Smallholder Training for RSPO Certification
Comparing experiences across different countries

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Presentation Outline

1. Solidaridad - a brief outline
2. Challenges to RSPO Certification for Smallholders
3. Strategies to date for assisting with RSPO smallholder certification
4. Interim thoughts and conclusions

Smallholder farmer preparing CPO, Ghana
Solidaridad is an international organisation with more than 20 years of experience in creating sustainable supply chains.

Supply chain initiatives Solidaridad

1988: Max Havelaar; fair trade (coffee, fruits)
1995: Fairtrade Labeling Organization (global)
1996: Oké banana (fair trade-organic)
1999: Kuyichi (sustainable fashion)
2002: UTZ Certified; CSR label (coffee, tea, cocoa)
2006: RTRS; Responsible Soy
2008: membership RSPO
2009: Bonsucro; Better Sugarcane Initiative
2010: BCI; Better Cotton Initiative

Solidaridad is an international organisation with more than 20 years of experience in creating sustainable supply chains.
In oil palm commodity Solidaridad

- **Seeks out and sources** potential smallholder training and certification programs

- **Prepares proposals and costings** for sustainable smallholder training programs;
  - Independently assessed by steering committee

- **Works in conjunction with plantation companies and local governments** (trainers and implementers)
  - We are not implementers in palm: training credit to the companies and external trainers

- **Provide financial and training oversight** of partner projects from commencement to completion

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Solidaridad Palm Program

- 2009: Solidaridad co-set up POPS: Palm Oil Producer Support Initiative to support smallholder sustainability efforts of RSPO members

- With sugar and soy, €4.8m Dutch public funds, matched with €10 million from RT members supply chain companies and other donors, NGOs

- RSPO provides funding (€600,000/3 years) spent on smallholder training projects in Ghana, Indonesia. Applications from Honduras, Malaysia and Colombia pending

- Solidaridad now has the Farmer Support Program (FSP): €29 million grant in 5 commodities with >40 m match funding
Other Solidaridad palm oil activities

- 2011-2015: Sustainable West African Palmoil Programme (SWAPP): Improve income and livelihoods from oil palm through increasing farm productivity and efficiency of processing mills
- 2011-2015: RTREDD: linking roundtables to REDD (avoided deforestation and carbon enhancement): partnership with RSPO, IPAM, WWF, Forest Trends, focus on Colombia
- Market development / trade policy work ongoing in Europe, China, soon in India and USA

Solidaridad governance and oversight

- Projects sought through regional offices
  - SE Asia, Ghana, Brazil, Andes (Colombia, Ecuador), Central America (Honduras, Guatemala), Netherlands, India, China (CSPO market development)
  - Applications welcome from November 2013
- Contracting, auditing, administration overseen by full time secretariat
- Independent steering group meets twice a year to assess proposals
- Annual reporting protocol to donors/RSPO: 6 monthly financial and progress reports
2. Challenges RSPO certification for smallholders

Source: IFC (2012)
Commonalities of challenges in the field

A number of common challenges for independent smallholder certification exist. These include:

- Limited knowledge independent smallholders
  - BAP
- Forming farmers groups and the Internal Control System (ICS)
- Fake Seeds, especially for independent smallholders in Indonesia
- High Costs
- Land certification issues

Limited Knowledge: need for Farmer’s associations and Internal Control Systems (ICS)

- Limited overall GAP knowledge esp. for independent smallholders (i-smh)
- To gain knowledge requires the formation of farmers groups/Cooperative, which is itself a challenge
- This must be developed before and during the GAP training
  - Variation is common; diversity of effort, motivation, representation, competence
Different Cooperative outcomes

• An ICS based on local existing support structures is critical, which may be a cooperative. This is seen in the following figures from one Kalimantan plantation

• Two smallholder Cooperatives: smallholder results vary widely
  
  *Koperasi A*
  
  1853/2132 smallholders credit-free (90%)

  *Koperasi B*
  
  470/796 smallholders credit-free (60%)

• Having a professional Cooperative generally results in better smallholder outcomes

Smallholder Internal Control System (ICS)

• An ICS is a set of documented procedures developed by the Group Manager to ensure that all group members meet the standard

• When the certification body assess the Group Manager, it mainly evaluates the ICS

• Having a professional ICS is critical to independent smallholder certification (Asril 2012)
ICS and Smallholder certification

Seed Selection: Fake Seeds

• Obtaining certified seeds is a significant problem for independent smallholders in Indonesia
• Demand is high
• Exchanging of certified seeds by fake seeds. One plantation manager in Indonesia describes the journey of seeds from source to nursery the same as ‘carrying narcotics’
For independent smh, costs can be high compared to mill linked smh; economies of scale can be missing

Infrastructure often an impediment

Who pays for these infrastructure costs?
  - Government, company, Cooperative, donors?
  - In Indonesia, independent smallholders can be/are responsible for upkeep of supply roads
  - To manage this cost requires a solid and functioning Cooperative / farmer grouping to share costs

Plasma road, wet season, Kalimantan
Land Certification - Indonesia

- In Indonesia, land certificates are rare amongst independent smallholders.
- Unofficial on-selling of certificates.
- Provincial/national land use planning goals may further complicate this.
Land Certification - Ghana

- In Ghana, most smallholder do not have formal land title. Certification is time consuming and expensive
- Informal land rights exist because land ‘belongs’ to families
- Those without family land (‘immigrants’) farm on other peoples’ land where proceeds are shared on agreed terms (1/3 to land owner, 2/3 to farmer)
- These land title issues link back to the RSPO via criteria 2.1, 2.2, 2.3 and others

Smallholder Training - Ghana

- In Ghana, GAPs training often provided by group managers (currently company staff) to scheme smallholders/outgrowers
  - Contents of training depend on nucleus estate practices; can be inconsistent in quality
- No uniform training material: Generic training material only developed 2010 as part of RSPO certification program
- Independent smallholders do not have automatic access to training and extension services; government extension agents do not provide services to oil palm farmers
General oil palm smallholder issues - Brazil

- General sustainability challenges for the Amazon region
  - Deforestation is decreasing; peatlands not a critical issue

- Regularization of land titles however is a difficult task

- Brazilian legislation is strict: for smallholders and individual suppliers it is the legal compliance and not additional RSPO criteria that composes the major challenge for sustainable palm production

- Important link to OH&S as a driver to improve processes; this is the first stage towards the path to certification
3. Strategies and options assisting with RSPO certification for smallholders

- Awareness raising for the stakeholders: a slow yet critical process  
  - Buy-in and belief: what's in it for me?
- Assisting and empowering
- Quality training
- Less a relationship, more a partnership
- Role of the local government/closest mill

Commonalities: what is important?
Certification an end goal of training

- Belief in the benefit of certification must be shown through farmer gains from BAP/ yield/ increase prices at mill
- The belief in the process needs to come from smh themselves
  - Leadership from smh groups
  - Peer to peer encouragement a key
  - This takes time
- Local plantation mill - RSPO member or not – is an important stakeholder

Training – certification process

- Therefore, training must first identify then address smallholder needs leading to RSPO certification
  - Can be done by mill company, government officers, ngos
- Improving the bargaining position of smallholders part of the process
  - More independent decision making; this is the definition of independence
  - Need to develop a Farmer’s Cooperative with a learning organization culture: not just an admin body
  - However, this is not a guarantee against poor decision making
- In this way, useful training delivered that addresses specific smallholder needs as part of RSPO certification
  - It is a long path: farmer’s group/ association formation is the first critical part
  - Certification is the “cream on top of the coffee”, not the driver for farmers
Addressing specific challenges - Ghana

- Low level of literacy makes understanding the RSPO standard very difficult
  - RSPO Standard presented pictorially, posters, photos

- Farmers not having time to participate in training programs
  - Training programs very short; date, time, venue determined by farmers
  - Understanding why farmers would want to attend: not certification

- Group members to hold key positions to ensure effective ICS implementation, or are being assisted to take up such positions in future – if this is what they want

Improving the mill-smallholder partnership often a key

- The plantation mill-smallholder relationship is not always good (distrust, poor communication, feeling left behind, mill capacity, infrastructure, extension, etc)

- The plantation company/mill can play a important role in smallholder livelihood improvement/certification

- Across the world, leading plantation companies are:
  - providing routine practical agricultural advice – scheme, associated and independent
  - Consistent meetings with Cooperative to motivate and inform of RSPO certification benefits
  - Extension team to inform, advise, lead
  - This can depend on mill supply chain
4. Interim thoughts and conclusions

Interim thoughts and conclusions

- Smallholder farmers cannot go through RSPO certification without technical and financial support

- Critical to see certification from the small farmers perspective
  - It is a tool to improve livelihoods, not the local motivation

- Limited understanding of the RSPO P&C amongst all independent smallholders

- In general, inadequate local expertise to support RSPO certification process
  - For example, currently only the Solidaridad office in Accra provides technical support
Interim thoughts and conclusions

- Grouping farmers to create economies of scale consistent with local processes: Group formation up to the group
  - Requires quality initial qualitative/quantitative research
- A challenge how to support local institutions to keep up with the growing demand for technical/BAP and association/documentation assistance
  - Must be good quality training
- The wish to include smallholders and individual mid-size suppliers into the RSPO will require an acceptance that this takes time as part of continual improvement
- Balancing the need to move towards RSPO certification with the strict labour, H&S and environmental standards without losing partners in the process
  - If goal is to transform markets, inclusivity is a key

Closing thoughts and conclusions

- Without close plantation support, independent smh certification is challenging regardless of country
- How for example do we get artisanal and semi-mechanized mills RSPO certified? (Africa)
Please visit our booth for more information on current initiatives/partner projects

www.solidaridadnetwork.org