

TERMS OF REFERENCE

For an Independent Research Study for The Development of a Profiling System of Palm Oil Producers

Background

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 (*R/ISS*) 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 risks opening up the RISS to other interests such as land speculators, absentee landlords, and medium-sized growers who currently lack an inclusive and robust approach to get certified. As small and medium 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 was 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.

The key objectives of the MGTF are:

- (1) to oversee the development of a profiling system for palm oil producers (e.g. scheme 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.

To achieve the above objectives of the MGTF, the RSPO is commissioning an independent research study to better understand the characteristics of palm oil producers (including medium-sized growers) and to develop a profiling system of palm oil producers.

Research Objectives / Scope

The independent study should consist of a systematic literature review and stakeholder interviews¹ to develop a profiling system for palm oil producers (e.g. scheme smallholders, other smallholders, medium-sized growers, and large-scale growers).

The proposed palm oil producer profiling system developed from the independent study should cover the following:

- **Definition of different producer types** (e.g. scheme smallholders, other smallholders, medium-sized growers, and large-scale growers);
- **Characteristic of different producer types** (including but not limited to their operation, management, land size, labour and employment conditions, legality, rules and regulations, supply chain structure, and financial investment)

The proposed profiling system should be applicable globally; however, it may need to be adapted to account for regional differences in palm oil producing countries/regions. These nuances should be noted in the consultant's recommendations.

The study should also detail characteristics of medium-sized growers, including but not limited to the following characteristics:

- Total number of producers and production volumes for medium-sized growers in individual producer countries
- Challenges faced by this group of producers, both in their operation and practices, including barriers they face to achieve RSPO certification
- Any other important information related to medium growers' management practices, applicable law and regulations, etc. across the study area and that are unique to individual producer countries

¹ Stakeholder interviews should include key staff members in the RSPO Secretariat, members of the RSPO Smallholder Standing Committee and representatives from the key palm oil producing regions. The list of stakeholders to interview shall be agreed upon with the RSPO Secretariat.

The independent study should cover the following producer regions/countries at a minimum: Malaysia, Indonesia, Thailand, Papua New Guinea and Solomon Island, Africa (Ghana, Nigeria, Cote d'Ivoire, Liberia, Sierra Leone) and Latin America (Colombia, Mexico, Guatemala, Honduras, Brazil).

The review should also include a gap analysis of current pathways for medium growers to become RSPO certified including the RSPO Group Certification System.

Deliverables

A final report containing and describing the following:

- a. Characteristics and definitions of different palm oil producers in individual producer countries and a proposed profiling system of palm oil producers
- b. Characteristics of medium-sized growers in individual producer countries
- c. Gaps and challenges of current pathways for medium growers to become RSPO certified including the RSPO Group Certification System.

The consultant is also expected to present the results of the independent study to members of the RSPO Medium Grower Task Force.

Timeline: June/July 2020

This study is expected to be completed by 31st August 2020.

Requirements

- Individuals or organisations with expertise in the palm oil industry.
- Quality of deliverables.

Submission an expression of interest

Interested parties are invited to submit the proposal to Julia Majail (julia.majail@rspo.org) which should include the following information:

- An outline of proposed approach to do the research
- An overall plan and timeline
- Fee
- Curriculum vitae

END.