

## Sustainable Palm Oil Coalition for-India (I-SPOC) 11th Members Meeting July 23, 2024

### I. Objectives

- **Updates from Secretariat**
  - I-SPOC updates
  - Knowledge Products released or to be released
- **Presentation on I-SPOC's PIN on labor**
- **Insights from Members and Observers**
  - Their journey on sustainable palm oil: issues and challenges
  - Capacity Building related needs
  - Any other support required from I-SPOC
- **Awareness and strategic insights for the members: Expert Speak**
  - Expert: Neha Kumar, Head, South Asia Programme, Climate Bonds Initiative
- **Discussion on I-SPOC Action Plan for July 2024 to March 2025**

### II. Summary of the Proceedings

#### 1. Updates from Secretariat

Bhavya Sharma from CRB started the meeting by setting the context and initiating a round of introductions for all the participants. This was followed by a brief update on the activities undertaken by the coalition with various stakeholders since the last Members Meeting in January 2024 by Nidhi Choudhary (CRB).

#### a. I-SPOC Updates

- **I-SPOC Founders Meeting:** Three Founders meetings (1st March, 25th April, and 27th June) have been conducted since the last members meeting in January. Discussions and inputs from these meetings have been pivotal in shaping the first draft of I-SPOC's Annual Action Plan for 2024-25 and the 5-Year Action Plan.
- **Steering Committee Meeting:** The last Steering Committee meeting was held on 4th April 2024. Two new members have joined the Steering Committee:
  - Kamal Prakash Seth, Climate & Sustainability and Global Palm Oil Director, WWF-Singapore
  - Harshal Thakare, Senior Manager of Sustainability and Business Process Excellence, Galaxy Surfactants Limited
- **EUDR Workshop:** On April 30, 2024, I-SPOC hosted the '**Exploring EUDR: Building Awareness**' event, which drew significant interest with over 100 participants. The event featured a panel discussion chaired by Rajeev Kher, Sr. Advisor at WWF-India and

former Commerce Secretary of India, focusing on the global value chain of palm oil and its implications for India. Panelists included:

- Sandeep Bhan from Sime Darby Oils Trading Pte Ltd
- Rob McWilliam from Earthworm Foundation
- Ashwin Selvaraj from Roundtable on Sustainable Palm Oil (RSPO)
- Nimish Shah from Hindustan Unilever Limited (HUL)

Presentations were made by Aadarsh Mohandas from Preferred by Nature, Bhavit Pant from Rainforest Alliance, and Lisa King from WWF-France, providing insights into EUDR and compliance in other sectors.

- **Policy Engagement Group Meeting:** I-SPOC has constituted the ‘Policy Engagement Working Group’ to elevate discussions on policy advocacy related to production, consumption, and trade. This group, comprising 16 experts from various sectors, aims to:
  - Develop recommendations to support policy action
  - Identify elements for a robust policy framework promoting sustainable practicesThe first meeting was held on May 20, 2024, focusing on the production aspects in the oil palm sector. The group has agreed to meet quarterly, with the next meeting scheduled for mid-August 2024 to discuss trade aspects of oil palm.
- **New I-SPOC Members:** Two new members have joined the I-SPOC - Patanjali Foods Ltd (in July) and Emami Ltd (in May).
- **Participation in Events:** I-SPOC participated in the IVPA (Indian Vegetable Oil Producers’ Association) event held on 18-19 July 2024 at JW Marriott Hotel New Delhi, Aerocity, New Delhi. The event, titled 'Vegoils Vision 2030: Opportunities and Challenges,' brought together experts, researchers, technologists, government officials, and industry stakeholders to discuss market dynamics, supply and demand forecasts, self-sufficiency, and sustainability in the vegetable oil sector.
- **LinkedIn Presence:** I-SPOC’s LinkedIn page has around **1119** followers. Regular posts are made on the I-SPOC LinkedIn Page from Monday to Friday.

## b. Knowledge Products Released or To Be Released

- **Traceability Paper:** The traceability paper has been drafted by I-SPOC. A meeting with Traceability Action Group members and experts is scheduled for August. The aim of the meeting is to gather inputs of the experts on the document and to further the steps of finalizing it.
- **African Palm Oil Initiative: Analytical Briefing Paper:** A paper that provides an analytical view of the initiatives by African countries on sustainable palm oil production is being drafted by I-SPOC. This paper also aims to draw lessons from these initiatives that could be incorporated into Indian palm oil production.
- **Labor Policy Input Note (PIN):** Policy Input Note ‘[Respecting and Promoting Workers’ Rights in Palm Oil Production Landscapes in India.](#)’ has been developed by CRB and

RSPO. The primary purpose and target of the PIN is to promote sustainable and fair labor practices in palm oil production landscapes, to enhance awareness and compliance among stakeholders and to provide recommendations for National and State-level policy actors to contribute towards decent work in palm oil production landscapes in India.

## **2. Presentation on I-SPOC's PIN on Labor**

Praseetha P Kumar from CRB gave a presentation on the Policy Input Note (PIN) titled 'Respecting and Promoting Workers' Rights in Palm Oil Production Landscapes in India,' which was officially released during the meeting. The presentation aimed to guide the members and observers through the PIN, covering the following aspects: 1) Objectives: Overview of the goals the PIN aims to achieve in promoting and safeguarding workers' rights, 2) Highlights: Key points and important insights from the PIN and 3) Recommendations: Detailed suggestions offered by the PIN for implementation at both the national and state levels.

## **3. Insights from Members and Observers**

A round table discussion was held to gather insights from members and observers about their journey towards sustainable palm oil, the issues and challenges they face, their capacity-building needs, and any additional support required from I-SPOC. Participants shared perspectives from their respective organizations, emphasizing the support needed from I-SPOC to facilitate the transition. Key insights from the discussion included:

- **Human Rights and the Labor Aspect of Indian Palm Oil Landscape:** The importance of I-SPOC bringing attention to Migration Resource Centers (MRC) was highlighted, especially as these are often overlooked. Suggestions to integrate labor rights aspects, employer pay principles, inter-state migration issues, and climate resilience issues were made. Members recommended exploring how I-SPOC can engage with MRCs in states like Andhra Pradesh and Telangana etc. and bring these issues to the attention of State and National governments through its Policy Engagement Group.
- **Stakeholder Engagement:** I-SPOC's role in bringing together diverse stakeholders in the palm oil value chain for engaging discussions was appreciated. It was further highlighted that there is a need to focus on resource efficiency and circularity to avoid palm oil wastage in both food and non-food sectors. Leveraging science and technology to increase resource utility was also suggested.
- **Sustainable Agriculture Practices:** The discussion highlighted the importance of producing more with less through sustainable agricultural practices. Efforts to increase productivity from less land, resource allocation, training, capacity building, and supporting smallholders were identified as key to making the entire production process sustainable.
- **Carbon Emission Accounting:** Suggestion was made to explore gathering data on carbon emissions across the palm oil production system as a new study area for I-SPOC.

- **EUDR Compliance:** Gathering information on the readiness of the Indian palm oil value chain for EUDR compliance was a recurring concern.
- **Refiner Engagement:** The acceptance of sustainable palm oil by refiners was highlighted as an area needing more attention. A suggestion was made to organize a round table capacity-building session specifically for refiners.
- **Demand for Sustainable Palm Oil:** Discussions also suggested that studying the demand for sustainable palm oil in India and projecting future demand could be valuable areas of focus for I-SPOC.
- **Smallholder Projects:** Developing a smallholder atlas and a methodology document or ramp model for industry guidance towards maturity in the sustainable palm oil sector were proposed. These resources are available in the RSPO's [PRISMA](#) and could be shared by I-SPOC to the Members and Observers.
- **Sustainability Commitment:** The idea of creating a manifesto or using the already existing commitment document for members to sign was discussed. This could serve as a way to amplify the voice for sustainability and demonstrate a collective demand for sustainable practices.
- **Skill Development:** A working group focused on skill development and enhancement for plantation workers was suggested. This group could ensure that efficiency and sustainability are incorporated at the ground level through good agricultural practices.

#### 4. Awareness and strategic insights for the members: Expert Speak

Neha Kumar, Head of the South Asia Programme at Climate Bonds Initiative, provided valuable insights on the evolving landscape of climate finance in India and its implications for the agri-commodity sector, particularly palm oil. She emphasized the crucial role financial institutions play in the transition towards sustainable palm oil and highlighted the following key points:

- **Linkage between Agri-Commodity Sector and Climate Issues:** The agri-commodity sector, including palm oil, significantly impacts the climate. Financial institutions are increasingly focusing on climate-related issues and their implications for the sector.
- **Role of Financial Institutions:** Financial institutions play a pivotal role in the palm oil sector's transition to sustainability. Their interactions with both large and small FMCGs involved in palm oil underscore the importance of embedding financial institutions in sustainability conversations.
- **Importance of Transparency and Credibility:** Agriculture, dominated by smallholders, presents significant risks for financial institutions due to climate uncertainties like floods and droughts. Thus, being identified as a credible actor in the sustainable finance ecosystem requires transparency and credibility.
- **Challenges in Financing:** Key factors considered in financing include emissions, value chain complexities, and lack of aggregation. Financial institutions assess whether

investments are low-risk and if business models can sustain themselves. Uncertainty in these areas leads to hesitation among commercial lenders.

- **Specialized Agricultural Lending:** While there is a sector mandated for agricultural lending, addressing and mitigating concerns is crucial to attract more commercial lenders.
- **Need for Sustainable Agricultural Practices:** Emphasizing practices that make agriculture profitable for both farmers and industries without degrading soil and environmental quality is essential. Soil and water conservation methods, among other practices, should be integrated to address agricultural risks effectively.
- **Recognizing Sustainable Practices:** In response to whether the financial sector has systems in place to differentiate between conventional and sustainable palm oil production, Neha noted that while progress is being made, the scale is not yet sufficient. The sector remains agile, and banks have yet to prioritize lending to sustainable agricultural practices unless mandated.
- **Recommendations for Better Engagement with Financial Institutions:**
  - Large offtakers need to take a proactive stance to drive progress in this sector.
  - Developing business model-oriented documentation that showcases how farmers have aggregated and combated climate risks in specific areas or geographies is essential. Despite significant activities, proper documentation is often lacking.
  - Establishing a state-backed taxonomy for sustainable agriculture and commodities, focusing on climate resilience and emission reduction, is instrumental in identifying qualifying factors for financing.
  - Maintaining ongoing efforts in this sector, considering its forward-looking scenarios.

Neha Kumar's talk provided members and observers with strategic insights into the intersection of climate finance and sustainable palm oil, highlighting the importance of collaboration between financial institutions and the agri-commodity sector to drive sustainable change.

## 5. Discussion on I-SPOC Action Plan for July 2024 to June 2025

Praseetha P Kumar from CRB presented the Annual Action Plan for 2024-25, which has been developed based on recommendations from the Steering Committee (April 4, 2024) and feedback from subsequent Founders Meetings. The Action Plan focuses on four major clusters:

### **Capacity Building:**

- Financial Institutions: Organizing workshops and developing communication materials on sustainable finance, nature, and climate-related risks in agri-commodities financing in India.
- Members: Capacity building on tools such as traceability and disclosure and any other topic theme for the members. I-SPOC will be conducting a needs assessment survey for the same.
- Smallholders: Smallholder targeted capacity building initiatives.

**Member Onboarding:**

I-SPOC aims to onboard 50 members by March 2025 by engaging more with financial institutions, associations, NGOs/CSOs, and HORECA and at the same time enhance engagement with existing members.

**Stakeholder Engagement:**

- Policy Engagement: I-SPOC aims to develop a collective policy framework recommendation at the national level through the Policy Engagement Working Group.
- Government Engagement: Collaborate with state governments on NMEO-OP and facilitate knowledge-sharing initiatives to prioritize sustainability in palm cultivation projects.
- Industry Engagement: Support key industry players in implementing sustainability measures effectively within the Indian context.

**Knowledge/Academia Integration:**

Develop more knowledge products based on member feedback and current needs.

## 6. Annex 1: List of Attendees

S.No.	Name	Company	Mode (In person/ virtually)
1	Kamal Prakash Seth	WWF-Singapore	Virtually
2	Jagjeet Singh Kandal	IDH	Virtually
3	Sneha Maheshwari	IDH	Virtually
4	Harshal Thakare	Galaxy Surfactants	Virtually
5	Kavita Pawar	VVF	Virtually
6	Manish Patel	VVF	Virtually
7	Romit Sen	HSBC	Virtually
8	Sanjay Sethi	Sustainable Food Platform	Virtually
9	Roopal Verma	IISD	Virtually
10	Nimish Shah	HUL	Virtually
11	Prashant Reddy	LDC	Virtually
121	Amit Chowdhary	International Organization for Migration-UN	In person
13	Vikas Yadav	Manorama Group	Virtually
14	Nitin Vaibhav	Manorama Group	Virtually
14	Michiel van Erkel	Netherlands Embassy in India	Virtually
15	Surabhi	IFFCO - Allana	Virtually
16	Neha Kumar	Climate Bonds Initiative	Virtually
17	Vishal Dev	WWF-India	In person
18	Pratibha Baveja	WWF-India	In person
19	Kalyan Verma	WWF-India	In person
20	Aakash Deep Arora	RSPO	In person
21	Rijit Sengupta	CRB	In person

22	Bhavya Sharma	CRB	In person
23	Nidhi Choudhary	CRB	In person
24	Praseetha P Kumar	CRB	In person