

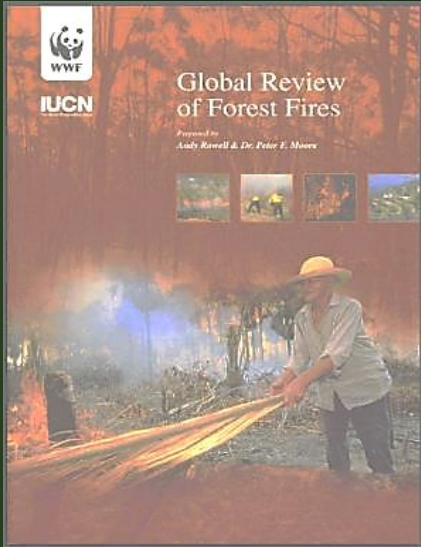
A large, glowing wireframe globe is the central focus on the left side of the image. It is composed of a network of white lines forming a spherical shape, with a bright yellow and orange glow emanating from its surface. A smaller, similar wireframe globe is positioned below and to the left of the larger one. The background is a dark green gradient with scattered yellow and white particles, suggesting a digital or futuristic theme.

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# Looking Back, Looking Forward to the Next 20

Teoh Cheng Hai  
Former First Secretary-General, RSPO

# Pre-RSPO – NGOs' Action

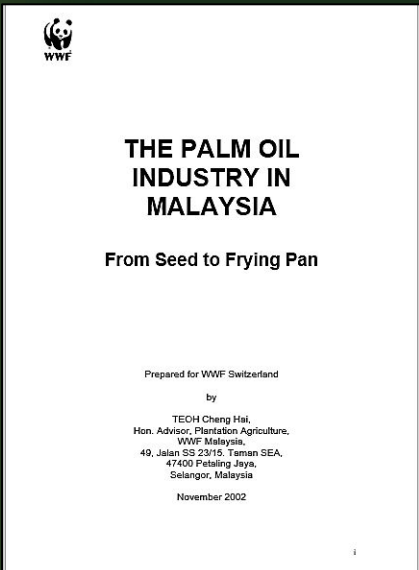


**2000-2002:** WWF Forest Conversion Initiative (FCI) to address increasing threats from expansion of oil palm and soy

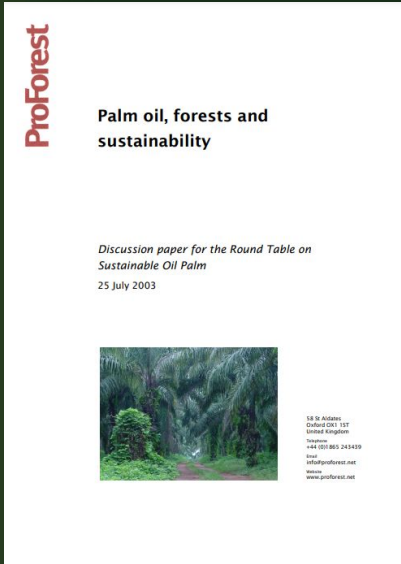
- WWF studies on land use and supply chain in Malaysia

**2002 (Nov), Zurich:** NGO workshop by WWF Switzerland to address concerns over palm oil and soy and formulate a strategic action to reduce deforestation

- Focus on markets and financial institutions
- Boycott or engagement of the key players?
- Key output (Markets): ***"To launch a multi-stakeholder roundtable for palm oil, including producers, traders and NGOs in mid-2003 in a SEA venue"***
- Formation of the Roundtable Organising Committee (ROTC) after engagement of key actors, including MPOA to organize RT1

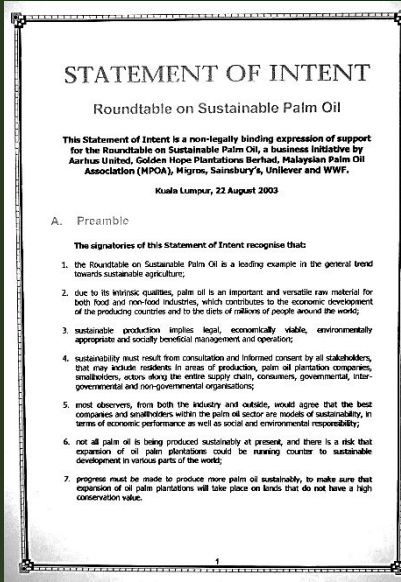


# Pre-RSPO – RT1: Ground zero



## 2003 (Aug): RT1

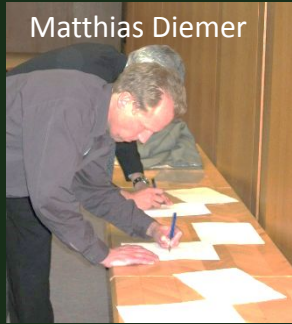
- Organized by MPOA with WWF, Unilever, MIGROS and Aarhus in KL; 200 delegates from 16 countries attended
- Discussion papers by Proforest
  - Palm oil, forests and sustainability
  - Defining sustainability in oil palm production
- No consensus but agreement to further the RT process
- RTOC mandated to develop the roundtable for SPO
- Statement of Intent (SOI); 44 signatories



## 2003-2004 (April 7): RTOC developed the governance structure, Statutes & By-laws and roadmap for RSPO

- Agreement on composition of EB most challenging
  - 16-member EB for 7 sectors; 25% Growers, 25% NGOs, 12.5% each for Processors, FMCGs, Retailers, Banks and FIs
- April 7, 2004 – Last RTOC meeting
  - Interim EB and SG appointed

# 8 April 2004, Zurich



Matthias Diemer



Vengeta Rao



Jan Kees Vis

- Who founded RSPO?
- First Interim RSPO EB meeting
  - Approval of SG's workplan
  - Approval of RSPO logo
  - Planning for RT2 and projects



Jan-Olaf Lidfeldt



Ian McIntosh



Fausta Borsani



# First 6 months



- No office, no staff, no members!
- Location: Mont Kiara, KL – issues of neutrality & mistrust
- Core activities
  - Outreach - Engagement of stakeholders + communication (website)
  - Recruiting members (SOI) – Target 50 OM
  - Supporting CWG on P&C development + projects
  - Organization of RT2, Jakarta
  - Secretariat to RSPO EB



# RT2 Jakarta 2004 – 1st RSPO RT, October 2004



- Opened by H.E. Prof. Bungaran Saragih, Minister of Agriculture, Indonesia
  - *“Perhaps the most applicable way to promote a sustainable palm oil industry is through a tightly disciplined application of good agricultural practices”.*
- Organizers
  - IPOC, GAPKI, WWF Indonesia, RSPO
- Attendees – 300 from 17 countries
- Main themes
  - Developments since RT1
  - Development of criteria for SPO
  - Projects on sustainable palm oil
- GA1 – Election of first RSPO EB
- RT2 – WWF
  - *“Genuine goodwill and dialogue among stakeholders”*

# RSPO Principles & Criteria – CWG



- 1<sup>st</sup> CWG meeting before RT2
- RT3 (2005): P&C adopted; 2-year pilot testing by 14 companies
- RT4 (2006): Development of NIs of generic P&C
- RT5 (2007): Generic P&C approved at GA 4



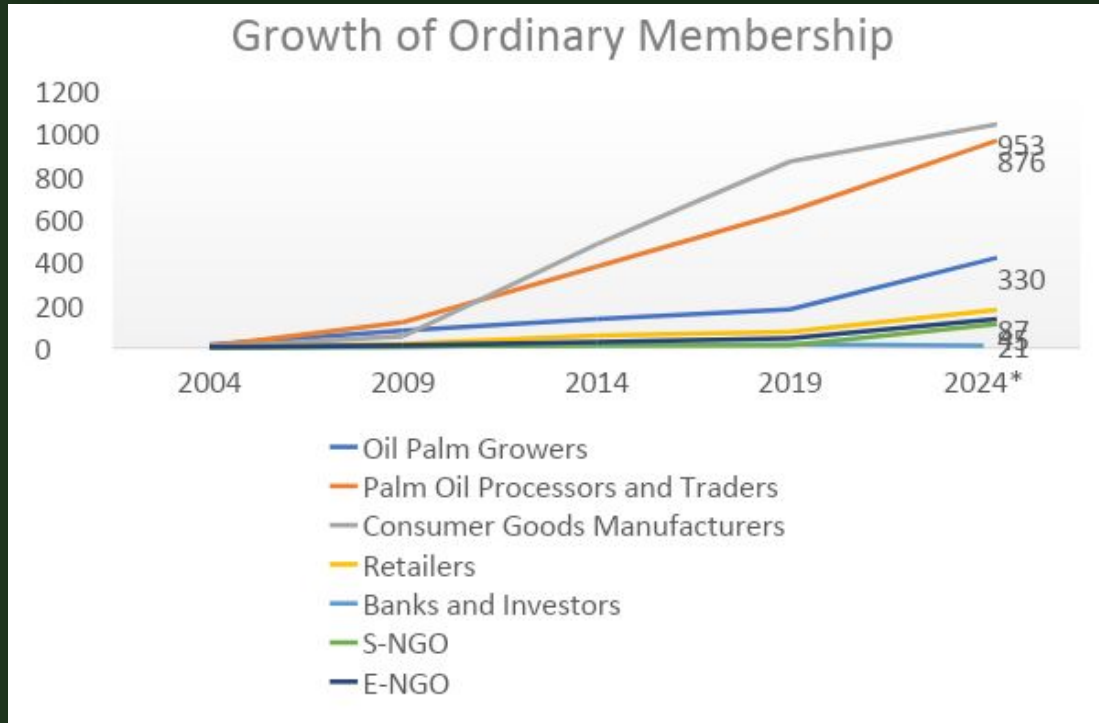
# RSPO Governance for the Future - March 2011



- **Resolution 6e** - Ensuring Balance between Producer and Non-Producer Stakeholders adopted at RSPO GA7, Nov 11, 2010, Jakarta
- Recap: RSPO EB – 16 members (25% Growers, 25% NGOs, 50% supply chain/banks)
- EB Retreat in Port Dickson to address Resolution 6e and review RSPO's long term vision, mission and strategies
- No consensus on Growers' proposal for more seats; no new EB structure; status quo
- **Key output: New RSPO Vision**  
***RSPO will transform the market to make sustainable palm oil the norm***

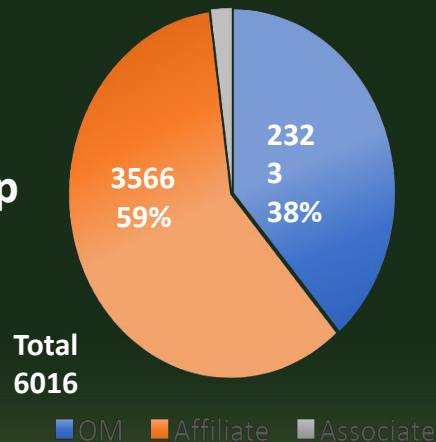


# Looking back First 20 – Membership dynamics



Growth of RSPO OM Membership			
Sector	2019	2024	Increase
Growers	181	330	+82.3%
Processors	638	876	+37.3%
Manufacturers	870	953	+9.5%
Retailers	76	87	+14.5%
Banks/Investors	17	11	-35.3%
S-NGO	13	21	+61.5%
E-NGO	45	45	0.0%
<b>Total OM</b>	<b>1840</b>	<b>2323</b>	<b>+26.3%</b>

**RSPO Membership**  
Aug 2024



- Impressive growth – 51 to 6016 members in 20 years; Affiliate Members (AM) largest category since 2010
- Among Ordinary Members (OM), Growers early adopters, then Processors followed by CGM
- Increase in Growers in 2019/2024 due to entry of ISH group members; decline in Banks and Investors, in spite of ESG trend

# The Next 20



## A Global Partnership to Make Palm Oil Sustainable



- New Vision, Mission and Theory-of-Change (ToC)

- Vision: **A global partnership to make palm oil sustainable**

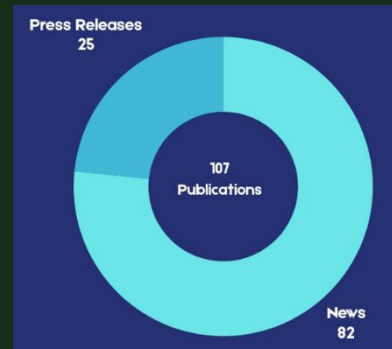
- Mission

- Collaboration
- Communication
- Certification

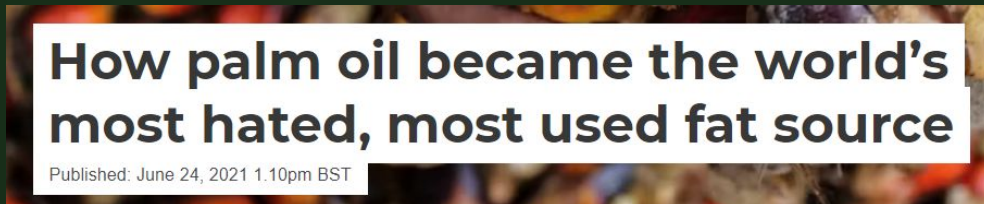


# Communication

*RSPO clearly defines and communicates the benefits and positive impacts of sustainable palm oil in a relevant, engaging and measurable way.*

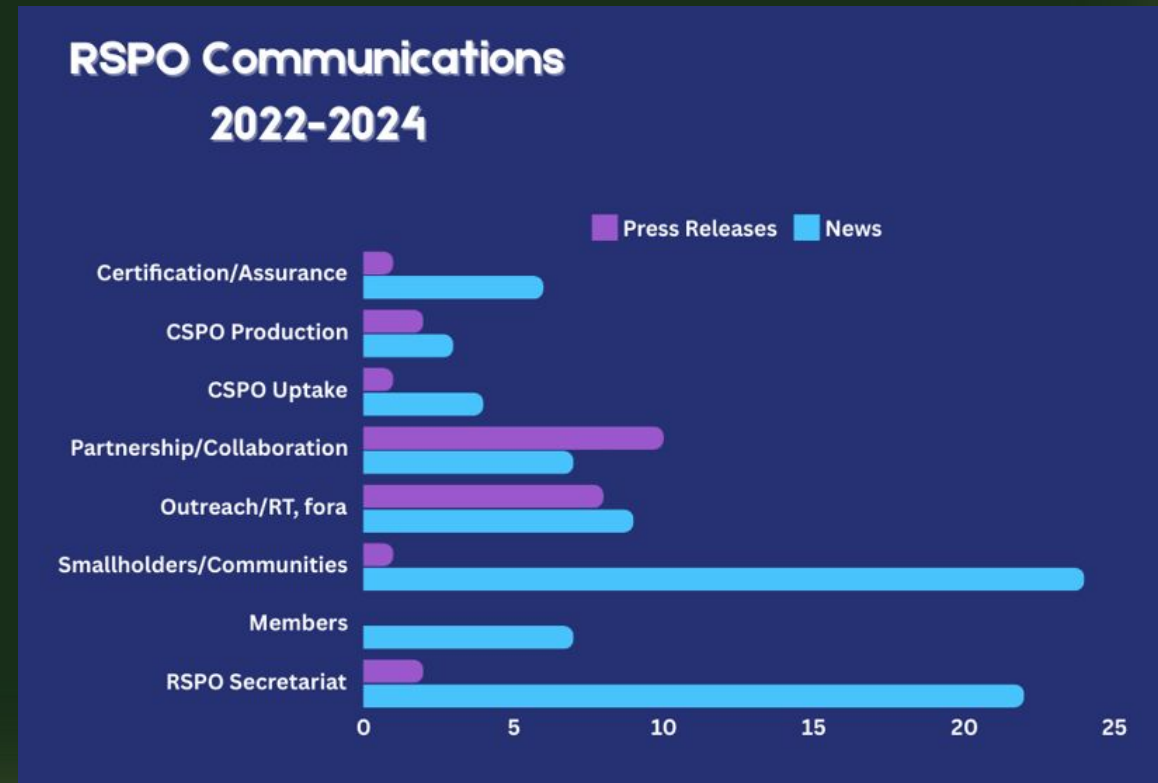


What did RSPO communicate on? 2022-2024 (October)



## The long shadow of palm oil

Activists say it's doubtful lessons are learned, citing the palm oil affiliations of at least one of the companies now involved in the Merauke sugarcane project, and the fact that the seeds being planted now still aren't native to Papua.



# Communication – Balanced narrative for oil palm



## Negative narrative - NDPE

**NO**



**NO PEAT**



**NO**



## Positive narrative – UN SDGs

**RSPO's definition**  
*Sustainable palm oil production comprises legal, economically viable, environmentally appropriate and socially beneficial management and operations*

**YES**



Source: UN SDG Guidebook

# Communication – Telling members' stories



## Saraya's Green Corridor with The Borneo Conservation Trust (BCT)

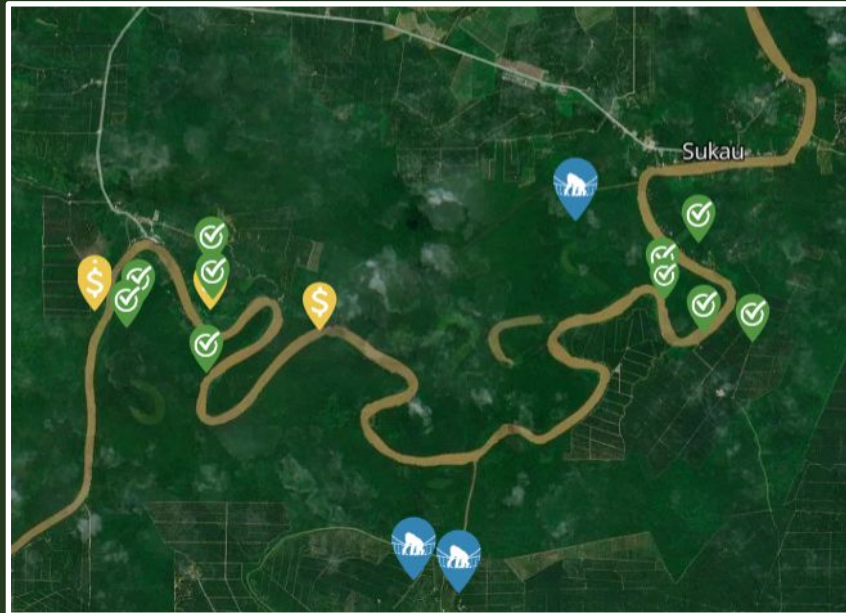
- Annual purchase of Credits: 2,372 MT PO/PKO derivatives, 757 MT PKO
- Saraya's response to the plight of a single ensnared Bornean elephant (2004)

### How?

- 1% of sales for Happy Elephant for the purchase of land for connecting corridor

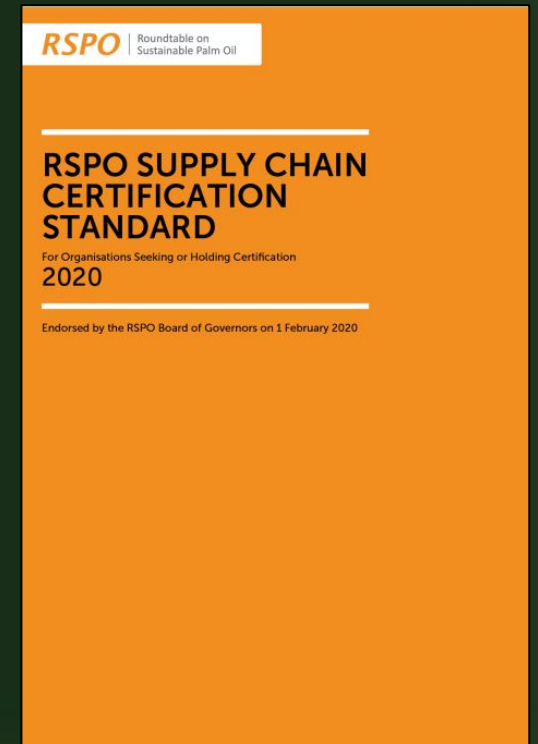
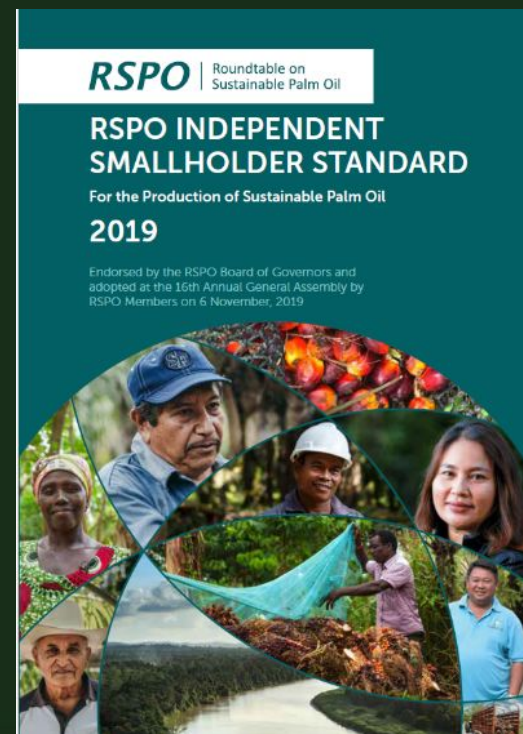
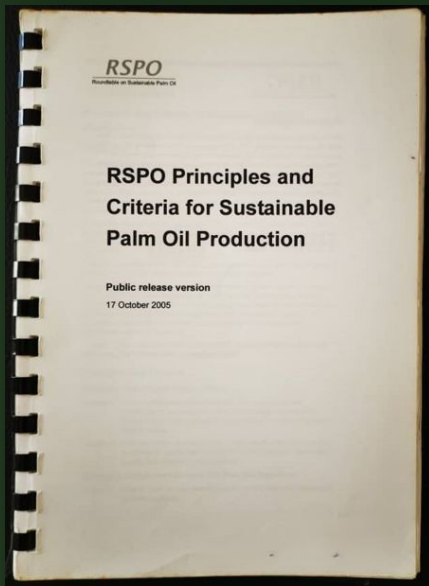
### Actions to-date

- 10 parcels of land of 33.3 ha in Kinabatangan purchased and surrendered to Sabah Govt; +5 parcels to be purchased
- 7 wildlife suspension bridges for orangutans
- Established the Borneo Elephant Sanctuary (BES) programme (2012)
- Conducted awareness tours for Japanese consumers and media annually



# Certification

*RSPO sets global standards for sustainable palm oil, met through certification of members by independent auditors, assured by education and constant monitoring, combined with a fair and transparent process for dealing with transgressions.*



# RSPO's Revised ToC

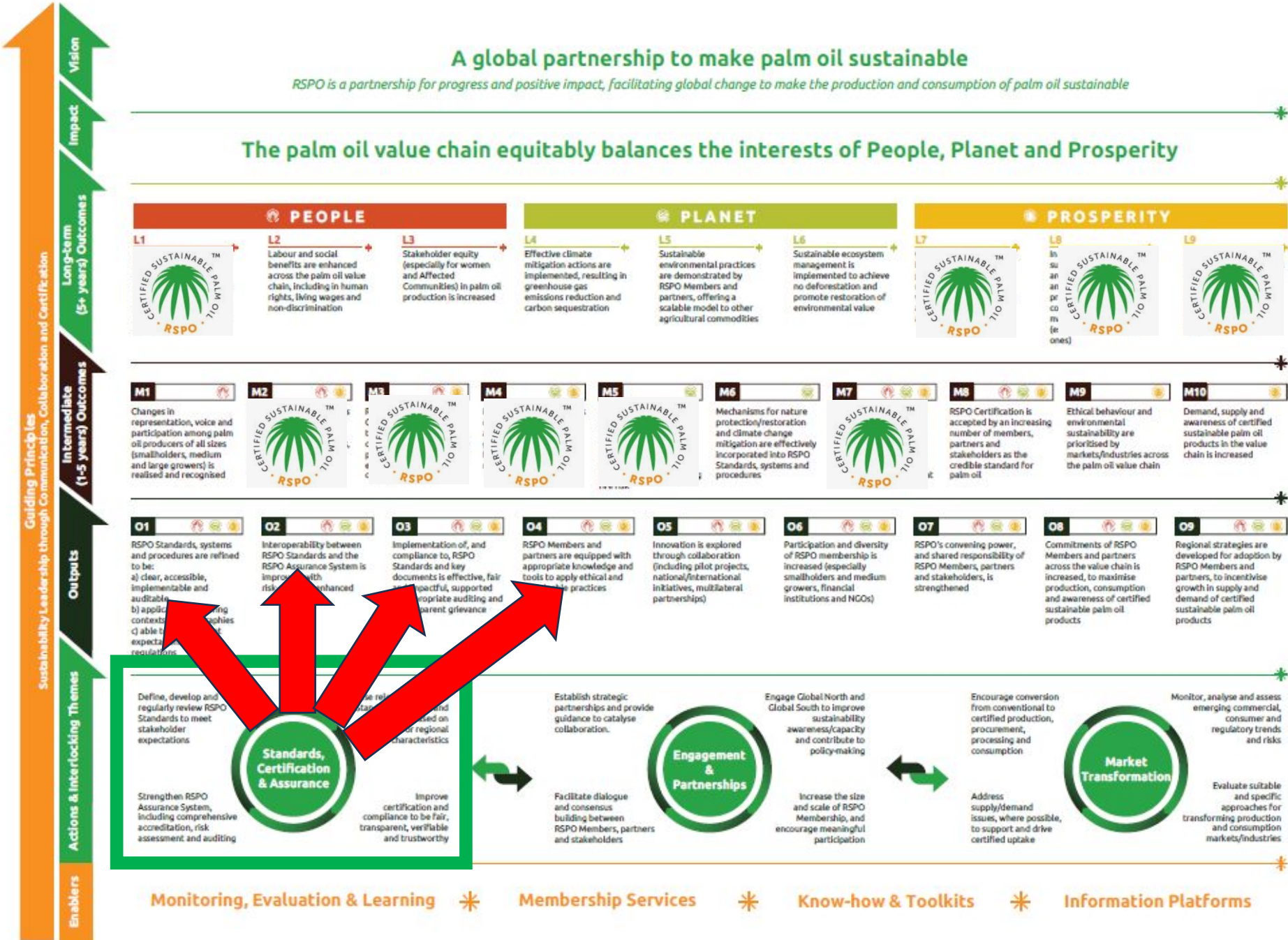


Figure 3: The full Theory of Change

# Certification – Transforming the market

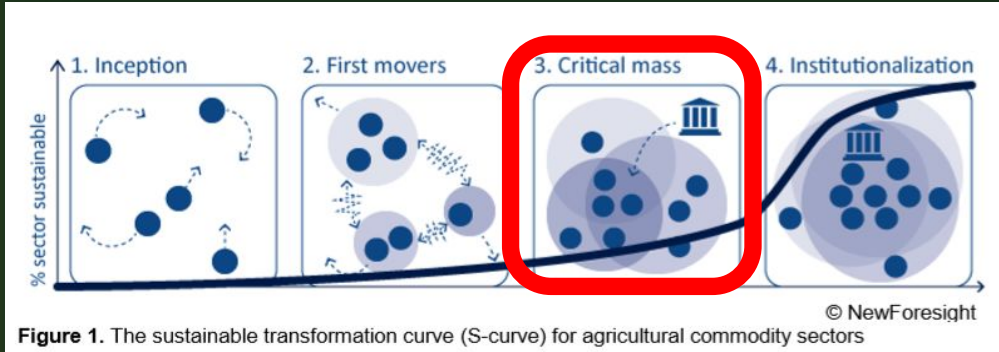
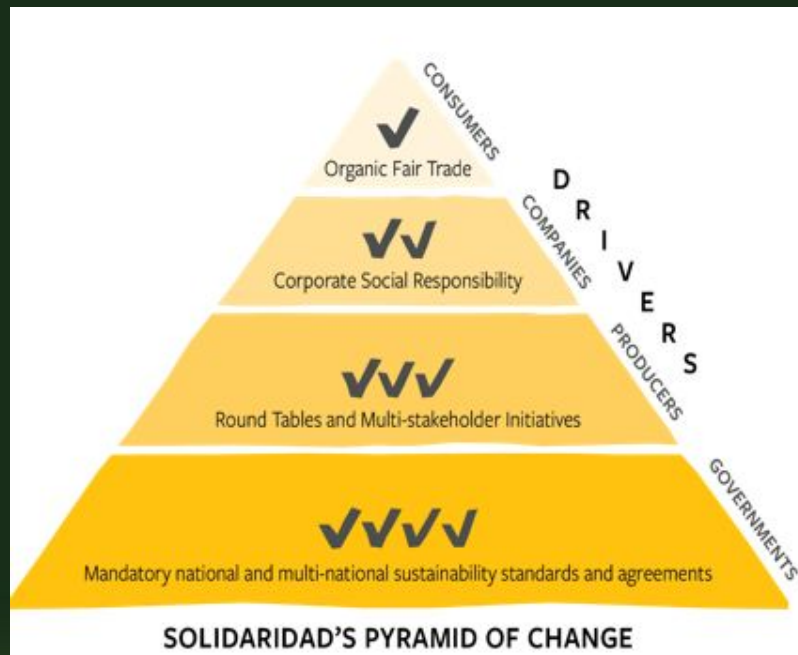


Figure 1. The sustainable transformation curve (S-curve) for agricultural commodity sectors

## • Life cycle of a VSS

Challenges in scaling up CSPO production

- Current CSPO production
  - 80% top 25 growers+ 9% smallholders + others 11%
- Grower membership growth
- High entry requirements/cost (RaCP)
- Smallholders' capacity



## • Pyramid of change

2-tier CSPO market

- Premium RSPO market (20-25%)
- Mass SPO market

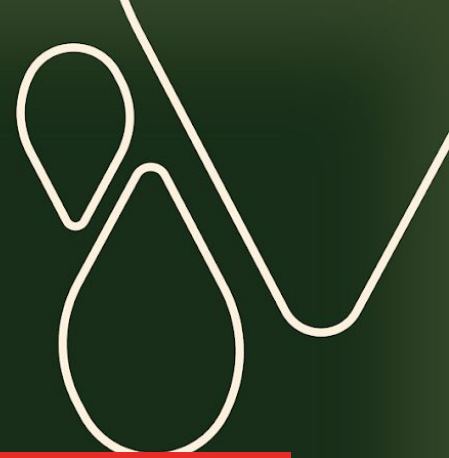
## • Future role for RSPO?

- Gold standard (*de facto* EUDR standard?)
- Raising the floor for other standards
- Partnerships for smallholder inclusivity



# Collaboration

*RSPO actively facilitates collaboration and a shared commitment across the value chain to drive demand and ensure sufficient supply of sustainable palm oil.*



Partners exchange resources to deliver better benefits for each other

Partners combine complementary or similar resources to deliver traditional development impact more effectively

Multiple partners bring together essential complementary resources to create lever for system transformation

# Tier 2 Partnership Case Study - IPODS

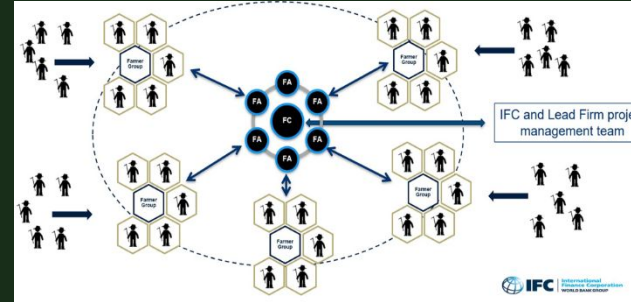


## Indonesian Palm Oil Development for Smallholders (IPODS) - 2015/19

### Objectives

1. Proof of IPODS concept for  $A_2T, A_2M, A_2F$  for ISH
2. Industry adoption of model

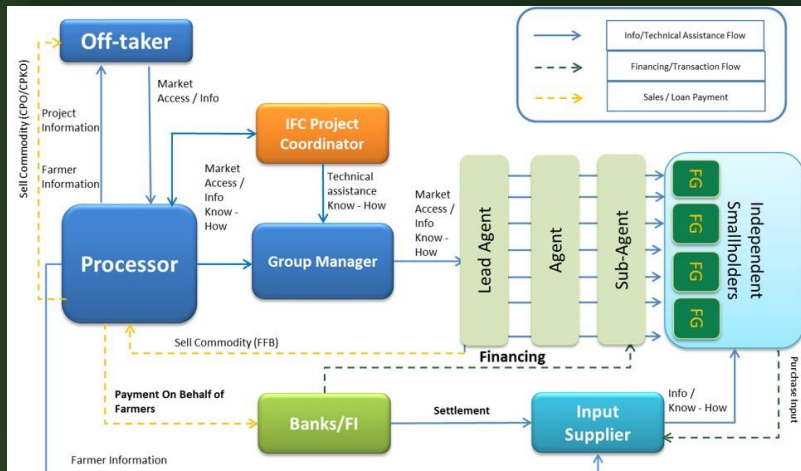
Locations: Rantau Prapat, Pelalawan, Rokan Hilir, Rokan Hulu



Farmer Groups (FGs)



Field Assistants (FAs) - 80



IFC Team



MM Team

### KEY OUTPUTS

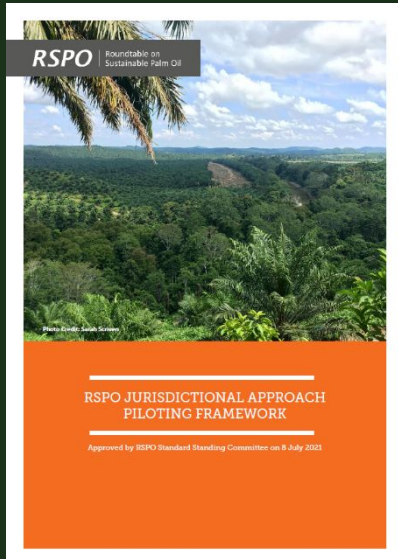
- 42,000 ISH trained
- 2092 ISH RSPO certified
- 30% increase in FFB/ha

### Post-IPODS Scaling-up

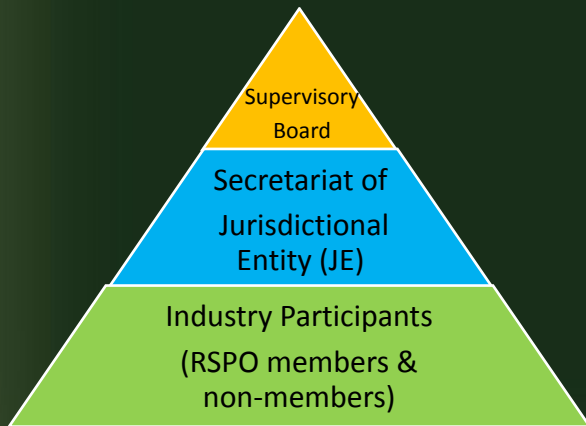


# Tier 3 Partnership Case Study

## – RSPO Jurisdictional Approach (JA)



- RSPO certification across jurisdictions, involving all key actors, players and stakeholders – Initiated by RSPO in 2015
- RSPO supported JA certification pilots - 2021
  - Seruyan in Central Kalimantan, Indonesia (District level)
  - Sabah, Malaysia (State level)
  - Ecuador (Country level)
- JA is Government-led, driven by a multi-stakeholder Supervisory Board
- Large scale group certification under a Jurisdictional Entity (JE)



# Challenges – Smallholder Inclusivity



**RSPO SMALLHOLDER STRATEGY**  
JUNE 2017

OBJECTIVES, OUTPUTS AND IMPLEMENTATION  
Endorsed by the RSPO Board of Governors on 14th of June 2017



**RSPO** Roundtable on Sustainable Palm Oil

**RSPO INDEPENDENT SMALLHOLDER STANDARD**  
For the Production of Sustainable Palm Oil  
**2019**

Endorsed by the RSPO Board of Governors and adopted at the 16th Annual General Assembly by RSPO Members on 6 November, 2019

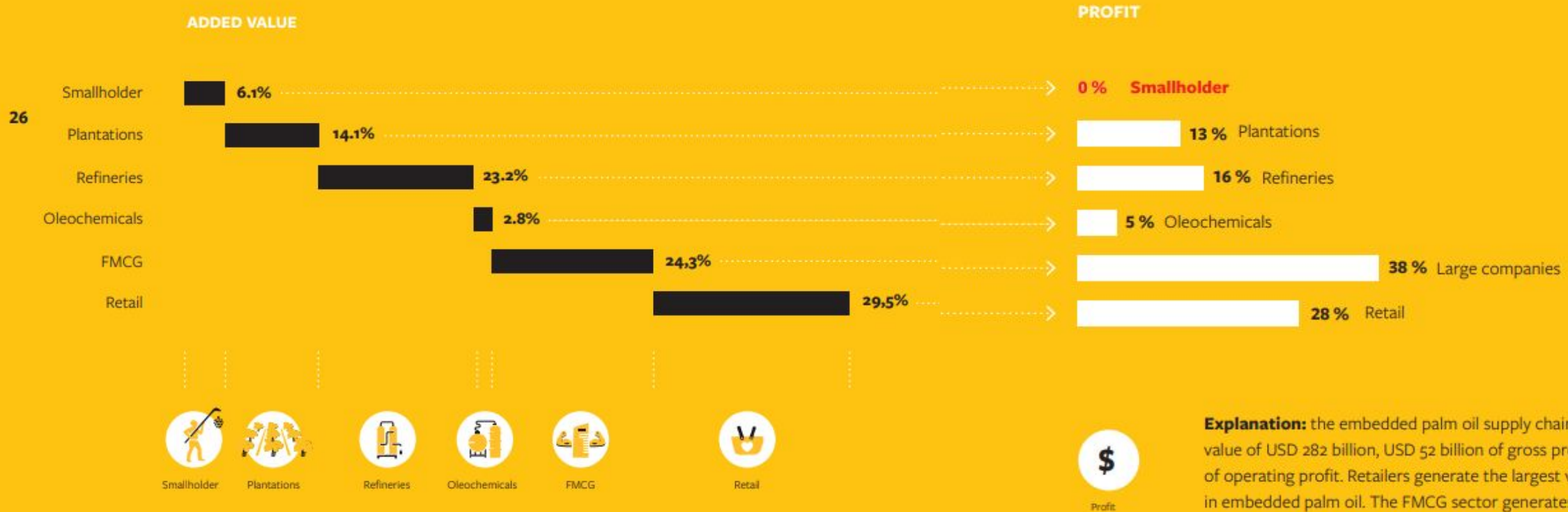
- RT2 message – “smallholders must not be marginalized”
- Smallholders are big producers – 7 million globally
  - 35% to 40% of global production
  - Share of planted area – Indonesia 42%, Malaysia 27%, Thailand 85%

Smallholder CSPO Production July 2024– RSPO			
	ISH	Scheme	Total
No. SH certified	50,233	127,199	177,463
Certified area (ha)	124,589	291,669	416,258
CSPO ('000 MT)	376.1	1,075.8	1,451.9
% of global CSPO	2.4%	7.0%	9.4%

- But lack of clear business case for smallholder SPO production

# Business case for smallholders in SPO production

## Overview of the palm oil value chain

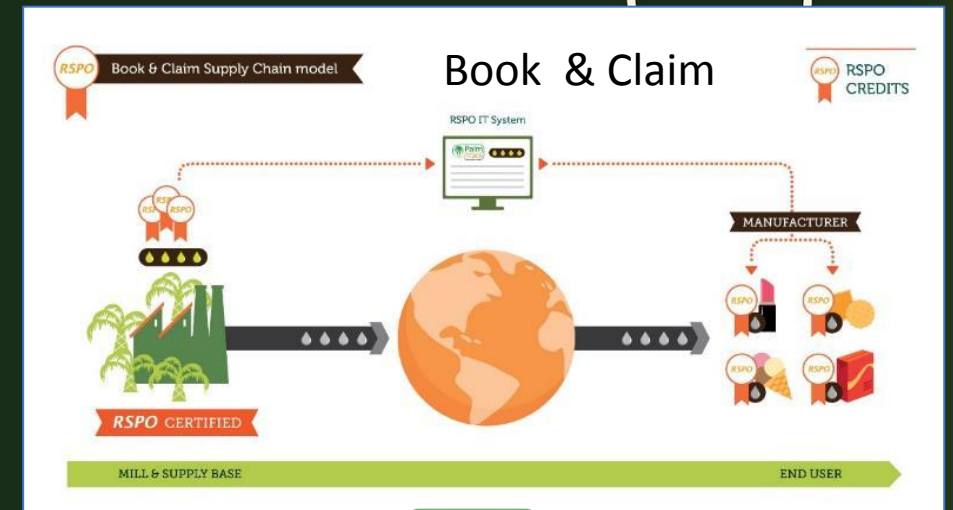


**Explanation:** the embedded palm oil supply chain generates a total value of USD 282 billion, USD 52 billion of gross profit, and USD 18 billion of operating profit. Retailers generate the largest value (USD 83 billion) in embedded palm oil. The FMCG sector generates the largest gross profit at USD 20 billion and an operating profit of USD 6 billion. Although smallholders generate USD 17 billion, which is six percent of the entire chain, their share in profits is close to zero (Rijk et al., 2021).

# Inclusive business models for smallholders

## Book & Claim

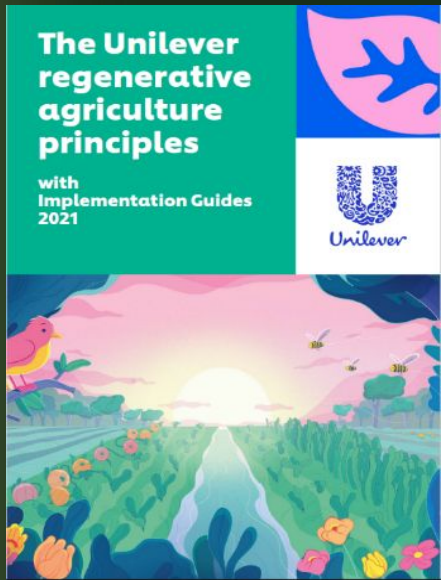
- Book & Claim (Credits) is the main A<sub>2</sub>M mechanism for independent smallholders
- More stringent sustainability requirements e.g. EUDR could lead to smallholder exclusion
- Smallholder inclusivity – Ownership, Voice, Risks, Rewards
- Current focus on livelihood and ‘living income’  
Smallholders deserve a better share of the value chain and profits!
- Need to develop inclusive business models
- Oxfam FAIR partnership model for business and community (2014): *“Smallholders treated as entrepreneurs”*



# Regenerative agriculture



- Emerging global trend towards regenerative agriculture (RA)
- RA embraced by major FMCGs; public commitments to source only RA products. e.g. Nestle 50% key ingredients from RA by 2030
- Possibility of RA requirements as sourcing policy
- RA is a holistic approach to improve soil health, biodiversity and the environment
- BUT no universal definition of RA; risk of green washing
- SAI platform definition (2023):  
*“An outcome-based farming approach that protects and improves soil health, biodiversity, climate, and water resources while supporting farming business development”.*



# Alignment between BMPs and RA practices



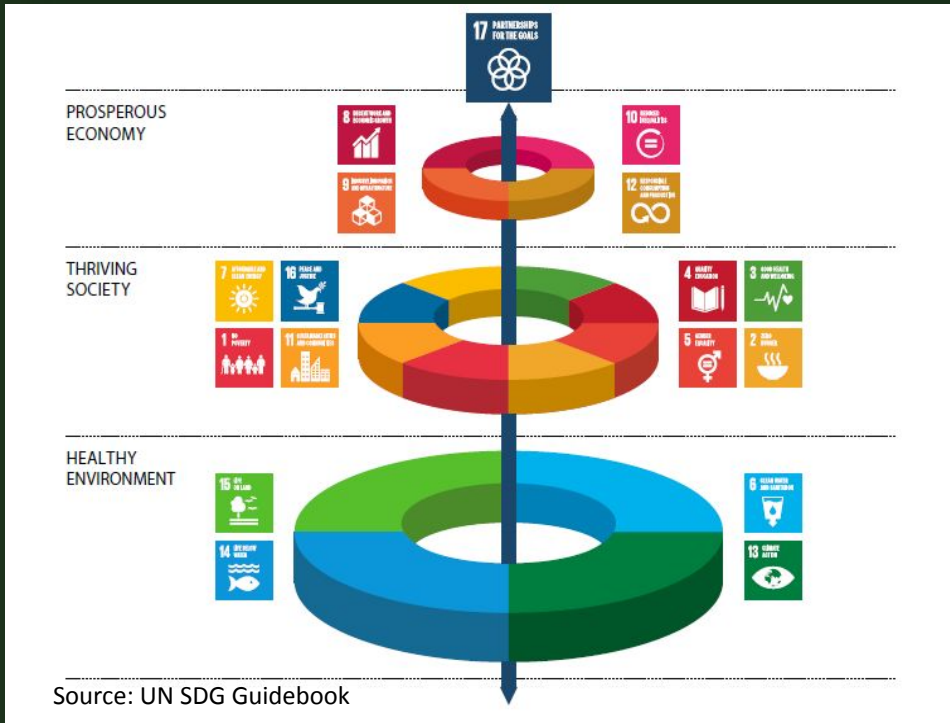
- What is the relevance of regenerative agriculture to oil palm?
- How well do oil palm BMPs align with RA principles?
- Overall, strong alignment of BMPs for sustainable palm oil production and regenerative agriculture
- Regenerative agriculture and sustainable agriculture should be taken as **complementary** systems and not mutually exclusive
- Potential role for RSPO?
  - Threat and opportunity
  - Alignment with RA principles, focus on soil health

BEST MANAGEMENT PRACTICE	IMPACT			
	Soil	Water	Biodiversity	Climate
No planting of oil palm on forest land	●●●	●●●	●●●	●●●
No planting on peat land of any depth	●●●	●●●	●●●	●●●
Maintenance of High Conservation Value (HCV) and High Carbon Stock (HCS) areas as set aside areas in plantations	●●●	●●●	●●●	●●●
No planting on steep terrain or on marginal soils	●●●	●●●	●●	●●
Zero burning technique of new plantings and replanting	●●●	●●	●●	●●●
Contour terracing and planting	●●●	●●●	●	●●
Construction of conservation bunds and silt pits	●●●	●●●	●	●
Planting of legume cover crops (LCC) during immature phase	●●●	●●●	●●	●●
Intercropping during immature phase (Smallholders)	●●●	●●	●●	●
Integration with livestock (Smallholders)	●●●	●●	●●	1
Integrated weed management (IWM)	●●	●●	●●	●
Integrated Pest Management (IPM)	●●	●●	●●●	●
Planting of beneficial plants for biological control of pests	●●	●●	●●●	●
Biological control of rats using barn owls	●●	●	●●●	●
Biological control of <i>Oryctes</i> beetles using <i>Metharhizium</i> fungus and baculovirus	●●	●	●●●	●
Biological control of <i>Ganoderma</i> basal stem rotting using arbuscular mycorrhizal fungi (AMF)	●●	●	●●●	●●

Positive Impact: ● Minor      ●● Moderate      ●●● Major



# Conclusion



***RSPO leads the global palm oil supply chain to achieve the UN SDGs through transformative partnerships by 2030***

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***Thank you***  
***Best wishes for RT2024***