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RSPO M&E System Report

1. Scope and Boundaries of the M&E System

The overall objectives of RSPO M&E system are to monitor and evaluate its outputs, outcomes and impacts at plantation level. The intended outcomes that will be monitored and evaluated through current M&E system are based on the people, planet and profit themes (See Table 1).

Table 1: Intended change

Themes	Intended change
Planet Environmental benefits	<ul style="list-style-type: none"> • Soil and water conservation • GHG emission reduction • Biodiversity and forest production
People Social benefits	<ul style="list-style-type: none"> • Rights and participatory process • Better livelihoods
Profit Economic benefits	<ul style="list-style-type: none"> • Yield improvements and Best Management Practices (BMPs) • Enterprise resilience

The monitoring indicators are selected based on criteria recommended by Community on Sustainability Assessment (COSA). These indicators should inform RSPO's performance status in achieving the intended change (See Table 2 below).

Table 2: RSPO monitoring indicators

Key Theme	Indicator
RSPO's Reach	No. of members (no. in each stakeholder group)
	No. of certified members
	No. of certified independent smallholders
	- Group size
	- Land size
	- Land tenure
	- Yield
	- Gender balance within group
	- Average household income during entry point
	Total certified area & production area, i.e. P&C, RED, Group Certification
	Countries with P&C certified units (no. & location)
Total Production volume & uptake volume	
Total trademark license issued	
Countries with trademark license	
Certification time-bound plan by growers	
Planet: Environmental Impacts	Landuse change
	HCV area & conservation area
	Presence & absence of RTE species
	Type of RTE species

Key Theme	Indicator
	Fertiliser usage/ tonne of FFB
	GHG emission / tonne of FFB
	Reduction in the use of highly hazardous pesticides/ tonne of FFB
	Water quality
	Soil fertility and soil loss
People: Social Impacts	Compliance (or violation) on labour rights <ul style="list-style-type: none"> - average wage - lowest wage for permanent workers & contract workers - % of workers with written contract - Presence or absence of union/ workers committee
	Compliance (or violation) on indigenous rights & FPIC
	Access to social services <ul style="list-style-type: none"> - Availability of clean water all year round - Availability of electricity - Distance to school - Schooling attendance (percentage) of children under 12 - Distance to health care facilities i.e. clinic, hospital etc.
	Existence of internal complaints mechanism <ul style="list-style-type: none"> - No. of cases received per year - No. of cases resolved per year
Profit: Economic impacts	Yield/ ha of area
	Average income/ smallholders
	Access to finance facilities (attempts vs. acceptance)
	Volume of annual production sold as certified products

2. Roles and Responsibilities

The RSPO Impacts unit has gone through a restructuring process in 2015 and the unit is currently known as Impacts and Evaluation (I&E) division. The I&E division is now comprised of eight fulltime positions namely I&E Director, Complaints Coordinators, Complaints Executive, Dispute Settlement Facility Manager, Monitoring & Evaluation (M&E) Manager, Data Analyst and Research & Advisory Manager (See Figure 1). There will be additional positions namely Complaints Executive (based in Kuala Lumpur) and Complaints Coordinators to be filled in in Latin America and Africa in late 2016 and in 2017. The I&E division was established in 2013 to collate and report impacts of the RSPO to provide continuous improvement and feedback to the RSPO standards and policies.

Key responsibilities of the I&E division include:

- Develop RSPO's impact matrix
- Extract and analyse internal database
- Collate and report on other relevant external researches
- Identify gaps in knowledge on impacts and create initiatives
- Encourage research by external partners
- Manage complaints and dispute settlement facilities (DSF), and periodically analyse complaints received to learn lessons and improve systems

- Ensure compliance to ISEAL

The M&E Manager position was created to ensure compliance to ISEAL, improve and implement RSPO monitoring and evaluation system. The M&E Manager reports to the I&E Director and the position will be filled in the month of October 2016. The new M&E Manager will be contactable via elisa.chong@rspo.org. At the meantime, all queries related to RSPO Impacts can be directed to impactsmys@rspo.org / impactsidn@rspo.org

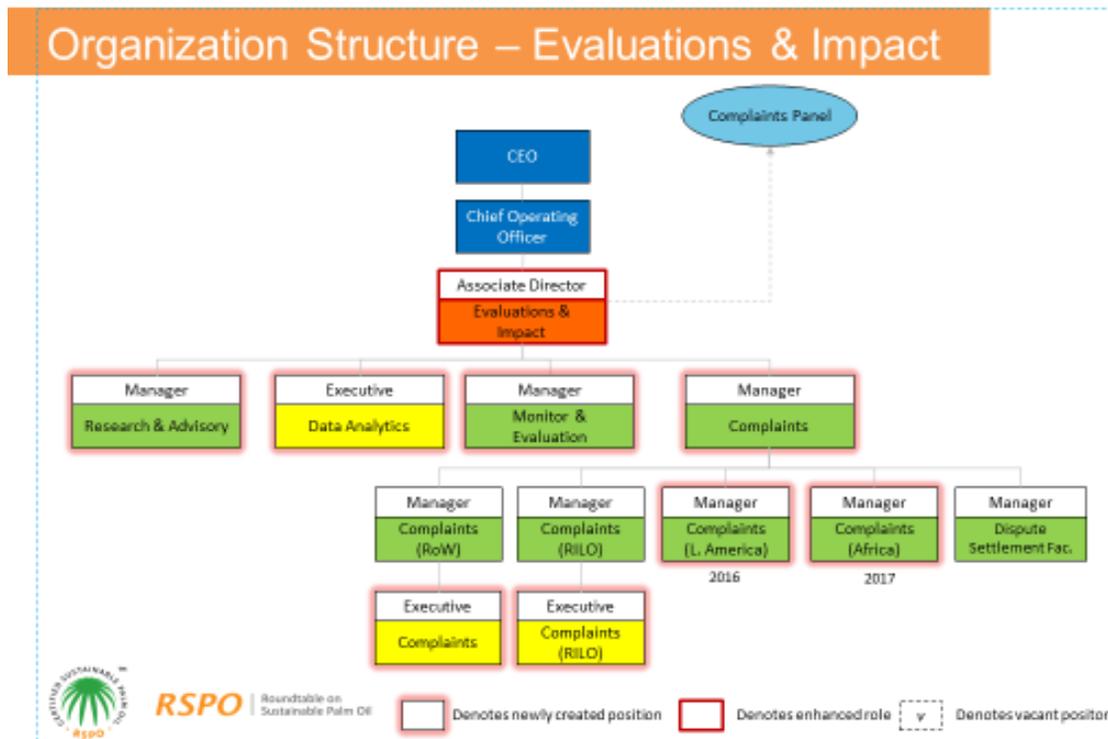


Figure 1: Organisational chart (2016)

A total of RM 2.3 million has been allocated for I&E division, approximately 7% of total RSPO budget. See table below for I&E budget.

Table 3: RSPO Budget for financial year 2016/2017

	Budget FY2017 RM '000		
	Operating	Projects	Total
Technical Division	5,013	5,666	10,679
Impact Division	1,711	584	2,295
Communications Division	10,398	2,481	12,880
Strategic Projects	-	3,304	3,304
Secretariat	1,490	297	1,787
Overseas Offices	397	50	447
TOTALS	19,009	12,382	31,391

3. Defining the Intended Change

The vision of RSPO is to transform markets to make sustainable palm oil the norm. Missions of the RSPO are to:

- a) Advance the production, procurement, finance and use of sustainable palm oil products.
- b) Develop, implement, verify, assure and periodically review credible global standards for the entire supply chain of sustainable palm oil.
- c) Monitor and evaluate the economic, environmental and social impacts of the uptake of sustainable palm oil in the market.
- d) Engage and commit all stakeholders throughout the supply chain, including governments and consumers.

RSPO M&E Program which was developed in 2012 illustrates our desired outcomes as below.

a) People Benefits:

All actors along the production chain, namely smallholders, employees and communities where palm oil production has a presence are enabled to

- Reap the benefits of the palm oil market and share economic benefit to afford quality of life and imagine a future of hope and possibility.
- Develop their physical infrastructure, health and education systems so that their quality of life is improved and maintained.
- Continue their traditions, pursuing life in a manner to which they are accustomed.

a) Environmental Benefits:

- RSPO is committed to stopping deforestation of high conservation value areas and enhancing the functions of surrounding natural environment.
- Reducing negative impacts of palm oil production on rare, threatened and endangered (RTE) species, by protecting HCV areas and endangered species.
- Maintain and improve soil fertility and water quality through improved farming practices.
- Reduce GHG emissions and dependence on non-renewable sources of energy.

b) Economic Benefits:

- Improve yield quantity and quality through implementation of best management practices.
- Create market differentiation and provide credibility to business that adopted sustainable practices.

4. Performance Monitoring

Performance monitoring includes collection of data listed under Table 4 based on its goal and objectives. For example, the collection of data for environmental benefit theme involve land use change analysis, hectareage of High Conservation Values (HCV) and High Carbon Stock (HCS) areas in certified and new oil palm development. As for RSPO's reach, data on number of certified mills, plantations, hectareage, certified sustainable palm oil volumes are being collected to demonstrate growth of sustainable palm oil production.

These data are collected from audit reports, membership database, eTrace, Annual Communication on Progress (ACOP) reports and etc. All data are stored in salesforce data management system. These data are shared with stakeholders via RSPO Impact Report 2014 and 2015 (<http://www.rspo.org/resources/key-documents/impact-reports>).

Table 4: RSPO monitoring indicators & collection instruments

Key Theme	Indicator	Unit of Measure	Data Collection Method	Responsible Party	Frequency	Data In-place
RSPO's Reach	No. of members (no. in each stakeholder group)	No.	Audit	CBs	Quarterly	√
	No. of certified members	No.	Audit, membership database	RSPO	Annually	√
	No. of certified independent smallholders (SH) - Group size - Land size - Land tenure - Yield - Gender balance within group - Average household income during entry point	No. of certificates, hectare, mt/ha, no. of female and male SH within group, \$/household,	Audit	CBs	Annually	√
	Total certified area & production area, i.e. P&C, RED, Group Certification	Hectare	Audit	CBs	Annually	√
	Countries with certified units	No. & location	Audit	CBs	Annually	√
	Total Production volume & uptake volume	Mt	Audit, eTrace and Greenpalm	CBs, eTrace, Greenpalm	Quarterly	√
	Total trademark license issued	No.	RSPO	RSPO	Quarterly	√
	Countries with trademark license	No. and list of countries	RSPO	RSPO	Quarterly	√
	Certification commitment by growers	Year of entering first certification	ACOP	RSPO	Annually	√
	Planet: Environmental Impacts	Landuse change	Forest cover change	Mapping tool	RSPO	Annually
HCV area & conservation area		Hectare	Audit	CBs	Annually	√ ¹

¹ Complete data acquired for new planting areas not yet to be completed for certified area.

Key Theme	Indicator	Unit of Measure	Data Collection Method	Responsible Party	Frequency	Data In-place
	Presence & absence of RTE species	Presence/absence	Audit, HCV assessment report, research	CBs, research institutes	Annually	√ ²
	Type of RTE species	No. of sps.	Audit, HCV assessment report, research	CBs, research institutes	Annually	√ ³
	Fertilizer usage/ tonne of FFB	Fertilizer usage/ tonne of FFB	Audit, research	CBs, research institutes	Annually	√ ⁴
	GHG emission / tonne of FFB	GHG emission / tonne of FFB	Audit, research	CBs, research institutes	Annually	X
	Reduction in use of highly hazardous pesticides/ tonne of FFB	KG/ tonne of FFB	Audit, research	CBs, research institutes	Annually	X
	Water quality & erosion <ul style="list-style-type: none"> - Leaching and runoff of pesticides to surface and ground water - Leaching and runoff of N/P/K (nutrients) to surface and ground water - Amount of water used per ha or tonne of product for irrigation - Redistribution of eroded soil 	TBD	Research	Research institutes	Annually	X

² Work in progress (WIP)

³ WIP

⁴ WIP

5. Outcome and Impact Evaluation

The Socially and Environmentally Sustainable Oil Palm Research (SEnSOR) programme is a five-year integrated multi-disciplinary research programme designed to fill key knowledge gaps in testing and developing the RSPO's P&C for sustainability in oil palm agriculture (<http://www.sensorproject.net/>). It is the only programme designed to address the effectiveness of P&C and the outputs can directly inform policy and management practices, particularly improving the RSPO standard. The research outcomes will underpin confidence in the RSPO approach to sustainability and provide a credible scientific evidence base.

SENSOR has identified knowledge gap in five topic areas namely Soil and Water, Greenhouse Gases and Air Quality, Biodiversity, Participatory Processes and Rights, and Livelihoods. The first year outputs are available on the web (<http://www.sensorproject.net/outputs/>), full outputs will be made available in September 2016.

We have commission 3 impact studies from various universities in year 2015. There were two studies conducted on impacts of RSPO certification on independent smallholders in Jambi, Indonesia and Sarawak and Sabah, Malaysia and a study to examine profitability indicators best correlate with sustainability for the palm oil industry. See link below for a copy of the report.

<http://www.rspo.org/news-and-events/announcements/the-correlation-between-economic-and-financial-viability-with-sustainability-for-palm-oil-plantations-study>

6. Improving the Effectiveness of the M&E system

We have engaged a group of researchers from University of Putra Malaysia (UPM) and University of York to help us to improve our current Theory of Change (ToC) and M&E system. A survey on sustainability priority was sent out to members early July 2016 and a workshop to develop RSPO M&E systems will be held in Kuala Lumpur, end of Aug 2016. The improved M&E system is scheduled to be completed first quarter of year 2017. (https://docs.google.com/a/rspo.org/forms/d/e/1FAIpQLSFNauFSMvRIY18XIgD-sS-C9MiNs0DQirXUO6W7u_HpciWT-Q/viewform?c=0&w=1)

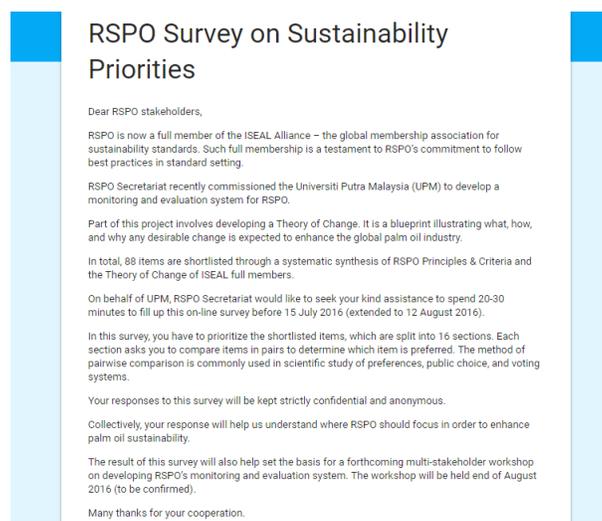


Figure 2: Survey on sustainability priorities

7. Opportunities for Engagement

The current contact points for M&E system and all impacts related matters are the dedicated impactsmys@rspo.org and impactsidn@rspo.org email addresses. From October onward, the dedicated contact person will be the new M&E Manager (elisa.chong@rspo.org).

The enhancement of our M&E system was developed through stakeholder consultations. A survey was sent out to members to prioritise sustainability themes and this is followed by stakeholder consultation workshop to be held end of August 2016 at Kuala Lumpur. A plenary session on RSPO M&E is scheduled to be held at our annual conference (RT14) to share our journey and challenges in developing M&E system and to highlight the importance of M&E. A world café session will also be organised at RT14 to seek feedback from our stakeholders on our newly improved M&E system.

