
RSPO ASSURANCE STANDING COMMITTEE

TERMS OF REFERENCE 2019

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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 RSPO Assurance System, via a Terms of Reference (ToR) and work programmes of the ASC. It includes, but not limited to, certification and verification activities, innovation and building capacities, and addressing grievances objectively with a systematic approach in improving RSPO assurance system through the following;

- Ensuring better compliance in RSPO certification
- Ensuring Certification Bodies (CBs) and assessors are fit for purpose
- Developing social auditing capacity
- Ensuring the quality and consistency of audits
- Ensuring legality and traceability of Fresh Fruit Bunches (FFB)
- Building capacity of auditors through more rigour trainings
- Ensuring shared responsibility is implemented as intended

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)

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;
- To institute a transparent and enhance the quality of the RSPO Assurance Systems
- To identify the relevant stakeholders required to deliver the identified actions and to deliver the outputs as identified in Annex 1.

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 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 an ASC member institution can appoint another individual from the same institution to attend a Committee meeting, on his or her behalf.

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.

Provided that there are no objections from other members, an ASC member could volunteer to be the interim Co-Chair in instances when both Co-Chairs are absent.

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 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

The ASC will organise meetings four (4) times a year, either face to face or via teleconference, whichever deemed necessary.

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

Draft minutes of meetings and clarification of decisions made by the ASC are to be shared, no later than 10 working days after each meeting. Final draft minutes of the meeting and clarifications of decisions made by the ASC are to be shared publicly no more than two months after the 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.

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.

6.0 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.

7.0 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 party should be given the right to be heard prior to a decision being made.

The reasons 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
- Unable to comply to the systems requirement for assurance and RSPO Principles and Criteria (including all its related requirement)
- Voluntary retirement

Retirement of membership will be informed in writing to the ASC Co-Chairs, copied to the Co-Chairs of the BoG and RSPO Chief Executive Officer (CEO).

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

8.0 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 exists, the member concerned must recuse himself/herself 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 ASC and/or information obtained to obtain monetary gain or bid for any projects commissioned by the ASC directly or indirectly through the organisation 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, even after they have left the ASC.

All members of the ASC are required to sign the Code of Conduct in Appendix 1

All outcomes and decisions are made on a consensus¹ basis, 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.

If 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 still cannot be reached through the mechanism above, the Chair (or Co-Chairs) of the ASC may declare a deadlock and refer to the BoG for the final decision.

¹ "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".

Annex 1

Table 1 - Expected ASC Outputs

Gaps	ASC KPI (Proposed)	Core Activity
Strengthening NPP and Post NPP	Develop and implement a system to monitor the quality of NPP submitted by the growers/CBs	<ul style="list-style-type: none"> a) Revision of NPP Document and endorsed by BoG b) HCV Auditors Checklist for NPP c) Conduct Technical Trainings (FPIC, SEIA, HCV)
CB Quality Improvements	Develop a framework in improving the quality of audits and avoiding conflict of interest between CBs and clients	<ul style="list-style-type: none"> a) Revision of RSPO Certification system b) Conduct a review of CBs performance c) TF for De-linking? d) Conduct CB-Growers Alignment Workshop e) Revision of RSPO Training Syllabus through Training Unit
Communications on Assurance of RSPO	Ensuring constant effective communication made to RSPO stakeholders on the progress of RSPO Assurance Systems through various platform in the next 2 years	<ul style="list-style-type: none"> a) Populating information in RSPO Website endorsed by the ASC members b) Conduct Assurance Forum as platform for getting feedback from stakeholders c) Conduct research of effectiveness through Research and Advisory Unit of RSPO Secretariat d) Verification of Profundo - do WG?
Strengthening Complaints Mechanism	(TBA) - discussion with complaints panel and complaints unit	

Appendix 1: Assurance Standing Committee (ASC) Code of Conduct

All members of the ASC are required to sign a Code of Conduct form. All members of the ASC are bounded by the Antitrust Guidelines for RSPO Members

Every member of the ASC must declare any conflict of interest (financial or otherwise) on the agenda and/or any matters that arise in due course of the meeting. Should a conflict of interest arise, any member concerned must recuse himself/herself from the decision-making process or any sensitive discussions.

All members of the ASC shall ensure the accuracy of the information provided and interpretation of all outcomes and decisions of the ASC shall be consistent with the consensus reached by its members.

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 ASC. 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 ASC and the Country Representative in RSPO Board of Governance, which will deal with the alleged breaches in accordance with the RSPO Grievance Procedure.

I acknowledge and agree with the terms in ToR and CoC above.

Signed by:

Witnessed by:

Name:

Name:

Organisation:

Organisation:

Date:

Date: