

Contents

1.0 Background	2
2.0 Objectives	3
3.0 Mandates	4
4.0 Scope of activities	5
5.0 Structure and Composition of the ASC	6
6.0 Meeting	8
7.0 Role of RSPO Secretariat	8
8.0 Retirement Criteria/Reselection of Inactive ASC Members	9
9.0 Management	9
Annex 1	11

1.0 Background

In 2018, the RSPO Board of Governors (BoG) endorsed RSPO's 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, Subgroups, 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 Assurance Standing Committee (ASC) by the RSPO. *This committee shall replace the previous function of Assurance Task Force, which now has ceased upon endorsement of the RSPO Governance Review.*

2.0 Objectives

The objectives of the ASC are to provide direction in contributing to the credibility and accountability of the RSPO assurance systems, via this Terms of Reference (ToR) and the derived work programmes of the ASC. The ASC aims to provide strategic oversight for the relevant operations of the RSPO Secretariat. It includes, but is not limited to, certification and verification activities, innovation and building capacities, and linkage to grievance resolution (see full scope in section 4 below).

The ASC aims to take a systematic approach in improving RSPO assurance systems through oversight of the following;

- Enabling better compliance by operators in certified management units
- Ensuring Certification Bodies (CBs) and assessors are fit for purpose, including:
 - Developing social auditing capacity
 - Ensuring the quality and consistency of audits
 - Building capacity of auditors through more rigorous trainings
- Ensuring all related elements of RSPO assurance systems are implemented effectively
- Developing and monitoring appropriate performance indicators related to the above

3.0 Mandates

The mandates of the ASC are as follows:

- To oversee and provide necessary recommendations and/or guidance to the implementation of the RSPO standards;
- To develop and institute a transparent and robust system for monitoring the quality of assessment;
- To identify all necessary actions to ensure robust assessment, verification and certification against the RSPO standards, including the outputs as identified in Annex 1;
- To institute a transparent approach to enhancing the quality of RSPO assurance systems
- To identify the relevant stakeholders required to deliver the identified actions.

The governance review requests the Secretariat, acting in coordination with ASC members and in accordance with ISEAL procedures, to continue to deliver the task mandated in Resolution GA13-6h which among others include the following:

- Develop clear, mandatory guidelines on the minimum acceptable quality of High Conservation Value (HCV) assessments;
- Develop and institute a transparent and robust system for monitoring the quality of assessments;
- Monitor the quality and performance of Auditors and pursue suspensions or sanctions against underperforming or persistent offenders;
- Monitor RSPO members' adherence to required procedures and report all members that omit to submit NPP notifications before clearing lands to the Complaints Panel.
- Develop clear, mandatory guidelines on assessments of FPIC in the New Planting Procedure (NPP)

The ASC 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 (02) years, at which time it shall be reviewed by the ASC.

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 an ASC 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 ASC 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 Scope of activities

The ASC's objectives are defined in section 2 above. In delivering these objectives, the ASC is responsible for oversight of the following activities:

1. Credibility of P&C assessment and certification
 - CB accreditation and performance in relation to P&C assessment
 - Grower capacity and training
2. Quality control of HCV/HCS assessment and management planning, including the ALS
3. Liaison and alignment with ASI, HCVRN and HCSA
4. Assessment and certification against the RSPO Independent Smallholder Standard (RISS)
5. Verification of New Planting Procedure implementation by members
6. Liaison with Complaints Panel
7. Assurance relating to Jurisdictional Certification
8. Assurance relating to Shared Responsibility obligations
9. Assessment and certification against the RSPO Supply Chain Certification Standard (SCCS)
10. Verification relating to the Remediation and Compensation Procedure
11. Oversight of relevant IMU operations
12. Direct engagement/communication with stakeholders on above topics through Assurance Forum
13. Secretariat skills, capacity and resources in relation to above topics

5.0 Structure and Composition of the ASC

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

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

The individual representative from the ASC can appoint an Alternate from the same constituency to attend a Committee meeting. Alternates may attend meetings but can only participate if the Substantive is not present.

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 ASC, and may appoint more than one person as Co-Chairs.

The ASC shall be co-chaired by two members, one of whom must be a representative of the Grower sector.

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

The BoG may also appoint other Governors to serve on the ASC as part of the agreed membership structure of the ASC 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 reappoint someone who has reached the end of their term on the ASC but who remains a Governor.

All other appointments shall be organised and decided on by the ASC and notified to the BoG at its first meeting following any such appointment (unless that meeting is within two weeks of the ASC meeting in which case the BoG may be notified at its subsequent meeting).

The ASC 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 ASC's membership structure.

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

Appointments to the ASC are for terms of two (2) years but members may seek renomination for subsequent terms without limit.

The ASC 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 structure of the ASC is as follows:

Table 1 - Composition of the Assurance Standing Committee

Sector	Division	Total
Grower	Malaysia	1
	Indonesia	1
	ROW	1
	Smallholder	1
NGO	Environmental	2
	Social	2
Supply Chain	Processor & Trader	1
	Consumer Goods Manufacturer	1
	Retailer	1
	Financial Institution	1
	TOTAL	12

The formation of ASC will strive for a 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.

6.0 Meeting

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

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

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

7.0 Role of RSPO Secretariat

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

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. 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 ASC 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.

8.0 Retirement Criteria/Reselection of Inactive ASC Members

The ASC can exercise the right to retire the membership of a member. However, the decision must be made by consensus of the ASC (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 ASC 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 ASC Co-Chairs, copied 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 ASC.

9.0 Management

All members of the ASC 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 ASC and/or information obtained from SC discussions to obtain monetary gain or bid for any projects commissioned by the ASC 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 ASC.

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

Members shall strive to reach a consensus in decision making. Decisions can only be taken if at least two members are present from each sector (Growers, NGOs and Supply Chain). 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 ASC 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.

Annex 1

Table 1 - Expected ASC Outputs

Gaps	Outputs	Specific activities
Strengthening NPP and Post NPP	Develop and implement a quality system for NPP submission in the next two years and monitor reducing trends of complaints on NPP that has been completed.	<ul style="list-style-type: none"> a) Regional trainings of HCV-HCS (by HCVRN) - for assessors b) ASI to include NPP Verification in their scope c) Continuous training of CBs and Growers d) Revision of NPP document
CB Quality Improvements	Develop a framework in improving the quality of audits and avoiding conflict of interest between CBs and clients in the next three years and monitor complaints lodged to CP (with focus on social issues)	<ul style="list-style-type: none"> a) Develop and effectively implement a set of guidances for labour & social auditing b) Revision of Certification System document (strengthening the qualifications of auditors, lead auditors and peer reviewers) c) Continuous training to increase capacity of auditors on specific topics d) Joint CB performance review by ASI and the RSPO Secretariat to ensure effectiveness of audits
Communications on Assurance of RSPO	Ensuring constant effective communication made to RSPO stakeholders on the progress of RSPO Assurance Systems through various platforms in the next 2 years. This will be evaluated by satisfaction feedback survey (minimum satisfaction level of 70%)	<ul style="list-style-type: none"> a) ATF independent review b) Conduct Assurance Forum as a platform to get feedback from stakeholders c) Conduct research of effectiveness through the Research and Advisory Unit of the RSPO Secretariat d) Create an annual work plan for the ASC
Strengthening Complaints Mechanism	Explore the usage of an independent pool of expert in other systems and develop ToR for it in the next FY and pilot testing the expert	<ul style="list-style-type: none"> a) ASC to assist CP in developing independent pool of expert to be mobilised by the CP to fast track decision-making