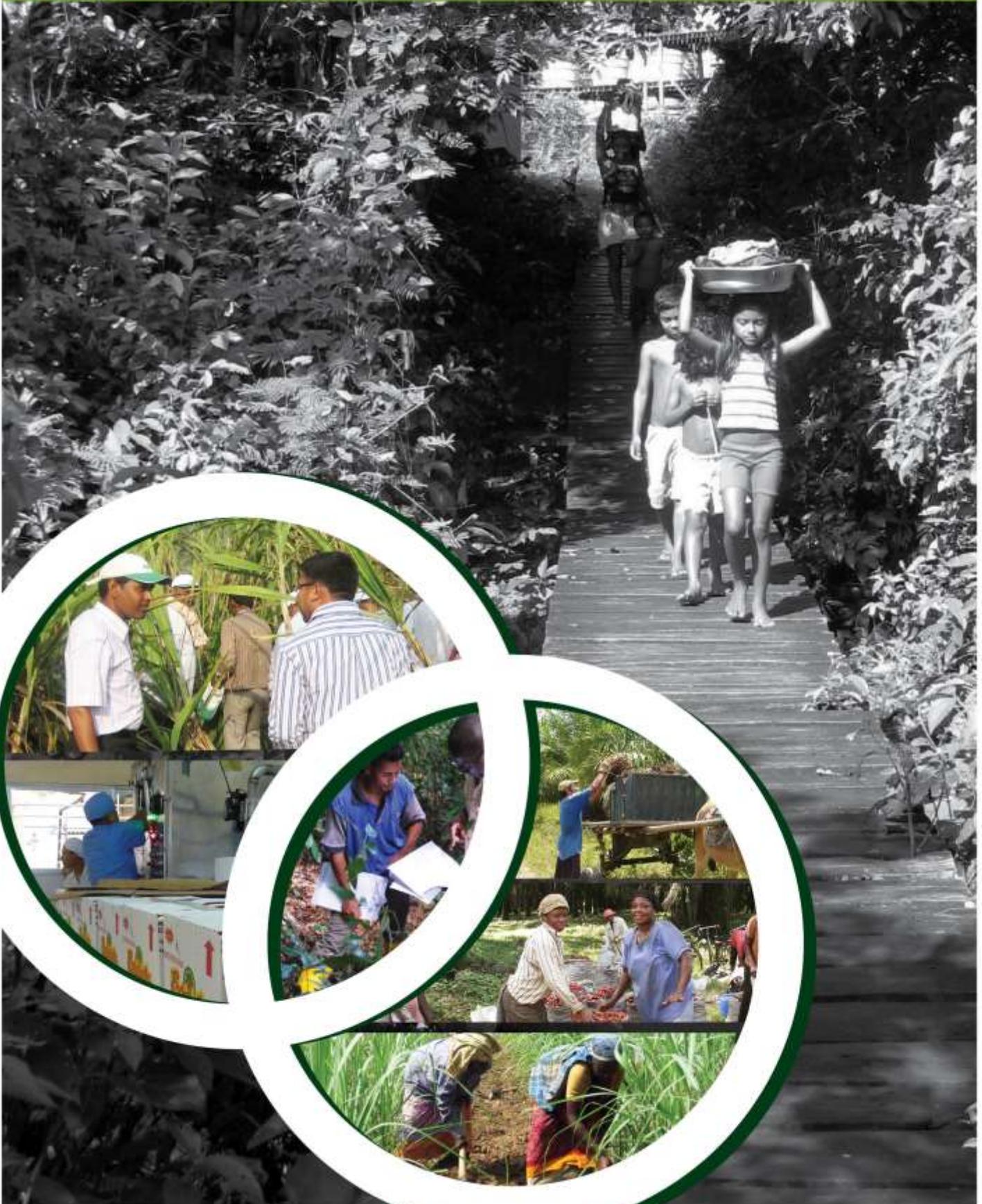




SHARP



SHARP ANNUAL REVIEW 2014



INTRODUCTION

A year in review

The past year has been a great one for SHARP. With growing involvement of partners across the world, we made good progress across all our activities.

There were some important wider developments in 2014. The Tropical Forest Alliance 2020 was launched and the UN Climate Summit produced a pledge by 34 corporations to eliminate deforestation from agriculture.

As a result, private sector resources are being mobilised as never before to encourage and support responsible agricultural production that meets the demands of consumers and fulfils the commitments of consumer goods companies. It is essential that it also realises the ambitions of smallholders.

As they move forward on their commitments, many companies continue to find it challenging to work with their smallholder suppliers, but there is also real progress. SHARP partners – companies and civil society organisations – are playing a leading role in creating practical solutions for responsible smallholder engagement.

www.sharp-partnership.org



Highlights

SHARP has built an **information resource** on smallholder–company models and is set to trial models for farmers and finance in West Africa. See page 3.

We are going into second-phase field testing of the **RSS framework**, which companies can use to work with smallholders to meet responsible sourcing commitments. Page 4 has more details.

The **HCV assessment tool** has been field tested and is entering a full-scale pilot phase with endorsement from the HCV Resource Network, RSPO and others. See page 5.

SHARP now has **regional focal points** in each of the three regions where we work. If you would like to know more about our focal points and partners, see page 6.

About SHARP

SHARP is a multi-stakeholder partnership which works towards sustainable smallholder development, while minimising deforestation and improving livelihoods. We promote collaboration across agricultural commodities in Southeast Asia, Latin America, and West and Central Africa to help companies

support responsible smallholder production. Our partners have identified three initial challenges, which form the **partnership's current work themes:**

- Successful models for sustainable smallholder development.
- Responsible supply chains.
- Practical approaches for minimising deforestation.



Images: Daniel Arancibia, Luis Francisco Madrián

SMALLHOLDER MODELS

How can smallholders and companies work better together?

As agri-commodity production increases, companies have reaffirmed their commitment to source from smallholders. Now they are looking for effective models for collaboration with their smallholder supply bases. There is strong demand from a range of actors in all regions to learn from each other to improve existing relationships and develop innovative models in new contexts. The SHARP partnership is supporting this process.

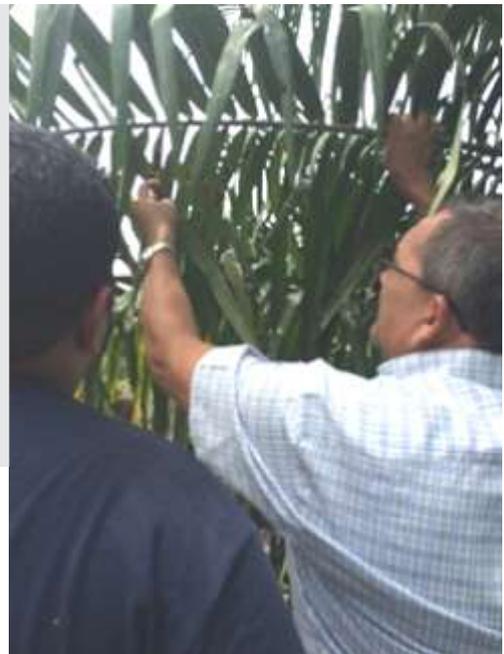
Achievements in 2014

- SHARP worked with consultants and partners including FFI to review smallholder production models for a range of commodities in Liberia, Sierra Leone, Ghana and Cameroon. These added to earlier studies in Latin America and Asia.
- Workshops in Cameroon, Brazil and Liberia allowed key actors to review different models, share ideas and discuss lessons learned and improvements.
- In Indonesia, SHARP worked with partners IDH, SNV and UNDP to convene stakeholders in a neutral forum to review initiatives, challenges and lessons for actors in smallholder palm oil production.
- A workshop on sustainable palm oil in Brazil took place in November, facilitated by Embrapa, the national agricultural research institute, and the national agrarian ministry.



Images: Christian Mensah, Edegar de Oliveira Rosa

September SHARP brought together companies and organisations from Brazil, Colombia, Ecuador and Honduras to share practical experiences of working with smallholders.



9

company—
smallholder
working
arrangements
profiled
in Latin
America

- SHARP developed options for outgrower models to support companies such as GVL, Olam and Sime Darby in identifying models to be pilot tested in Liberia and Gabon. Our work was disrupted by the Ebola crisis but we are planning to continue in 2015.

- In Ghana a review of the palm oil sector identified challenges to the sustainability of common smallholder models. SHARP partner Rainforest Alliance explored systems for financing smallholder development in the country and began work to analyse advance buyer mechanisms in a quest for best practice.

For further information, see the models section of the SHARP partnership [website](#).

RESPONSIBLE SUPPLY CHAINS

Forging a framework for managing risks The Consumer Goods Forum and Tropical Forest Alliance 2020 have rallied the private sector behind commitments on responsible sourcing. Now companies must work with smallholder suppliers to meet their commitments, while supporting these smallholders to improve their production practices and build sustainable livelihoods. To address this challenge SHARP partners have come together to develop an approach for engagement on responsible smallholder production: the Responsible Sourcing from Smallholders (RSS) framework. The aim is to provide a common framework to build on local projects and existing initiatives.

Achievements in 2014

- The first phase of RSS development was undertaken by a working group including representatives from Unilever, Olam, Solidaridad, FFI and ISEAL.
- Thirty-four companies and other stakeholders including farmer representatives across Southeast Asia, West Africa and Latin America took part in discussions to refine the RSS approach.
- The potential application of RSS in a certification context and its potential to support greater transparency in supply chains is being explored with various roundtables such as RSPO and RSB.
- Consultations were conducted with partners including Rainforest Alliance, SNV and Wild Asia to explore options to ensure the RSS framework can be used by existing smallholder support initiatives.
- Sites and partnerships have been identified for piloting the RSS approach in a range of countries and for a range of commodities in 2015.

To find out more, see the SHARP [website](#).

November Smallholders in Jambi, Indonesia, the site of a planned RSS pilot.

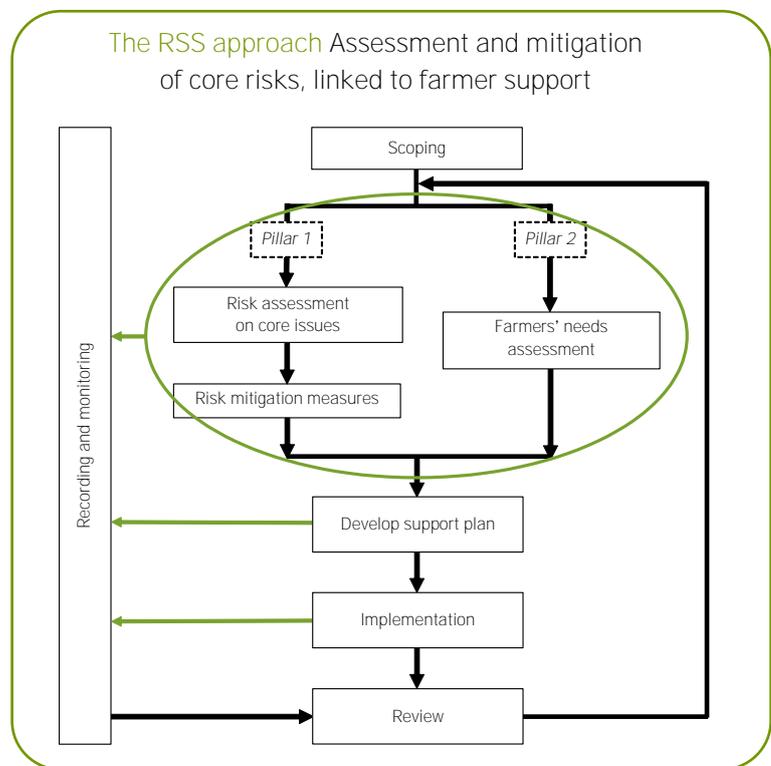


Image: Tony Hill

MINIMISING DEFORESTATION

A smallholder-oriented system for managing conservation values

The SHARP partnership is looking at a range of initiatives to develop incentives and tools for smallholders to manage expansion and keep forests intact. In 2014 activities revolved around management and monitoring of High Conservation Values (HCVs), a key part of responsible resource management and sourcing policies. HCV assessment in smallholder landscapes needs cost-effective yet robust methods suited to farmers' needs and capacities.

Achievements in 2014

- The HCV Resource Network and SHARP developed tools and a methodology for a new simplified HCV approach for smallholders. This can be used by small-scale producers to carry out HCV assessments in low-risk contexts.
- A series of field tests of the simplified HCV approach were conducted with support from the Global Environment Facility and palm oil companies in Colombia, Honduras and Brazil.
- **RSPO's working groups on smallholders and biodiversity and HCVs** have endorsed field testing of a unified, simplified HCV approach in both low- and medium-risk situations. Actors taking part in controlled field trials will be considered as fulfilling **RSPO's HCV assessment requirements**.
- The HCV Resource Network also helped adapt a forest integrity assessment tool for smallholders. The tool should help producers to meet the demand for them to monitor changes in HCV areas over time.



Image: Proyecto GEF Conservación de la Biodiversidad en las Zonas de Cultivo de Palma

September This group of farmers in Latin America are among several to test the simplified HCV approach for smallholders.

- In Ghana, Nature & Development Foundation worked with palm oil company 8 Degrees North to field test tools for HCV monitoring and for precautionary practices.

9,000
farmers
targeted in field
testing of good
agricultural
practices by
SNV Indonesia

- SHARP commissioned a study of models for direct payments to smallholder farmers as incentives for low deforestation and maintenance of HCVs.

The study and other updates will be published on the SHARP [website](#).

October Interviews as part of HCV simplified tool testing in Ghana's Brong-Ahafo.



Image: Christian Mensah

PROGRAMME MANAGEMENT



Image: Christian Mensah

October A member of the West and Central Africa team facilitates a group discussion in Ghana.

Partnership in the field SHARP has three regional focal points covering Southeast Asia, Latin America, and West and Central Africa. They are all based within a partner organisation and provide critical input into programme development. With supporting staff, they also coordinate implementation of SHARP activities in the three regions. SHARP is managed by a small secretariat and steered by an Executive Board.

Regional focal points

Southeast Asia Dani Hidayat, SNV

Latin America Edegar de Oliveira Rosa, Proforest Brazil

West and Central Africa Christian Mensah, Rainforest Alliance

The regional focal points' roles include:

- Developing national and regional platforms and partnerships.
- Communications and outreach within their region.
- Field testing models and approaches.
- Managing national and regional studies.

Secretariat

The SHARP secretariat is hosted by Proforest. The roles of the secretariat include:

- Overseeing implementation of the work plan.
- Coordination of the programme, including development of common tools and approaches.
- Fund-raising and outreach.

Executive Board

The Executive Board convenes every quarter. Members are FFI, IDH, Olam, Sime Darby and Solidaridad.

If you would like to become involved in SHARP activities in 2015, get in touch at info@sharp-partnership.org

Partners and funders

Thanks to all the other SHARP supporters and partners. We would particularly like to thank our key funders Norad and DFID. Along with Johnson & Johnson, the Global Environment Facility and private sector partners, they supported SHARP activities during 2014.

www.sharp-partnership.org