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

### 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

- Resolution 6F Passed at GA 12 Nov 2015
- Regional Meetings July, Aug, Sept, Oct 2016
- Revised Strategic Framework Presented SHWG Feb 2017
- Full Strategy Developed
- Kick-off Workshop March 2016
- Update at GA 13 Nov 2016
- BoG Meeting March 2017
- BOG Meeting June 2017
Smallholder Strategic Framework

**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

**Goal**
Securing measurable impacts by ensuring that smallholders are able to achieve a sustainable livelihood through their inclusion in sustainable palm oil supply chain.
## How will the SH Strategy address key challenges?

<table>
<thead>
<tr>
<th>Key Challenges</th>
<th>Proposed Solutions w/in SH Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SH have low capacity and capacity building programmes or supporting resources are lacking</td>
<td>• Expand and improve capacity building services and tools that respond to SH livelihood needs</td>
</tr>
<tr>
<td>2. RSPO governance structured</td>
<td>• The RSPO governance structure is augmented and roles expanded to better represent SH (pre-implementation)</td>
</tr>
<tr>
<td>• Does not enable sufficient representation for SH</td>
<td></td>
</tr>
<tr>
<td>• Impedes clear decision making on SH issues</td>
<td></td>
</tr>
<tr>
<td>3. RSPO standard poses excessive challenges for SH</td>
<td>• An agreed approach to simplify certification for SH is identified and accepted</td>
</tr>
<tr>
<td>• Does not reflect SH context</td>
<td></td>
</tr>
<tr>
<td>• Certification costs are too high</td>
<td></td>
</tr>
<tr>
<td>4. There is a lack of clear incentives to invest in SH capacity and livelihoods</td>
<td>• Partnership models for SH inclusion into the RSPO system bring direct and tangible benefits to farmers</td>
</tr>
<tr>
<td></td>
<td>• Clarity for supply chain actors to benefit from investments in SH</td>
</tr>
</tbody>
</table>
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
1. Capacity building prioritises SH livelihood improvement above certification.

2. Core sustainability requirements upheld while the certification process is tailored for SH.

3. Delivering SH support is valued through the RSPO system and the market.

4. Targeted communication efforts highlight and reinforce positive impacts of RSPO members supporting SH inclusion.

5. RSPO endorsed SH support models, improve farmer self-sufficiency, are scalable & pass incentives along supply chain.

6. Global and regional contexts matter, & provide basis for tailoring approaches to SH inclusion.

RSPO Smallholder Strategy

- Provide general direction to RSPO & members for decision making
- Support prioritization of activities
- Define key focus for the strategy implementation
Smallholder Strategic Framework – Implementation Plan

**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
Next Steps

• Seek input from the market (this workshop)

• Ensure links with P&C review

• Presentation to BoG on 14\textsuperscript{th} of June

• Adapt SH Strategy based on inputs
Q&A
Break-out Groups

Discussion around SH Strategy Objectives: Responding to key questions
Break-out Groups

Feedback

• Your input on the objectives

• Pre-defined questions and reporting template
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?
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.

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Prioritization</th>
<th>Why</th>
<th>Proposed Solution</th>
<th>Most Effective Delivery Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low yields</td>
<td></td>
<td></td>
<td>- capacity building</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- institutional strengthening</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- tools</td>
<td></td>
</tr>
<tr>
<td>Lack of access to quality inputs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of access to finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weak land tenure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weak or limited organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

Two main options of a framework for simplification:

**Option 1 - One Single SH standard as end goal**

**Option 2 - Standard with stepwise approach based on continuous improvement**
Option 1

<table>
<thead>
<tr>
<th>One single SH Standard as end goal</th>
<th>Main Features</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a) One single standard for SH, which is at the same time the end goal.</td>
</tr>
<tr>
<td></td>
<td>b) This standard would be tailored to SH. <strong>It is not a ‘reduced’/simplified version of standard</strong> for large growers, but starts from SH context</td>
</tr>
<tr>
<td></td>
<td>c) Standard will ensure maintenance of core sustainability/NDPE requirements</td>
</tr>
</tbody>
</table>

- SH standard should ensure exclusion of non-acceptable practices linked to NDPE policies
- Ensure also SH support needs and interests are reflected and integrated into standard requirements
### Simplified approach for SH – option 2

<table>
<thead>
<tr>
<th>Option 2</th>
<th>Main features</th>
</tr>
</thead>
</table>
| Standard with stepwise approach based on continuous improvement | • 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 |

![Diagram showing progression levels (Entry level/Level 1, Progress/level 2, End Goal/level 3) with Business as usual on a lower level.](image-url)
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?
### Objective 2. Simplify the process for SH to enter the RSPO system

<table>
<thead>
<tr>
<th>Pros and cons for each option</th>
<th>What is your preferred option and why</th>
<th>Challenges around credibility</th>
<th>Solutions to address credibility issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pros and cons one single standard</td>
<td>Related to one single SH standard</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pros and cons Stepwise approach</td>
<td>Related to Stepwise</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Key Question Objective 3

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

<table>
<thead>
<tr>
<th>Supply Chain Actor</th>
<th>Activities /Roles / Investment</th>
<th>Driver Benefit / Return on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SH</td>
<td>• e.g., Time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• e.g., Money (direct and opp costs)</td>
<td></td>
</tr>
<tr>
<td>2. Large Palm Oil Producers</td>
<td>• e.g., Staff &amp; money for training, outreach, inputs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• e.g., FFB premiums</td>
<td></td>
</tr>
<tr>
<td>3. CGM and other buyers</td>
<td>• e.g., Premium for CPO</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• e.g., Investment in SH pilots</td>
<td></td>
</tr>
<tr>
<td>4. Retailers</td>
<td>• e.g., Invest in SH pilots</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• E.g., Offer preferential pricing or purchasing</td>
<td></td>
</tr>
<tr>
<td>5. Financial Community</td>
<td>• Preferential access to loans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Designing innovative financial instruments</td>
<td></td>
</tr>
</tbody>
</table>
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
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