

Terms of Reference

Development of a Palm Oil Producer Profiling System and Approach for the Certification of Medium Sized Growers

1. Introduction

In March 2017, the RSPO Board of Governors (BoG) endorsed the RSPO Smallholder Strategy to improve the inclusivity of the RSPO for independent smallholders. A simplified standard for independent smallholders (*RISS*) was subsequently developed and endorsed by the BoG in September 2019 and was adopted at the General Assembly at RT17. With the adoption of the 2018 Principles & Criteria (P&C) and the *RISS*, the RSPO still lacks an inclusive and robust system for the certification of medium sized growers.

To align with the RSPO Smallholder Strategy's objective to improve the inclusivity of the RSPO for independent smallholders, the *RISS* definition for independent smallholders deviates from the definition in the 2018 P&C, thereby allowing smallholders that rely primarily on non-family labour and that earn the majority of their income from activities off the farm to get certified under the *RISS*. This adaptation to the independent smallholder definition also opens up the *RISS* to unintended audiences such as land speculators, absentee landlords, and medium-sized growers who currently lack an inclusive and robust approach to get certified. As small-scale plantations are an increasingly important driver of deforestation in oil palm landscapes, there is an urgent need to develop a robust and credible system for the certification of medium sized growers, while at the same time reviewing the applicability of the *RISS* to ensure that both systems are tailored to their respective target audiences.

To address this need, a Medium Grower Task Force (MGTF), reporting directly to the Standards Standing Committee, will be established to oversee the classification of palm oil producers and lead the development of a certification system and/or certification standard for medium-sized growers.

2. Objective

The key objectives of the MDTF are:

- (1) to oversee the development of a profiling system for palm oil producers (e.g. marginalised, independent smallholders; other smallholders; medium-sized growers; and large-scale growers);
- (2) to develop an interim definition for medium sized growers and an interim process for medium sized growers who produce FFB but lack a mill to get certified under the RSPO Group Certification System;

- (3) to make recommendations to the Smallholder Standing Committee for changes to the applicability of the RISS based on the results of the palm oil producer profiling system; and
- (4) to lead the process for developing a certification system and/or certification standard for medium-sized growers.

3. Composition

The MGTF will consist of RSPO members representing the sectorial and geographical composition of the RSPO. Membership will include:

Growers	Malaysia	1
	Indonesia	1
	Latin America	1
	Africa	1
Smallholder Representative	SH Standing Committee	2
NGOs	Social	2
	Environmental	2
Supply Chain and Investors	Processors and Traders	3
	Retailers	
	Banks & Investors	
TOTAL		13

The MGTF should strive to have an equal number of representatives from the NGO and grower caucuses. The composition of the MGTF will be considered final if even after active consultation and engagement there are no available candidates from the list above. Quorum shall be achieved when at least one representative from each of the four stakeholder groups is present.

The MGTF will be co-chaired by two members, one selected from the Growers and one from NGOs (social or environmental).

Relevant technical experts may be invited as needed but will have no rights to vote shall there be any needs to practice it.

3.1 Criteria for Membership

Members are expected to participate actively to the proceedings on behalf of their sector and to ensure they are represented by a designated alternate if they are unable to do so.

3.2 Termination/Retirement and Reselection of Member

The MGTF can exercise the right to terminate or retire the membership of a TF member. However, the decision must be made by consensus of the TF (excluding the affected party). The reasons (not exhaustive) for the TF to consider retirement of a TF members are:

1. Absence from TF meetings for three consecutive meetings without arranging for an alternate to attend these meetings.

2. Persistent refusal to furnish information in timely manner as requested by the TF. Information requested, if deemed beneficial to the objectives of the TF, shall not be unreasonably withheld except for those which are commercially sensitive and/or prohibited by law for dissemination.

Retirement of membership will be informed in writing to the Co-Chairs of the MGTF, copied in to the RSPO secretariat. The Co-Chairs of the MGTF will invite the constituents of the affected sectorial and/or geographical stakeholder group to nominate a new representative to the TF.

3.3 Management

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

All members of the MGTF are required to sign the Code of Conduct.

All outcomes and decisions are made on consensus basis, members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the MGTF are consistent with the consensus reached within the MGTF.

If consensus is not possible for any specific issue or criteria and this results in a deadlock, i.e. whereby opposing parties come to a point of fundamental disagreement on a significant topic and no progress can be made risking a standstill or stalemate of the entire process, the TF shall refer the matter to the RSPO Standard Standing Committee, who shall seek to resolve the issue in question by consensus (as per the RSPO Standard Operating Procedure for Standard Setting and Review (June 2017)).

3.4 Communication

It is desirable that the Task Force organizes face to face meeting up to four times a year and/or teleconferences where necessary.

During these meetings, Chatham House rules apply. The Chatham House Rule aims to provide anonymity to speakers. This rule is applied throughout all meetings as an aid to free discussions encouraging openness and the sharing of information. The Chatham House Rule reads as follows:

'When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.'

Any public communications related to the MGTF and its work will be agreed by the MGTF members and approved by the RSPO communications team.

Minutes of the meeting and clarifications of decisions made by the MGTF are to be shared no more than one month after the meeting. Relevant guidance documents from the MGTF will be translated to relevant languages, as appropriate.

3.5 Role of the RSPO Secretariat

The RSPO Secretariat will provide the financial, human and logistical support that the MGTF requires to meet, conduct business and achieve its objectives. The secretariat will assist and support the MGTF and will provide the MGTF members with technical reports from in-house and outsourced studies, terms of reference for consultancies, and other information that is requested by the MGTF to fulfil its objectives.

4. Overview of the process and Timeline

It is proposed that the taskforce undertakes its work for a period of one year, with the first meeting scheduled for April 2020. At the end of the active period, the RSPO Secretariat will resume full responsibility for reviewing, reporting and verifying the implementation of the TF decisions and recommendations, and adjust as necessary by making recommendations to the appropriate RSPO Standing Committees.

4.1 PHASE 1 (3 months)

4.1.1 Commission independent study

- The MGTF will develop the Terms of Reference for an independent research study to be conducted by an independent consultant for the development of a profiling system of palm oil producers
- The review should also include a gap analysis of current pathways for medium growers to become RSPO certified including the Group Certification System

4.1.2 Development of interim measures for medium sized growers

- Develop an interim definition for medium sized growers
- Develop an interim process for medium sized growers to be certified under the Group Certification System that is applicable until a formal process has been ratified for the certification of medium-sized growers

4.1.3 Analysis and recommendations

Based on the independent study, the MGTF will:

- Discuss the findings from the independent study and agree on the classification system for palm oil producers
- Provide recommendations to the Smallholder Standing Committee on suggested changes to the applicability of the RISS (as required)
- Provide recommendations to the BoG on the proposed pathway for medium growers to get certified, either through tailoring existing RSPO processes to the medium grower context or developing a new standard

4.2 PHASE 2 (9 months)

Based on the recommendations of the BoG, the MGTf will proceed with the process to tailor existing RSPO processes to the medium grower context or to develop a new standard for medium growers.

The procedure developed by the MGTf will be subject to at least one round of public consultation (minimum 60 days) and will require endorsement by the RSPO membership at the General Assembly.

END.

This TOR was approved by the Standard Standing Committee at its 6th Meeting, on 6th March 2020.
