

# Terms of Reference Oleo Task Force

## Contents

<b>1.0 Background</b>	<b>2</b>
<b>2.0 Objectives</b>	<b>2</b>
<b>3.0 Scope</b>	<b>3</b>
<b>4.0 Structure and composition</b>	<b>3</b>
<b>5.0 Meeting</b>	<b>3</b>
<b>6.0 Role of the RSPO secretariat</b>	<b>3</b>
<b>7.0 Retirement Criteria</b>	<b>4</b>
<b>8.0 Management</b>	<b>4</b>
<b>Appendix 1: Oleo Task Force Code of Conduct</b>	<b>5</b>



## 1.0 Background

The RSPO secretariat was requested to revive the Task Force on oleochemicals and derivatives (*herein called Oleo Task Force*) in the light of the severe tightness in the CSPKO, oleochemicals and their derivatives market. Recent analyses of the Annual Communication of Progress (ACOP) reports and the market data in PalmTrace shows clear evidence of a close match between supply and demand of CSPKO. In the light of Shared Responsibility, we see that downstream RSPO members face difficulties achieving their uptake targets for CSPKO. With the risk of losing momentum, the Oleo Task Force is asked to describe the challenges and come up with an action plan to address these.

These Terms of Reference (ToR) are based on the ToR that were drafted in 2014. The Oleo Task Force will report to the Supply Chain Traceability Working Group (SCT WG) and the SCT WG reports to the Market Development Standing Committee (MDSC).

Palm (PO) and Palm kernel oil (PKO) based oleochemicals and their downstream derivatives are an important demand element with a strong relevance in end consumer product supply chains. The initial focus of RSPO was rightly on the food market applications and given the maturity of knowledge on supply chain mechanisms, the task force must also include relevant and appropriate supply chain issues in the application of oleochemicals and their derivatives. This is to ensure there are no barriers in the supply chain to maximise uptake and market transformation to certified sustainable products.

## 2.0 Objectives

1. To study the CSPKO supply chain and identify where loss of certified material and shortage of supply occurs.
2. Identify barriers for example in logistics or certified status of supply chain actors and work with (potential) RSPO members to resolve these.
3. To review whether a shortage in CSPKO and/or its derivatives in the market can be compensated for in other ways.
4. Develop an action plan to ensure market demand for CSPKO is met by certified supply.
5. To conduct reviews and propose revision where necessary on rules relating to RSPO oleochemicals and downstream derivatives to the SCT WG. Current rules for oleochemicals and its derivatives are published in annex 6 of the RSPO Supply Chain Certification Standard.



## 3.0 Scope

The Oleo Task Force shall be responsible to review supply chain issues specific to CSPKO and its derivatives and propose solutions to the SCT WG and MDSC. The scope shall cover the interest of the entire downstream supply chain but explicitly exclude biodiesel.

## 4.0 Structure and composition

1. The Task Force shall comprise members from the SCT WG who are representing oleochemicals and derivatives.
2. The chair will be elected from the Task Force.
3. Membership will be open to RSPO members who are in oleochemicals and derivatives and should reflect the entire supply chain.

## 5.0 Meeting

The Oleo Task Force will, in principle, have monthly virtual meetings. The Task Force will report to the SCT WG on progress on a regular basis. During the first meeting, the ToR needs to be endorsed, a chair shall be selected, and an assessment of the presence of the relevant expertise required to meet the objectives shall be conducted.

## 6.0 Role of the RSPO secretariat

The RSPO Secretariat will provide the financial, human and logistical support that the Oleo Task Force requires to meet, conduct business and achieve its objectives. The RSPO Secretariat, upon consulting the Chair, will make all the necessary arrangements to call for all meetings.

The RSPO Secretariat will coordinate and facilitate the operations of the Oleo Task Force as well as take the lead in implementing the desired activities and deliverables of the Task Force, which may include identifying appropriate facilitators, project management, research and identifying resources, as well as appointing consultants to undertake mandated tasks.

The governance of the Oleo Task Force is the responsibility of the RSPO secretariat. Any changes to these Terms of Reference need to be approved by the SCT WG and RSPO secretariat.



## 7.0 Retirement Criteria

The Oleo Task Force will retire when the objectives have been achieved. This will be decided by the members of the Task Force, SCT WG, and MDSC. At any given time in the future, the BoG, the MDSC or the SCT WG can revive this Task Force.

## 8.0 Management

Each member must declare any conflict of interest with any matters on the agenda and/or matters arising at the beginning or during the meeting. Should a conflict of interest exist, the member concerned must recuse themselves from the decision-making process or sensitive discussions.

Members and invited experts who have been privy to the discussions shall not use their position on the Oleo Task Force and/or information obtained to obtain monetary gain or bid for any projects commissioned by the Oleo Task Force directly or indirectly through organisations with whom they are associated. For example, members and invited experts who observe discussions about developing project ToRs will not be allowed to tender, and/or participate in the tender evaluation/selection processes.

All outcomes and decisions are made on a consensus basis<sup>1</sup>. Members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the Oleo Task Force are consistent with the consensus reached within the Oleo Task Force.

If consensus is not possible for any specific issue, at least 75% of the Task Force members are required to vote in favour for the adoption of a decision, and shall include at least one supporting vote from each membership category.

If a decision still cannot be reached through the mechanism above, the Chair (or co-Chairs) of the Oleo Task Force may declare a deadlock and refer to the SCT WG and MDSC for the final decision.

Minutes of the meeting and clarifications of decisions made by the Oleo Task Force are to be shared no more than two weeks after the meeting.

---

<sup>1</sup> "Consensus" is defined by ISO as "general agreement, characterised by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments". The definition notes, "Consensus need not imply unanimity".



## Appendix 1: Oleo Task Force Code of Conduct

It is fundamental to the integrity, credibility and continued progress of the Oleo Task Force that every member supports, promotes and works towards the production and use of Sustainable Palm Oil and the work of the Roundtable on Sustainable Palm Oil (RSPO).

Every member organisation and individual must act in good faith towards this objective and commit to adhering to the principles set out in this Code. This Code applies to all Members of the Oleo Task Force.

### **Promotion and Commitment**

Member organisations will acknowledge their membership of the Oleo Task Force and its objectives, the Principles and Criteria (P&C) of the RSPO and its implementation process through informed and explicit endorsement. Members of the Oleo Task Force will promote and communicate this commitment throughout their own organisation.

### **Transparency**

Members will not make any misleading or unsubstantiated claims about the production or use of sustainable palm oil. Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict.

### **Breaches of this Code**

Breaches of this Code may lead to exclusion from the Oleo Task Force. Members will seek to resolve grievances directly with other member organisations, and will not make unsubstantiated allegations of breaches against other members.

Prior to taking public action in cases of unresolved allegations of breaches of this Code, members shall report breaches to the Co-Chairs of the MDSC and the Member Category Representative in RSPO Board of Governance, which will deal with the alleged breaches in accordance with the RSPO Grievance Procedure.

