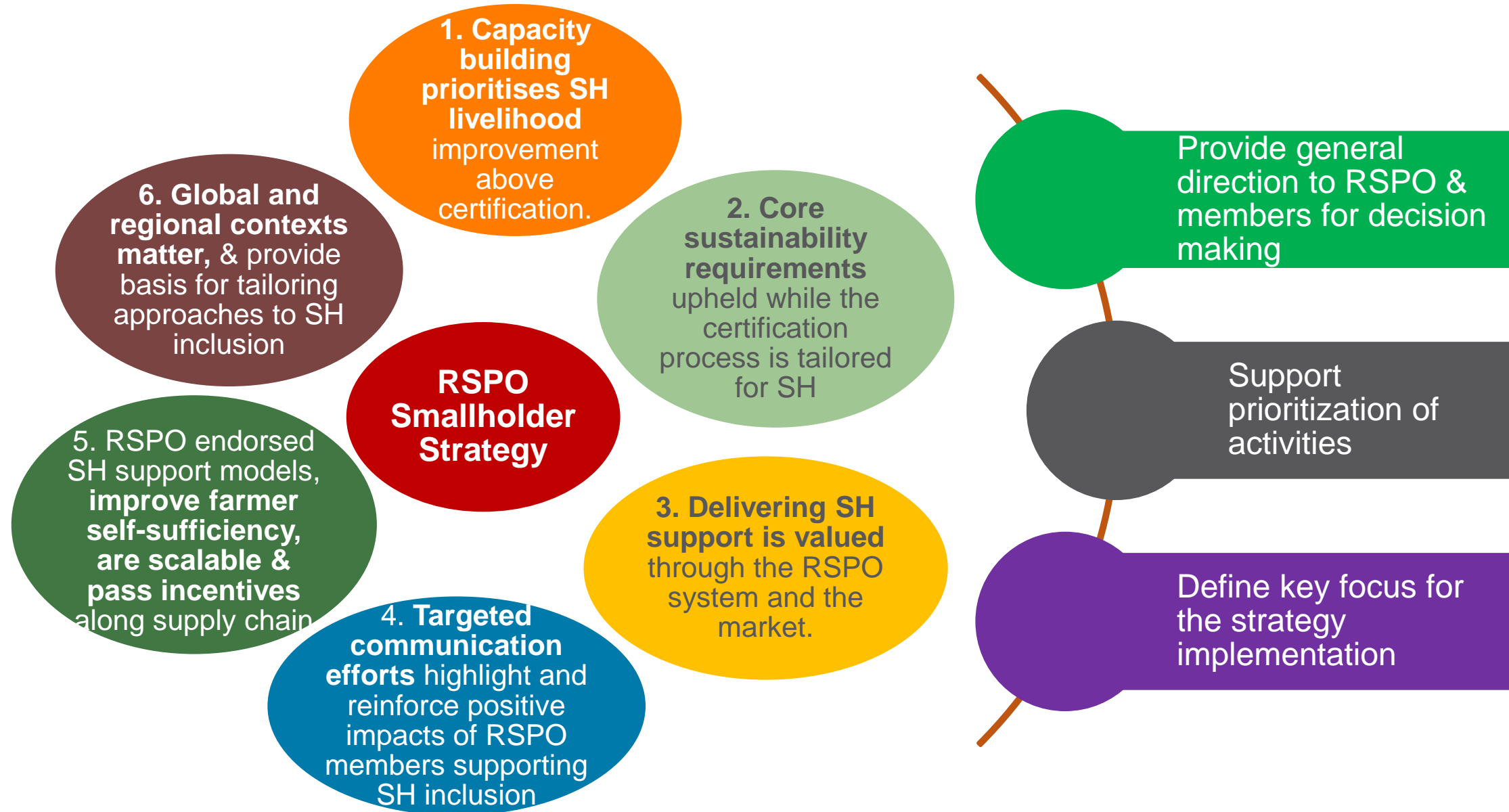
**Goal** - Securing measurable impacts by ensuring that smallholders are able to achieve a sustainable livelihood through their inclusion in sustainable palm oil supply chain.



## Guiding Principles:

1. To underpin the goal and objectives
2. To help guide decisions on implementation

# Smallholder Strategic Framework – the Guiding Principles





## Pre-implementation (Y1)

- Definition of priority landscapes
- Classification of SH
- Mapping existing RSPO strengths & resources
- Defining strategy governance
- Designing MnE

## Implementation (Y1-2)

- Regional priorities
- Diagnostic studies
- Baseline data
- Communications strategy and outreach
- Partnerships

## Implementation (Y2-5)

- Pilots and trials
- Analysis and documentation
- Selection of initiatives/approaches to scale or expand
- Strategy review and adjustments

Y1

Y2

Y3

Y4

# Next Steps

- Seek input from the market (this workshop)
- Ensure links with P&C review
- Presentation to BoG on 14<sup>th</sup> of June
- Adapt SH Strategy based on inputs







# Q&A





## Break-out Groups

Discussion around SH Strategy Objectives: Responding to key questions



## Feedback

- Your input on the objectives
- Pre-defined questions and reporting template



## Key Question Objective 1

**You have \$2 million to spend over two years towards improving SH livelihoods?**

- **Which constraints to improving livelihoods would you prioritise spending it on and why?**
- **What is your proposed solution to addressing the constraint and what would be the most effective delivery mechanism?**

# Reporting Template Objective 1

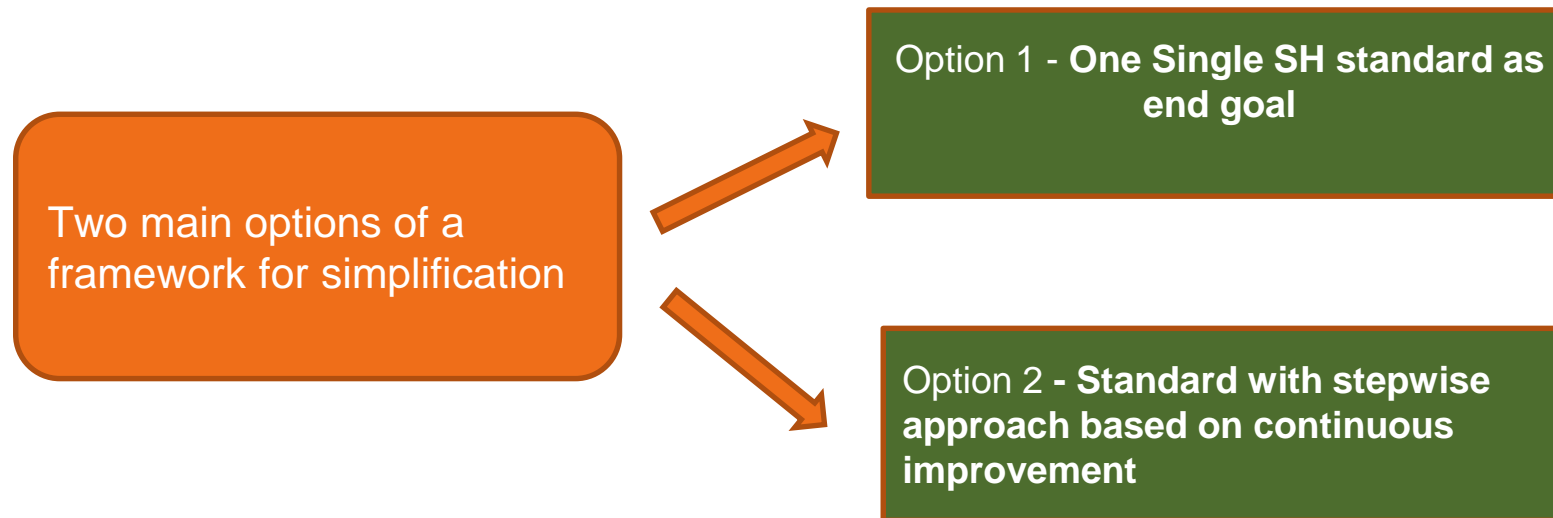


**Objective 1. Smallholder livelihoods are improved through capacity building efforts, outreach and provision of tools that increase their yields and support adoption of better management practices.**

Constraints	Prioritization	Why	Proposed Solution -capacity building -institutional strengthening -tools	Most Effective Delivery Mechanism
Low yields				
Lack of access to quality inputs				
Lack of access to finance				
Weak land tenure				
Weak or limited organization				
Others?				

## Objective 2

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





# Simplified approach for SH – option 1

Option 1	
One single SH Standard as end goal	Main Features
	<ul style="list-style-type: none"><li>a) One single standard for SH, which is at the same time the end goal.</li><li>b) This standard would be tailored to SH. <b>It is not a ‘reduced’ /simplified version of standard</b> for large growers, but starts from SH context</li><li>c) Standard will ensure maintenance of core sustainability/NDPE requirements</li></ul> <div><ul style="list-style-type: none"><li>➤ SH standard should ensure exclusion of non-acceptable practices linked to NDPE policies</li><li>➤ Ensure also SH support needs and interests are reflected and integrated into standard requirements</li></ul></div>

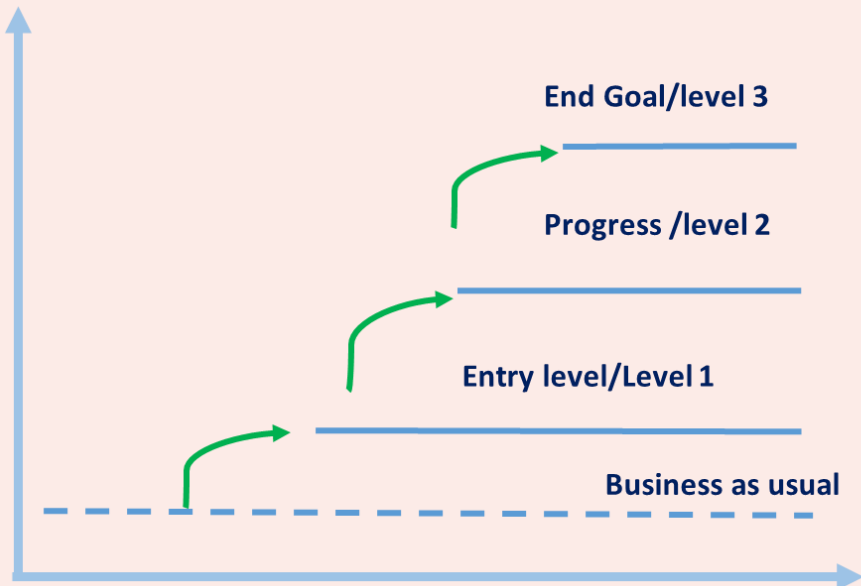
# Simplified approach for SH – option 2

## Option 2

**Standard with stepwise approach based on continuous improvement**

Main features

- Meeting the end-goal of the standard is achieved over a series of steps
- Progress is made by meeting additional requirements, can be obligatory and timebound or not



## Key Questions Objective 2

- What do you see as pros and cons of the Single SH Standard versus the Stepwise approach and what is your preferred option?
- Are there concerns related to credibility of this approach? How can these be addressed?

# Reporting Template Objective 2



## Objective 2. Simplify the process for SH to enter the RSPO system

Pros and cons for each option	What is your preferred option and why	Challenges around credibility	Solutions to address credibility issues
Pros and cons one single standard		Related to one single SH standard	
Pros and cons Stepwise approach		Related to Stepwise	



## Key Question Objective 3

- What role and type of support can each of the palm oil value chain actors can provide?
- What benefits would this provide to them/ what would they like to see in return ?

# Reporting Template Objective 3



**Objective 3. The business case for SH inclusion in the RSPO system is strengthened through increased support, including market linkages as well as financial and non-financial incentives.**

Supply Chain Actor	Activities /Roles / Investment	Driver Benefit / Return on Investment
1. SH	<ul style="list-style-type: none"><li>• e.g., Time</li><li>• e.g., Money (direct and opp costs)</li></ul>	
2. Large Palm Oil Producers	<ul style="list-style-type: none"><li>• e.g., Staff &amp; money for training, outreach, inputs</li><li>• e.g., FFB premiums</li></ul>	
3. CGM and other buyers	<ul style="list-style-type: none"><li>• e.g., Premium for CPO</li><li>• e.g., Investment in SH pilots</li></ul>	
4. Retailers	<ul style="list-style-type: none"><li>• e.g., Invest in SH pilots</li><li>• E.g., Offer preferential pricing or purchasing</li></ul>	
5. Financial Community	<ul style="list-style-type: none"><li>• Preferential access to loans</li><li>• Designing innovative financial instruments</li></ul>	



## Instructions

- One facilitator per group
- Please appoint a person to report back
- Please complete the template provided for reporting back to the plenary (5 min per group)

# Reporting Back on Group Discussions





# Plenary: Strategy Implementation

- What are your concerns regarding challenges to the successful implementation of the strategy objectives? Discuss risks and mitigation
- Why do you have these concerns?
- Do solutions to address these concerns exist?
  - What role can RSPO members play?
  - Secretariat?
  - BoG?



THANK YOU