

RSPO

Roundtable on Sustainable Palm Oil

RSPO Impacts System Report December 2014

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1. Introduction to scope of M&E programme

Background:

In response to the urgent and pressing global call for sustainably produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

The vision of RSPO is to *transform markets to make sustainable palm oil the norm*. Key strategies 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.

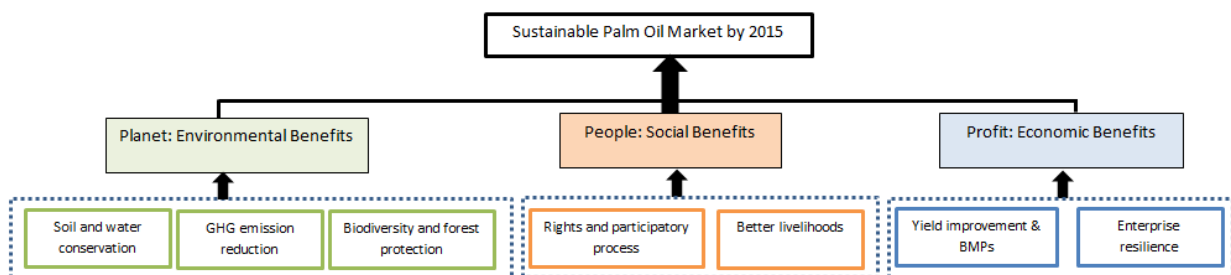
Economic viability, environment protection and social benefits are the three main pillars for production of sustainable oil palm. The concept of sustainable oil palm is further illustrated through application of a set of principle and criteria supported by the certification system document.

Monitoring Framework:

There are three components to the RSPO monitoring framework. The first component is ***intended outcomes/ long terms impacts of the RSPO***. The second component is detailed ***monitoring of indicators*** aligned to the RSPO standard. The final component is ***monitoring protocol and data collection instruments***.

Results generated through monitoring and evaluations will feedback into the RSPO system for continuous improvement.

Component 1: RSPO’s intended outcomes and theory of change are illustrated in section 3 defining the intended change. Key themes are people, planet profit.



Component 2: Monitoring indicator

These indicators are selected based on several criteria recommended by Community on Sustainability Assessment (COSA) i.e. generally comparable across different conditions, oriented to change overtime, sufficiently specific, measurable with reasonable cost, effort, attainable and actionable.

These indicators should inform RSPO’s performance status in achieving intended change.

Table 1: 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
	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
	- 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
- 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	
- 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

Component 3: Monitoring Protocol and data collection instruments

The RSPO has adopted ISEAL’s Code of Good Practice for Impacts Assessment (*draft*). Some baseline data were established and reported. In general, there are three data collection instruments:

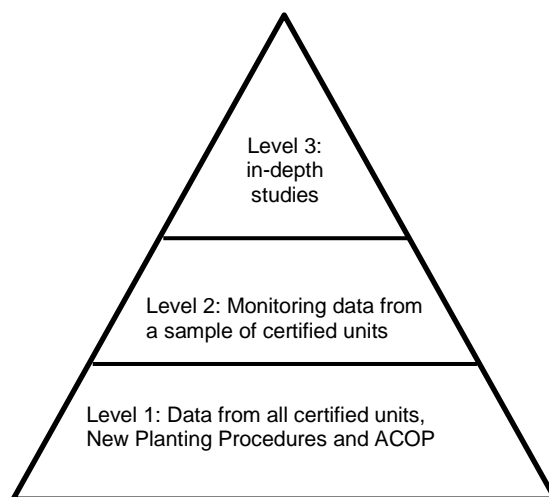


Table 2: RSPO monitoring indicators & collection instruments

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	No.	RSPO	RSPO	Quarterly	√

	license issued					
	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	x
	HCV area & conservation area	Hectare	Audit	CBs	Annually	√ ¹
	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 - 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

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

² Work in progress (WIP)

³ WIP

⁴ WIP

	Soil fertility and soil loss - No. of beneficial organism/ microorganism - Soil organic carbon - No. predatory mites - Soil erosion (loss of top soil in percentage per annum)	t/ha/annum	Research	Research institutes	Annually	x
People: Social Impacts	Compliance (or violation) on labour rights - average wage - lowest wage for permanent workers & contract workers - % of workers with written contract - Presence or absence of union/ workers committee	\$, %	Audit, research	CBs, research institutes	Annually	x
	Compliance (or violation) on indigenous rights & FPIC	NA	Audit, research	CBs, research institutes	Annually	X
	Access to social services - 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.	NA	Audit, research	CBs, research institutes	Annually	x

	Existence of internal complaints mechanism - No. of cases received per year - No. of cases resolved per year	No. of case	RSPO	RSPO	Annually	√ ⁵
Profit: economic impacts	Yield/ ha of area	Mt/ ha	Audit, research	CBs	Annually	√
	Average income/ smallholders	\$/ household or smallholders	Audit, research	CBs	Annually	x
	Access to finance facilities (attempts vs. acceptance)	NA	Research	Research institutes	Annually	X
	Volume of Annually production sold as certified products	Mt of CSPO sold as CSPO over total production	etrace, greenpalm	RSPO	Annually	x

2. Institutional structure of M&E programme

RSPO's M&E programme was administered by its Technical Division when the RSPO was first approved as an ISEAL associate member on 21 December 2012. The RSPO Secretariat underwent a structural change in July 2013 and an Impacts Unit was established to collate and report impacts of the RSPO in order to provide constant improvement and feedback to the RSPO on standards and policies.

Key responsibilities of the Impacts Unit include:

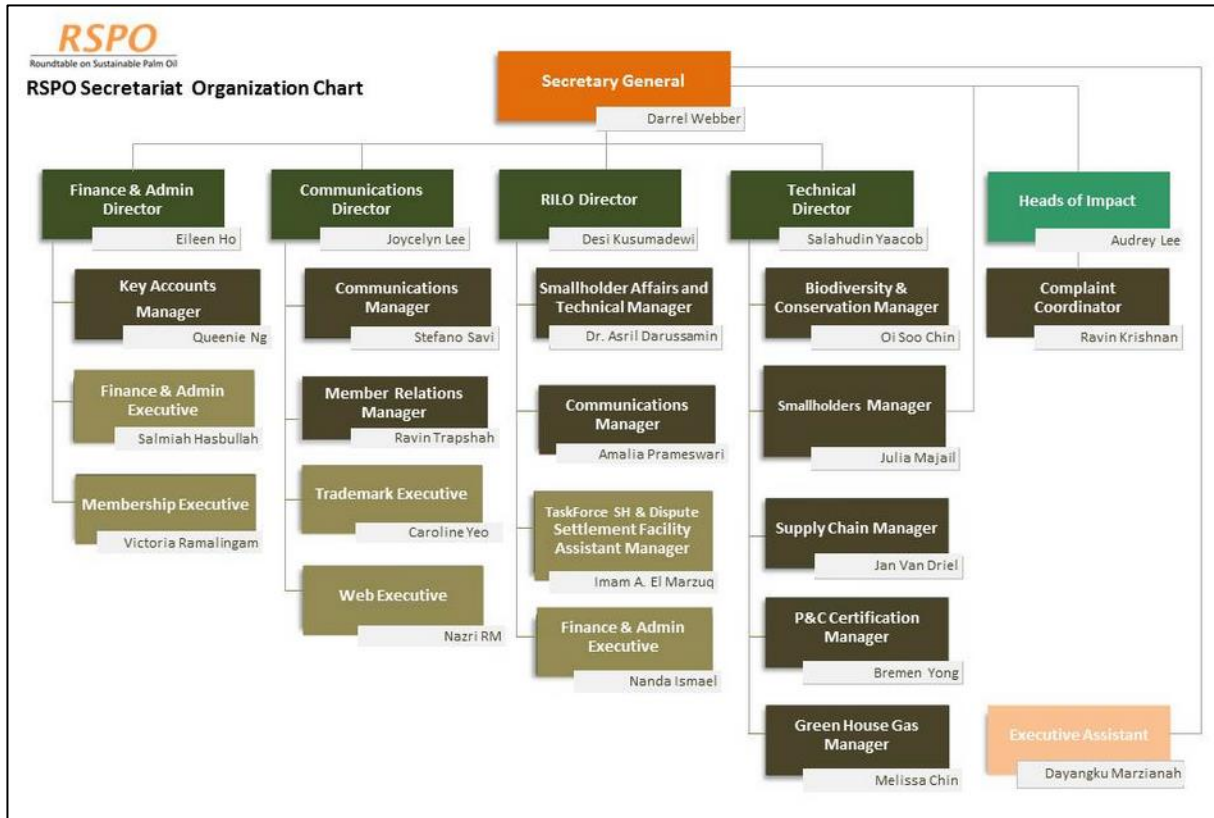
- Develop RSPO's impact matrix
- Extract and analyse internal database
- Collate and report on other relevant external researches
- Identify gaps in knowledge on impacts and create initiatives
- Encourage research by external partners
- Manage complaints and dispute settlement facilities (DSF), and periodically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

There are four full time positions at the Impact Unit - Head of Impacts, Complaints Coordinator, Dispute Settlement Facility Manager and Assistant Manager⁶. Please refer to figure 1 for the RSPO organisation structure.

⁵ Case resolved per year is not available yet.

⁶ http://www.rspo.org/en/employees_responsibilities_and_profile

Figure 1: RSPO Organisation Chart

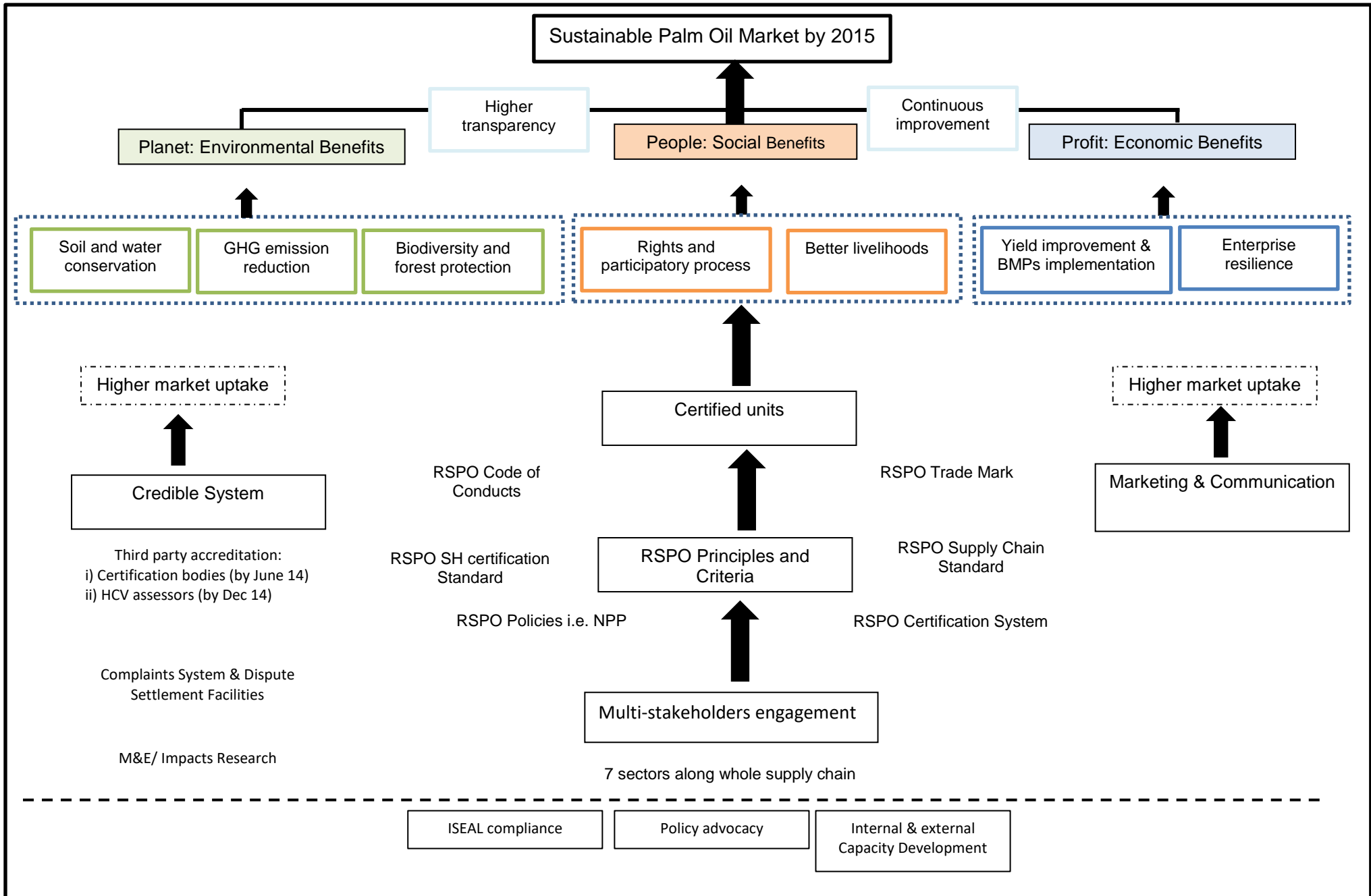


RSPO has allocated RM9.362 million as project budget for the technical, communication and impacts division in FY14 (July 2013 to June 2014). Approximately 15% of the total budget is allocated for Impacts Unit. A detailed income and budget report is available on the RSPO website⁷.

	RM'000		RM'000
Technical Division	4,932	Communications	3,037
- Technical Director	624	- Consumer/trademark campaigns	1,550
- BHCV	526	- Debate website	363
- GHG	446	- Member events	155
- Smallholder (separate to fund)	1,110	- Trademark registration	200
- Supply Chain	688	- Website (incl content)	380
- Certification	1,008	- Other	389
- Regional offices	530		
Impact Division	1,393		
- Dispute Settlement Facility	695		
- Impacts/Grievance	698		

⁷ http://www.rspo.org/file/resolutions/Treasurers_report_2013.pdf

3. Defining the Intended Change



RSPO envisions transforming the market to make sustainable palm oil the norm. The RSPO's strategic plan (2012-2015) estimates that world production of crude palm oil will reach 61.08 tonnes by 2015. The tipping point for certified sustainable palm oil will be when the global uptake of CSPO reaches 9.7 million tonnes (16%), or sustainable palm oil is accepted as the norm. Credible evidence should be available to prove positive impacts of certification on the ground.

Figure above explains the organisation's intended change and desired impacts. RSPO M&E Program Report submitted in Oct 2012 further illustrates our desired outcomes as below.

- ✓ **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.

- ✓ **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.

- ✓ **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. On-going monitoring programme

Indicators are listed under section 1: monitoring framework (page 2). Indicators are selected based on COSA criteria and enable the RSPO to answer the following questions:

- What is market permissibility of RSPO certification?
- Does certification generate positive environmental, social and economic impacts?
- What is the extent of these impacts?

The RSPO further define its intended environmental, social and economic impacts in table 1. Collection methodologies, frequency of data collection and status of data availability are described in table 2. Data collected will be published in the RSPO's annual impacts report. The first RSPO impact report is targeted to publish by the end of FY13 (June 2014).

5. Outcome and impact evaluation

SEnSOR, the **Socially and Environmentally Sustainable Oil Palm Research** programme is a five year programme launched in Dec 2013 and will deliver a robust scientific evidence based results for RSPO's

Principles and Criteria, strengthening the credibility of the RSPO's approach to sustainability, and thus providing benefits for People, Planet and Profit by:

- Creating confidence in RSPO certified palm oil for users, investors and the public.
- Ensuring that growers' efforts and investments in sustainable practices are cost-effective and have market value.
- Safe-guarding the environment and society for the long term through rigorous testing and development of practices which deliver significant benefits.

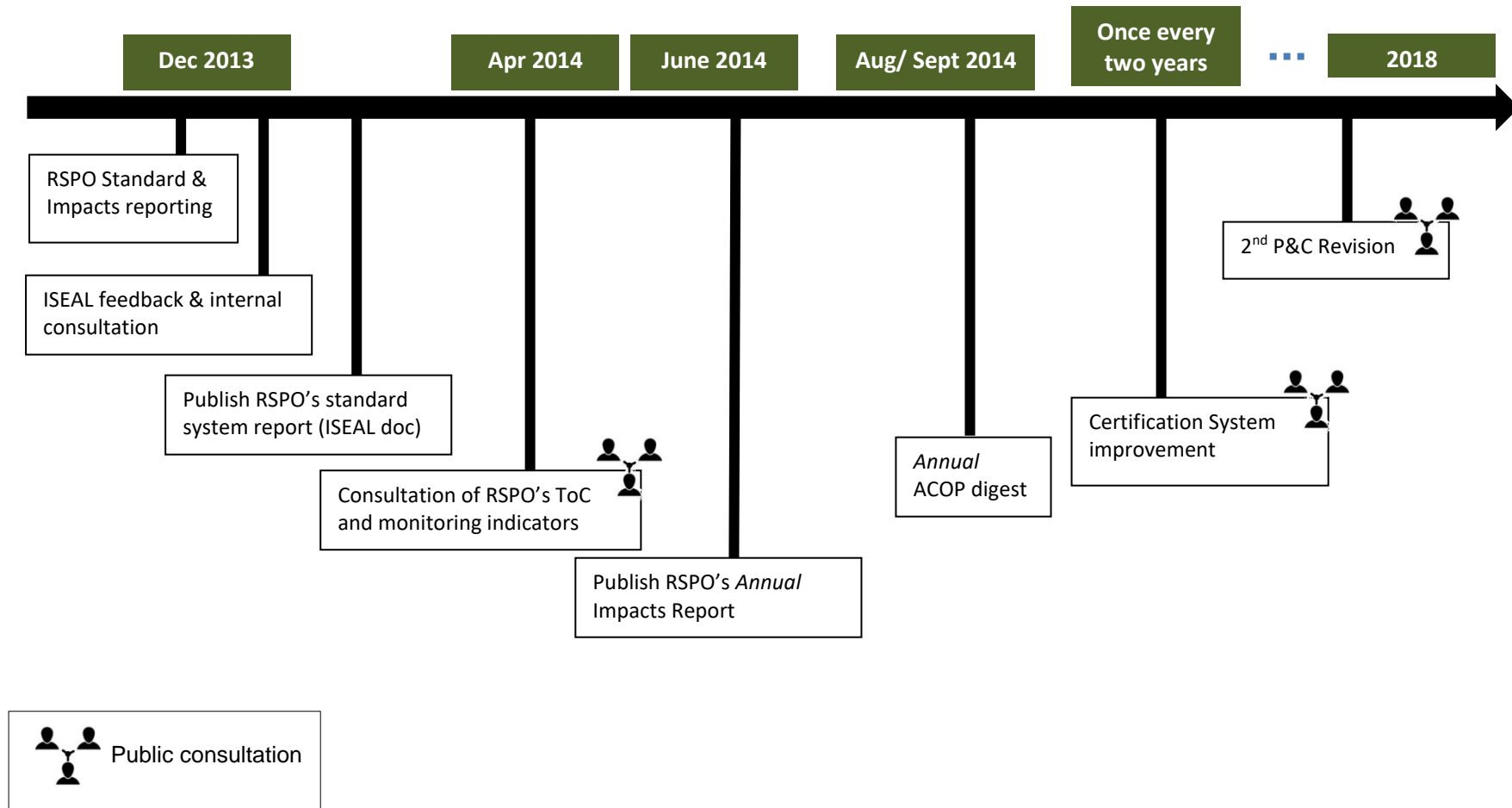
Five areas identified as key research interest are:

1. Soil and Water
2. Greenhouse Gases and Air Quality
3. Biodiversity
4. Participatory Processes and Rights
5. Livelihood

These independent studies will be conducted by leading scientists from renowned institutions such as University of York, University of Leeds, Wageningen University, Lancaster University and Swansea University using state-of-the-art techniques, and coordinated through the Royal Society's SE Asia Rainforest Research Programme (SEARRP).

The SEnSOR programme will create maximum impact, locally and internationally, through effective dissemination of findings to the RSPO, its stakeholders, governments and NGOs. Research outputs can directly inform policy and management practise and build scientific capacity in palm oil producing countries.

6. Use of results for internal discussion and learning



7. Transparency and stakeholder involvement

The RSPO's impacts report shall be made available for public dissemination through the RSPO's website, except when prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes⁸.

Currently, impacts related report can be found on:

- The RSPO's home page under publication section.
- Thai Smallholders impacts study⁹

In future, a specific section on impacts will be designed to provide adequate information on on-going research and annual impacts report. Documents available for public consultation are outlined under section 6 and will be published on the home page under "comments and consultation".

⁹ <http://www.rspo.org/en/file/Final%20Report%20on%20Thai%20OSH%20Impact%20Study%202012.pdf>