

Terms of Reference for the establishment of RSPO Smallholder Standing Committee¹

1. Introduction

In July 2017, the RSPO BoG endorsed the RSPO Smallholder Strategy. The Strategy outlined the goal and objectives that need to be realised in order to bring meaningful transformation to smallholders' inclusion into the RSPO system. A strategic framework was prepared for RSPO, including the Secretariat, and its members, to implement and support interventions that will ultimately lead to attaining the objectives and goal.

To ensure effective implementation of the Strategy, one of the fundamental recommendation be taken by RSPO is on strengthening the governance structure. The augmented governance structure should be fully established with full clarity on roles and responsibilities for the implementation of the strategy. This will support successful implementation and greater accountability.

One of the two key objectives of the augmented structure is to establish the Smallholder Standing Committee. The SH Standing Committee will provide a more comprehensive representation of smallholder interests with allocation of responsibilities to deliver the strategy held within one single body.

This paper is prepared to outline the intent of establishing the Smallholder Standing Committee by the RSPO. This new Standing Committee will function similarly to the other already existing committee:

- I. Standards & Certification (C&C SC)
- II. Trade & Traceability (T&T SC)
- III. Communications & Claims (C&C SC)
- IV. Finance

2. Mandate of the SH Standing Committee

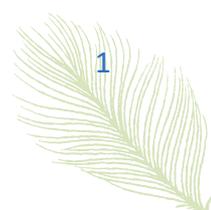
The mandate of the SH Standing Committee (SHSC) are:

- a. The Committee will oversee the execution of the RSPO Smallholder Strategy, and the Secretariat to lead the implementation of the planned activities;
- b. To make decision throughout the implementation of the Strategy and ensure that the Guiding Principles are respected in the decision making;
- c. To form a (or more) Working Group or Task Force responsible for delivering a specific output of the Strategy. These sub-groups will report back to the SHSC, where appropriate and the Standing Committee will evaluate and decide on the working groups recommendations; and
- d. To monitor the overall budget for the SH Strategy implementation.
- e. Reporting to the BoG on matters concerning smallholders

3. Structure

The SHSC should comprise of RSPO members or their nominated representatives. The acceptance of nominated representatives will be based on demonstrated experience, technical competence or expertise relevant to the mandate of the SHSC.

¹ This Terms of Reference was endorsed by the RSPO Board of Governor on 24th Sept 2018.



3.1 Criteria of Membership

- 3.1.1 Committee Members are willing and able to provide their advice and expertise to the RSPO in general;
- 3.1.2 Committee Members are willing and able to actively participate and/or co-organize activities that are organized regarding the SH Strategy;
- 3.1.3 Committee Members are expected to have knowledge of at least the following topics:
- The limitation and opportunities that smallholders are having at ground level within and outside the RSPO system;
 - The palm oil supply chain especially RSPO credits, and main barriers to sustainable production at each step;
 - Added value and cost of RSPO certification, and main barriers for smallholders to certification;
 - High Conservation Value, High Carbon Stock, GHG, Free Prior and Informed Consent, and Social and Environmental Impact Assessment;
 - Transparency and traceability in the palm oil supply chain.

3.2 Composition

- 3.2.1 The composition of the SHSC shall strive for balanced representation from stakeholder groups and global/regional presence.

Category	Division	Total
Growers	Malaysia	1
	Indonesia	1
	RoW	1
Social NGO		1
Environment NGO		1
Supply Chain	Consumer Goods Manufacturer	1
	Banks/Investor	1
	Retailer	1
	Processor/Trader	1
Smallholders	Malaysia	1
	Indonesia	1
	Thailand	1
	Papua New Guinea	1
	RoW (Africa)	1
	RoW (LatAm)	1

- 3.2.2 RSPO members may submit proposals to change the composition of the Standing Committee (SC) to the SHSC itself. The BOG has to endorse any changes to the composition of the Standing Committee based on reviewing any proposals and recommendations put forward by the SH SC.
- 3.2.3 Retirement of membership will be informed in writing to the Co-Chair's of the SHSC, copied to the RSPO Secretariat. The Co-Chair's will invite the constituents of the affected sectorial and/or geographical stakeholder group to nominate a new representative to the Standing Committee.
- 3.2.4 The estimated level of effort for members is to participate twice a year in a physical meeting and to be available on average one hour per week for providing input via email or telephone.



3.3 Retirement Criteria Working Group Member

3.3.1 The SHSC can exercise the right to release the membership of a WG member. However, the decision must be made by consensus of the WG (excluding the affected party).

3.3.2 The reasons (not exhaustive) for the WG to consider departure of a WG members are:

1. Absence from WG meetings for three consecutive meetings without proposing an alternate to attend these meetings.
2. Persistent refusal to furnish information requested by the WG. Information requested, if deemed beneficial to the objectives of the WG, shall not be unreasonably withheld except for those which are commercially sensitive and/or prohibited by law for dissemination.

3.3.3 Retirement of membership will be informed in writing by the Co-Chairs of the SHSC, copied in to the Secretary General and the Board of Governors of the RSPO.

3.3.4 The Co-Chairs of the SHSC will invite the constituents of the affected sectorial and/or geographical stakeholder group to nominate a new representative to the WG.

3.4 Governance

The overall governance of the SHSC shall be:

3.4.1 Co-Chair's

- BOG will appoint the Co-Chair's of SHSC based on proposal by SHSC members.
- Term of Co-Chair's will be on 2-year basis.
- The Co-Chair's, together with the representatives from the Secretariat are responsible to ensure for the overall cohesion, coordination and facilitation of the Standing Committee.

3.4.2 Communication

- It is desirable that the SHSC organize face-to-face meetings once every 4 to 6 months and organize teleconferences as and when necessary.
- The SHSC, at its behest, may invite non-RSPO member participation (for instance from independent consultants) on specific projects and tasks for additional value and contribution on specific terms and conditions it prefers and specifies at the time. However, such non-RSPO member participation cannot assume management or leadership of the standing committee.

3.4.3 Decision Making

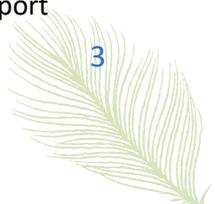
- The decision by the Working Group members shall be based on consensus, which is the absence of sustained opposition.

3.4.4 Commitment

- Membership is honorary and participation voluntary and all contributions are duly acknowledged.
- Members act with the objectives of RSPO and the sector in mind, not primarily the interests of their own organization.
- Members (substantive and/or alternates) are required to participate in at least 75% of all meetings in any consecutive 12-month period, failing which they may be replaced by any other eligible candidate (as defined above within 'composition').

4. Role of the Secretariat

The Secretariat will support the goals of the SH SC. The Smallholder Unit, within the RSPO Secretariat, will be responsible to implement the smallholder program in accordance to decision(s) agreed by the Standing Committee. Where necessary, RSPO Secretariat may engage external consultant to support



in executing programs for smallholders. It also will coordinate with other relevant regional and international bodies in regard to smallholders' programs, where appropriately required. The Secretariat would facilitate meetings or decision-making process by the Standing Committee and/or Working Groups. The Secretariat will also oversee the preparation of commissioned studies and other related work on Smallholders.

The RSPO Secretariat has a Smallholder Unit in place with ten dedicated staffs' members to work on smallholder issues.

