

## **Terms of Reference**

### **RSPO Group Certification Standards for Outgrowers Task Force**

#### **Background**

RSPO Group Certification Standard (2015) was endorsed by the RSPO Board of Governors (BoG) in March 2015 to facilitate certification of any FFB producers without mill, through a Group Manager. These includes both smallholders (those own lands up to 50ha) as well as outgrowers (own lands more than 50 ha) without mill.

A threshold was set that the current Group Certification Document, with specific reference to the Section 3, will only applicable for smallholders. The outgrower (who individually owns more than 50 ha of land) can be grouped together and be certified using the same mechanism described in Section 2 of the document, but must demonstrate compliance to the full P&C requirement.

In endorsing the Group Standard, the RSPO BoG has requested RSPO Secretariat to study on the requirements made on the outgrowers, specifically to assess the level of capacity and resources of these categories in meeting the P&C requirements. In its meeting in November 2016, the RSPO BoG, has approved the formation of a Task Force to carry out such study with aim at producing a specific guidance for outgrower.

Currently, the outgrowers can form a group and get certified by demonstrating compliance to the full P&C. However, some members are of the opinion that such benchmark is not commensurate to some outgrowers who normally has a smaller scale operations compared to the big company. Hence, a study is required to ascertain the appropriate standards to be applicable to this category of producers.

This terms of reference (ToRs) is formulated to guide the formation of a Task Force to carry a study in examining the needs for a specific guidance for Outgrowers.

#### **Scope of work**

The task force will oversee and ensure the following deliverables from time bound commissioned work/studies to:

- i. Conduct a study to assess the level of capacity and resources of the outgrowers in in meeting the RSPO P&C requirements, using the current standard for smallholders (up to 50ha) and the P&Cs as benchmarks;
- ii. Define the term 'Outgrower'; and determine if there is a necessity to set a threshold for producers below 500ha and those above 500ha;
- iii. Provide recommendation on the most appropriate and realistic requirements for outgrower to achieve RSPO certification;
- iv. Ensure the process to develop the guidance and/or standards for Outgrowers are following the ISEAL sustainability standards; and
- v. Provide recommendation to the Secretariat/Standing Committee/ BoG for approval of policies/ project(s)/ funding as per the Taskforce requirement.

The final objectives of the task force is to provide clarity to RSPO stakeholders on the applicable standards that are appropriate for Outgrowers categories so to allow these categories to achieve RSPO certification according to its context and reality.

## Composition of the TF

The composition of the Taskforce is envisaged as follow:

Category	Division
<b>Growers</b> <i>(Malaysia , Indonesia, ROW)</i>	3 <i>(Malaysia [1], Indonesia [1], RoW [1])</i>
<b>Outgrowers</b>	3
<b>Social NGO</b>	2
<b>Environmental NGO</b>	2
<b>Supply Chain</b> <i>(Manufacture, Bank/Finance, Retailer, Processor &amp; Traders)</i>	4 <i>(Manufacturer[1], Bank/Finance[1], Retailer [1], Processor &amp; Traders [1])</i>
<b>Smallholders</b>	2

## Timeframe.

It is anticipated that the Task Force should have a mandate to complete its work in **12 months** (this will depend on the agreed work plan and key activities).

Activity	Q1			Q2			Q3			Q4		
Formation of the TF	■											
1 <sup>st</sup> TF meeting		■										
Engagement of consultant		■										
Conduct of the study			■	■	■							
2 <sup>nd</sup> TF meeting						■						
Document refinement								■				
3 <sup>rd</sup> TF meeting								■				
Public consultation									■	■		
4 <sup>th</sup> TF meeting											■	
Finalisation of the guidance												■
BoG endorsement												■

Detailed outputs and work plan will have to depend on the agreed work plan when the task force meets for the first time – target February 2017