Successful Certification of Independent Smallholders

Lessons Learnt in Thailand

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The RSPO and Independent Smallholders

*While market transformation picks up pace...*
The RSPO and Independent Smallholders

...developments on smallholders have been rather slow..
The RSPO and Independent Smallholders

...and especially for independent smallholders, the way towards sustainable oil palm remains vague.
The RSPO and Independent Smallholders

✓ TFS2 – plan to “Create Opportunities from Certification”

✓ System elements for certifying groups of ISH
  ✓ Group Certification Standard
  ✓ Certified product will be FFB
  ✓ Principles and Criteria have been simplified

❓ But what remains open is how can they …
  ❓ ..access the market for sustainable palm oil?
  ❓ ..get organized?
  ❓ ..build their capacities?
  ❓ ..cover the additional cost?

❓ What are the incentives to get organized and certified?
The Project

- Commissioned by the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety
- Implemented by GIZ and the OAE
- 3.5 years – from 2009 to mid 2012
- 3.5 million Euro
- Pilot certification of independent smallholders
- 4 pilot mills
- approx. 1000 farmers
- Up to 2 international experts
- 12 local staff
- long- / short-term consultants
- Many committed partners
Project Approach

FRESH FRUIT BUNCH QUALITY
- Price premium based on quality
- Grading system
- Harvesting and fruit handling guidelines/training

FARM PRODUCTIVITY
- Training & technical support: Fertilizer Management, Leaf & soil analysis, Plantation management
- Farm inputs coordination

SUSTAINABILITY
- Best Management Practices (GAP, IPM, OHS)
- Farmer group & institutional development
- Database management system
- Internal Control System
- Mutual interest, benefit & information sharing
- Long-term relationship & interdependence

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Training Curriculum Developed
Benefit Sharing in the Project

**For Farmers**
- Access to technical advise and support
- Increased productivity (yields, cost, input..)
- Higher price for quality FFB
- Agro-ecological benefits (soil, water)

**For Mills**
- More stable and secure FFB supply
- Higher OER from better quality FFB
- Supply of certified FFB
- Ability to meet demand for CSPO
Lessons Learnt

- **Sustainable practice does deliver benefits!**
  - Income generation, vulnerability and quality of life
- **Incentives beyond certification have to be created!**
  - Start with the priority of the farmers
  - Sustainability from a farmers perspective
  - Step-wise approach
- **Farmers need continuous support!**
  - 3 years up
  - Well trained, interdisciplinary extension structure
  - No “one-shot” trainings
  - Neutral player as mediator and to build trust
Lessons Learnt

- Enabling framework conditions on the macro level!
  - Adjustment of the RSPO certification system
  - Promote opportunities for smallholders to join
  - Smallholder solution on HCV / land-use issues

- Funding need!
  - Projects are costly, need to be well staffed
  - Building-up and strengthening groups requires commitment and time
  - Certification cost do not pay-off for smallholders

- Develop best practice and lessons learnt!
  - More projects / experience from the field level needed
Conclusions

*Independent smallholders need strong support to achieve certification to RSPO…*
Conclusions

...GIZ has the expertise and experience to implement smallholder oil palm projects.
Conclusions

*The RSPO has still some work to do to allow the certification of independent smallholders and to create opportunities from certification... where we are willing and in the position to provide further support*
Conclusions

To move ahead, the industry has to show full commitment and responsibility towards supporting independent smallholders worldwide!
Thank you for your attention!

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