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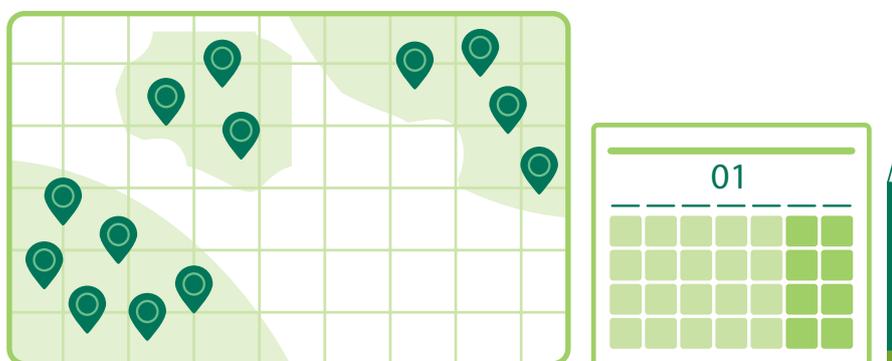


**SHARP**



# RSS STEP 1

## PREPARATION AND SCOPING



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### THE RSS FIELD GUIDES

**RSS 1.            Preparation and Scoping**

RSS 2.a            Risk Assessment (Pillar 1)

RSS 2.b            Needs Assessment (Pillar 2)

RSS 3.             Developing an Action Plan

RSS 4.             Implementation and Documentation

RSS 5.             Monitoring and Review

# 1

## RSS Step 1: Preparation and Scoping

Step 1: Preparation and Scoping provides the initial planning for the whole RSS process. At this point you should engage all the key players for the development and implementation phases. The main activities are:

- Preparation within your organisation.
- Defining the scope of your RSS process.
- Setting up a consultation mechanism.

The preparation and scoping phase applies equally to both pillars of the RSS framework

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## 1. Preparation within your organisation

Your organisation, and key people within it, need to be committed to the RSS framework and understand what it does and why. Implementing the RSS will require time, commitment and money. This means that everyone involved – from top management to those responsible for implementation – needs to understand what they are committing to and must be prepared to make the necessary staff and budget resources available.

### 1.1 Appoint a lead person

Your organisation (the 'Implementing Entity', which is responsible for developing, implementing and managing the RSS process) will need to identify an internal lead person who is responsible for overseeing the implementation of the overall RSS framework and providing feedback to management (see Box 1). This lead person will also need to assign responsibility for coordinating the implementation of each step of the process: different people may be responsible for different steps and many activities can be delegated. The internal lead person is responsible for overseeing and reporting on the whole process and for ensuring that information is adequately documented.



## Box 1

### The lead person and 'you'

RSS implementation must be led by a person who has both technical and administrative capacity to lead a process of engagement with smallholders over the long term. This internal lead person needs to have:

- Credibility, within the organisation and externally.
- Authority to take decisions and commit staff and resources.
- A good understanding of the realities in the field and within the organisation.
- Competent coordination and documentation skills.
- A team of people who can implement the RSS at scale in the field (depending on the size of the smallholder supply base).

Throughout the RSS field guides we refer to 'you'. In reality 'you' is the person who is responsible for making this particular step of the RSS framework happen. This may be someone who works directly within the Implementing Entity ('your organisation'), or someone who is hired in or is working on behalf of your organisation. Although responsibility for implementing parts of RSS may be delegated, the overall responsibility to make RSS happen remains with the lead person.

## 1.2 Get buy-in and commitment from senior management

Senior management in your organisation should be clear what RSS is, what it intends to deliver, what activities will be implemented as part of the RSS process and the resources that will be needed. It is particularly important that they fully understand that RSS consists of two pillars and that your organisation will need resources to provide active support to smallholders for improving their livelihoods and production. This goes beyond simple risk mitigation for your organisation. You'll need strong senior management commitment.

### Scale issues

If your RSS process is being developed for a supply base that includes several processing units, you'll need explicit support and buy-in from the senior management of all units involved.

## 1.3 Select key staff

The lead person will need to agree with senior management which key staff will be engaged in implementing the RSS. These responsibilities and activities can also be outsourced to external organisations. The lead person should make sure that they tell selected staff and external resource people what the RSS framework is and what it will deliver. The RSS Overview Field Guide can be used to help do this.

## 1.4 Plan the process

Discuss the roles and responsibilities and an initial timeframe with senior management and the staff or external resource people who will be involved in the implementation. Discuss this plan with key external stakeholders (see Section 3: Consultation below).

## 2. Defining the scope of your RSS process

The scope of RSS depends on a number of key factors: a) smallholder supply base, b) the geographical area, c) objectives, d) existing engagement with smallholders and e) available resources. Although both the scope and functioning of RSS will evolve during the assessment and planning process, it is important to have a clear starting point to facilitate understanding and communication.

Although these five factors are described separately in this section, in practice they are linked. For example, the selection of the geographical areas is linked to the objectives of your RSS process and the resources that are available.

## Scale issues

These field notes are intended for a smallholder supply base that supplies a single organisation, mill, crusher or first aggregation point (aggregator). In some cases, you may wish to implement RSS for a wider smallholder supply base covering several aggregators, for example the supply base of all mills delivering a palm oil refinery. Although not specifically developed for that purpose, the RSS field guides can still be used as a framework to engage with smallholders in large, aggregated supply bases.

### 2.1 Smallholder supply base

The purpose of RSS is to provide a strong framework for effective engagement with smallholders in your supply base. It is therefore essential to have a good understanding about these smallholders and their current relationship with the aggregator or buyer. There are many types of smallholder and considerable variety in the relationship between smallholders and the mill or other purchaser (see Box 2).

If possible, identify the types of smallholder suppliers. For each type you'll need to understand the basis of their relationship with the aggregator or buyer, the volumes of raw material they supply; and the potential risks and needs associated with that type of smallholder supplier. Organise this information so you can see any gaps and collect further information during assessment (Step 2).



## Box 2

### Smallholder variability

Smallholder producers can range from independent farmers producing on their own land to members of collective schemes who are closer to shareholders and do little or no actual management. Smallholder farms vary enormously in size, productivity, location and management.

The relationship between smallholders and buyers such as mills or cooperatives also varies. Some buyers have a clearly defined and stable set of smallholder suppliers with whom they have a strong, long-term relationship through outgrower schemes, long-term purchasing contracts, provision of planting material, pre-finance or management support. Others buy from independent or semi-independent smallholders with whom they have a very limited relationship. In many cases there is a mixture of different types of smallholder supplier within a single supply base.

Consider at this stage if the RSS framework will be applied to the whole smallholder supply base or if you will target a particular type of smallholders. For example you may define a specific target group for support, such as producers who are currently not organised in any way; or define a target group where specific risks or concerns have been raised.

During RSS implementation, you may

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decide to change the smallholder groups that you engage. The risk and needs assessments (Step 2) will also provide more information on the performance of smallholders in the supply base, and you may wish to refocus your efforts based on this information.



### Hints and tips

#### Use existing information

There are already many points of interaction between the smallholders and the companies that they supply. As much as possible, the RSS process should build on relationships that already exist. For example, there could be relationships around sales contracts, technical assistance, finance or healthcare. Information on smallholder suppliers may be available from the purchasing department based on contracts and statistics on supply volumes, support activities and other information.

This is not always the case, however. Raw material is often purchased without a contract or via intermediaries. Even where contracts exist, little information other than financial data is recorded, and information may not be routinely summarised or analysed. At this stage, gather as much information as possible: talk to anyone in the company involved with buying and receiving raw material and review any data available.

## 2.2 Geographical area

You should be clear early on about the approximate geographical area to which the RSS will be applied so that you can communicate this to others involved in the process. It's important to focus on a geographical area in order to engage local stakeholders and to identify related initiatives, partners and data.

### Define the geographical area:

This is the area where you plan to use the RSS framework. It can be defined around a supply base for a single processing unit (mill, crusher, storage facility, etc.), or it can include multiple processing units. You might also select a smaller geographical area within the larger smallholder supply base of a single processing unit.

### Create a map:

Work in collaboration with staff who are familiar with the area and who work with the smallholder suppliers and communities. They can help you to draw realistic and practical boundaries of the area you want to cover using RSS.





## Hints and tips

### Defining boundaries

You can define your geographical area in a number of ways. It is sometimes easiest to include the area within a certain radius of the processing unit, based on the maximum distance products are transported. You might adapt the boundaries to coincide with political boundaries, such as a state or municipality. Or you can review actual data on smallholder suppliers and their locations if available and use this to define the area of implementation.

### 2.3 Objectives

It's important to be clear why you're implementing RSS, so that everyone's efforts are moving in the same direction, and so that you can evaluate your progress towards your aims over time. Your organisation's objectives and priorities are likely to be the starting point for setting the RSS objectives, but you need also to take into account the interests and needs of your smallholder supply base.

The RSS objectives must address both pillars of the RSS – i.e. to minimise risk of poor production practices and to support smallholders' livelihoods. The RSS should also strengthen collaboration with smallholders in the supply base by focusing on your common interests.

You'll need to consult about the RSS objectives (see Section 3, Consultation, below) in order to make sure that your objectives do adequately address both the RSS pillars and are well-matched with those of other stakeholders. In RSS Steps 2 and 3, you'll need to refine your objectives further using the results of the assessments, to incorporate the interests and needs of the smallholder supply base.

### 2.4 Review existing engagement

Many organisations already have some sort of engagement with their supply base, through technical or social programmes of support and evaluation. These might provide a base on which to build the RSS.

Review existing programmes and support schemes that your organisation provides or is involved with. Your organisation may provide technical help directly or may contribute to schemes run by other organisations with local communities. Ask staff in your organisation, who might have a personal involvement through family and civil society organisations.

Once you have decided on the objectives and scope of the RSS these pre-existing connections can give you an entry point into:

- Relationships to support consultation mechanisms.
- Ways to mitigate the risks of poor practices identified during the risk assessment (Step 2.a).

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- Organisations that can provide support to smallholders in response to the needs assessment (Step 2.b).
- People to provide support and feedback when you develop and implement the action plan.



### Hints and tips

#### Build on existing capacities

It is very important that smallholders themselves (or their representatives) are central to decisions about the types of support they need. But remember you also need to build on your organisation's own priorities and capacities. For example, you may already be involved in initiatives to provide technical support or health services, and you may have strong in-house capacity to provide some types of support but not others. Identify your existing capacities and start from these. If elements of the RSS framework are already adequately addressed, this implies you can skip or further build on these elements of RSS.

If you are working towards certification against a sustainability standard such as the Roundtable on Sustainable Palm Oil (RSPO), RTRS (Roundtable for Responsible Soy) or Bonsucro, link the development and implementation of RSS with your preparation for certification.

## 2.5 Resources

Plan ahead to estimate the resources you will need for the RSS process. These should include both resources provided directly by your organisation and resources you help to mobilise from others (e.g. national or local government, other actors in the supply chain or development agencies).

You will need to estimate resources in terms of staff time and budget for:

- Conducting the risk and needs assessments, consultation processes, analysing the results, developing the RSS implementation programme, and monitoring and review processes.
- Implementing RSS, in particular including resources for mitigating the risks identified and providing support for improved production and livelihoods and for monitoring. You should estimate these costs and need for staff resources at this stage.

More accurate and detailed staff resources and costs will be available once the results of the risks and needs assessment are completed; these more detailed costs will be needed in RSS Step 3, developing an action plan.

## Scale issues

In the case of a small mill or other such aggregator or processing unit, the process of carrying out the needs and risk assessments might be shorter and smaller scale than if the RSS framework is being applied to a supply base that includes several processing units. The scope of the assessment process is discussed in more detail in RSS Field Guides 2.a. and 2.b.

Consultation is important at every step of RSS planning, implementation, monitoring and review. Different methods of consultation may be appropriate at various stages of the development and implementation of RSS, and in different situations. Whatever consultation process you decide is appropriate for your organisation, record the reasons for your choice.

## 3. Consultation

### 3.1 Why consult?



Consultation with stakeholders is an essential element of the RSS framework. Following good practices for consultation helps to ensure that smallholders' interests are represented and properly incorporated, and that environmental and social issues are clearly understood. To confirm that the interests of smallholders and other stakeholders are represented throughout the RSS process, you need to set up a mechanism for on-going consultation.

The aims of consultation are to make sure that you have recognised and understood all the practicalities of working with your smallholder supply base; that you have correctly identified smallholders' needs and the risks associated with their supply; and that the actions you implement to address these needs and risks are appropriate.



## Hints and tips

### Approaches to consultation

In some circumstances it may be appropriate to create a formal Advisory Group to provide on-going feedback and consultation throughout the process. In other situations, you may find a more flexible process is more appropriate, perhaps involving a small and changing group of people at each stage. It may be helpful to create a small group of key stakeholders to provide quick feedback on ideas and proposals, with a wider selection of stakeholders providing responses for more in-depth questions.

### 3.2 Who to consult



You will need to choose who you consult and decide on the best method for each stage of the process. Consulting smallholders is essential, and you should make sure that in every step of the RSS

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process you consult smallholders.

You should consult farmers who are trusted by the smallholders and can represent the interests of the main types of smallholders in your supply base. These might include individual smallholders who are chosen or trusted by other smallholders, representatives of smallholder cooperatives, or the leaders of local communities where smallholders live.

In addition, think about inviting representatives of:

- Social and environmental organisations, particularly those that work on the core issues of Pillar 1: land rights and conflicts; deforestation and land conversion; and labour rights and working conditions. These might include representatives from social and environmental NGOs, local consultancy companies, or credible academics with relevant knowledge and experience.
- Businesses and other organisations further down the supply chain (e.g. traders, processors, manufacturers or even retailers) who can provide input on needs and constraints from their perspective.
- Local government, technical agencies, support providers and others.
- Local communities and indigenous peoples who may be affected by smallholder agriculture, either positively or negatively.
- Participating mills or processing units.

## 3.3 How to consult



There are many ways to organise a consultation process. You should consider which are the best methods for your situation. Factors you need to consider include:

- How many people you want to involve?
  - Is it a one-off consultation event or an on-going process?
  - Do you need multiple locations for people to attend?
  - Can your stakeholders read and write?
  - Will people respond in a meeting / workshop setting, or do you need an informal meeting style?
  - Is telephone, written or e-mail communication a realistic option?
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# Annex 1 – Reporting template for preparation and scoping

Additional information such as maps can be added as an appendix.

Topic	Guidance	Notes and outcomes	Inputs from the Advisory Group	Justification for decisions made
Smallholder supply base	What information is already available on approximate numbers, supply volumes, level of organisation, institutions etc.? What other information is needed?			
Geographical area	What is the geographical area that you will cover with the RSS framework? How did you identify the area?			
Priorities and objectives for RSS	Describe key priorities and objectives for engagement with smallholders. Explain how you ensure that smallholder interests are included in the objectives.	Note: ensure that smallholder representatives are consulted prior to adoption of the objectives and they are explicitly informed that the objectives are subject to change following the assessment phase		

Topic	Guidance	Notes and outcomes	Inputs from the Advisory Group	Justification for decisions made
Available resources	Provide an estimate of resources needed for (a) the RSS assessment phase and (b) for implementation and monitoring of the mitigation and support programmes? What are the resources committed by your organisation? Any additional resources available from other actors?			Provide justification that resources allocated are proportional to the amount of volume purchasing
Existing engagement with the smallholder supply base	Do any existing relations, support or levels of engagement already exist between your organisation and the smallholder supply base? In implementing the RSS framework, you should build on already existing relations and resources available.			
Identification of stakeholders	Identify which stakeholders are important to engage with and consult during the RSS process, inform them about RSS and your objectives and find out about their interest to contribute to the process.			
Timeframe and initial outline of planning	Develop an overall plan setting out clearly responsibilities, resources and an approximate timeline for each of the steps in the RSS process.			