

## RSPO Shared Responsibility (SR) Frequently Asked Question

### 1. What is Shared Responsibility?

The process for change at RSPO is characterised by a progression of “Mobilize, Act and Transform”. This is the backbone of the RSPO Theory of Change (ToC) and underpinned by the concept of **shared responsibility** (SR) and **accountability** for results.

**Shared responsibility is the set of commitments RSPO members must adhere to for achieving RSPO’s vision “to transform markets to make sustainable palm oil the norm”.**

Members have **shared** sustainability requirements and obligations, which are the **same** across all member categories. Though a shared obligation, specific requirements may **vary** from one member category to another, reflecting the **unique** roles of different member categories to help make *sustainable palm oil the norm*.

### 2. Which members are subjected to the requirements of Shared Responsibility?

All RSPO members are accountable and share the responsibility in driving market transformation. With regard to Shared Responsibility requirements however, it is proposed that in this first instance, it only applies to the following categories of RSPO ‘ordinary’ membership: Environmental NGOs (ENGOs), Social NGOs (SNGOs), Banks and Investors, Retailers, Consumer Goods Manufacturers (CGMs) and Processors and Traders (P&Ts). Growers do their part through RSPO Principles and Criteria (P&C) certification.

### 3. What is the scope of the Shared Responsibility requirements?

Shared Responsibility applies to the following categories of ordinary membership: ENGOs, SNGOs, Banks and Investors, Retailers, CGM and Processors and Traders. Specifically, the Shared Responsibility requirements apply to their palm oil related activities, just as the P&C do for growers. This ensures relevance and applicability, and for organisations with limited palm oil activities, there is no disincentive.

### 4. What are the topics and themes for Shared Responsibility and how were these developed?

The topics and themes for the Shared Responsibility requirements were selected by the RSPO P&C Task Force during the review of the P&C 2018. The themes reflect the three pillars of sustainability; people, planet, prosperity and also align with the RSPO P&C 2018. More specifically, they relate to the topics of environment, information and outreach, human rights, complaints and grievance, land use, Free, Prior and Informed Consent (FPIC) etc.

Furthermore, they align with the RSPO Code of Conduct, section 3.2 where members who are not subjected to RSPO P&C, must apply standards relevant to their organisation, which must not be lower than the RSPO P&C. Additionally, particular attention was paid to information and outreach, as well as uptake requirements for the promotion of sustainable palm oil.

## 6. How will the data for the Shared Responsibility requirements be collected and measured?

Shared Responsibility requirements will be collected using existing mechanisms, which will be further enhanced for the purpose of SR. These will vary based on the requirements and include Membership application and ACOP, with some to be verified using Supply Chain Certification and Palm Trace. These can be found in Annex 1 of the Shared Responsibility Requirements and Implementation document.

## 7. What if I am already reporting on many of these requirements? Isn't this duplicating efforts?

The Shared Responsibility Task Force (SRTF) recommends leveraging existing accountability and reporting mechanisms to avoid duplication and member burden. This could include benchmarking of other reporting initiatives during the first year of implementation.

## 8. What are the sanctions if Shared Responsibilities requirements are not met?

The SRTF strongly feels that inclusiveness is critical and emphasises that the key is to focus on motivators to be part of the RSPO system. Good performance needs to be incentivised and the intent of sanctions would be to encourage members, where needed, to change behaviour. The SRTF through the public consultation processes identified a number of ideas which are included in the document. Specific incentives and sanctions will be developed in year 1 of implementation, to be developed proactively together with members, and with further opportunities for public consultation.

## 9. Won't more requirements for prospective and new members be a barrier or deterrent for entry into the RSPO system?

Only one of the sustainability leadership requirements is actually recommended to be integrated into the membership application, which is the one relating to developing a sustainable palm oil policy. All additional policy requirements will be asked during the first year of implementation via existing mechanisms (e.g. ACOP, MyRSPO and etc). Thus, no further burden will be placed on prospective members during the membership application stage.

## 10. Won't more requirements be a burden for smaller organisations?

Our aim is to ensure that SR is inclusive and does not become an undue administrative burden. Guidance will be specifically developed for SMEs and smaller organisations, with larger organisations serving as models. Support for implementation of SR requirements could be considered in the SR resourcing for transformation, which is also set to be further developed in year 1 of implementation.

## 11. Why do supply chain actors need to commit to a Time Bound Plan to process/ handle/ trade/ purchase/ use physical CSPO?

The SRTF reaffirmed the existing Time Bound Plan (TBP) commitments for the increase of RSPO certified palm oil products, with annual targets to now be implemented. Ultimately, targets are essential because we need to track progress, have transparency on unfulfilled commitments, and understand market supply and demand.

## 12. Is 100% physical CSPO the goal? Why is this important?

Physical CSPO is still the desired outcome to reach our shared vision of making sustainable palm oil the norm. The physical uptake target is based on resolution 6d adopted at the 9th annual General Assembly (GA9) in 2012, where RSPO Credits are considered as a transitional tool towards 100% physical.

## 13. Volumes

During the SRTF process, volumes and uptake have been seen as a priority in order to achieve our shared vision. Over the 8-month process of developing the requirements for SR, the SRTF discussed and debated the challenges faced by members in terms of market availability, smallholders, lack of physical supply chains, and lack of demand, among others.

SRTF agreed that in order to drive uptake and transform markets, the volume requirements for supply chain actors include percentage point uptake targets year on year. Individual members will have different starting points.

In Year 1 of SR implementation, supply chain actors are committing to take up the 1.6 million tonnes of CSPO that is currently being sold as conventional. This translates into specific uptake targets for Year 1, with higher targets for downstream players to pull demand. A full analysis of supply and demand balances will be conducted in the last quarter of Year 1.

Year 2 targets and subsequent years' targets are to be decided based on annual projection models developed by RSPO Secretariat and agreed to by the Board of Governors (BoG). In order to set targets, it will be important to have clear reference data points, co-developed with downstream market knowledge.

## 14. What about RSPO Credits?

The SRTF discussed the role of RSPO Credits, considering its original mandate as a transitional tool towards full physical procurement (GA 2012 Resolution 6d). The complexities of the global market make it difficult to streamline physical flows of CSPO, resulting in imbalances between what is being supplied and what the market is demanding.

Credits will always play an important part in the market and are acceptable for specific strategies (e.g. Smallholder and Jurisdictional credits) or where market supply chains for physical product are still developing. The RSPO BoG commits to developing a position statement on continued use of credits in the first year of implementation of Shared Responsibility, following which, this aspect will be revised at the end of year 1 of SR if needed.

## 15. How were the Requirements and Recommendations developed?

The Terms of Reference for the SRTF came out of the P&C 2018 review process and was endorsed by the RSPO BoG in September 2018. This included representation from all 7 member categories. The process included 8 teleconferences/meetings, 1 round of early stakeholder interviews with supply chain actors, 2 online public consultations, 2 public consultation workshops, 182 respondents, approximately 1,200 comments and number of drafts. For more on the background and work to date, please visit <https://rspo.org/about/supporting-bodies#shared-responsibility-task-force>

## 16. What happens next? Year 1

Communication is important for ensuring there is a **shared** understanding of the requirements of SR. The first year will be critical for moving from Commitments to Action. An enhanced ACOP 2019 will serve as the baseline for all members. There will also be continued investment in system enhancements to ensure credibility and support SR.

Members will need to invest time and resources in the development of plans for Resourcing for Transformation and the Incentives and Sanctions Mechanism. There will be an in-depth review of experiences from the first year of SR, with the intent of supporting everyone to meet SR and seek solutions.

## 17. Who will oversee the implementation of Shared Responsibility?

The implementation and review will be carried out under the supervision of the Standard Standing Committee (SSC). Due to the cross-cutting nature of Shared Responsibility and implications across all strands of RSPO the SSC may also appoint and task other appropriate RSPO groups, e.g. the RSPO Secretariat, specific Task Forces, Working Groups or technical consultants to carry out work on specific elements, as required.

## 18. How will the plans for Year 1 on Incentives and Sanctions and Resourcing be developed? Will members be able to have a say?

Developing the shared plans for Incentives and Sanctions and Resourcing for Transformation will be a very important part of the process in Year 1. Yes, ensuring that members participate in the development of the plans (see previous) and public consultation on proposals is vital.

## 19. What kind of Shared Responsibility is there around smallholders?

The SRTF affirmed the importance of smallholders in achieving the RSPO vision. Requirements include supporting the inclusion of smallholders into sustainable supply chains.

The SRTF agreed that financial resourcing will be developed in the first year of implementation with participation of members in the development and transparency of the plan. Several ideas were proposed during the SRTF process and stakeholders from meetings, workshops and the public consultation. These ideas include support for smallholders and details can be found in Resourcing section of the SR document.

## 20. Could SR be considered anti-trust?

RSPO is a voluntary membership organisation. SR is not intended to interfere with markets or prices and does not specify the sourcing from specific growers or fixing prices. However, we will be aware of concerns such as these and monitor the situation to that SR does not create anti-competitive aspects.