

RSPO DEDICATED TOWARDS BETTERMENT OF OIL PALM SMALLHOLDERS

The Roundtable on Sustainable Palm Oil (RSPO) continues to demonstrate its extended commitment towards oil palm smallholders through the many initiatives that have recently materialized, having recognized that smallholders have much to offer towards the palm oil industry, especially from a sustainability aspect.

Smallholders are not minor players in the oil palm sector, as most perceive them to be. In Indonesia and Malaysia, the two of the world's largest oil palm producers, smallholders account for 35 to 40 percent of the total area of planted oil palm and as much as 33 percent of the output. In West African countries, smallholders are responsible for up to 90 percent of the production.

Through the Smallholder Working Groups (SHWG), RSPO has been working towards creating and providing opportunities for smallholders to progress since 2011. These include the RSPO Smallholders Support Fund and the Smallholder Green Certificate as well as revisions in the RSPO Smallholders' membership fee structure and the RSPO Standard for Group Certification.

The **RSPO Smallholders Support Fund (RSSF)** was introduced in recognition of the essential role played by smallholders worldwide in the oil palm sector, especially with regards to materializing the market transformation by promoting and increasing the production of Certified Sustainable Palm Oil (CSPO). RSPO will channel 10 percent of income generated from CSPO trading as well as 50 percent of income surplus within the RSPO financial year towards smallholders, through the RSSF.

The primary objective of RSSF is to improve the livelihood of smallholders by providing them the opportunity to benefit from RSPO standards and best practices. RSSF can grant up to 100 percent funding of all audit costs for the certification process of independent smallholder groups and up to 50 percent grants for activities in preparation for certification.

The **Smallholder Green Certificate**, traded using the Book and Claim (B&C) system under the GreenPalm platform, was made available to serve as a catalyst for the certification of independent smallholders under the RSPO scheme.

This was a step towards overcoming the challenges faced by independent smallholders in getting certified due to the missing links within the system that were not resolved. For example, for Fresh Fruit Bunches (FFB) trading, smallholders are allowed to sell certified FFB to any certified mill in accordance to the Mass Balance (MB) and Segregated systems but lacked clarity in ensuring the traceability of FFB between groups of independent smallholders and mill.

The **RSPO Smallholders' Membership Fee was restructured** as part of RSPO's efforts to make membership more attractive and accessible to oil palm smallholders who are often discouraged by the fee. Previously, smallholders with plantations that are below 500 hectares (ha) would have had to pay membership fees amounting to Euro 500 per year.

The new RSPO Smallholders' Membership Fee structure will be based on the total production land area. The fee for smallholders with total production land area below 1,000 ha will be Euro 250 per year, between 1,000 ha to 1,999 ha will be Euro 1,000 per year and for 2,000 ha and above will be Euro 2,000 per year.

There was an **amendment to the text in the RSPO Standard for Group Certification** that now allows scheme smallholders and outgrowers which do not own their own mills to be certified under this scheme.

Previously, the RSPO Standard for Group Certification only covered independent smallholders, thus excluding the larger independent oil palm growers, scheme smallholders and outgrowers without processing mills.

RSPO also created a platform known as **RSPO Smallholders Linking and Learning**, which is a dedicated page in the RSPO website aimed at promoting learning and exchanging of knowledge among smallholders. The webpage contains relevant information, lessons, training materials, reports and so on to be uploaded and shared among smallholders. It has the potential to become a learning hub and an essential source of reference among smallholders, having access to information about progress and activities of other smallholders from around the world.

This is however just the beginning, as RSPO continues its ongoing initiatives intended for smallholders. Efforts that are in the pipeline include, among others, drafting of various guidance documents on HCV, Group Managers and Chain of Custody.