

Terms of Reference Smallholder Standing Committee (SHSC)

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1.0 Background

In 2018, RSPO Board of Governors (BoG) endorsed the RSPO Theory of Change (ToC) with the overall vision of making sustainable palm oil the norm.

In March 2019, the RSPO BoG subsequently endorsed the RSPO Governance Review for ‘Reorganisation of Standing Committees, Task Forces and Working Groups’ where the following Standing Committees are to be established:



Figure 1 - BoG Endorsed Standing Committees

The continual expansion of the RSPO, in membership, activities, global receptivity, and issues it has to deal with, needs an increasing degree of distributed management for it to keep pace. The way RSPO endeavours to achieve this is through an efficient and robust operating structure which consists of the RSPO BoG, Standing Committees, Working Groups, Sub Groups and Task Forces. Standing Committees are established on a permanent basis to analyse issues within their areas of jurisdiction and make recommendations to the BoG. Standing Committees also help the BoG monitor and evaluate organisational performance in relation to its areas of responsibility.

This paper outlines the intent of establishing the Smallholder Standing Committee (SHSC) by the RSPO.

2.0 Objectives

In July 2017, the RSPO BoG endorsed the RSPO Smallholder Strategy. The Strategy outlined the goal and objectives that need to be realised in order to bring meaningful transformation to smallholders' inclusion into the RSPO system. A strategic framework was prepared for RSPO, including the Secretariat, and its members, to implement and support interventions that will ultimately lead to attaining the objectives and goal.

To ensure effective implementation of the Strategy, one of the fundamental recommendations to be taken by RSPO is on strengthening the governance structure. The augmented governance structure should be fully established with full clarity on roles and responsibilities for the implementation of the strategy. This will support successful implementation and greater accountability.

One of the two key objectives of the augmented structure is to establish the Smallholder Standing Committee. The SH Standing Committee will provide a more comprehensive representation of smallholder interests with the allocation of responsibilities to deliver the strategy held within one single body.

3.0 Mandate

The mandate of the SHSC is as follows:

- The Committee will oversee the execution of the RSPO Smallholder Strategy, and the Secretariat to lead the implementation of the planned activities;
- To make decisions throughout the implementation of the Strategy and ensure that the Guiding Principles are respected in the decision making;
- To form a (or more) Working Group or Task Force responsible for delivering a specific output of the Strategy. These sub-groups will report back to the SHSC, where appropriate and the Standing Committee will evaluate and decide on the working groups recommendations;
- To monitor the overall budget for the SH Strategy implementation.
- Reporting to the BoG on matters concerning smallholders.

The SHSC may create Working Groups and Task Forces to undertake specific assignments within its areas of responsibility or may take responsibility that is assigned to them for Working Groups or Task Forces created by a BoG decision or a General Assembly decision or resolution.

Unless otherwise specified, the mandate of all Working Groups shall be up to two (2) years, at which time it shall be reviewed by the SHSC.

Task Forces will generally be formed to specific, measurable and time-limited objectives, including a date for winding-up of their work. Task Forces that are established as part of, or in response to, GA resolutions should be assigned a timetable for their work that allows for reporting back to the following year's GA.

Membership of Task Forces may be weighted more towards technical knowledge of the topic under discussion than broad stakeholder involvement.

Once the SHSC has formed or been assigned responsibility for a Working Group or Task Force, it shall define its terms of reference (using the generic procedures in this document except where there is a pressing need to vary them). The SHSC shall also appoint the Chair or co-Chairs of the Working Group or Task Force, and shall instruct the Working Group or Task Force on its reporting requirements (including frequency and content).

4.0 Structure and Composition of the SHSC

The SHSC is a subgroup of the Board of Governors (BoG). The BoG, at its sole discretion, may propose changes to the composition of the SHSC to serve RSPO and its objectives.

The SHSC shall comprise of RSPO members only. Membership in the SHSC is institutional rather than individual; change in employment status must be reflected in the composition of the Committee.

The individual representative from the SHSC can appoint an Alternate from the same constituency to attend a Committee meeting. Alternates take the role of the substantive in meetings when the substantive is absent, but can also attend the SHSC meetings as observers when the substantive is present, to ensure continuity. During virtual meetings of the committee, alternates attending as observers can use the chat function to participate in the discussion.

SC members shall try to attend all meetings in person and work with their alternate member as soon as they know they cannot attend a meeting, to ensure that their seat is represented. In either case, SC members should send their apologies to the SC Co-Chairs and advise if their alternate member will attend. This information shall also be provided to the Secretariat Lead.

The BoG shall appoint the Chair of the SHSC and may appoint more than one person as Co-Chairs.

The SHSC shall be co-chaired by two members.

The BoG shall also appoint one Governor to serve on the SHSC as the link between the BoG and the Committee.

The BoG may also appoint other Governors to serve on the SHSC as part of the agreed membership structure of the SHSC up to a maximum of 50% minus one of the Committee's memberships.

All appointments made by the BoG shall be for a maximum of two (2) years or until the nominee ceases to be a Governor, whichever is earlier. The BoG may re-appoint someone who has reached the end of their term on the SHSC but who remains a Governor.

All other appointments shall be organised and decided on by the SHSC and notified to the BoG at its first meeting following any such appointment.

The SHSC Chair or Co-Chairs shall, in consultation with the Secretariat, review nominations to verify that they meet the requirements of membership and that there is a vacancy within the SHSC’s membership structure.

In the event that there are more nominations than vacancies, the SHSC Chair or Co-Chairs shall, in consultation with the Secretariat, agree a transparent, fair and impartial process for deciding who is appointed to the SHSC.

Appointments to the SHSC are for terms of two (2) years but members may seek re-nomination for subsequent terms without limit.

The SHSC may invite experts to participate in discussions requiring specific expertise in conservation, environmental management, regulatory frameworks, or certification services. Other invited experts may be appointed at the discretion of the Committee.

To ensure effective discussions and decision making, the ideal structure of the SHSC is as follows:

Table 1 - Composition of the Smallholder Standing Committee

Sector	Division	Total
Grower	Malaysia	1
	Indonesia	1
	ROW	1
NGO	Environmental	2
	Social	2
Supply Chain	Processor & Trader	1
	Consumer Goods Manufacturer	1
	Retailer	1
	Financial Institution	1
Smallholder	Malaysia	1
	Indonesia	1

	Thailand	1
	Papua New Guinea	1
	Africa	1
	LatAm	1
	TOTAL	17

The formation of SHSC will strive for balanced representation of all membership categories to participate in this SC but may propose changes to the composition of the SC for it to better serve the objectives of this ToR.

5.0 Meeting

In order to meet the objectives of the SHSC, it is necessary to establish an annual work development program which includes objectives, activities, timelines, budgets and deliverables.

The SHSC will in principle have quarterly (virtual or physical) meetings per year.

The Co-Chairs of the SHSC and the RSPO Secretariat will have frequent communication updates for the arrangement of such meetings.

Meeting Documentation

No.	Document Description	Timeline
1	Draft minutes of meetings to be shared internally	Not more than one month after meeting
2	Minutes of the meeting to be shared publicly	Not more than two months after meeting
3	Working Group Meeting Pack	One week before the meeting

Members of the SHSC shall also respect the “Chatham House Rule” in their reporting of SHSC discussions. This means that while remarks made during meetings may be repeated, they should not be attributed to an individual SHSC member, except where an attributed comment has been included in the approved minutes of that meeting.

6.0 Role of RSPO Secretariat

The RSPO Secretariat will provide the financial, human and logistical support that the SHSC requires to meet, conduct business and achieve its objectives. The Smallholder Department of RSPO Secretariat will be the primary source of assistance and support to the SHSC.

The RSPO Secretariat, upon consulting the Chair (or Co-Chairs), will make all the necessary arrangements to call for all meetings and ensure it meets the quorum to conduct a meeting. A quorum of more than half of the members is required for a meeting and the decisions are taken by consensus.

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

7.0 Retirement Criteria/Reselection of inactive SHSC Members

The SHSC can exercise the right to retire the membership of a member of the Committee. However, the decision must be made by consensus of the SHSC (excluding the affected party). Affected parties should be given the right to be heard prior to a decision being made.

The reasons (not exhaustive) for the SHSC to consider the retirement of a member are:

- If the members are not following what is required by the RSPO Code of Conduct and Antitrust Guidelines for RSPO Members
- Persistent refusal to furnish information requested by the Committee. Information requested, if deemed beneficial to the objectives of the Committee, shall not be unreasonably withheld except for those that are commercially sensitive and/or prohibited by law for dissemination
- Voluntary retirement
- Absence from three (3) consecutive meetings without justified reason (including Alternate members)

Retirement of membership will be informed in writing to the SHSC Co-Chairs, copied in to the Co-Chairs of the BoG and RSPO Secretariat Lead.

The Co-Chairs will invite the constituents of the affected sectoral and/or geographical stakeholder group to nominate a new representative to the SHSC.

8.0 Management

All members of the SHSC are bound by the Antitrust Guidelines for RSPO Members.

In order to fulfil these tasks and meet objectives, it will be necessary to establish a yearly work program including a series of targets or deliverables including resources.



Each member must declare any pre-existing, perceived, and/or potential conflict of interest on any matters on the agenda and/or matters arising at the beginning or during the course of the meeting. Should there be a conflict of interest, the member concerned must recuse himself/herself from all decision-making processes or sensitive discussions pertaining to the subject matter of which there is such conflict of interest.

Members and invited experts who have been privy to the discussions shall not use their position on the SHSC and/or information obtained from SC discussions to obtain monetary gain or bid for any projects commissioned by the SHSC directly or indirectly through the organisation with whom they are associated. Members and/or invited experts who observe and/or part of the discussions on developing project ToRs will not be allowed to tender and/or participate in the tender evaluation/selection processes, even after they have left the SHSC.

Members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the SHSC is consistent with the consensus reached within the SHSC.

Members shall strive to reach a consensus in decision making. However, in the event a consensus is not possible for any specific issue, at least 75% of the Committee 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 cannot be reached through the above means, the Chair (or co-Chairs) of the SHSC may refer to the BoG for a final decision.

Transparency is very important to RSPO. All discussions and documents are only classified as confidential in exceptional circumstances. However, where information has been designated as confidential because of its sensitivity (for example concerning violations or alleged violations of RSPO Principles & Criteria) WG members should respect the confidentiality issues and shall prevent the same from becoming public.

Breaches of the above may lead to exclusion from the WG. Prior to taking public action in cases of unresolved allegations of breaches of the above, members shall report such alleged breaches to the Co-Chairs of the WG and the Member Category Representative on the RSPO Board of Governance, which will deal with the alleged breaches in accordance with the RSPO Statutes and Code of Conduct.

I acknowledge and agree to adhere with the terms as laid out in this ToR.

Signed by:

Witnessed by:

Name:

Name:

Organisation:

Organisation:

Date:

Date: