

# ROUNDTABLE MEETING ON SUSTAINABLE PALM OIL



**A Shared Responsibility:  
Converting Commitments into Action**

# Preparatory cluster 8: How to Create RSPO



## ‘Norm’

Welcome to our session on making RSPO the norm. We have designed this interactive section to provide an opportunity to consider how best to optimize the RSPO Credits system for the membership. To get your feedback and perspectives during the session, we ask you to participate in a survey managed by Kristjan Jespersen of the Copenhagen Business School. Your responses will be completely anonymous and your participation is entirely up to you. You may skip any question you like and can decide to stop participating at any time. Even if you decide not to participate in the survey, however, please participate in the rest of the activities. **Due to the limited broadband, please use the paper version of the survey.**

**To participate in the survey, please only fill out Section 1 of your survey sheet for right now. We will ask you to fill out Sections 2 and 3 later in the workshop.**

# Preparatory cluster 8: How to Create RSPO 'Norm'



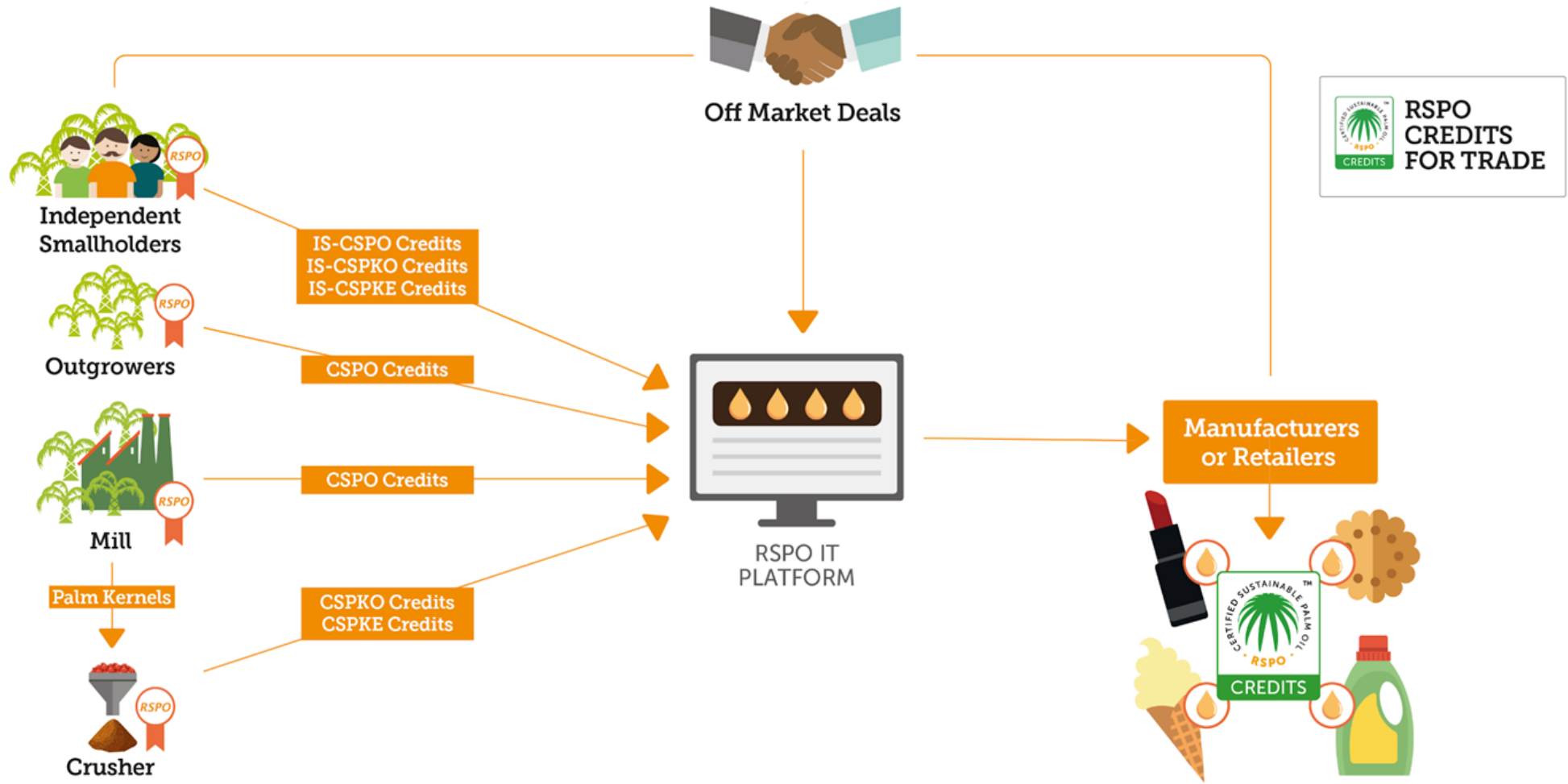
- What are RSPO Credits?
- How does it work?
- Supply and sales
- New paths for credits
- Activity 1
- Survey section 2
- Why buy RSPO Credits?
- Results of credit survey
- Activity 2
- Survey section 3
- Discussion



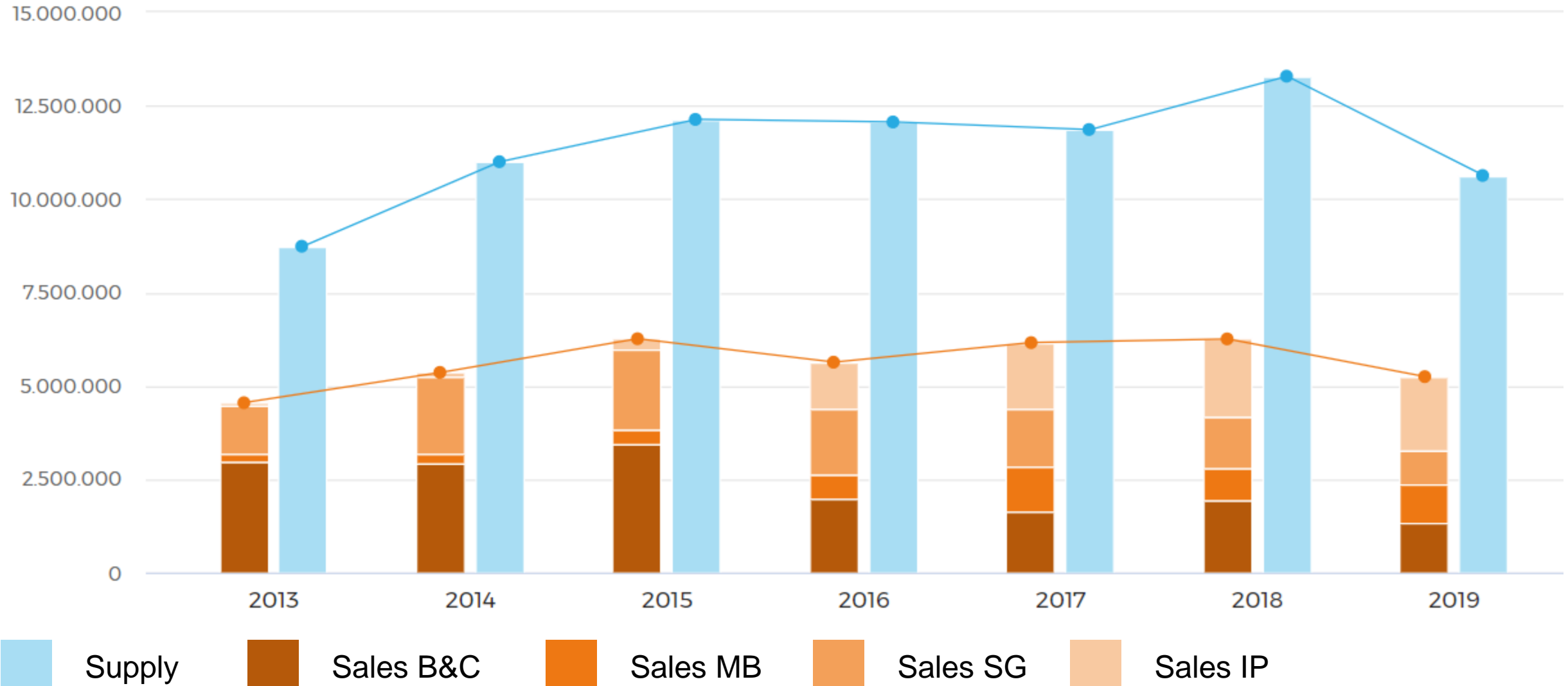
# What are RSPO Credits?

- One (1) RSPO Credit represents one (1) tonne of:
  - certified sustainable palm oil (**CSPO**)
  - certified sustainable palm kernel oil (**CSPKO**)
  - certified sustainable palm kernel expeller (**CSPKE**)
- For every Credit bought, a premium goes to the producer that has put its efforts in making sure one tonne is produced in compliance with the RSPO Principles and Criteria.
- RSPO Credits are also offered by Independent Smallholders (**IS CSPO, IS CSPKO, IS CSPKE**)  
Changes in the new Independent Smallholder Standard
- RSPO NEXT certified producers offer **RSPO NEXT** credits
- Jurisdictional Credits

# How does it work?



# Supply and sales of CSPO



# Possible new paths for credits

- Smallholder credits
- Credits as a tool for Corporate Social Responsibility (CSR)
- Jurisdictional credits



# Activity 1: RSPO Credit Tweets

For this activity, we would like you to work with your group members to discuss the RSPO credits system and its potential to take new paths. Please refer to your paper for more detailed instructions.





## Survey, Section 2

To get further feedback, we ask you to **fill out Section 2 of your survey**. As before, your responses will be completely anonymous and your participation is entirely up to you.



# Why buy RSPO Credits?

- To have impact on the ground
- Support growers who have changed practices to meet RSPO standard to produce certified sustainable oil palm products
- Support independent smallholders as they are likely to be excluded from a certified supply chain
- To cover the palm based ingredients that are not yet available as MB/SG



# The RSPO Credits Survey

- Over 600 respondents
- Emerging areas of interest (Latin America, China, Japan) particularly well represented
- 420 respondents that completed at least 75% of items; sample upon which this preliminary analysis is based
- 416 completed entire survey



# Four Different Framings of RSPO Credits

- Four different descriptions of RSPO Credits, each emphasizing something different:
  - Control
  - Producers
  - Smallholders
  - Jurisdictional



# Control

One way that firms can engage in the RSPO is by buying RSPO Credits. An RSPO Credit is proof that one tonne of certified palm oil was produced by an RSPO-certified company or independent smallholder, and has entered the global palm oil supply chain. RSPO members who have purchased RSPO Credits are entitled to claim their support for the production of sustainable palm oil but cannot claim that the product contains sustainable palm oil.

Please select all of the following statements with which you agree:



# Producers

One way that firms could engage in the RSPO is by helping **producers** with the added costs of sustainable production. Through PalmTrace, the RSPO arranges payments from firms to **producers** to assist with the costs of converting to sustainable production. RSPO members using this mechanism can report the total amount of money given to support **producers** through the system, the percentage of the firm's revenues or profits contributed to the system, and/or the amount of funds contributed per ton of certified palm oil produced.

Please select all of the following statements with which you agree:



# Smallholders

One way that firms could engage in the RSPO is by helping **independent smallholders** with the added costs of sustainable production. The RSPO arranges payments from firms to **independent smallholders** to assist with the costs of converting to or maintaining sustainable production. RSPO members using this mechanism can report the total amount of money given to support **smallholders** through the system, the percentage of the firm's revenues or profits contributed to the system, and/or the amount of funds contributed per ton of certified palm oil **smallholders** produce.

Please select all of the following statements with which you agree:



# Jurisdictional

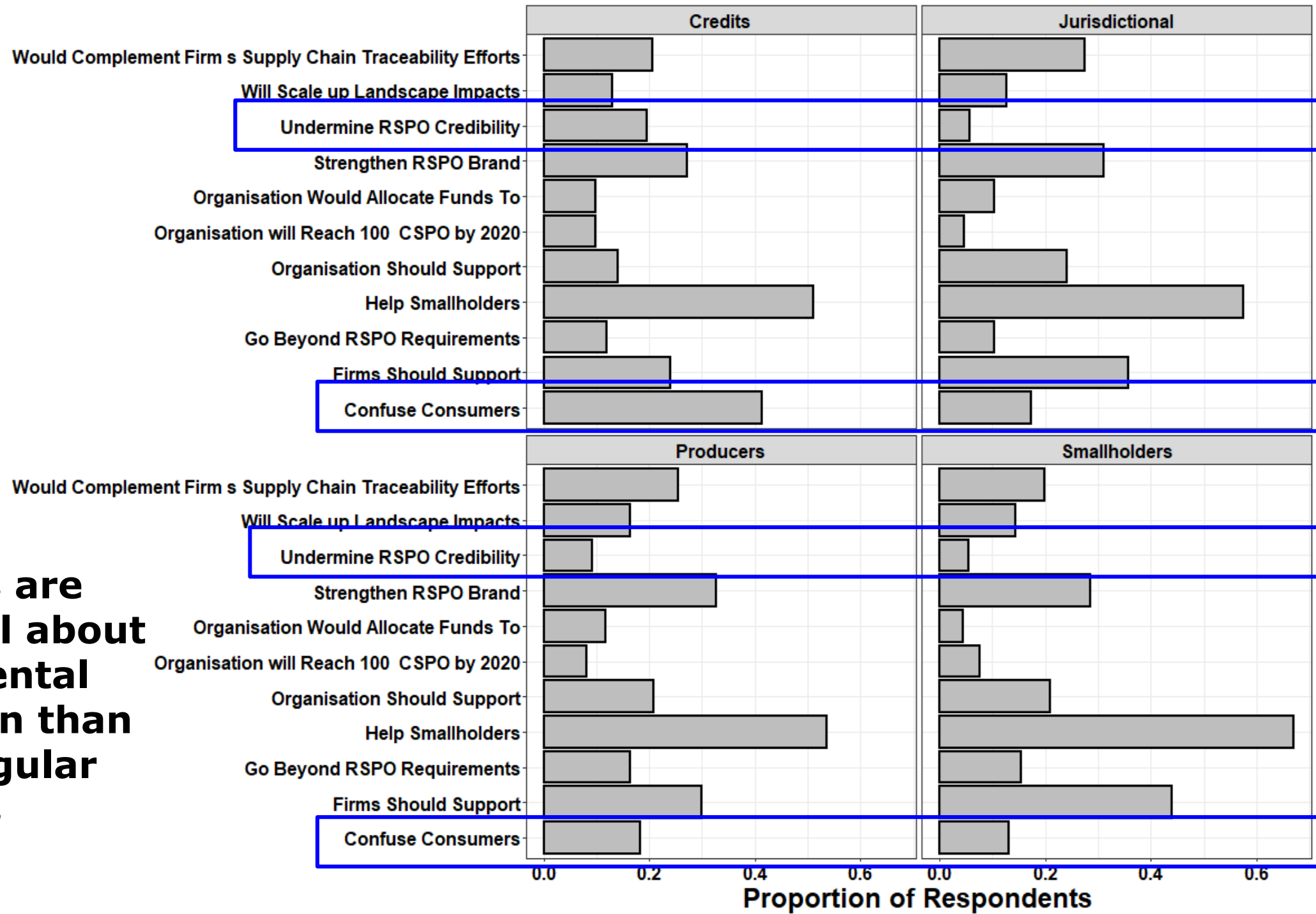
One way that firms could meet their RSPO commitments is by helping producers in **areas pursuing jurisdictional** RSPO certification with the added costs of sustainable production. Through PalmTrace, the RSPO arranges payments from firms to producers in **jurisdictional certification areas** to assist with the costs of converting to sustainable production. RSPO members using this mechanism can report the total amount of money given to support producers through the system, the percentage of the firm's revenues or profits contributed to the system, and/or the amount of funds contributed per ton of certified palm oil produced.

Please select all of the following statements with which you agree:



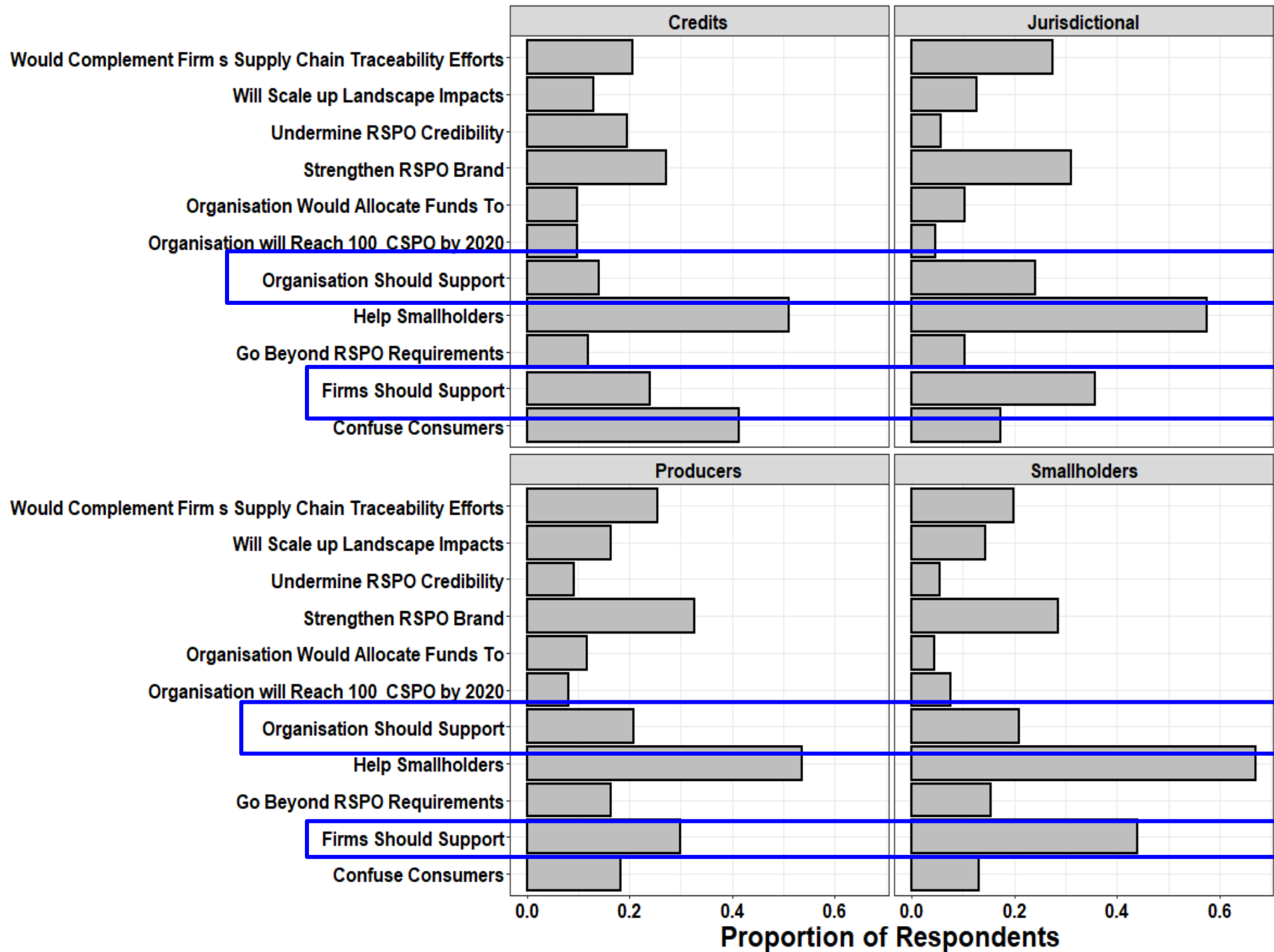
# Framing effects

Respondents are less skeptical about the experimental framings than than about the regular RSPO credits description.



# Framing effects

They are also more likely to express support for the experimental framings.



# Desired Changes

Respondents report several things might increase their desire to purchase credits.

Changes that Would Lead to More Credit Purchases

Metrics Demonstrating Smallholder Benefits

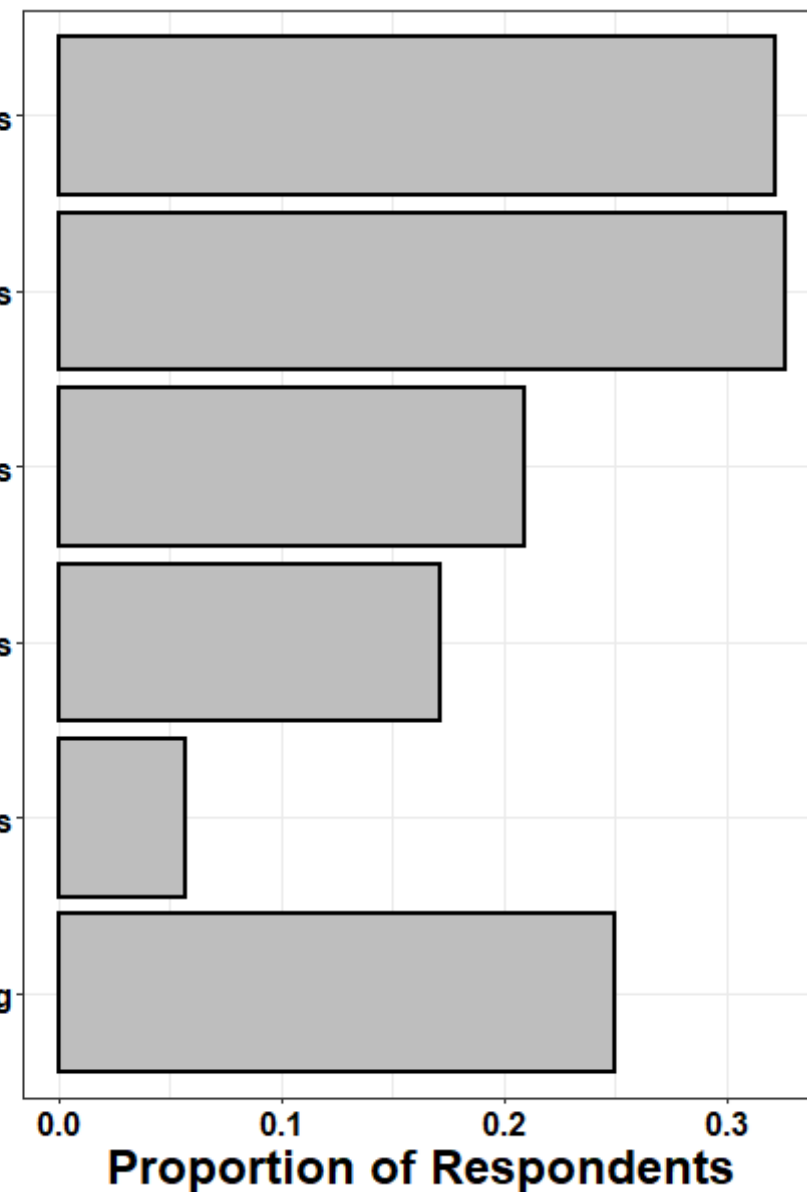
More Stable Prices

Lower Prices

Jurisdictional Credits

Higher Prices

Nothing

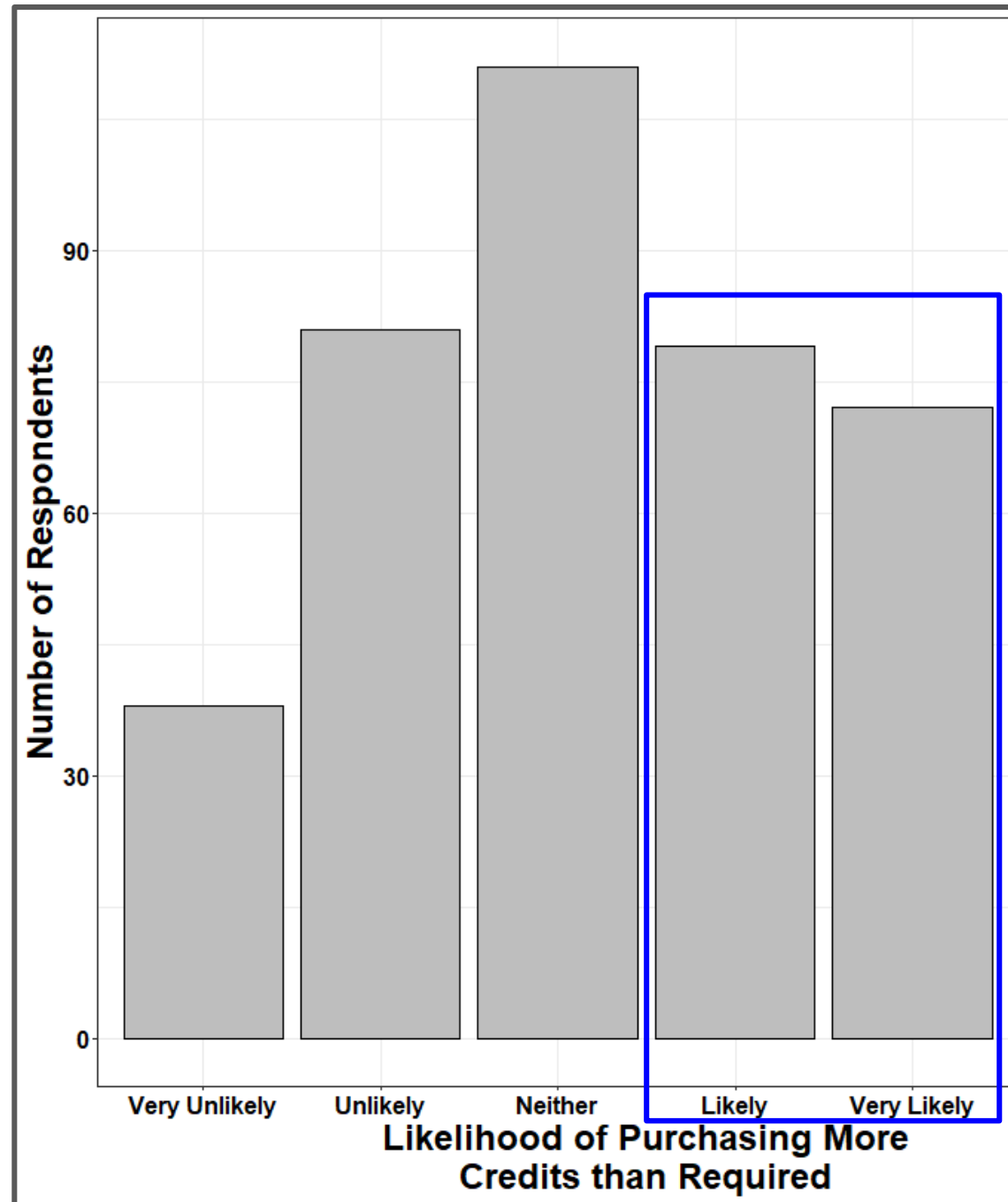


# Credits for CSR

**Slightly over 1/3 of respondents report interest in purchasing more credits than required**

**Roughly another 20% are unsure**

**Very few are “very unlikely”**





## Activity 2

For this activity, we would like you to work with your group members to fill out the table on the reverse side of the paper with your activity instructions. The table is intended to help you brainstorm about RSPO Credits' role across the supply chain. Please see your activity sheet for more instructions.



## Survey, Section 3

To get further feedback, we ask you to **fill in Section 3 of the survey**. As before, your responses will be completely anonymous and your participation is entirely up to you.



# Discussion and Questions

Any reflections? What of the suggestions that were made for the credits system seem most appealing to you?

Please leave your sheets with a facilitator on the way out.



**Thank you!**

For further information, please contact Kristjan Jespersen, Copenhagen Business School

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Or find me on LinkedIn



Please leave your sheets with a facilitator on the way out.



**Thank You**