Proforest served as the global secretariat for the SHARP partnership from 2013 to 2019. This was a multi-stakeholder partnership of organisations sharing an interest in supporting smallholders globally to produce commodity crops sustainably. Through the SHARP partnership production and supply chain companies, civil society organisations, financial and academic institutions and governments were able discuss and develop solutions for responsible smallholder production. They worked together to build capacity for smallholder engagement, align around common approaches, exchange information and form public-private partnerships to bring together the resources, the knowledge, skills and capacity to realise change at scale.

The SHARP idea was initially developed by Sime Darby – one of the world’s leading plantation companies – who worked with Proforest, Solidaridad and TFT (now Earthworm) to further develop the SHARP concept. A growing number of partners and supporters came together in 2011 to work on a programme design. SHARP’s first set of activities were rolled out in 2012: a series of workshops in Liberia to bring together key stakeholders, to identify options to practical smallholder development in the countries palm oil sector. From 2013 the partnership stepped up to a new level with the establishment of a full-time secretariat at Proforest, the commissioning regional baseline studies and definition of three programme themes:

- Models for sustainable smallholder development,
- Smallholder access to responsible supply chains,
- Practical approaches to minimise deforestation

In 2014 focal points were assigned for each of the 3 SHARP regions - SNV for South East Asia, Rainforest Alliance for West & Central Africa and Proforest Brazil for Latin America. Through this global and regional collaboration new, practical open-source tools and approaches for working with smallholders were borne. In 2015 these tools and approaches were tested and refined through field work across three continents.

From an initial focus on palm oil smallholders, SHARP progressed to work with companies on smallholder engagement and application of SHARP tools and approaches in sugar cane and natural rubber sectors. Most recently the SHARP RSS framework has been customised for use within a landscape initiative in South Sumatra and has served as a basis for drafting company codes of practice for palm oil smallholders and supplier evaluation matrices for red seaweed farmers.
Approach

SHARP supported the development and progressive refinement of practical open-source tools and approaches for smallholder engagement, enabling:

- Closer company-smallholder working relationships on risk control, alignment with responsible sourcing commitments,
- Continuous improvement in smallholder production practices and adoption of precautionary practices to improve their social and environmental performance,
- Expanded opportunities for smallholders to produce more efficiently and access stable and lucrative markets, thereby benefiting their livelihoods.

A more detailed description of this Theory of Change was presented in the SHARP Strategy document.

Key outcomes

SHARP created space for discussion on company engagement with smallholder suppliers, stimulating dialogue between stakeholders on models for smallholder development. This realised a better understanding of barriers and solutions to smallholder inclusion in responsible supply chains.

Smallholder support needs have been more widely recognised and the concept has been promoted of combining demands on responsible production with measures to address support needs to realise smallholder inclusion in sustainable supply chains. SHARP convened dynamic working groups to develop solutions and tools to assist in responsible smallholder production, notably a framework for Responsible Sourcing from Smallholders (RSS) and a simplified HCV approach for smallholders. The partnership went on to demonstrate proof of concept for both these tools and supported their application by supply chain companies in the field.

Models for sustainable smallholder development

Existing models and experience in sustainable smallholder development were shared through a series of baseline studies and profiles of Palm Oil Company-Smallholder Working Arrangements. SHARP served as a platform to discuss and analyze these experiences, disseminating successful ideas, codifying best practice and generating new concepts for the design of smallholder schemes that improve both environmental sustainability and the livelihoods of participating farmers. Options for improved smallholder access to finance and the potential role for payments to smallholders for ecological services have been explored. The business case for smallholder engagement and support has been debated from both the company and smallholder perspective.

These exchanges have informed plans for outgrower development, such as the Sime Darby ‘Evergreen’ model for production and protection in Liberia, the BOPP Adum smallholder project in Ghana and operational strategies for rubber companies to partner with smallholder producers in Sumatra.
Smallholder access to responsible supply chains

One of the most significant outputs from the SHARP partnership has been a framework for Responsible Sourcing from Smallholders (RSS). This open-source framework offers supply chain companies a toolkit to engage with smallholders, both on capacity building for better livelihoods and to control of risks for clients and customers. It is a manageable first step for both producers and buyers for whom certification is only a distant ambition. There is no pass or fail or automatic exclusion without opportunity for improvement. And credibility is maintained through transparency on process, rather than a formal governance structure. RSS is in use as a pathway to certification and legality compliance. But it is equally valuable where the objective is compliance with internal policies or national legislation or for commodities where there is no internationally recognised certification standard. In this form it can serve as a common point of reference for business to business communications. A full set of field guides to aid the application of the RSS framework has been produced and published in multiple languages. RSS is now being used at scale in the field across different geographies and commodity supply chains.

Some examples of its application;

- P&G (PO-Johor), Nestle (Sugar-Philippines), Jaremar (PO-Honduras), Oleopalmas/Pepsico (PO-Mexico)
- In Africa NORPALM and GREL have completed pilots using RSS in Africa.
- SHARP partners Proforest, Daemeter and SNV implemented RSS within landscape initiatives in collaboration with PO and rubber companies sourcing from ISHs in South Sumatra and Jambi,
- Proforest and Daemeter worked with Apical to pilot RSS pilots alongside palm oil traceability work with mills in their supply base in Riau and Jambi
- On the island of Negros in The Philippines, where multiple mills share a common pool of smallholder sugar cane planters, and a common interest in improving their livelihoods while eliminating child labour and trash burning the RSS framework has to be adapted to reflect shared responsibility and contribution to the process. Here an RSS programme is running that is simultaneously owned by 3 different milling companies, along with traders and the consumer goods company off-taker.

Practical approaches to minimise deforestation

Under the auspices of the SHARP partnership a simplified HCV approach for smallholders has been developed, matched to the needs and capabilities of smallholders. This has been adopted by RSPO (add ref from RSPO website?) to help smallholders to reach compliance with the standard’s requirement to manage and protect HCVs, both in existing plantations and where smallholders look to expand their plantations. To support the operationalisation of this simplified methodology a mobile phone application and dashboard (add ref?) has been developed.

The SHARP RSS framework formed the foundations of a multi-stakeholder programme to support the many thousands of small-scale sugarcane planters in Negros Occidental, the Philippines’ largest sugar-producing region.
Lessons learned

1. Working through the supply chain with private sector actors was a strength for SHARP, which operated comfortably as a pre-commercial collaboration to develop open source tools and approaches.

2. Adoption and implementation of these tools or models is a commercial act. At this point a broad partnership like SHARP is less effective and individual company initiatives must take over. However, companies are understandably reluctant to make long term investments in the efficiency and sustainability of a smallholder supply base they share with other buyers. Also, in mixed production landscapes a single supply chain provides a very narrow point of contact and limited leverage in the rural economy and land management choices.

3. To create the right environment for change in behaviour by the private sector, the need to interact with government becomes increasingly evident. And to retain relevance and value any approach to responsible sourcing must consider a wider range of social and environmental impacts and allow for interventions adapted to local as well as global priorities.

4. Aggregation of smallholder land managers to achieve required scale for commercial investment is a missing piece of the jigsaw to bring commercial investment to sustainable smallholder production. Often grant/philanthropic capital remains critical to unlock impact investment and then access to commercial capital. Expectations of commercial investors on return-risk balance and duration of investments not well aligned with needs and there are few off-takers willing/able to pay for long term resilience of sustainable livelihoods in sustainable landscapes.

5. Risk management in the smallholder supply base must be shared throughout the supply chain

6. The capacity of smallholder institutions can be a critical constraint but also a positive outcome of engagement

7. Availability of personal with relevant skills and knowledge is a key constraint to rapid scale up of smallholder engagement in many countries. Ultimately this capacity must be integrated within the industry and built into business models.

Looking Forward

SHARP leaves a legacy of tools and approaches and a body of knowledge that companies, Proforest and other partners can draw on to inform fresh collaborations to scale up the integration of smallholders into responsible supply chains.

Ultimately further uptake, refinement and adaptation of SHARP tools and approaches should enable companies to engage with their smallholder suppliers on risk control and improvement of production practices.

SHARP partner SNV applied the RSS framework for smallholder engagement in rubber production in South Sumatra.
Links:

RSS case studies
- RSS Case Study 1 - Palm Oil- Jambi-Sumatra-Indonesia
- RSS Case Study 2 - Palm Oil- Riau-Sumatra-Indonesia
- RSS Case Study 3 - Palm Oil- Riau-Sumatra-Indonesia
- RSS Case Study 4 - Palm Oil-Honduras
- RSS Case Study 5 - Natural Rubber-Ghana
- RSS Case Study 6 - Soy- Parana State-Brazil
- RSS Case Study 7 - Palm Oil-Ghana
- RSS Case Study 8 - Natural Rubber- Jambi-Sumatra-Indonesia

Overview of the RSS framework

RSS Field Guides
- Step 1: Preparation and Scoping
- Step 2.a: Risk Assessment
- Step 2.b: Needs Assessment
- Step 3: Developing an Action Plan
- Step 4: Implementation and Documentation
- Step 5: Monitoring and Review

Baseline studies of successful models for sustainable smallholder development
- Models in Brazil, Colombia and Ecuador by Earth Innovation Institute
- Models in Cameroon by Elie Hakizumwami
- Models in Ghana by Proforest
- Models in Indonesia by Daemeter
- Models in Malaysia by Wild Asia
- Models in Liberia and Sierra Leone by Fauna & Flora International

Profiles of Palm Oil Company-Smallholder Working Arrangements
- Brazil - Company smallholder profile
- Colombia - Company smallholder profile
- Colombia - Perfiles de Alianzas Productivas con Pequeños Productores
- Ghana - Company smallholder profile
- Honduras - Company smallholder profile
- Honduras - Perfiles de Alianzas Productivas con Pequeños Productores

PES incentives for smallholders to avoid deforestation: lessons learned and factors for success

ToC from SHARP Strategy