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RSPO Shared Responsibility TaskForce

Recommendations Overview

Public Consultation June 12th - July 11th, 2019

Consultants/Technical Facilitators

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RSPO SRTF Liaison/Project Coordinator

Oi Soo Chin, Impacts and Evaluation Director

Background and rationale for our work starts with the **RSPO Vision....**



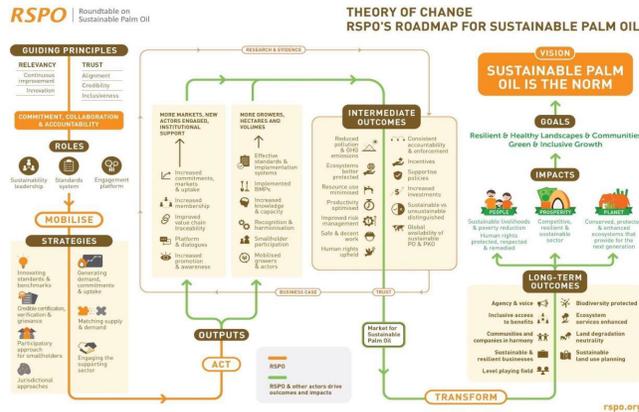
Transforming the
market to make
sustainable palm oil
the norm

RSPO

Roundtable on Sustainable Palm Oil

RSPO Theory of Change and Revised P&Cs

2017 → 2018



Theory of Change (ToC) = Roadmap to achieve the vision

- Mobilize, Act and Transform
- Shared Responsibility and Accountability for results



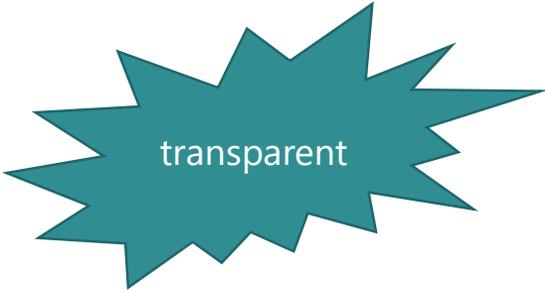
Principles and Criteria 2018 Shared Responsibility recommendations

Shared Responsibility - WHAT
What is required?
Of WHOM?

Shared **Accountability** – HOW
How do you know the
requirements are met?
By WHOM?

Rationale – the WHY

The SR TF Objectives



transparent

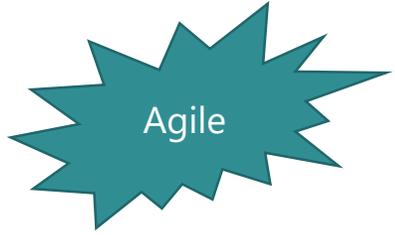
- Are **relevant** and **meaningful** for the provision of information on salient issues across the non-producer RSPO members
- Are **not lower** than those set out in the P&Cs (RSPO Code of Conduct for Members 3.2)
- Include the implementation **mechanisms** (HOW), incentives and sanctions



Quick



Realistic



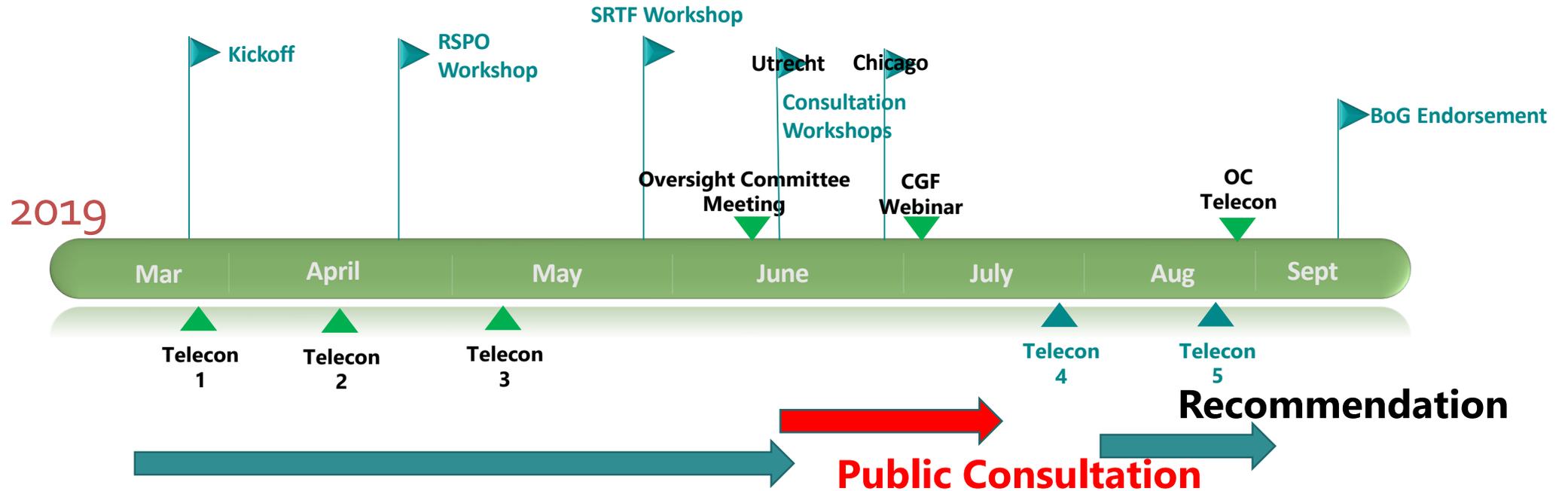
Agile

Shared Responsibility Task Force Members

Sectors	Seats	Company/Org	Substantive	Alternate	Location based
Growers	2 MY	Sime Darby	Alagendran Maniam	Eza Nurain Abdullah	Indonesia
		KLK	Lee Kuan Yee	Gwendelynne Bulan Tanil	Malaysia
	2 ID	Bumitama/IGC	Sian Choo Lim	Geetha Govindan	Indonesia
		Setara Jambi	Rukaiyah Rafiq		Indonesia
	2 ROW	SIAT	Florent Robert		Ghana
		Agropalma	Tulio Dias		Brasil
Processors & Traders	1	Olenex & Agrivar	Nepomuk Wahl	Roch Bollou	Netherlands & Cote d'ivoire
Retailers	1	AEON	Naoko Sakuma	Yumie Kawashima	Japan
Consumer Goods Manufacturer	1	Pepsi Co	Natasha Schwarzbach		UK
Banks & Investors	1	ABNAMBRO / Credit Suisse	Ghislaine Nadaud	Lee JT	Singapore
ENGO	1	WWF/WRI	Jenny Walther-Thoss	Andika Putraditama	Germany & Indonesia
SNGO	1	FPP	James Whitehead		UK
Total	12				

Where we are....

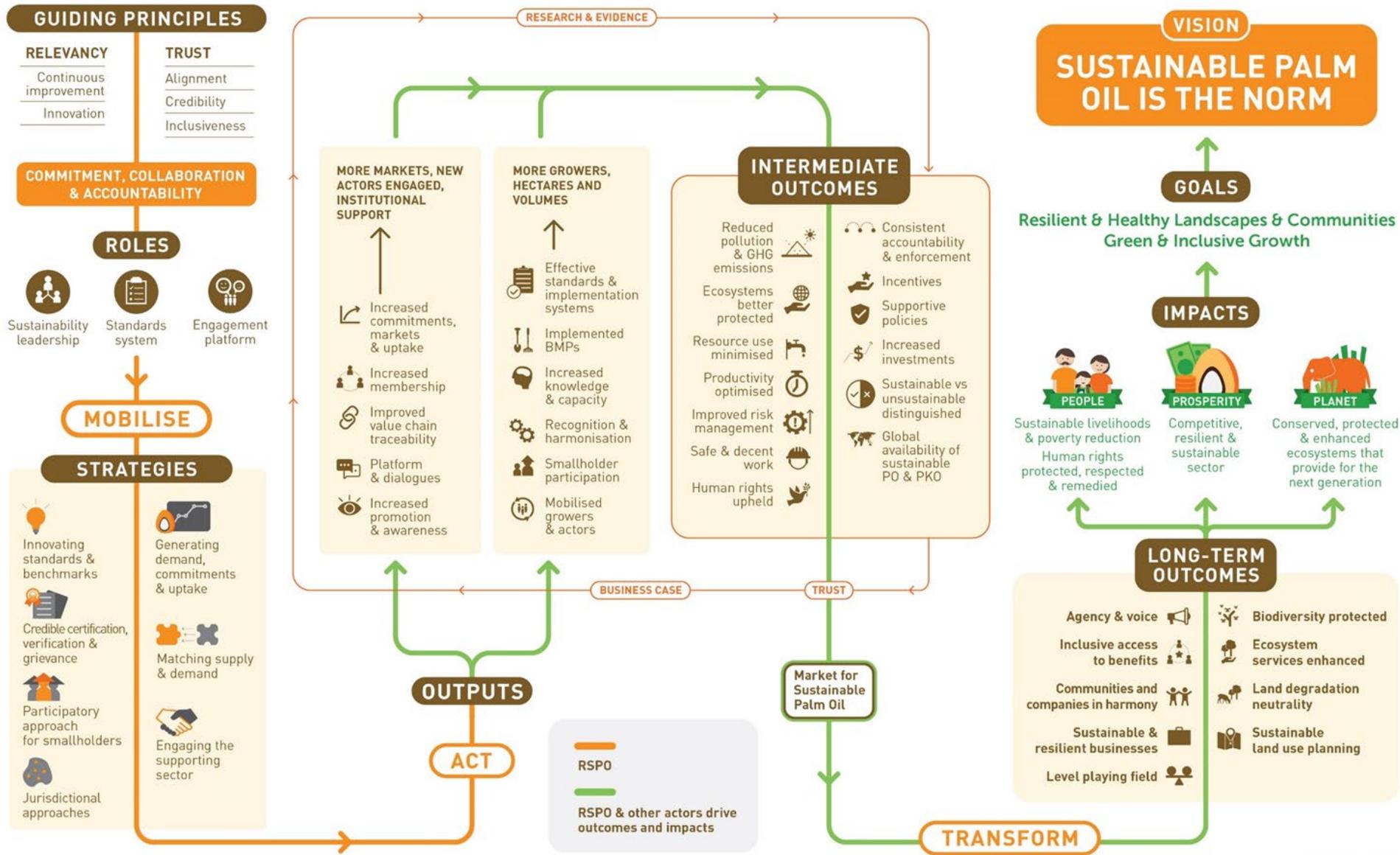
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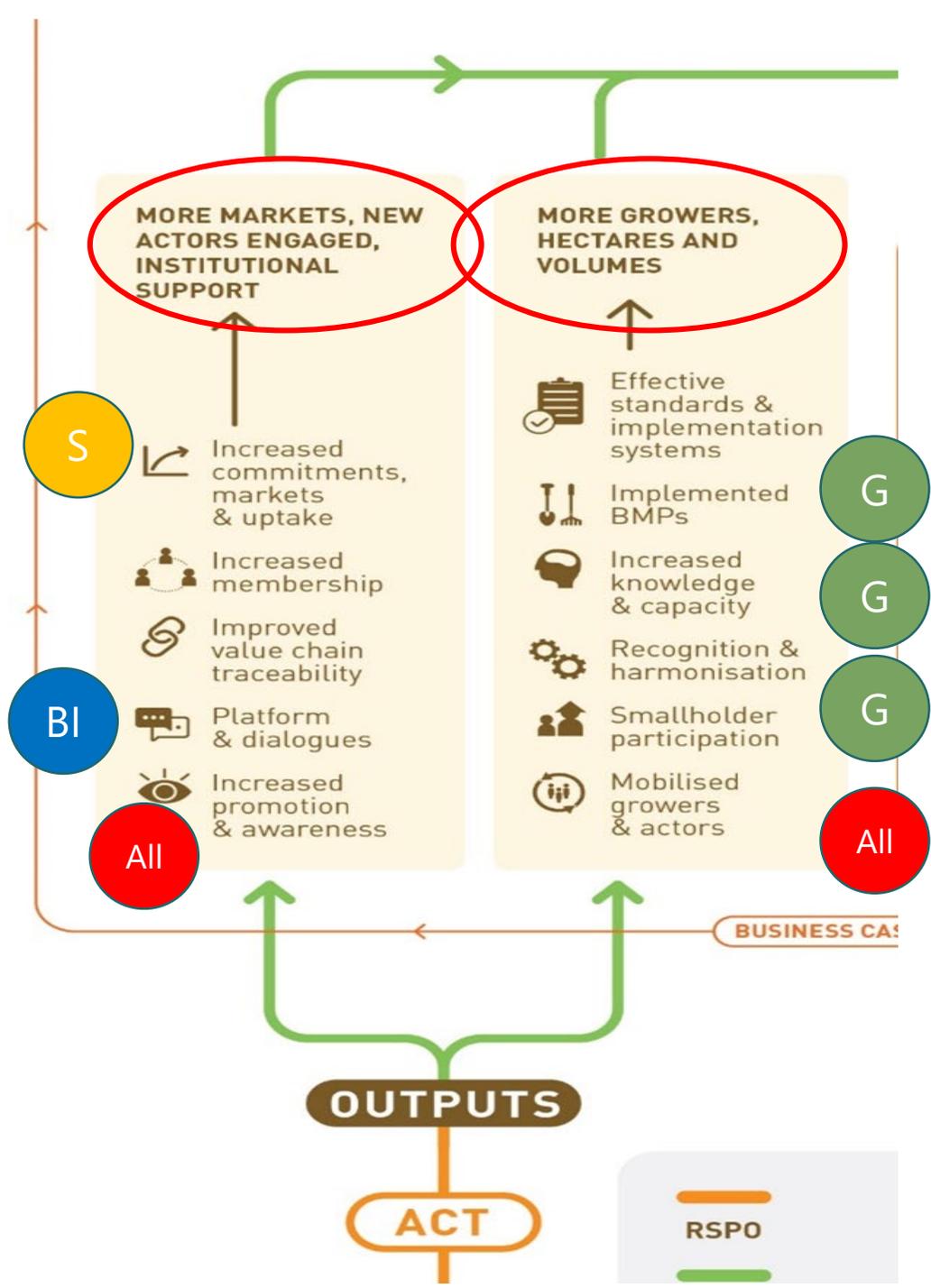


Shared Responsibility Task Force

- Defining the indicators - **WHAT**
- Recommendations on implementation system - **HOW**

THEORY OF CHANGE RSPO'S ROADMAP FOR SUSTAINABLE PALM OIL







It's a Theory – many Assumptions...!

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- **Members are held to account for unfulfilled commitments**
- **Real time, accurate and accessible data and analysis**
- **Long-term commitments of growers, buyers, and their supply chains**
- Government policies where support is needed and incentivised sustainable production and consumption
- Emerging market companies (brands and retailers) willing to commit to sustainability
- Emerging markets' commitment to sustainable production and consumption
- Banks, particularly local banks, willing to set investment policies
- Willingness for banking regulators to engage
- Certification and verification rigour and perception to build market confidence
- Training and financing the upgrading of smallholders to participate in formal value chains
- Stakeholders engage within RSPO certification processes instead of "outside resolutions" (i.e. media campaigns)

Building the public consultation framework



P&C restructure subgroup outputs



Excel worksheet with criteria & membership roles



Interviews with Secretariat staff on systems

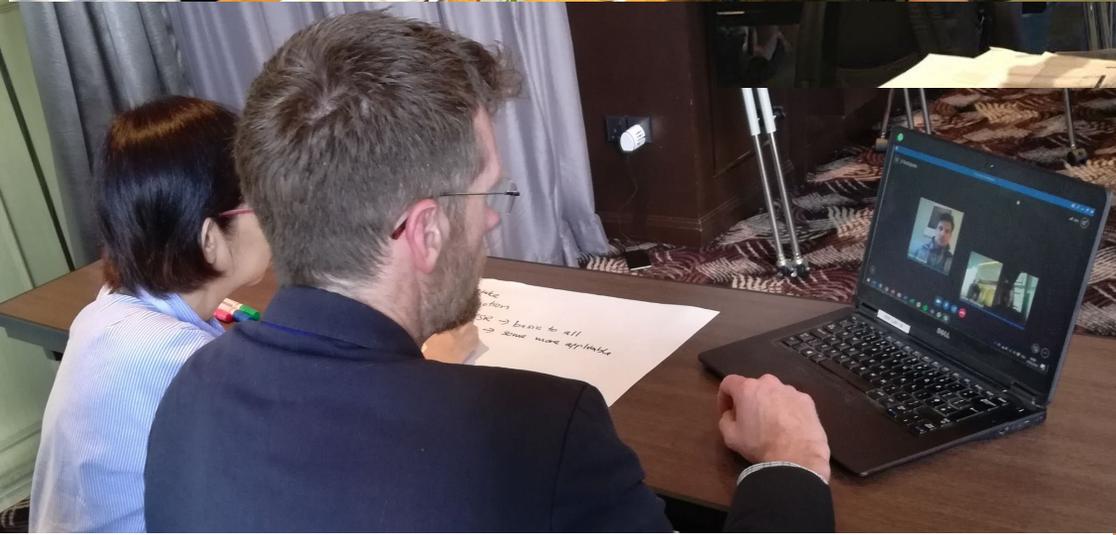
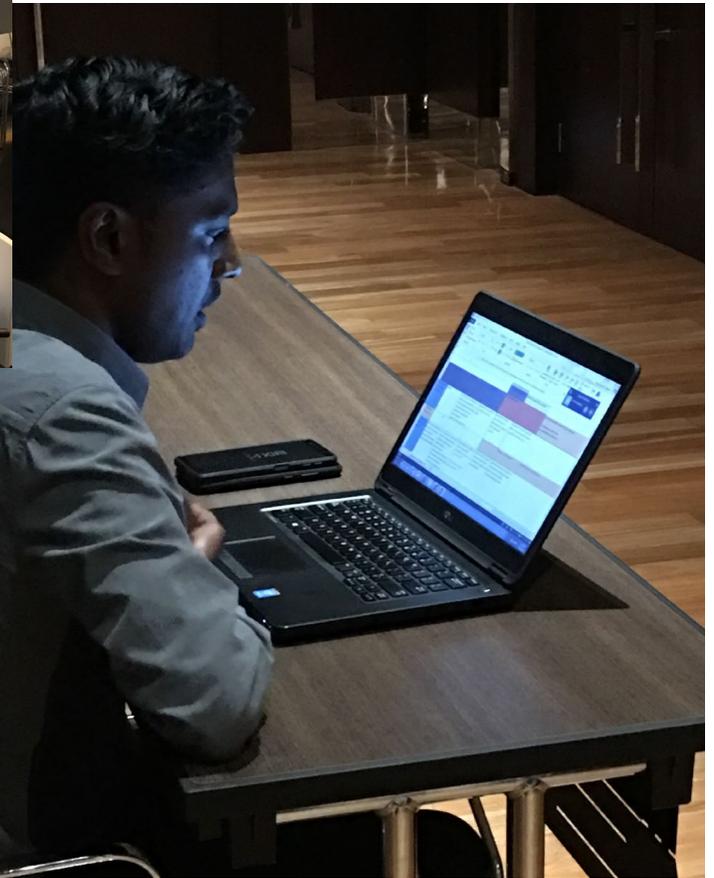


Review organizational documents e.g. Guidance TBP



SR Task Force – inputs/homework:

definition, review of own member category, interviews



Member category	Incentives	Functions
Greenest (certified)	Access to markets, selling CSDP	Loss of certification
Greenest (uncertified)		Suspension/Loss of membership
SC actor (certified)	Access to market, selling CSDP	Loss of certification
SC actor (uncertified)		Suspension/Loss of membership

Notes:

- Qualify on NPS, own history, data to demonstrate own contribution, access to partners & funding.
- Goals to demonstrate own contribution, access to partners.

RSPO SHARED RESPONSIBILITY TASK FORCE (SRTF)

RECOMMENDATIONS

10 JUNE 2019

This document is now open for public consultation. This is your opportunity to provide feedback on the SRTF recommendations enabling all members to align and multiply efforts for collective action and drive impact.

The public consultation will last for 30 days from 12 June 2019 to 11 July 2019.

Table of Contents

- Shared Responsibility Definition
- Shared Requirements
- Differential Requirements
- Reporting Mechanism
- Verification Methods
- Incentives
- Sanctions

Members Expectations HIGH

- A lot of attention by members to SR process – its been talked about for a long time now (7 years!)
- Growers expect a similar level of 'pain' for the other members as they feel P&C certification has on them
- Expectations around responsibility of what **others should be doing** – e.g. P&T claim that (lack of) demand of CSPO depends on CGM/Retailers
- Volumes, Volumes and Volumes

Risks

- There is potential for punishments to backfire on growers if the punished supply chain actors are not allowed to trade in CSPO.
- There is the potential for members, particularly newer and/or smaller members to see the SR requirements as a burden and not join or leave
- A lot of attention paid by all stakeholders to SR process and what others are doing (or not)
- Balancing equivalency with feasibility e.g. burden on existing systems
- Certain requirements considered unacceptable by certain SC actors
- High risk for RSPO: balance between credible SR requirements & membership retention

Fundamental tension

2) Is it about promoting CSPO volumes?

3) Is it about P&C equivalent sustainability requirements for all organisations?

1) Is it about uptake of CSPO volumes?



Changing the Narrativetelling our story of impact

- To strengthen sustainable palm oil image more **positive** stories need to be told
- Systematically collected data, analysed and presented well can help to **narrate** those positive stories of progress
- **Collective impact** of RSPO members can be showcased
- Individual members can **illustrate** their own progress using RSPO as a credible source/point of reference

Shared **AND** Differential

SHARED RESPONSIBILITY IS THE SET OF **SHARED AND DIFFERENTIAL** RESPONSIBILITIES RSPO MEMBERS MUST COMMIT TO FOR ACHIEVING THE VISION “TO TRANSFORM MARKETS TO MAKE SUSTAINABLE PALM OIL THE NORM”.

Shared Responsibility to make Sustainable Palm Oil the Norm

Differential

 **RSPO Secretariat and Board provide overarching leadership**

- GROWERS**
- CONTINUE RSPO certification and seek 100% certified
 - SUPPORT schemed smallholders to be 100% certified
 - DIRECT efforts towards independent smallholders to seek transparency, traceability and eventual certification



- Banks and Investors**
- PROVIDE incentives and tools for good behaviors
 - PROMOTE Sustainable Palm Oil policies
 - ENGAGE with regulators and governments



SUPPLY CHAIN ACTORS (P&T, CGM, Retailers)

GROWERS (certified, non-certified, smallholders)

BANKS AND INVESTORS

Shared
 Legal
 Ethical
 SR Reporting
 Smallholders
 SDGs
 Human Rights
 Workers Rights
 Resourcing
 Promotion

- NGOs (social and environmental)**
- ANALYSIS and RESEARCH
 - ADVISE on effective support & training
 - MONITOR implementation
 - PROMOTE consumer awareness
 - SUPPORT smallholder inclusion
 - ENGAGE governments
 - WORK on Jurisdictions
 - WORK with directly impacted communities



NGOs (environmental and social)

- Supply Chain Actors**
- BUY/USE CSPO
 - 100% CSPO by 2023
 - PROMOTE products with CSPO and trademarks
 - FACILITATE investments
 - PROMOTE Sustainable Palm Oil policies



Shared Requirements

Shared sustainability requirements are the **same** requirements across **ALL** members and reflect a shared spirit of commitment to **sustainability leadership**.

Theme/Topic	<p style="text-align: center;">Shared Requirements</p> 
Information and public availability	Transparency on organisational management documents and sustainability reports.
Commitment to ethical conduct	Policy for ethical conduct, including recruitment and contractors.
Legal compliance	Organization complies with all applicable legal requirements
Third party contractors legal – no SRTF consensus*	Organization ensures all third party contractors comply with legal requirements
Monitoring and continual improvement	Organization regularly monitors their sustainability performance
Shared Responsibility reporting	Organization reports to RSPO Secretariat on Shared Responsibility metrics (once finalized)
Human Rights	Organization has a policy to respect human rights including for suppliers and sub-contractors.
Complaints and Grievances	All non-grower members have publicized grievance mechanisms. Where grievances raised relate to palm oil supply chain, a clear action plan is in place or demonstrated.
Fair and transparent dealings with SH	Organisation supports incorporating smallholders into sustainable supply chains.
Improved SH livelihoods	Organisation reports on actions to incorporate smallholders into sustainable supply chains (see above).
No discrimination	Organization's publicly available labour rights policy includes: no discrimination and equal opportunity policy
Pay and working conditions	Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).
Freedom of association	Organization's publicly available labour rights policy includes freedom of association and collective bargaining
No child labour	Organization's publicly available labour rights policy includes protection of children and remediation for suppliers and third party contractors
No harassment	Organization's publicly available labour rights policy includes policy to prevent sexual and all other forms of harassment
No forced or trafficked labour	Organization's publicly available labour rights policy includes policy on absence of forced or trafficked labour
Safe working environment	Organization has policy and SOP for Occupational Health and Safety

Differential Requirements

MEMBERS HAVE **DIFFERENTIAL REQUIREMENTS AND OBLIGATIONS** ENCOMPASSING THE UNIQUE ROLES OF DIFFERENT MEMBER CATEGORIES IN CONTRIBUTING TO THE SHARED VISION THAT SUSTAINABLE PALM OIL IS THE NORM. THIS INCLUDES **EMBRACING** AND **USING** SUSTAINABLE PALM OIL THEMSELVES AND **PROMOTING** AND **ADVOCATING** SUSTAINABLE PALM OIL TO THOSE THEY DIRECTLY INFLUENCE.

Differential Requirements - Appendix

- **Claims and Labelling**
- Contribution to local sustainable development
- Land Use and FPIC
- Land Use: Compensation
- Waste management
- Water quality and quantity
- Energy Use
- **Volumes/Uptake**
- SR Policy
- Services and Support

Theme/Topic	Differential Requirement				\$		
Claims and labelling – no SRTF consensus*	Organizations promote the use of RSPO claims and labels. Agreement of topic, no agreement on unique responsibility specifically use of on-product labels.	RSPO CSPO is traded as RSPO CSPO (and not downgraded or sold under other certification schemes)	RSPO CSPO is labelled as RSPO CSPO (and not downgraded or sold under other certification schemes). Could be off product	RSPO CSPO is labelled as RSPO CSPO (and not downgraded or sold under other certification schemes)	Companies benefitting from investments label their products with RSPO CSPO.	Advocate publicly for RSPO CSPO. Capacity building on CSPO vs no palm oil.	Advocate publicly for RSPO CSPO.
Volumes/Uptake -no SRTF consensus*	<p>Active promotion of sustainable palm oil by retailers to boost demand in all markets including; aggressive targets</p> <p>3 years from the date of SR endorsement [2023?]</p> <p>to increase % (100%) that is RSPO CSPO compliant in all regions/markets.</p> <p>Physical Time Bound Plan (TBP) - 5 years from the 3rd year.</p> <p>Agreement on critical nature of uptake and responsibility of supply chain actors, * no SRTF consensus specifically on requirement for physical TBPs</p>	<p>Active promotion of sustainable palm oil by P&T to boost demand in all markets including; aggressive targets</p> <p>3 years from the date of SR endorsement</p> <p>to increase % (100%) that is RSPO CSPO compliant in all regions/markets with yearly progress update.</p> <p>Physical TBP - 5 years from the 3rd year with yearly progress update.</p>	<p>Active promotion of sustainable palm oil by CGM to boost demand in all markets including; aggressive targets</p> <p>3 years from the date of SR endorsement</p> <p>to increase % (100%) that is RSPO CSPO compliant in all regions/markets with yearly progress update.</p> <p>Physical TBP - 5 years from the 3rd year with yearly progress update.</p>	<p>For all products, active promotion of sustainable palm oil by retailers to boost demand in all markets including; for homebrands aggressive targets</p> <p>3 years from the date of SR endorsement</p> <p>to increase % (100%) that is RSPO CSPO compliant in all regions/markets with yearly progress update.</p> <p>Physical TBP - 5 years from the 3rd year with yearly progress update.</p>	<p>Preferential rates/investments /loans for certified organisations and/or organisation with progressive TBP either for certification or uptake of certified products. The banks' TBP is reported via ACOP.</p>	Differential	Not required

Key considerations

- See this as a starting point with longer term high bar expectations
- Leverage existing RSPO systems and processes
- Leverage external reporting mechanisms (e.g. SEDEX, other certification)?
- For non-grower members: ACOP as collection mechanism (note also non-cert growers)
- Initial list of requirements should be short – feasibility and testing

Collection/Reporting Mechanisms

- 1) Membership Application - streamlined and linked to ACOP
- 2) ACOP "Next"
 - a. All Members
 - b. Mandatory
 - c. Verified****
- 3) SC Certification Standard
 - a. integrate into revision process – Annex 1
 - b. 3rd party assurance (certification)**
- 4) PalmTrace – monitoring of volumes linked to ACOP
- 5) External reporting and accountability frameworks

Verification Ideas.....

- **Desk-based verification**
 - ✓ **Secretariat**
 - ✓ **Independent evaluator.**
- **NGOs' responsibility as part of their SR**
- **Sector/peer assessments**
- **An independent review committee.**
- **All members or only a (risk-based or random) sample?**
- **Verification of volumes reconciliation of ACOP reporting with PalmTrace data – big data verification by the RSPO secretariat**
- **Benchmarking and equivalencies**

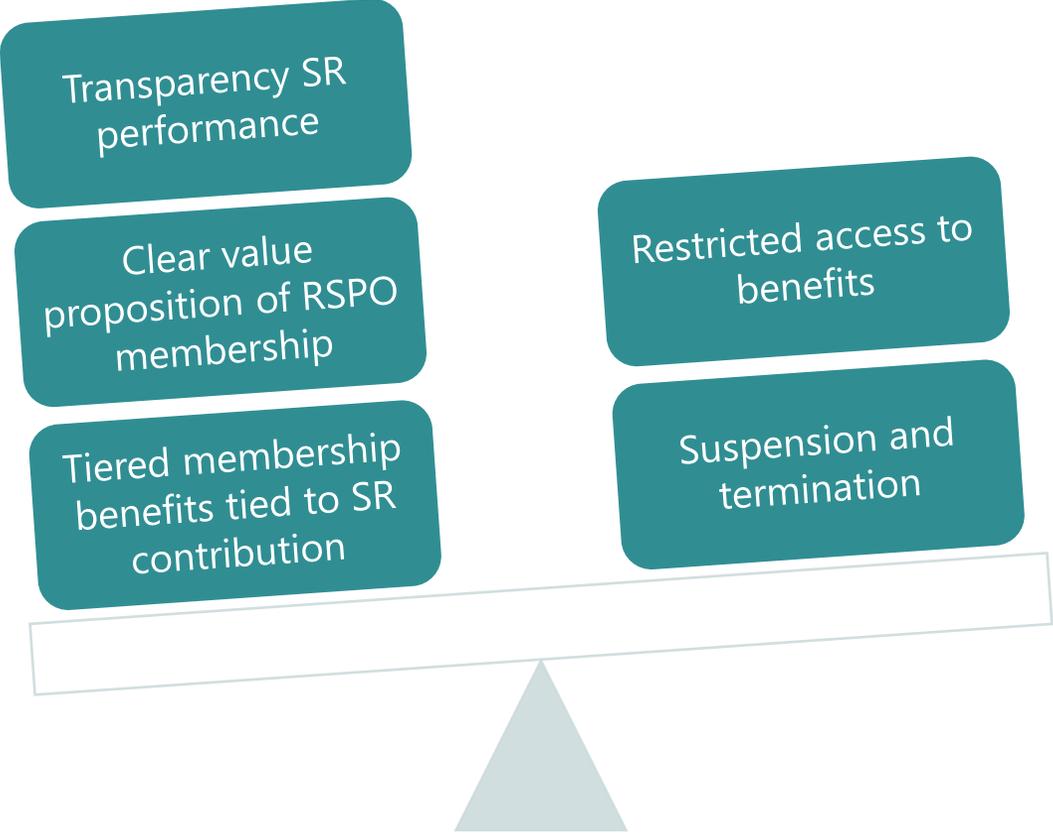
Incentives and sanctions

How do we motivate (carrots) **all** members to **commit** to and **report** on their contribution and what are consequences of not (sticks)?



Incentives

Sanctions



Key Advantages

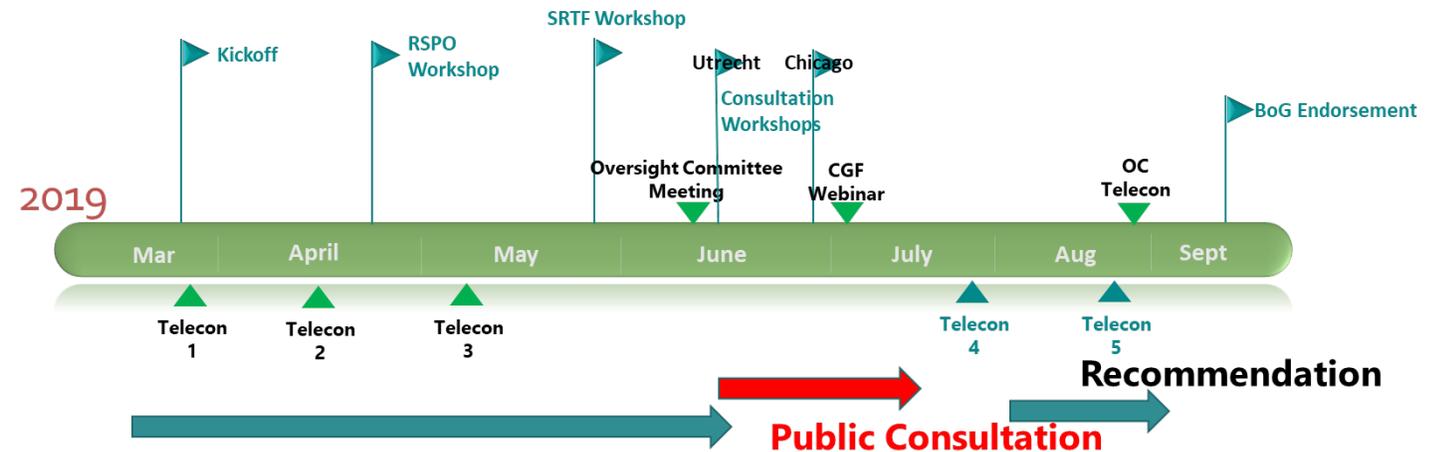
- Leverages the assets of RSPO
- Visibility - acknowledgement/highlighting of leadership practices/high performers
- Recognizes organizations may be at different levels of the sustainability journey and wants to be inclusive
- Inclusive strategy - does not penalize lower performers through negative action (**different from NON-performers**)

But it depends on...

- Clear value of being a member
- Verification of reporting
- Enforcement of sanctions for not reporting
- Enforcement of Time Bound Plans

Next Steps

- July 11th – public consultation ends
- July 30th Telecon 4 SRTF – revised draft



Shared Responsibility Task Force

- Defining the indicators - WHAT
- Recommendations on implementation system - HOW

Resources

RSPO Taskforce webpage for more information and background

<https://rspo.org/about/supporting-bodies#shared-responsibility-task-force>

Public Consultation Survey

https://www.surveymonkey.com/r/RSPO_SRTF_Recommendations_Public_Consultation

Can be submitted individually or as a group (quantity is not a consideration)