

Sustainable Palm Oil Coalition for India (I-SPOC) Members Meeting

07 December 2021, 3 to 5 PM (IST)

1. Meeting Objective

- Welcome and Introductions
- Update of the work undertaken by the Coalition through the Secretariat since the last Members Meeting by Bhavya Sharma, Centre for Responsible Business (CRB)
- Update of the work undertaken by the Working Groups since the last Members Meeting
 - Brief presentation by the Government Policy and Domestic Production Working Group by Neha Simlai, IDH- the sustainable trade initiative and Karishma Vohra, WWF-India
 - Brief Presentation by the Supply Chain and End Users Working Group by Kamal Prakash Seth, Roundtable on Sustainable Palm Oil (RSPO) and Bhavit Pant, Rainforest Alliance
- Overview of the activities to be undertaken by the Working Groups in the first two quarters of 2022
- Discussion on formation of a Financial Sector Working Group and an overview of the ToR
- Discussion on the ToR for Domestic Production (part of Government Policy Working Group)
- Presentation by members of China Sustainable Palm Oil Alliance (CSPOA) by Wenjie Zeng, WWF – China
- AoB
- Closing Remarks

2. Brief Proceedings

a) Update of the work undertaken by the Coalition through the Secretariat

- **Activities Update (June 2021- November 2021)**
 - Four new members have joined I-SPOC. Godrej Industries Limited and Jubilant Food Works have joined the coalition as permanent members whereas AuctusESG LLP and the International Organization for Migration (IOM) have joined in as affiliate members
 - The coalition also organized events related to member engagement including open days which included discussions with the experts who answered questions of members and observers related to sustainable palm oil (one was conducted in June 2021 and the second one was conducted in September 2021)
 - A member only capacity building workshop was held on 17 November 2021, some of the topics that were discussed at the workshop included responsible sourcing of palm oil, transition towards sustainable palm oil, highlighting relevant business cases and challenges as faced by members and discussion on the support needed by members to move towards sustainable procurement
 - I-SPOC has also been represented at various events including GLOBOIL (September 2021) in which Kamal Prakash Seth and Rijit Sengupta participated, Madhuri Nanda, was on the panel for a stakeholder consultation (Betting Big on Palm Oil, co-hosted by the International Forum for Environment, Sustainability and Technology (iFOREST) and Bharat Krishak Samaj (BKS), October 2021). The message as conveyed by Madhuri was that as

- Kamal Prakash Seth and Rijit Sengupta also represented I-SPOC at the meeting of the China Sustainable Palm Oil Alliance (CSPOA) in October 2021. In their presentation they highlighted the current trends of consumption of palm oil in India, the structure and function of I-SPOC, the work the coalition does and the overall impact it aims to achieve along with talking about the implications of the National Mission on Edible Oil– Oil Palm (NMEO-OP)
- The Coalition to finalize the commitment and KPI document by first quarter of 2022 along with updating the website and the introductory deck
- I-SPOC also has a [LinkedIn page](#), that is regularly updated with news related to sustainable palm oil globally and nationally
- Rijit added that I-SPOC has been engaging with coalitions from other parts of the world. We have had a discussion where in there were representatives from China Sustainable Palm Oil Association (CSPOA), EU Coalition, SASPO amongst others. The idea is to create a platform/mechanism for exchanging of information, knowledge, good practices and inputs across the various national and regional coalitions

b) Update of the work undertaken by the Working Groups

- **Government Policy and Domestic Production by Neha Simlai, IDH and Karishma Vohra, WWF**
 - Neha in her presentation highlighted the following points:
 - The work that Working Group has been largely been covered through the individual activities of the two Working Group Chairs. Currently, WWF is looking forward to put together a study on import as well as policy measures in place along with looking at domestic production
 - IDH has been focussing on market and policy convening, activities that are also carried out globally. Starting from the Amsterdam Declaration, IDH had steered the Amsterdam Declaration Partnerships building out to what became national initiatives coming out of the three key funding organizations (DANIDA, Ministry of Foreign Affairs from the Netherlands and Swiss Cooperation and Collaboration)
 - IDH plays the role of a key convenor in several geographies and are looking to work in India. They remain standard agonist and neutral aiming at process of continuous improvement
 - In India, IDH's Market engagement work towards achieving the UNSDGs specially SDG12. Their intervention in India includes, convening large edible oil buyers (palm oil and soyabean) also operating in India to build reporting and disclosure. Working towards influencing demand in the short term and encouraging responsibly sourced supply in the long term and monitoring uptake of responsibly sourced/sustainable edible oil (palm and soy) from 2022 along with continuing to build relationship in particular on the trade side with Government of India
 - Policy Engagement for Market Transformation undertaken by IDH includes meetings with officials from Directorate General of Foreign Trade, BIS, FSSAI, NITI Aayog, Ministry of Corporate Affairs amongst others
 - In terms of landscape of engagements, the list includes stakeholders from trading community (LDC, Adani Wilmar, Allana, Godrej, Sun Pharma), FMCG brands (McDonald's, ITC, PepsiCo, Bikaji, RuchiSoya, HUL, Dabur) and Sustainability Partners (Solidaridad, WWF, Rainforest Alliance, CDP, CRB)
 - IDH's successes in 2021 include

- First market facing program at IDH (outside EU)- overall engagement with 80 plus stakeholders including CSOs and market stakeholders
- Significant high national and policy exposure in India through I-SPOC, SEA, National Commodity and Derivative Exchange (NCDEX)
- Created first ever baseline for Palm Oil Import Volumes in India
- Strengthening donor and partner relations and representations of India – Market Work
- IDH along with NCDEX organized a multistakeholder consultation on Responsible Sourcing of Edible Oils in India, for India on 1st December 2021 at the Invest India office in Vigyan Bhawan, New Delhi
 - The idea was to discuss the possible actions in terms of trade and responsible sourcing. The Additional Director General of Foreign Trade, Mr. Hardeep Singh participated in the consultation. Two industry led panels were also hosted at the event
 - This is the first ever time two entities of the Government and a Commodities Exchange in India have acknowledged the need and IDH's role a standard neutral key convenor for multiple stakeholders
 - A declaration/commitment from India is still some way off but this serves as a starting point acknowledged and tabled to the Government and the market for a Minimum Import Standard
 - This is the ONLY consultation which DID NOT push any one particular voluntary standard and built on the need to collaborate and co-create in this geography. IDH along with NCDEX organized a multi – stakeholder consultation on Responsible Sourcing of Edible Oils in India, for India on December 01, 2021 to discuss the possible actions in terms of trade and in terms of responsible sourcing. The Additional Director General of Foreign Trade, Mr. Hardeep Singh participated in the consultation. Along with that, two industry led panels were hosted at the event
- IDH's report on Moving Towards Responsible Sourcing India and Palm Oil provides first view of the Indian market. It aims to build on palm oil sustainability, demonstrating the link between palm oil imports and deforestation. The report used triangulated data as recorded through Government agencies at ports, EXIM data along with what is being claimed by standards and certifications
- IDH's role on the Steering Committee and within the Working Group:
 - Important not to miss that given the change in the working group's planned engagement (to include domestic production) as expanded by the Founding Members (WWF, CRB, RSPO and RA), IDH will not be able to continue as the co-chair on the Working Group on Policy Engagement and Domestic Production.
 - Please also do note that if it is required IDH would also be happy to support the coalition as a member given our standard neutral approach to market transformation at this instead of on the Steering Committee given the coalitions current priority scope.
- Karishma added the following points:
 - Through the Working Group, IDH and WWF – India are focusing on building a dialogue for increased policy engagement and taking a more intersectional approach by linking government intervention on consumption as well as imports of palm oil in India

- WWF has been conducting a detailed analysis on the policy landscape looking at it from the perspective of leveraging the current scenario focusing on domestic production as well as looking at the geo-political scenario and the relationship between India and the key producers for palm oil as well as other edible oils
 - The study also highlights as to how import tariffs can be positioned to incentivize the imports of sustainable palm oil. For the study, WWF has already conducted the research on policy landscape looking at the import tariffs as well as adding the domestic production aspects. It also includes an overview of the government led mechanisms for engagement with relevant departments for leveraging production and imports for sustainable palm oil
 - The finalization of the report is underway, post which the chairs will share it with the members of the Working Group for their suggestions and inputs
 - Additionally, WWF has also conducted scoping study for assessing the scenario for palm oil production in North East of India along with looking at environment and social implications of the same. The study will be used to initiate engagement with relevant government departments in the North East
 - WWF and RSPO have been collectively working on looking at the aspect of domestic production. They have been working with more than 500 farmers in Andhra Pradesh supporting them to move towards RSPO small holder standard by March 2022. The target is to train 2000 farmers by end of 2022
 - Rijit suggested that the Working Group chairs to convey a group meeting and identify/trace those policy actors who would be relevant in taking forward the policy agenda
- **Supply Chain and End Users Working Group by Kamal Prakash Seth, RSPO and Bhavit Pant, Rainforest Alliance**
 - Kamal highlighted the following points in his presentation
 - In terms of the alignment with I-SPOC mission, the vision is to make sustainable palm oil a norm and the group recognizes that all standards are a stepping stone to reach the goal of making sustainable palm oil a norm
 - COP26 has prioritized the theme of deforestation free supply chain and biodiversity protection. As highlighted at COP26, we are seeing an overwhelming global attention for action on green and sustainable recovery from COVID19 pandemic. Many coalitions have been formed over the last year including the LEAF Coalition and Rimba Collective.
 - Furthermore, it is very important for members/observers who are attending events as speakers and participants to recognize I-SPOC at those forums
 - In terms of the messaging that the Working Group has been providing
 - Industry Transformation: I-SPOC can be a catalyst for sector – wide transformation by convening stakeholders (most active) across the supply chain around a shared vision of sustainable palm oil
 - Risk Management: Sustainability standards combined with enhanced assurance mechanisms can be powerful tool to deliver the due diligence necessary to underpin green trade deals
 - Shared Responsibility: I-SPOC calls on all companies, investors, and governments to scale up adoption of certification, drive awareness and strengthen the assurance system

- The priorities of Rainforest Alliance include ensuring transparency and providing training and capacity building related to sustainability framework along with supporting multi-stakeholder dialogues for sustainable procurement
- The framework has been developed with an objective to seek necessary guidance to companies to help them start working towards their sustainable palm oil journey. The document provides basic understanding and way – forward to I-SPOC members
- The draft framework document will be ready to be shared with the members by end of 2021

c) Presentation by China Sustainable Palm Oil Association (CSPOA) by Wenjie Zeng, WWF- China

- Points as highlighted in her presentation are:
 - Globally WWF’s sustainable palm oil work looks producers, traders and consumer end. For China, WWF focuses on
 - Standards/Certification
 - National Sustainable Palm Oil Alliances
 - Consumer Campaigns
 - Providing Smallholder support
 - Research and building bilateral dialogues
 - Jurisdictional Approach
 - Palm Oil industry engagement
 - Resource Mobilization
 - Support financial institutions to conduct ESG policy work
 - The CSPOA was formed in 2018, the Founding members include WWF – China, China Chamber of Commerce and RSPO – China
 - Currently the association has 15 members including HSBC, AAK, Cargill, MARS, L’Oréal, CDP, LDC amongst others
 - The members commitments include
 - Supply Chain traceability and transparency
 - Elimination of controversial and illegal sources
 - Zero deforestation of High Conservation Value (HCV) and High Carbon Stock (HCS) areas
 - Increase uptake of environmental and socially friendly, especially RSPO certified sustainable palm oil
 - Better management
 - The roadmap of CSPOA looks at covering all the actors in the value chain including refiners, trader, industry associations, FMCGs, consumers
 - The members from the cosmetic industry imported 1.6% of RSPO certified palm oil while 2 members from the industry procured 1.4% of RSPO certified palm oil in China last year
 - In terms of industry engagement, CSPOA is engaging with new members through industry engagement workshop/activities along with organizing awareness campaigns, develop guidelines and summarize best practices
- Kamal mentioned that uptake of sustainable palm oil in China is 6% as compared to India which is at 2%
- Wenjie highlighted some of the ways in which WWF-China could engage with industries and increase the uptake of sustainable palm oil included building up a good practice case amongst consumers and other actors highlighting their sustainability journey and their uptake of sustainable palm oil

- There isn't a specific policy to encourage sustainable trade in China. But for year 2021, at COP 26 Chinese government also has made declaration to halt deforestation by 2030

d) Discussion on the ToR for Domestic Production (Government Policy) and Financial Institutions

• Domestic Production

- Regulation and Policy Advice-Identify the relevant stakeholders within governments to engage and provide support as a technical advisor to ensure sustainable production of palm oil in India - share best practices, networks, subject matter experts etc.
- Providing support to businesses on the steps to be taken to ensure sustainable production of palm oil - Work with businesses and other relevant stakeholders for training and capacity building projects to highlight the benefits of sustainable palm oil production - improve SHs livelihood, increase yield and income, reduce water footprint, better soil management, better market access for sustainable supply chains within India, use of independent smallholder credits etc.
- Conduct baseline assessments and studies - Identify risks and opportunities for SPO production in the areas allocated for existing and expanding PO production
- Capacity building of smallholders, extension officers and oil palm farmers to increase the production of certified sustainable palm oil.
- Encourage concerted efforts among private and public sector actors to promote conducive policy mechanisms and actions for uptake of sustainable palm oil in India
- Building thought leadership on the subject, sensitization and engagement with key stakeholders including policymakers on uptake of responsibly sourced palm oil
- Support interested companies and relevant actors to transit towards domestic production that is socially, environmentally and economically reliable

• Financial Institutions

- The group will look at entire landscape of actors working in the financial sector
- The members/observers interested in joining the group can reach out to the Secretariat
- The ToR for the Financial Institutions will look at
 - Identify key FIs (Banks and NBFCs) linked to financing food and agriculture business and/or interested on deforestation, biodiversity, climate change – and operating in India
 - Create knowledge of existing 'good practices' (financing sustainable palm oil) of FIs from India and beyond
 - Create awareness of these actors to understand the risks related to non-sustainably sourced palm oil (lack of or low transparency or traceability) linked to their investments/portfolio
 - Support FIs (Banks & NBFC) understand the linkage between sustainable palm oil and the broader commitments they may have, e.g. deforestation, biodiversity loss, climate change
 - To support FIs (Banks & NBFCs) for building awareness of relevant Clients to transition to sustainable palm oil (through the climate, biodiversity, deforestation, etc.)
 - Develop tools and provide expertise (subject-matter experts) to help these actors better understand and manage these (above) risks

- Develop institutional strategies and operations (e.g. through disclosure, E&S strategies, governance and accountability measures) for better management of this risk
- Contribute to related policy and regulatory processes in India and beyond

e) Closing Remarks

- The coalition to identify ways to increase engagement with the members
- We can start by giving every member 2-3 minutes to show what they have done on sustainability since the last meeting
- Also contemplating to have a member meeting of I-SPOC every quarter than meeting bi-annually to discuss solutions and actions areas