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Smallholder Funding Mechanism

Julia Majail, Taskforce on Smallholders & Dispute Settlement Facility Manager

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RSPO Executive Board has made a decision to set aside 10% of the total sales from CSPO to be allocated to support the smallholders. RSPO Secretariat together with the Smallholder Working Group under its Workstream 5 (Smallholder Funding Mechanism) has recently engaged a consultant, AidEnvironment, to assist the development of a RSPO Smallholder Funding Mechanism.

The objective is to develop the design of a funding mechanism to support smallholders. The focus should be at designing in detail a solution. As the size of the fund is limited in the first year, the initial mechanism should be simple in implementation.

Earlier this year, RSPO Secretariat and IFC did a preliminary study to design the smallholder funding mechanism. The IFC report presents some key issues which need to be answered before a final mechanism can be considered (e.g. target group, type of funding, administration).

This paper will describe the model of the funding mechanism. It will touch on the types of project that is eligible under this fund, approving criteria, governance, and evaluation and monitoring of the fund.