

Particulars

About Your Organisation

1.1 Member Name

International Finance Corporation (IFC)

1.2 Membership number

5-0002-05-000-00

1.3 Membership sector

Banks and Investors

1.4 Membership category

Ordinary

1.5 Country

United States

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

No

2.2 Please select all the sectors that best describe the business activities of your company or organisation, including your primary RSPO membership sector. You may select multiple sectors and will be required to complete the ACOP form for the relevant sectors

- ☒ I finance or support companies or organisations that produce or manufacture palm oil, palm kernel oil or related products
- ☐ I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- ☐ I support the sustainable development of the palm oil industry as a social and human development NGO
- ☐ I am an Affiliate member of the RSPO, indirectly involved in the palm oil industry

Bank & Investors

1. Operational Profile

1.1 Please state your company's main activity(ies) within palm oil-related financing. Please select all applicable option(s).

- ☐ Corporate / Commercial Banking
- ☐ Trade Finance
- ☐ Private Banking
- ☐ Investment / Equity
- ☐ Debt / Capital Market
- ☒ Other

Other

Advisory Project supporting Indonesia Palm Oil Development for Smallholders

2. Operations in Palm Oil

2.1 What types of financial services does your company provide to the palm oil industry?

- ☐ Trade Solutions
- ☐ Lending/Loans
- ☐ Leasing
- ☐ Treasury Products
- ☐ Cash Management Products
- ☐ Investments
- ☐ Insurance
- ☒ Other

Other

No investment at this period.

2.2 For your company's palm oil-related activities, which geographic region(s) do you operate in?

- ☐ Worldwide
- ☐ Africa
- ☐ Europe
- ☐ North America
- ☐ South America
- ☐ Middle East
- ☐ China
- ☐ India
- ☒ Indonesia
- ☐ Malaysia
- ☐ Oceania
- ☐ Rest of Asia

3. Palm Oil Policy and Progress

3.1 Does your company have a lending or investment policy on palm oil?

Yes

3.2 Which supply chain sectors does your palm oil policy cover?

- ☒ Growers
- ☒ Traders
- ☒ Processors
- ☒ Consumer Goods Manufacturers
- ☒ Retailers
- ☐ Others

Others

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3.3 Does your policy on palm oil make a specific reference to RSPO-certified sustainable palm oil and oil palm products, and/or RSPO certification?

Yes

3.4 Does your company have a policy that requires all your palm oil clients to be RSPO members?

Yes

3.5 Does your company require your clients to have a public TimeBound Plan for 100% RSPO certification or uptake?

Yes

3.6 When do you expect to require all your Grower clients to be RSPO certified?

2018

3.7 When do you expect to require your clients in all other sectors to be RSPO certified?

2020.0

3.8 Which regions do the above commitments cover?

- ☐ Worldwide
- ☒ Africa
- ☐ Europe
- ☐ North America
- ☒ South America
- ☐ Middle East
- ☒ China
- ☒ India
- ☒ Indonesia
- ☐ Malaysia
- ☐ Oceania
- ☐ Rest of Asia

3.9 What measures do you take if a client is not meeting the requirements of your policy on palm oil?

IFC expects the client to commit to a time-bound plan to achieve 100% CSPO production. IFC also expects the client to be compliant with the IFC Performance Standards.

3.10 Do you proactively engage with your clients to support and join the RSPO?

Yes

3.11 Did members of your company participate in RSPO working groups and/or taskforces during the reporting period?

No

3.12 Does your company have any collaborations with public or private sector palm oil industry players to support them in their efforts to increase the production or consumption of certified sustainable palm oil (CSPO)?

Yes

3.13 What other activities have your company undertaken to promote RSPO-certified sustainable palm oil and oil palm products during the reporting period?

IFC completed its oil palm smallholder project to build the technical capacity of independent smallholders, link them closer to mills and improve the sustainability of production. At completion, the project has enabled some 40,000 smallholders to receive training in Best Management Practices, have established four farmer group associations (FGAs). The four FGAs have obtained RSPO Certification (two received initial certificates in 2020, another two received initial certificates in 2019 and passed the surveillance audit in 2020). In total, over 2,092 independent smallholders with a total area of 5,230 hectares have received RSPO certification. The total volume of RSPO Certified Sustainable Palm Oil (CSPO) credits of the four FGAs sold through the RSPO Palm Trace System. As of December 2020, the four FGAs have traded RSPO credits worth in total of US\$ 445,552.

IFC launched an e-learning platform for smallholders using a mobile application called e-sawit in 2020. IFC conducted a series of Training of Trainers for RSPO members to use this free mobile application which has a 3D and Augmented Reality feature to help users to get more understanding about the two topics: manuring and harvesting. Arrangements are being made for RSPO to make the e-sawit app and training guides available to all RSPO members through the RSPO Smallholder Trainer Academy.

IFC has shared training materials on access to technology with RSPO, particularly the Learning Posters and Training Guides on Best Management Practices. These materials are made available to RSPO members through the RSPO Smallholder Trainer Academy portal.

IFC is also part of the Good Growth Partnership (GGP) that aims to reduce deforestation in tropical commodity supply chains. This is a GEF-funded program that includes palm oil in Indonesia, led by UNDP with IFC as a partner along with WWF, Conservation International, and UNEP-FI. IFC also scaled up the smallholder's project with GGP partners to facilitate and provide access for methodology training and training materials (4 topics of Best Management Practices) to UNDP with collaboration with Musim Mas in Pelalawan, Riau province, Indonesia. UNDP uses training materials to train 2,000 independent smallholders in Pelalawan and Siak, Riau province to be ready for RSPO certification. These learning materials have been used for the IFC's independent smallholders' project.

4. Actions for Next Reporting Period

4.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

None.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- ☒ No discrimination
- ☒ Wage and working conditions
- ☒ Freedom of association
- ☒ No child labour
- ☒ No harassment
- ☒ No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- ☒ Recruitment
- ☒ Contractors
- ☒ Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- ☒ Free Prior and Informed Consent (FPIC)
- ☒ Compensation

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

Climate Change & Greenhouse Gas (GHG)**1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

1.5.1 Does the policy cover:

- ☒ Identification and assessment of GHG
- ☒ Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances**1.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes

Smallholders**1.7 Does your company support oil palm independent smallholder groups?**

Yes

1.7.1 Does this support cover:

- ☒ Fair and transparent dealings with Smallholders
- ☒ Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

IFC has completed an advisory project working with a company to build the capacity of independent smallholders in Indonesia. The project was in four locations: one site in North Sumatra and three sites in Riau.

The project developed a range of agricultural services for farmers and helped to improve extension services provided by off-takers and local agents. This included a good quality fertilizer procurement and distribution scheme. Over a 5-year period, the IFC project had trained about 43,000 independent smallholders in best management practices for sustainable production. As well as technical capacity building, the project has supported the certification of over 2,000 independent smallholders from four farmer group associations from four project locations. In total, 2,092 independent smallholders with a total area of 5,230 hectares have received RSPO certification. As of December 2020, the four FGAs have traded RSPO credits worth in total of US\$ 445,552.

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

Yes

Waste Management

1.9 Does your company have a waste management plan?

Yes

Water Management

1.10 Does your company have a water management plan?

Yes

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

No

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

No

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- ☐ Awareness of RSPO in the market
- ☐ Difficulties in the certification process
- ☒ Certification of smallholders
- ☐ Competition with non-RSPO members
- ☐ High costs in achieving or adhering to certification
- ☐ Human rights issues
- ☐ Insufficient demand for RSPO-certified palm oil
- ☐ Low usage of palm oil
- ☐ Reputation of palm oil in the market
- ☐ Reputation of RSPO in the market
- ☐ Supply issues
- ☒ Traceability issues
- ☐ No challenges faced
- ☒ Others

Others

The inclusion of smallholders and independent mills remains a major challenge for the RSPO. IFC is addressing this by engaging with all stakeholders within the supply chain, as well as smallholders themselves, to develop a viable and sustainable business model for smallholders.

To achieve full market transformation, it is necessary to promote the uptake of CSPO in emerging markets, but current uptake is limited. One key reason is the lack of a compelling business case for increased purchasing of CSPO, as well as uncertain government support and a confusing policy environment.

IFC supports further collaboration and knowledge sharing among stakeholders to address some of the most challenging environmental, social and economic obstacles to the production, procurement, and uptake of CSPO.

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- ☒ Engagement with business partners or consumers on the use of CSPO
- ☐ Engagement with government agencies
- ☐ Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- ☐ Promotion of physical CSPO
- ☒ Providing funding or support for CSPO development efforts
- ☐ Research & Development support
- ☒ Stakeholder engagement
- ☐ No actions taken
- ☐ Others

Others

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1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

The e-sawit videos and flyer, as well as drone field activities and flyer, were presented on the Global Growth Innovative Forum 2020 website: <https://eng.gigf.kr/niabbs5/bbs.php?bbstable=online> [please click on the photo above the title]

The IFC Learning Posters and training guides on BMPs are made available on the RSPO Smallholder Trainer Academy portal.

<https://goodgrowthpartnership.com/good-growth-partnership-year-three-highlights-report/>, page.36

<https://portal.sta.rspo.org/sys/document>

<https://www.rspo.org/news-and-events/news/strengthening-the-role-of-women-in-palm-oil-production>

<https://www.rspo.org/news-and-events/news/pilot-project-in-indonesia-supports-gender-equality-in-sustainable-palm-oil>

<https://www.rspo.org/resources/smallholders-documents/linking-learning/additional-resources-relating-to-smallholder>

<https://www.youtube.com/watch?v=BARF0Exyflw>
