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# GAP ANALYSIS OF THE RSPO ASSURANCE SYSTEM:

Key Issues, Root Causes and Proposed Actions

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## Acknowledgement

This report was created with the aim of identifying gaps in the RSPO Assurance Systems, analysing the root causes of those gaps, and finding solutions for improvement. A number of preliminary steps that were taken throughout 2020 led to a mini workshop in October of the same year, during which various reports related to the RSPO Assurance Systems were consolidated. After identifying the fundamental gaps, the analysis was carried out, and the root causes were presented in the form of a narrative report. The report and its agreed work plan were endorsed in July 2021 following several rounds of discussion and consultation in the Assurance Standing Committee meetings, two Assurance Forums, a workshop, and feedback gathering from a subgroup. The Secretariat would like to thank the members of the Assurance Standing Committee, participants of the Assurance Forum in December 2020 and June 2021, as well as other stakeholders for their input and contribution to this report.



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# SECTION 1





## 1. Background

The RSPO Principles & Criteria (P&C) are consistently rated very highly as a sustainability standard, and certainly as the leading standard for the palm oil sector. The value of RSPO's certification has been established in the market and can be passed down the supply chain. Members reap the benefits of being able to claim that their products are certified under a global standard. Indeed, the P&C are also complemented by other compliance measures within RSPO's wider Assurance System that are applicable to all grower members, including their uncertified management units, such as the New Planting Procedure (NPP).

However, an ongoing lack of confidence among stakeholders in the implementation of the RSPO standards, which RSPO's Assurance System is meant to guarantee is "one of the biggest and most damaging threats to the organisation's reputation" (RSPO Operational Plan, 2021-25). The credibility of the RSPO certification scheme has been consistently undermined by documentation of poor practice, and concerns of the extent to which the Assurance System is being implemented with sufficient rigour. A series of external studies and reports by independent third parties and NGOs, such as the EIA/Grassroots publications of "Who Watches the Watchmen" and "Who Watches the Watchmen 2" have pointed to a suite of common failings that are not being sufficiently or consistently addressed, with a focus on the work of RSPO-accredited certification bodies (CBs) and RSPO's appointed accreditation body, Accreditation Services International (ASI), and also on identifying weaknesses in other aspects of the Assurance System.

### 1.1 Concerns about the RSPO Assurance

Below are some of the key issues that were highlighted in relation to the RSPO Assurance, based on influential reports provided by various interested parties over the last few years.

- Under-investment in Secretariat staffing
- No systemic support and linkages on assurance across other divisions
- Implementation and operation of data has become siloed and divorced
- The implementation of RSPO standards under the Assurance System does not always correspond to the reality of RSPO members' on-the-ground operations
- The RSPO Certification System Document does not always account for the complexities of palm oil plantation operations or supply chain facilities
- The complexity of actors and interests in the RSPO organisation and the overall palm oil industry sector, including the Secretariat, governance bodies (Task Force, Working Group, Standing Committee), and country governments where palm oil operations take place, generates multiple interpretations in the decision-making process under RSPO Assurance
- There is no clear distinction between conflict resolution through the Complaints Panel decision and conflict resolution through the mediation methodology.

Analysing the identified issues above, two main categories are derived: first, failings that are specific to assuring compliance with RSPO requirements relating to three main themes: deforestation, labour conditions, and land rights; and second, underlying generic weaknesses that reduce the effectiveness of the overall Assurance System.

## 2. Scope and Methodology

### 2.1 Scope

This report considers the full scope of RSPO's Assurance System. In straightforward terms, RSPO's Assurance System comprises four elements as listed below:

- Aspects of compliance and verification that are applicable to all grower members, outside of certified management units, such as the New Planting Procedure (NPP) and the Remediation and Compensation Procedure (RaCP).
- Certification and accreditation, including the process of certification assessments, and the monitoring of CBs by the accreditation body.
- Grievance processes relating to allegations of non-compliance with RSPO membership or certification requirements, excluding the CAP implementation.
- The Secretariat's own monitoring and evaluation activities, including in relation to risks arising in the public domain, and investigations relating to grievances (outside CAP-related activities).

The point above can be summarised in the following figure:



Figure 1 - Summary of Scope

This report does not consider issues relating to members' Annual Communication of Progress (ACOP), PalmTrace data submissions or supply chain certification.

It must also be noted that this review does not cover the implementation of the RSPO's Complaints and Appeals Procedure (CAP), involving the establishment of independent complaints panels. The Secretariat will conduct a separate review of the CAP and its implementation later in 2021.

The following elements were built into the structure of this report:

- Firstly, there has been a string of existing external reports and analyses, both commissioned by RSPO and unsolicited stakeholder reports, that have sought to identify and highlight the main weaknesses in current systems and implementation. These reports are briefly reviewed in Section 2.
- Secondly, from Section 1, this report explains the analysis of Root Causes and Gaps in the current system, as well as its implementation (Section 3).
- Thirdly, the Secretariat drew on its existing understanding of assurance strengths and weaknesses in the preparation of its new Operational Plan for 2021-25, during the second half of 2020. One of the five pillars of the new plan (finalised and approved by the BoG in February 2021) is Assurance; within that pillar, an extensive suite of recurring and project-based activities has been defined. The activities already included in the Operational Plan provide the foundation moving forward (Section 4).
- Lastly, the recommended actions from these key elements are then integrated into an overall comprehensive set of proposed actions and activities under the operational plan and specific projects to respond to the root causes (Section 4).

## 2.2 Methodology

This report will present the analysis of each identified root cause using these two aspects:

- Determination of reasons
  - Review of external reports
- Engagement sessions to identify and address root-cause analysis
  - ASC members
  - Participants of Assurance Forum

## 3. Review of External Reports

To complement the Operational Plan and the internal gap analysis, this process also included a brief review of relevant external reports, in order to inform the overall analysis and proposed actions.

This brief review considered the key weaknesses and allegations identified in a range of existing external reports by different stakeholders, some of which were commissioned by RSPO and others were unsolicited criticisms from stakeholders.

A number of the reports are based on specific case studies and cited evidence while others identified issues inferred from certain stakeholder perspectives and perceived common factors.

The reports reviewed were as follows:

- Expecting too much, getting too little?, Steve Jennings, WWF October 2016
- Strengthening the RSPO Audit, Preusser 2017
- Review of the Design of the RSPO Assurance Model, Liza Murphy
- Study of Labour Compliance in Indonesia, Profundo, November 2018
- Study on Complaints from Indonesia, Yance Arizona, September 2019
- ASI non-conformity analysis, October 2019
- Gatti et al, Sustainable palm oil may not be so sustainable, 2019
- Who Watches the Watchmen 2 (EIA/Grassroots), 2019
- ATF Independent Review, 2020
- MSI Integrity, Not Fit for Purpose, July 2020
- IUCN NL, Review of RSPO systems on competence and independence of assessors, January 2021
- Destruction, Certified. Greenpeace, March 2021

This section of the report provides a very brief summary of each, as well as a summary of the highlighted weaknesses in RSPO's Assurance System and recommendations for action. The review seeks to determine what is going wrong, what the root causes of the alleged failings are, and what the key mitigating actions would be.

### Expecting Too Much, Getting Too Little?, Steve Jennings, WWF (2016)

This report presents a qualitative review of the perceived weaknesses in the RSPO certification scheme, and offers solutions and recommendations.

The report identifies three main problems to be addressed, namely (i) standard complexity, and the resultant challenges for monitoring compliance; (ii) the audit process, including competence, methodology and time inputs, driven by prevailing auditing norms and downward pressure on time and cost; and (iii) independence of auditors, driven by issues of 'divided loyalty', which had even resulted in corruption.

Proposed solutions include a range of approaches on a spectrum from evolutionary (compatible with current auditing systems) to revolutionary (outside current auditing norms), and include measures such as improved training, auditor rotation, unannounced audits, greater transparency measures, risk-based approaches and decoupling of auditors using a trust fund to transform independence levels.

The report's key recommendations comprise:

- Removing the financial link between auditor and auditee
- Improving auditor's quality
- 'Monitoring' some things and 'auditing' others through a more innovative mix of approaches
- Focusing the standard on priority issues
- Risk-based approaches.

### Strengthening the RSPO Audit, Dr Steffen Preusser, 2017

As part of its response to the Watchmen 1 (2016) report, the RSPO Secretariat commissioned this independent expert report to examine the "auditing process from the point of view of the CBs" and to make recommendations for its improvement. The report is based on a series of structured interviews, which involved 18 personnel from a total of 11 CBs, and 9 other relevant experts. Recommendations were made with the objective of strengthening those points in the auditing process where an immediate and significant impact could be made.

The key recommendations were:

- Ensuring harmonised interpretations (of criteria and indicators) between the main parties, i.e. RSPO, ASI, CBs and the growers, through an on-going process of training and capacity building
- Introducing a requirement for mandatory training courses to prepare plantation managers, to build understanding and compliance prior to assessment, as well as expanding training opportunities for CBs
- Promoting a constructive relationship between ASI and CBs, as a mechanism to augment the quality of audits
- Consider options for NGO involvement in the assessment process as stakeholders, to build relationships and promote wider understanding.



## Liza Murphy – RSPO Assurance Model Report

The report provides an analysis of options for the improvement of RSPO certification, including an overview of conflict-of-interest issues and their potential impacts and options for mitigation.

The report reviews the role of the accreditation body, and the importance of monitoring performance with clear KPIs attached, the central importance of certification bodies, together with consideration of the roles of certificate holders (in terms of how to assist their compliance) and wider stakeholders, and the cross-cutting issues of outreach and the effectiveness of training.

The key recommendations are:

- Strengthen assessor rotation requirements (in relation to maintaining objectivity)
- Strengthening the role of the Secretariat, including an internal audit of the whole internal management system
- Strengthening training for specific parties such as CBs and certificate holders
- Introducing specific assessor licencing, such as for social assessors

## Study of Labour Compliance in RSPO Certified Plantations in Indonesia, Profundo, November 2018

The report focused on current robustness of compliance with labour-related certification requirements, by certified operations. Within the context of the known criticism of prevailing labour abuses in the sector, the process reviewed over 50 RSPO surveillance reports, a number of ASI witness audits reports, and included field verification in 4 certified management units.

The report concludes that non-compliance with labour requirements by certified operations is 'pervasive' with resulting impacts on scheme credibility, and is facilitated by poor assessment practice including a 'checklist mentality' approach by CBs focused on documentation rather than evidence of compliance in the field.

The report makes a series of far-reaching recommendations to ensure the effectiveness of the certification process in relation to labour requirements. The main points are:

- Increase outreach and involvement of key parties such as estate level management and trade unions, and accessibility of workers to grievance processes through mechanisms such as Worker Voice
- Establish specific labour assessment guidelines for CBs that require more robust approaches, including gender balance of teams and unannounced spot/audits, and specific training for assessors
- Strengthen consequences for underperforming CBs
- Strengthen RSPO Secretariat team, and consider taking accreditation in-house
- Wider sector-level engagement, such as with government labour inspectors and the Personal Protective Equipment (PPE) industry

### Study on Complaints from Indonesia, Yance Arizona (September 2019).

The study reviewed complaints addressed through the CAP relating to Indonesian plantation operations from 2009 to 2019, considering that 65% of complaints concern Indonesia. The study comprised a desk review of 66 cases, including a range of interviews.

The two predominant issues were found to be relating to land rights and FPIC (or the lack of it), and environmental protection and deforestation.

The report does not provide an analysis of the nature of any failings of the Assurance System in leading to these complaints, but confirms that the land rights complaints typically relate to a lack of FPIC and associated compensation, while the environmental complaints derive mainly from inadequate HCV assessments (at the NPP stage).

Recommendations relate mainly to preventive measures such as improved monitoring of public domain grievance cases and engagement with governments on legal changes.

### ASI Non-Conformity Analysis, October 2019

ASI performs approximately 20 on-site assessments of CBs annually, comprising witness assessments and compliance assessments. The report summarises findings from 78 such assessments conducted between 2016 and 2019.

The report's key findings include:

- CBs appear to be underreporting non-compliance levels, evidenced by the fact that CBs raise approximately twice as many non-compliances (NCs) during ASI witness assessments as normal, and that ASI assessments result in higher numbers of NCs on average.
- The significant effect of the identity of the CB and even the specific lead auditor on the number of NCs raised, given the level of variability in the numbers raised.
- The fact that two-thirds of NCs undetected by CBs were related to worker benefits and conditions (the report also notes that CB assessments typically involve about a dozen worker interviews).
- The variability in NCs raised per Principle in the 2013 RSPO P&C, with very low levels against Principle 7 and the Principle 2 requirements on FPIC.

There is also a clear conclusion about weaknesses to date in terms of CB evaluations against the NPP requirements, including FPIC compliance. According to the report, 'prior to ASI intervention, CBs were generally not evaluating against P&C indicators during NPP verifications,' and that, to make matters worse, CBs were generally not covering Principle 7 during certification assessments because it was assumed that new planting had been completed and, by extension, that the applicable requirements had been covered during NPP verification. At the time of the report, ASI had not undertaken any witness NPP verifications.



### Gatti et al (2018)

The paper alleges habitat degradation and forest loss inside certified areas over the period between 2001 and 2016, by overlaying certified concession boundaries with forest loss data, and concludes that there is a high level of tree loss in 'RSPO concessions' over that period.

The paper applies certified areas as at 2016 and then retrospectively looks at tree cover loss since 2001 relating to those areas. However, the paper does not take into account the date of certification of specific management units or any other controls relevant to the certification scheme. For example, the paper notes that there was around 275,000 ha of forest loss from 2001-2005, without also recognising that RSPO certification was not available during this period.

A more nuanced account of the contribution of RSPO to reducing deforestation would need to review the effectiveness of RSPO certification (level of deforestation in certified areas), the effectiveness of NPP at reducing deforestation (new planting by RSPO members) and the contribution to the overall net balance through the RaCP (to compensate for previous deforestation by RSPO members).

### Who Watches The Watchmen 2 (EIA/Grassroots, 2019)

The report uses 9 case studies to illustrate alleged failings and weaknesses of RSPO's Assurance System. The main alleged shortfalls that are identified, together with even more serious allegations such as collusion and fraud by CBs, are:

1. The effectiveness of NPP implementation for preventing deforestation and land conflict (through FPIC), including 'evasion' of NPP requirements by not declaring new plantings
2. CB's weakness in carrying out NPP verification and/or evaluation of new planting during the certification process.
3. Inadequate role of ASI in identifying CB's failings and taking action against CBs
4. Weak HCV assessments, mainly relating to pre-HCV assessor licencing scheme, and action to address previous weaknesses.
5. Questionable robustness of enforcement of partial certification requirements and RaCP processes.

The key recommendations to strengthen the Assurance System are:

- Strengthen the NPP process to prevent evasion, improve robustness of verification process and post-NPP monitoring
- Ensure meaningful sanctions on CBs for identified poor performance, and follow-up on analysis of non-compliance issues by ASI
- Review effectiveness of technical training for CBs and consider options to reduce conflicts of interest between CBs and their clients
- Implement robust SOPs in the Secretariat for non-CP grievance processes
- Carry out a quality review of pre-2015 HCV assessments

EIA and Grassroots issued a follow-up report (Burning Questions) in February 2021, which sought to provide an update on issues raised by the Watchmen reports, and focused on reviewing main developments in 2020 and the progress of the ASC. The Burning Questions update made a number of recommendations, mainly around the functioning of the various elements of RSPO governance (BoG, Secretariat, ASC, Assurance Forum and partner organisations), but also noted the importance of a credible root cause analysis (this document) in terms of setting out an agenda for action.

## ATF Review Recommendations (2020)

The original Who Watches the Watchmen report ('Watchmen 1') by Grassroots and the Environmental Investigation Agency (EIA) was published in November 2015, and was highly critical of RSPO's Assurance System. An accompanying resolution was passed at the concomitant RSPO General Assembly (GA) that mandated the RSPO Secretariat to address the identified core assurance weaknesses. In response, the RSPO Assurance Task Force (ATF) and an Assurance Task Force Advisory Group were established to provide oversight to the process of taking the necessary steps to improve the quality of assessments and more generally to meet the requirements of the resolution.

However, the track record of the ATF in achieving its objectives was patchy, and in July 2019 it was dissolved by the RSPO Board of Governors upon the establishment of the Assurance Standing Committee (ASC), as part of a wider governance reorganisation. At that time, it was acknowledged that the ATF had not completed all the tasks it had been allocated, and in late 2019 RSPO committed to an external review of the functioning and achievements of the ATF, in order to learn lessons and inform the operations and workplan of the ASC. The review was carried out by an independent consultant, Adam Harrison, and reported in June 2020.

The ATF review made a series of recommendations relating to the functioning of ATF's successor organisation, the ASC, which are outside the focus of this report. The very first recommendation was that:

'The ASC needs to develop a long-term, strategic work programme built on a thorough understanding of the root causes of poor audit and assessment quality. The programme of work needs to be a shared plan with the RSPO Secretariat and adequate resources and capacity needs to be made available to implement it.'

This report seeks to fulfil precisely that role, by informing the workplan of the RSPO Secretariat, and specifically the Assurance Division, based on a systematic assessment of identified weaknesses in RSPO's Assurance System.

In terms of specific actions under the purview of the ATF that remain uncompleted, the independent review highlighted the following:

- The RSPO Secretariat should continue to review and develop the guidance and minimum requirements developed by the ATF but the ASC should make sure it keeps oversight of its progress;
  - No specific outstanding gaps were highlighted, but this remains a recurring task to update and review the adequacy of existing guidance documents
- RSPO should develop a strategic, comprehensive training and capacity building programme for its members, assessors and auditors that is based on a thorough needs assessment and which includes follow up support and monitoring of outcomes;
  - The review highlighted that although the identified training modules had been developed, the effectiveness of training must be monitored and that RSPO needs to take a much more strategic and needs driven approach to training, such that the Secretariat's training team builds strong links across all the functions of RSPO as well as with service providers such as the HCVRN and ASI.
- The ASC should take a strategic overview of the relationship between RSPO, ASI and ALS and make sure that it is functioning and delivering the desired outcomes. The RSPO Secretariat should handle the day-to-day management;
  - The review notes that the RSPO Secretariat relies heavily on ASI and also HCVN to help deliver and maintain the quality and credibility of the Assurance System; as such, the relationships, systems and information flow with these organisations (and to a certain extent, now also with HCSA) are



essential to maintaining and improving quality. One specific aspect that was left outstanding by ATF was the possibility for harmonising complaints systems across RSPO, ASI and HCVN, which should be considered.

- The ASC should take a view on the level of transparency and publication of information that will allow stakeholder oversight that in turn will drive quality improvements;
  - The review concludes that in a number of cases the work of the ATF stalled when it confronted the issue of transparency. This is considered to be partly an issue of improving systems to ensure engagement and consultation with, and access to information for, stakeholders. The review also cites examples such as public availability of NPP, peat and HCV maps, reports from ASI and HCVRN to RSPO, and the Registry of Auditors and the Peer Review system.
- The ASC should take a view on the value of assessing the quality of past assessments and audits as well as attempting to develop compensation mechanisms;
  - Although RSPO has come under pressure to look at the quality of past assessments, the review is inconclusive on the value of this, especially relative to the importance of focusing limited resources on addressing on-going weaknesses.
- The ASC should keep a watching brief on possible collusion and fraud in the Assurance System;
  - The issue of possible collusion between assessors and their clients remains a live topic, and is probably the subject of entrenched views, despite work commissioned by the ATF concluding that there is little if any evidence for it. The review concludes that RSPO can work to minimise the possibilities of collusion through checks and balances in the system, but also recognises that the level of risk “represented by fraud and collusion is so great that the ASC needs to keep the issue under review”.
- The ASC should oversee work that helps member growers to internalise assurance within their standard operating procedures;
  - To complement other actions that focus on third party assurance systems, the review identified the continued importance of supporting growers to ensure P&C compliance, with capacity building to improve the quality of P&C implementation within companies, developing internal audit and gap analysis skills and enhancing company dispute processes.

### Not-Fit-for-Purpose, MSI Integrity, July 2020

The Institute for Multi Stakeholder Initiative Integrity (MSI Integrity) published a major review of the extent to which multi stakeholder initiatives are effective tools in protecting human rights. The report concludes that MSIs have fundamental limitations that are typically inherent in their design and operation, and as such are ‘not fit for purpose’ in terms of being relied upon for human rights protection.

The review identifies two intrinsic features that limit the efficacy of MSIs in delivering effective human rights protections. Firstly, that they are not ‘rights holder centric’ and employ a top-down approach where rights holders are not empowered to directly engage in governance or implementation; and secondly that they have not ‘fundamentally restricted corporate power or addressed the power imbalances that drive abuse’. As such, the report draws some high level conclusions that, while MSIs are tools for corporate engagement, they must be supplemented with public regulation and do not challenge prevailing corporate norms.

More specifically, the review identifies six areas of insight, of which the relevant one for this report is in relation to monitoring and compliance, such that ‘MSIs employ inadequate methods to detect human rights abuses and uphold standards’.

The review concludes that the emphasis that MSIs have placed on developing standards has not been matched by effective mechanisms for detecting abuse and enforcing compliance. To illustrate this, the review benchmarks a range of MSIs on the basis of a number of relevant detection and enforcement requirements. These requirements are:

- Requires interviews with rights holders
- Requires stakeholder consultation during evaluations
- Has procedures to protect interviewees from reprisal
- Requires evaluations teams to speak local languages or use independent interpreters
- Requires a female evaluator
- Requires expertise in human rights and social contexts on evaluation teams.

Of the 15 MSIs benchmarked, only Social Accountability International (SAI) met this set of requirements. The review's insights on detection and compliance reflect on the prevailing lack of attention in monitoring regimes to the principles of engendering awareness, building trust and overcoming power dynamics, that undermine the ability of MSIs to protect human rights.

### **Review of RSPO Systems on Competence and Independence of Assessors, Andy Whitmore, IUCN NL (January 2021)**

Based on wide-ranging stakeholder interviews, the review considers options for improving the effectiveness of RSPO certification systems, including quality/competence issues, transparency factors, and independence of assessors, noting that a range of opinions were expressed on the severity of the existing problems.

On competence, the review focuses on examples of best practice in social auditing from other schemes and sectors. The report also identifies examples from other sectors on transparency, such as involvement of stakeholders in assessments, peer review of CBs and data publishing, and on independence the review highlights three main examples of other approaches plus considers the use of trust funds.

The main recommendations cited are as follows:

- Improve social auditing methodology and related skills training
- Increase outreach to workers and communities to build the enabling conditions for greater compliance, including opportunities for independent observation of assessments; consider allocating a specific fund to support these activities
- Improve data sharing, integration and accessibility mechanisms
- Build secretariat capacity and capability
- Consider measures within existing systems to increase independence, such as further assessor rotation requirements, and consider piloting novel mechanisms to increase independence (using examples from other schemes) including decoupling



## Destruction, Certified. Greenpeace, March 2021

The report is a wider review of the contended limitations of sustainability certification and considers a range of schemes in its evaluation.

The report covers scheme governance, standards, audits, transparency and traceability, and offers a comparative scorecard scheme (RSPO scores relatively well).

The report includes specific comments on each of the featured schemes. In terms of the main findings relating to RSPO, the report cites both the ASI non-conformity analysis (2019) and the Watchmen 2 report (2019), both of which are also reviewed here. The other specific issues raised are:

- The ongoing intrinsic conflict of interest in terms of the relationship between CBs and their auditees
- The lack of unannounced audits as an omission from certification systems
- A claim that “more than two-thirds of producer groups linked to fires in Indonesia in 2019 are members (or include members) of RSPO”
- Related to the implementation of the complaints process, including a statement that a “majority of complaints derive from land disputes”

In conclusion, the review of these reports can be generically summarised as follows:

Standards Settings and Interpretations	Certification	Compliance
<ul style="list-style-type: none"> <li>• Indicators are open to interpretation</li> <li>• Only RSPO has authority on what constitutes compliance to a particular criterion</li> <li>• Standard interpretation is loose</li> <li>• CBs mentioned that the RSPO standard is undercooked</li> <li>• Language style hard to understand by non-native English speakers</li> <li>• Some P&amp;C indicators are not well understood by CBs</li> <li>• Standard is not practical and is too theoretical</li> <li>• There is a need for a social requirement guidance</li> </ul>	<ul style="list-style-type: none"> <li>• Certification is a lousy way for detecting and identifying fraud</li> <li>• Accountability across all actors is needed to build the capacity of CBs</li> <li>• Complaints have been lodged by stakeholders who did not want to partake in the audit process</li> <li>• NGO Investigative works versus CB auditing : “Watchdog” versus “Bloodhound”</li> <li>• NGOs expect that RSPO assumes the role of “sustainability” policemen, through CBs and ASI</li> <li>• RSPO should invest resources to improve the motivation of the growers</li> </ul>	<ul style="list-style-type: none"> <li>• Around 70% of undetected NCs relate to the treatment of workers, local communities and the environment</li> <li>• If input by NGO is vital, a practical mechanism to engage with them actively should be developed</li> <li>• There should be observers to participate in audits to identify system failures</li> <li>• How to hack into the auditing system?</li> </ul>

Standards Settings and Interpretations	Certification	Compliance
<ul style="list-style-type: none"> <li>• There is a systemic failure in the flow of standard setting, interpretation and audit mechanisms</li> <li>• ISO can be used to the guideline for the procedural part of the RSPO audit</li> <li>• Companies that have ISO certification are better prepared for RSPO audits</li> <li>• There is a missing link between standard setting and assurance systems</li> </ul>		
The findings are a cross-cutting situation for Risk, Monitoring, Evaluation and Learning, and Grievance.		



# SECTION 2





## 4. Root Cause Analysis

This section presents the root causes for inadequate assurance implementation that were identified from the review of external reports and gathering of inputs from stakeholders as outlined in the methodology. In addition, restrictions brought about by the current pandemic further emphasises the need for improvements to the current operations. While the root causes are found to be interlinked, this section will primarily focus on:

- a) RSPO standards development
- b) RSPO certification systems
- c) Gaps in implementation of Assurance
- d) Governance from different actors
- e) Existence of different grievance-related mechanisms

### 4.1 RSPO Standards Development

Over the years, the RSPO Certification Standards (P&C, RISS, SCC) have typically been set, endorsed and rolled out without piloting. In many cases, the implementation of these standards under the Assurance System does not always correspond to the complex reality of RSPO members' on-the-ground operations, such that current palm oil industry operations are highly impacted by specific local situations, constraints and demands for business efficiencies.

Despite this, members consider the RSPO's certification to be helpful in terms of improving their market performance. It's critical to be able to state that your business is certified and fulfils a global standard.

The long and complex process of RSPO Standard Development through multi-stakeholder processes may result in unclear interpretations and some uncertainties about the true intention of the standard. While the global standard should remain generic, the existence of National Interpretations has been addressing in detail some of the gaps that occur. However, given the variety of competency inevitably shown by different actors during the implementation of audits, the RSPO Secretariat should take the most appropriate accountability in interpreting both generic standards and the interpretation documents.

The RSPO Assurance System must be integrated into its standards rather than being an afterthought or a separate effort. The RSPO Secretariat must match stakeholders' expectations with what the Assurance Systems deliver. The goal is to improve understanding of the standards among all stakeholders, which can be accomplished by changing how they are implemented or how impacts are assessed.

Other specific issues include the following:

- The current multi-stakeholder model adopted for the standard development, while ensuring wide and balanced representation, has been lacking in terms of CB participation during the standard setting process. To this end, CBs may find some grey areas for interpretation when they apply the indicator sets. Looking at the challenges and context of current CB capacities, it is important to consider the involvement of CBs during standard development in RSPO.
- Many aspects of the RSPO standards have been developed using references to other relevant global standards and guiding principles, such as ISO and UN standards. However, the benchmarking process that this entails has not been sufficiently linked with the capacity building programme provided by the RSPO Secretariat to its members.

The RSPO standard development process creates a clear 5-year cycle and timeline for standard revision. However, the various supporting documents and guidelines that are necessarily provided to support the implementation of the standards have been produced with different timelines, often with significant time lags. In many cases, this situation may drive other challenges in ensuring the quality of compliance.

## 4.2 RSPO Certification Systems

The RSPO Certification System Document has been improved over time. However, it does not always accommodate the complexity in the plantation operations or supply chain facilities of the palm oil industry. The timeline of the RSPO Certification System Document revision, currently set for every 5 years, limits the necessary action by the RSPO Secretariat to resolve new incoming issues with guidance for resolution, on topics where the existing system document remains silent.

Between the 5-year revision timeline, there is currently an unclear scope for the Secretariat to take necessary decisions as interim measures, which allows challenges to develop over time. The scope for adjustment is lightly mentioned in the Introduction part of the Certification System Document 2020 (page 10). It is therefore considered that a more agile approach is needed, with an on-going scope to adjust systems, such that the RSPO Certification System Document alone cannot wholly regulate the performance of the quality assurance, and there is a need for the Secretariat to develop further internal procedures and mechanisms that may be necessary to strengthen the overall system.

It is also the case that the RSPO Certification System Document has been developed within the framework of a generic approach to certification systems, rather than taking full account of the compliance challenges for complex plantation sectors such as palm oil with a large operations area. For instance, sampling can be an issue as the number of people that need to be interviewed may vary from one plantation to another.

The RSPO Certification System Document is also not able to accommodate or reflect the complexity of the political aspect of plantation sectors, and their role in business and national development. In some countries, the respective Government has been regulating the palm oil sector as the strategic commodity for their development agenda with a context of national policies to protect the most important resources contributing to national income (i.e. Government decision to set some areas as development areas despite the potential biodiversity within). In addition, the previous and/or prevailing approach to plantations as an investment results in a policy approach that seeks to favour business operations and protection for competitiveness that is not always consistent with the standard of transparency that RSPO regulates in its key documents (i.e. opaque ownership and shadow companies).

The inherent characteristics of the palm oil industry have resulted in issues relating to human rights and social impacts being increasingly recognised, and it has become clear that these are not able to be properly evaluated under the approach described in the RSPO Certification System Document.

Audits are intended to evaluate compliance against the standard. However, the way audits are conducted has changed dramatically. What used to be light and personal have become more impersonal, with tight regulations imposed by standards such as checklists to use and formats to follow, among other things.

It is therefore necessary to review different methodologies and tools to support better compliance and address the social conflicts, in order to meet stakeholder expectations. Using indicators that may differ from one audit to the next, focusing on impacts, and how to make audits more adaptable to the actual circumstances of various growers are just a few things to think about.

## 4.3 Internal Gap Assessment in the Implementation of the Assurance System

The Secretariat's Assurance Division has also undertaken their own gap analysis during Q1 2021, to identify aspects of the Assurance System that need strengthening. The consistent root cause mentioned in several external reports to put investment in strengthening the RSPO Secretariat became the basis of the restructuring to respond to strong criticism of the Assurance System's implementation. This has resulted in the development of an additional set of actions for inclusion in an integrated divisional work plan under the new structure of the Assurance Division.

The analysis of the external reports summarised above has identified and/or alleged a range of weaknesses in the RSPO's Assurance System and their implementation. Furthermore, the analysis of the weaknesses in terms of the key thematic impact areas enables root causes for each of these to be identified, and also facilitates the understanding of cross-cutting issues that need to be addressed more systemically.

The analysis is clustered below in terms of (i) the critical thematic areas of deforestation, labour and human rights, and (ii) land rights/FPIC.

#### 4.3.1 Labour non-compliance by certified operators System

Evidence of labour abuses in specific cases and evidence from the ongoing case history of complaints and findings by ASI confirms that there are ongoing weaknesses in RSPO's Assurance System relating to labour and human rights. Most specifically, this synthesis of reports demonstrates that there are likely to be prevailing weaknesses in labour conditions in certified operators. In terms of the Assurance System, the critical intervention for labour conditions is the robust assessment of compliance with certification requirements by certification bodies, using an approach that is likely to be effective at detecting human rights abuses.

A cursory review of these stakeholder reports, together with (a) the certification systems requirements for carrying out assessments, (b) the level of evidence reported in typical certification assessment reports and (c) the analysis by ASI of CB performance, confirms that it is extremely likely that labour abuses and non-compliances are being significantly under-detected by CBs during the assessment process.

What are the root causes of this weakness in certification systems? The reasons for this current failing would include:

- Current prescribed certification systems are not specifically designed to detect labour non-compliances, and do not always reflect best practice in the field
- The implementation of assessments by CBs is not sufficiently robust. This partly reflects the inadequacy of the prescribed systems, but also is likely to be exacerbated by a lack of expertise and experience of assessors
- These reasons are possibly aggravated by a lack of robust sanctions by the accreditation body, despite these weaknesses having been somewhat identified as an ongoing trend
- There is a possibility that robustness of assessment and enforcement is also undermined by insufficient independence of CBs, although it is not possible to disaggregate this factor
- These weaknesses in the direct certification system are definitely exacerbated by structural challenges that also serve to undermine the level of compliance, which include:
  - Sector-level factors that generally mean a low level of performance in terms of labour conditions, reflecting the use of a migrant labour force in many locations and their vulnerability to exploitation
  - A legacy of poor practice that demands technical support and outreach to inculcate understanding of acceptable standards at all management levels, including internal monitoring
  - A lack of accessibility to internal grievance and resolution processes for workers to identify and address cases of poor practice, together with conditions that would give workers sufficient confidence in their protection from reprisals



### 4.3.2 Non-compliance with Deforestation and FPIC Requirements by RSPO members

Allegations of poor practice in specific cases and evidence from the case history of complaints and findings by ASI confirms that there are ongoing weaknesses in RSPO's Assurance System relating to land clearance and new plantings by RSPO members. This manifests itself in allegations and complaints relating to both deforestation and land conflicts, and therefore these themes are considered together here in terms of root causes.

Deforestation is effectively prohibited under RSPO's Assurance System by a combination of the relevant P&C requirements for certified management units, requirements for uncertified units specified in the RSPO Certification Systems document, and the New Planting Procedure (NPP) that is applicable to all other operations by RSPO members in uncertified management units. Where past deforestation has taken place without any compliance measures (since the P&C were adopted in November 2005), appropriate remediation and compensation is required by the Remediation and Compensation Procedure (RaCP).

In order for land rights to be upheld, RSPO requires the implementation of Free, Prior and Informed Consent (FPIC) and supporting measures. FPIC is also enforced by the same combination of the relevant P&C requirements for certified management units, requirements for uncertified units specified in the RSPO Certification Systems document, and the New Planting Procedure (NPP) for all other operations by RSPO members in uncertified management units.

The reasons for the identified failings in the enforcement of RSPO's requirements relating to new plantings, and the resulting impacts in terms of deforestation and land conflicts, are likely to include some combination of the following factors in each specific case:

- Requirements for NPP may have been effectively bypassed in some cases as some concession areas/landholdings may not be fully declared by members, and/or some land clearing activities and new plantings may not be fully declared by members
- Where sub-standard NPPs are completed, NPPs are not always being evaluated robustly and credibly by certification bodies. Since 2015, HCV assessment has been subject to the HCV Assessor Licensing Scheme (ALS), but evidence suggests that verification of the full NPP submission has not been subject to the necessary rigour, and that this has not been adequately monitored by ASI. Consequently due to a lack of effective oversight, some substandard NPP quality will have been undetected.
- Poor NPP quality has not been adequately identified and compensated for subsequently by robust checks during certification assessments. Evidence suggests that NPP inadequacies can be exacerbated by a lack of follow-up during certification assessments for recent plantings. It seems likely that P&C new planting requirements for management units under assessment are simply considered to have been met by past NPP submissions, and are therefore not robustly checked. In this way, the NPP process can act as a weak link prior to certification.

### 4.3.3 Cross-Cutting the Assurance System issues

The series of external reports reviewed here also alleges and/or demonstrates that the specific weaknesses above, relating to critical thematic areas, are exacerbated by underlying weaknesses that reduce the effectiveness of the overall Assurance System.

This analysis of external reports and input gathered from the Assurance Forum suggests that key generic issues that need to be addressed are:

1. Fundamental shortfalls in the capacity of the Secretariat.
2. Secretariat's management systems, including factors such as the evaluation of ASI performance, integration of systems with key partners (ASI, HCVN, HCSA), training needs assessment of CBs, grower members and other parties, remote monitoring of members' concessions and interventions relating to public domain grievance management.
3. ASI performance in terms of ensuring adequate actions where the performance of specific CBs has been identified as substandard.
4. CBs' performance and norms. A cultural shift in approach to P&C assessment is required, focused on outcomes rather than box ticking. This is most acute in terms of labour and human rights, but all aspects of compliance would benefit from better practice.
5. Different approaches to audits such as remote verification (in view of the COVID-19 pandemic) and risk-based approach depending on impacts that are being addressed.
6. Decoupling and whether it would work, considering the size of RSPO and the complexity of its standards.

This brief analysis of identified failings, probable root causes for those failings, and proposed mitigation actions, is also summarised in Table 4.3 below:

No	Key Weaknesses	Root Causes	Proposed Mitigation Actions
4.3.1	<p>Prevailing weaknesses in labour conditions in certified operators.</p> <p>Extremely likely that labour abuses and non-compliances are being significantly under-detected by CBs during the assessment process.</p> <p>Non-compliance with labour requirements by certified operations is 'pervasive' with</p>	<p>The reasons for this current failing would include:</p> <ul style="list-style-type: none"> <li>• Poor assessment practice including a 'checklist mentality' approach by CBs focused on documentation rather than evidence of compliance in the field.</li> <li>• Current prescribed certification systems are not designed to detect labour non-compliances, and do not reflect best practice in the field</li> <li>• Current prescribed certification systems are not designed to detect labour non-compliances,</li> </ul>	<p>In terms of the Assurance System, the critical intervention for labour conditions is the robust assessment of compliance with certification requirements by certification bodies, using an approach that is likely to be effective in detecting human rights abuses.</p> <p>Priority actions would include:</p> <ol style="list-style-type: none"> <li>1. Establishing specific labour assessment guidelines for CBs that require more meaningful sampling, more time in the field as opposed to reviewing documentary evidence, higher numbers</li> </ol>

No	Key Weaknesses	Root Causes	Proposed Mitigation Actions
	resulting impacts on scheme credibility.	<p>and do not reflect best practice in the field</p> <ul style="list-style-type: none"> <li>• The robust implementation of assessments by CBs is undermined by a lack of specific expertise and experience of assessors</li> <li>• These reasons are possibly aggravated by a lack of robust sanctions by the accreditation body, despite these weaknesses having been somewhat identified as an ongoing trend</li> <li>• There is a possibility that robustness of assessment and enforcement is also undermined by insufficient independence of CBs, although it is not possible to disaggregate this factor</li> </ul> <p>Weaknesses in the direct certification system are definitely exacerbated by structural challenges that also serve to undermine the level of compliance, which include:</p> <ul style="list-style-type: none"> <li>• Sector-level factors reflecting the use of a migrant labour force in many locations and their vulnerability to exploitation</li> <li>• A legacy of poor practice that demands technical support and outreach</li> <li>• A lack of accessibility to grievance and resolution processes for workers to identify and address cases of poor practice, together with conditions that would give workers sufficient confidence in their protection from reprisals.</li> </ul>	<p>of worker interviews, and more robust approaches including gender balance of teams and unannounced spot/audits, and measures to build confidence in interviewees, to provide assurance of anonymity and protection. This should be a normative document that complements the existing RSPO Certification Systems document, and supported by targeted specific training and capacity building for CBs.</p> <p>2. Compliance guidance and best practice for growers and certificate holders, focused specifically on key labour compliance issues. This should be supported by targeted training and outreach to certificate holders to support understanding and compliance.</p> <p>Other measures</p> <p>3. Increasing outreach and involvement of key parties through a wider programme to build compliance, such as estate level management and trade unions</p> <p>4. Improving accessibility of workers to grievance processes, through mechanisms such as Worker Voice</p> <p>5. Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges.</p>



No	Key Weaknesses	Root Causes	Proposed Mitigation Actions
4.3.2	<p>Allegations of poor practice in specific cases and evidence from the case history of complaints and findings by ASI confirm that there are on-going weaknesses in RSPO's Assurance System relating to land clearance and new plantings by RSPO members. This manifests itself in allegations and complaints relating to both deforestation and land conflicts.</p> <p>Weaknesses to date in terms of CB evaluations against the NPP requirements, including FPIC compliance.</p> <p>The two predominant issues resulting in complaints have been land rights and FPIC, and environmental protection and deforestation.</p>	<p>The reasons for the identified failings in the enforcement of RSPO's requirements relating to new plantings, and the resulting impacts in terms of deforestation and land conflicts, are likely to include some combination of the following factors in each specific case:</p> <ul style="list-style-type: none"> <li>• The effectiveness of NPP implementation for preventing deforestation and land conflict (through FPIC), including 'evasion' of NPP requirements by not declaring new plantings</li> <li>• CB weakness in carrying out NPP verification and/or evaluation of new planting during the certification process.</li> <li>• Inadequate role of ASI in identifying CB failings and taking action against CBs</li> <li>• Weak HCV assessments, mainly relating to pre-HCV assessor licencing scheme, and action to address previous weaknesses</li> <li>• Questionable robustness of enforcement of partial certification requirements and RaCP processes</li> </ul>	<p>Priority actions would include:</p> <ol style="list-style-type: none"> <li>1. Ensuring through sample checks that all concessions are declared by members to the Secretariat and mapped on RSPO databases. Full implementation of remote concession monitoring for evidence of land use change/ deforestation and fires, and investigation protocols if any incidences are detected.</li> <li>2. A thorough review of the processes for enforcing NPP compliance and ensuring effective verification by CBs, to identify weaknesses and training needs to be addressed, and to agree an effective oversight programme by ASI. This would include the linked issues that arise during certification assessments.</li> <li>3. A thorough review of a sample of certification units to evaluate the on-going measures to monitor and manage identified HCV/ HCS areas, and any related assessment issues.</li> <li>4. Increasing outreach and involvement of key parties through a wider programme to build compliance, such as engagement with communities and their representative organisations.</li> <li>5. Ensuring effective and credible implementation of RaCP to remediate and compensate for past non-compliance, taking into account the</li> </ol>

No	Key weaknesses	Root causes	Proposed Mitigation actions
			<p>recommendations of the recent RaCP review.</p> <p>6. Review of relationship and on-going engagement with HCVN and HCS to ensure alignment on roles, including implementation of ALS and ICLUPs.</p>
4.3.3	Assurance in key thematic areas is further undermined by inadequate resourcing, capability and systems for overall implementation.	<p>Chronic understaffing and previous under-investment in Secretariat staffing and capacity have reduced the Assurance Division's capability to implement the Assurance System effectively.</p> <p>Lack of clear and comprehensive management systems to ensure joined up implementation, including operational relationships with partner organisations such as ASI, HCVN and HCSA, in order to ensure that the system is functioning and delivering the desired outcomes.</p> <p>Lack of a holistic approach to delivering assurance outcomes, including compliance levels of the AB and CBs, outreach to different stakeholder groups, and measures to build wider compliance in the sector.</p>	<p>Priority actions to support general effective implementation of the Assurance System are:</p> <ol style="list-style-type: none"> <li>1. Improving resourcing of the Secretariat to enhance capacity and capability, particularly in relation to the critical thematic areas.</li> <li>2. Robust and agile management systems for the Secretariat in key areas, including more proactive engagement mechanisms with ASI, and interactions with CBs as necessary for public domain grievance management.</li> <li>3. Mechanisms to monitor performance of the accreditation body, including adequacy on sanctions on CBs for poor performance.</li> <li>4. Enhanced mechanisms for relative monitoring of relative CB performance levels to inform actions by the Secretariat and ASI, supported by greater transparency.</li> <li>5. Pilot mechanisms to increase assessor independence. Propose link to ASI CB performance assessment (high risk growers must select from a pool of higher performing CBs) as a potential basis for</li> </ol>

No	Key weaknesses	Root causes	Proposed Mitigation actions
			<p>matching risk levels of assessments to the level of CB performance.</p> <p>In addition, compliance and outcomes would be boosted by scaling up a more systemic and holistic approach to embedding performance levels compatible with P&amp;C requirements, through measures such as:</p> <p>6. Sector-wide engagement where appropriate to build enabling conditions</p> <p>7. Outreach to harder to reach stakeholders to support their role in building compliance, such as awareness raising to workers' and community organisations; and promoting transparency by considering opportunities for independent observation of assessments; and allocation of a specific fund to support these activities by relevant parties</p> <p>8. Holistic approach to training and capacity building, based on needs assessment and support by effectiveness monitoring</p> <p>9. Consideration of P&amp;C complexity and impact, and relationship with the Assurance System, to inform 2023 P&amp;C review and development of Impact &amp; MEL (Monitoring, Evaluation and Learning) unit.</p>



It is also worth noting that discussions with the Assurance Forum revealed a few other, possibly overlapping root issues, as shown in the diagrams below:

Auditing is ALSO investigating for non-compliance!	There is no audit over NPP once approved and P&C certification	The idea that RSPO grower members can deliver a higher standard than allowed by the government
Involvement of CB in assurance process should be there as CBs are one of the main stakeholders for assurance process	Competence of assessor is inconsistent	Certificate holder only needs certificate, cheap cost and defense from audit findings
The lack of knowledge of company in understanding of the whole standard	Lack of sufficient investment to build local capacity outside of MY/ID	If you don't get responses to targeted consultation, then the consultation was not targeted
There are many CB auditors that not up to speed regarding the RSPO vision	The standard wording is open for free interpretation by stakeholder	Do we have the roots cause statements backed up by an indication in numbers?
Certified units are not operating in a vacuum. Outside factors can influence performance.	Structural issues need to be taken up as shared responsibility by all	Auditing mills do not audit the decision makers behind sustainability. It would have been better if RSPO audited company groups as a unit
Auditor competence	The understanding of RSPO standard from the people onsite was not consistent and most depend on the HQ team to answer	Secretariat competency and technical knowledge
Certification is not perfection. Focus on systems and materiality.	The mandays for audit are not sufficient	Growers only seeking minimum requirements with no follow-up of improvement over the next year, stays in a "numb-certified-status"
Centrally managed first part of auditor training (via e-learning), followed by face-to-face training that focuses on actual audit skills.	Lack of understanding from auditee onsite	Seeing the CBs as partner rather than institutes that shouldn't have opinions but just need to do their work. We have a lot of practical experience that could add value
Root causes pointed out are very general and also we need to consider the location of the CH. Perhaps ASI and Secretariat should request the risk analysis which should be done prior to the audit	Maintain clients by degrading the NC	Checklist focused more on documentation than on implementation

## 4.4 Governance of Different Actors

There is a complexity of actors and interests in the RSPO organisation and within the overall palm oil industry sector that generates multiple interpretations in the decision-making process under RSPO Assurance, including the Secretariat, governance bodies (TF, WG, SC) and the country government where palm oil operation takes place. However, such complexity is not accompanied by any clear alignment from these different actors on their contribution to the system, creating a complex situation while the expectation and perception remains that the RSPO Secretariat should be the enforcement body and single actor accountable for quality assurance. The distrust further creates challenges where different actors, including members of RSPO, use the public domain to address issues instead of using internal settlement. These complexities create more burdens to the system for reactive and ad hoc responses externally as a defence mechanism. The various actors involved are outlined below.

**Decision-Making Responsibilities.** In some areas, there have been clear definition and separation among decision-making bodies, regulated by the Governance mechanisms and the Term of Reference (TOR) provided. However, there are also imperfections among the governance systems and TORs which have incidentally created many practices that are not covered by internal procedures. For example, in some responses to cases of non-compliance to HCV implementation and operation, the RSPO Secretariat seeks for a decision from the BHCV Working Group which is not addressed in the TOR but has been implemented for some time as an interim measure.

**RSPO Secretariat.** The recent RSPO Secretariat restructuring has been addressing the capacity gap to meet the expectations of the role of the Secretariat, in parallel with the revamping of the overall Assurance System. It is clear that the Secretariat has been increasingly taking on tasks without a clear and defined authority for some levels of decision-making. With the gaps in the Assurance System documentation, some 'common practices' have been adopted as interim measures in the silence of the RSPO regulatory framework or key documents. Some of these common practices also have not been documented properly to enable a systematic approach but rather act as ad hoc decisions. Related to this, such actions have sometimes been perceived as taken beyond the scope of the Secretariat's authorities and are not helping the improvement over time as expected by the stakeholders.

**Certification Bodies.** The CBs play a highly important role in the system. However, given the fact that most CBs are not fundamentally sustainability practitioners, their capacity in interpreting the standard and system document has been insufficient despite the training and capacity building that have been provided over the years. Moreover, it is an unavoidable challenge that the nature of the traditional audit methodology by the CBs is not customised to specific plantation sectors while the CBs have been trained to strictly follow the compliance checklist against the standard and criteria.

**Accreditation Body.** The capacity and regulatory framework of ASI is not sufficient for enabling the complexity of audit methodology that is necessary in plantation operations such as palm oil. In the past, the direct involvement of ASI in the system has been minimal and collaborative action between ASI and RSPO Secretariat needs to be enhanced and addressed in a more systemic manner.

**RSPO Growers Company Members.** It has to be recognised that although business practices can be adjusted to reflect initiatives and changes in priorities such as sustainability, the fundamental drivers and scope of profit-oriented action remain central. The membership of the company within RSPO does not immediately guarantee the performance of the required sustainability improvements, including the capacity of employees in their operation. Such issues drive the ultimate challenge to monitor the sustainability performance of operations as expected by the stakeholders. For example, RSPO itself does not have the capacity to always track down the quality performance of HCV-HCS set asides over the years of RSPO certification since its first inception. Knowing that such roles remain important, a system for monitoring the quality assurance needs to be designed within a strong context of wider engagement strategies, especially with State Actors.

**NGOs.** The specific capacities in many NGOs cannot be always effectively utilised in the system to support the role of CBs. Some NGOs both inside and outside RSPO governance sometimes can be engaged to either complement and/or be more directly involved in the auditing and verification process, while remaining independent to use their own 'verification system' (investigation) alongside conventional audit methodology. It is necessary to align the RSPO engagement results from the Intermediary Organisation programme (IMO) to strengthen the quality of the Assurance System.

**State Governments.** RSPO engagement with State actors, both national and sub-national, has historically been poor. The RSPO Secretariat's new operational strategy will strengthen engagement with governments at these levels.

#### 4.5 Existence of different grievance-related mechanisms

Over time, the RSPO Secretariat has taken steps to strengthen its operational mechanisms, such as the establishment of the Complaint Unit and the Investigation and Monitoring Unit, primarily to resolve issues arising from RSPO members' quality performance of various compliances.

The Complaint Unit, which has been regulated by the Complaints & Appeals Procedure (CAP) and Dispute Settlement Facilities (DSF) has been focused on addressing conflicts and related grievances arising from RSPO standard implementation. While CAP performs as an independent process through case deliberation by the formation of a Complaints Panel (CP), DSF has also been parked as part of the CAP. This design has not addressed a clear distinction between conflict resolution through panel decision and mediation methodology.

In some cases, grievances in relation to the performance of RSPO members have also been directly addressed to different functions in the RSPO Secretariat. While the opportunity to lodge any complaint through CAP should always be open, it is risky to allow cases that require resolution to be processed in parallel by both the RSPO Secretariat and the CP. While the independence of the CP remains, the case deliberation can reach a different conclusion, resulting in inconsistencies in quality assurance. Through resolution GA13-6e, RSPO developed an HRD policy to enable further protection of Human Rights Defenders (HRD, Whistleblowers, Complainants, and Community Spokespersons). While the policy was being reviewed, the responsibility was housed under the IMU, despite the fact that the nature of HRD issues is more closely aligned with grievance resolution. It is necessary to review the decision and to transfer HRD policy under the overall grievance function while also identifying the appropriate resources for implementation, whether internal or external to the RSPO Secretariat.

The RSPO P&C Standard requires a mandatory Internal Grievance procedure by the Certified Management Unit (CMU). Currently, the quality of members' internal grievance policy heavily relies on verification during audit or surveillance. However, such internal grievance could be more clearly positioned to be the first screening of any potential conflict before using the CAP. It is necessary to create a role for the RSPO Secretariat to create a programmatic approach and activities to strengthen the quality and function of members' internal grievance mechanisms.

Grievances identified from the public domain remain a significant factor in overall RSPO quality assurance. Currently, it is unclear what mechanisms within the Secretariat's Assurance System are utilised to process this source of grievance. Some practices in the past brought these grievances by default into the CAP system by allowing the RSPO Secretariat to lodge a complaint about its own member using the CAP. However, given the nature of such grievances, cases may come to the attention of the RSPO Secretariat without strong evidence; this was part of the rationale for establishing the IMU, in order to play a role in investigating and handling the situation when a potential risk arises to RSPO instead of grievances notified under the CAP, and it is clear that capability and flexibility remains important.

To ensure that key root causes are addressed in the work plan, participants from the Assurance Forum were asked to rank the identified root causes and the results are as follows:

- 1st: Checklist mentality, too much focus on documentation rather than field verification
- 2nd: Certification systems are not designed to detect labour non-compliances
- 3rd: Lack of expertise in CBs and assessors, especially with regard to land tenure, customary rights, FPIC, human rights and gender protection
- 4th: Inadequate measures to ensure assessor/CB independence
- 5th: Lack of monitoring of Accreditation Body performance

In addition to this, the issue of decoupling was also brought up since it was repeatedly mentioned in previous discussions. The concept of decoupling CBs and auditees in order to avoid any potential conflict of interest could transform how audits are conducted. When asked about it, the majority of participants in the Assurance Forum agreed that decoupling is a distraction from more important issues such as audit quality, while some agreed that the RSPO should conduct a trial of various decoupling options.

Ultimately, there is no one-size-fits-all approach. In preparing its work plan, the RSPO Secretariat needs to focus on breaking down root causes, developing effective solutions and gaining cooperation of all stakeholders to achieve significant results. On the other hand, it may be beneficial for RSPO to acknowledge certified members who comply with its standards. This is critical in order to get more growers certified and achieve its vision of transforming the market by making sustainable palm oil the norm.



# SECTION 3



## 5. The RSPO Operational Plan

The RSPO Theory of Change (TOC) identifies seven strategies for achieving RSPO's impact goals relating to People, Planet and Prosperity. However, until recently these strategies have not been adequately supported by operational planning in order to provide detail on the mechanisms for implementation and delivery. During the second half of 2020, the Secretariat has been rectifying this by developing its Operational Plan for the period 2021 – 2025.

The Operational Plan was endorsed by the Board of Governors in February 2021, and identifies six operational pillars:

1. Set Standards
2. Provide Assurance
3. Engage Stakeholders
4. Transform Markets
5. Support Members
6. Demonstrate Impact

Strengthening the overall capacity and capability of the Secretariat is a key underlying theme of the Operational Plan, and this is fundamental to the implementation of Pillar 2: Provide Assurance. In addition, a detailed set of activities is defined both to strengthen systems and improve compliance.

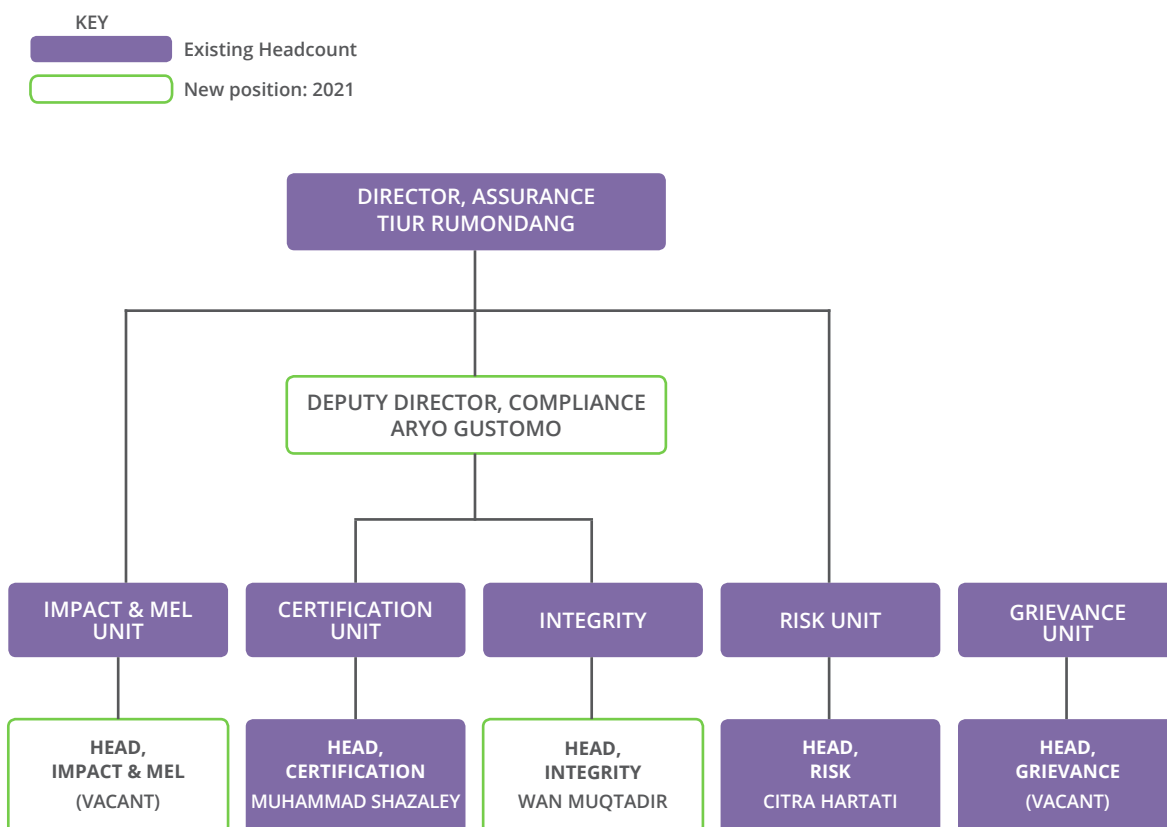
### 5.1 Assurance Division Restructuring

The restructuring and strengthening of the Assurance Division is already underway. In order to begin the process of addressing the previous under-investment in Secretariat staffing, the Operational Plan notes that the "RSPO Assurance Division has undergone an urgent restructuring to better service the needs of members and to uphold its role as a neutral and professional provider of the highest quality assurance and integrity. The mission of the Assurance Division is to oversee a trusted and credible Assurance System that is fit for purpose, transparent and consistent with the aim to increase the production of CSPO and increase uptake of sustainability requirements."

The Operational Plan goes on to outline the new structure (Organisation Chart as of July 2021) that has been in place since 1 January 2021, which comprises four Units: **Compliance**, **Integrity**, **Risk**, and **Grievance**, and the functions of each are as follows.

The **Certification** and **Integrity Units** are both housed within a new Sub-Division named **Compliance**; this sub-division will be led by an experienced Deputy Director who will report to the Director of Assurance. Both units will be working hand in hand to ensure implementation of and compliance with RSPO standards covering all relevant requirements through verification and review. Among them are the NPP, HCV-HCS, ICLUP, and RaCP.

## ASSURANCE DIVISION



Note: Organisation Chart as of July 2021

The **Certification Unit** remains largely unchanged and will continue to work closely with external Accreditation Bodies (AB) and Certification Bodies (CB) to ensure consistent and rigorous implementation of all RSPO standards (P&C, ISH Standard and the SCC Standard). This includes the provision of interpretation of standards as well as training and capacity-building for CBs and ABs.

The **Integrity Unit** works hand in hand with the Certification Unit to assist with specific areas of compliance that require specialist skills and expertise. This includes the GIS (Geographic Information System) team, who are responsible for the development and management of the new RSPO Hotspot Hub; as well as specialists in Environmental and Social Standards who will enhance quality assurance of compliance with all certification and pre-certification requirements, including – NPP, HCV-HCS, RaCP, Drainability, ICLUP, LURI, LUCA, and Disclosure. This Unit will also provide support for any specialist procedures during the initial diagnosis of complaints.

The **Risk Unit** is an enhanced and re-modelled version of the former Investigation and Monitoring Unit (IMU). The operational procedures for this unit are being finalised as part of the Assurance Gap Analysis. This unit is responsible for maintaining the RSPO Risk Registry and will take the lead in the monitoring and evaluation of all risks to the RSPO's Assurance System, including those arising in the public domain. The Risk Unit will focus on investigations for cases that are outside the CAP (i.e. cases where no specific party has been found guilty). Findings from these investigations will determine the risk of the standard's implementation and identify whether a particular case is a result of systematic failure or is an isolated event.



The **Grievance Unit** is responsible for overseeing RSPO's complex Grievance System and for maintaining some of the firewalled procedures. This includes the implementation of the Complaints and Appeals Procedure (CAP); and oversight of the Human Rights Defenders (HRD) protocol. The Grievance Unit administers all grievances arising from all four channels, e.g., via the BoG, via the CEO's office; via the public domain; or via the formal lodging of complaints through the firewalled Complaints Portal. The Grievance Unit provides Secretariat services for the Complaints Desk, which facilitates the work of the Complaints Panel (CP) under the terms of the CAP. The Complaints Desk may initiate independent investigations by engaging third parties as directed by a CP decision or directive.

Together, these four units will continue to review and improve the provision of both internal and third-party verification services including, but not limited to HCVRN ALS, HCSA, CB, ASI, expert/peer review pool and independent investigations and audits.

The **Impacts and MEL Unit** is also currently housed within this Division for staffing and operational purposes. The Secretariat envisages that this Unit will eventually graduate to a standalone division following an external needs assessment and that this will be upgraded into a fully-fledged Monitoring, Evaluation, and Learning (MEL) Division. Investment in a strengthened monitoring and evaluation framework is a high priority in the new operational plan, and this is reflected by its inclusion as a separate operational pillar. The medium-term aspiration to reflect the principle that assurance must be fully integrated with measuring impact is not captured by this report.

## 5.2 Assurance Division Restructuring: Units and Integration

Together with the overall restructuring of the RSPO Secretariat, there has been a parallel process to restructure the Assurance Division. This restructuring aims to provide the basis for systemic support and linkages on assurance across other divisions, as well as a logical structuring of responsibilities across the specific units within the Assurance Division, and how to integrate these different functions to ensure the credibility of implementation of RSPO's Assurance System. The restructuring aims to provide a strong foundation for delivery of the Operational Plan and address current weaknesses in implementation.

Specific projects in supporting the unit and its integration to provide fundamental and system creation in strengthening the Secretariat are as follows:

- a. Produce a new design and function of the RSPO Assurance Division with explanatory internal procedure and flowchart system. Create an alignment model for stronger interlinking of units under the Assurance Division to strengthen the quality assurance.
- b. Remodel the integration of certification functions with the integrity of other assurance elements under the new Compliance subdivision.
- c. Remodel the Investigation and Monitoring Unit for a new Risk Management System under the Risk Unit, with an improved Risk Registry mechanism for mapping potential grievances, as well as ongoing investigations and strengthening quality assurance.
- d. Remodel Complaints Unit to Grievance Unit as the basis for a more systematic approach to implementation of all elements of current grievance mechanisms.
- e. Revise internal procedure of the Grievance Unit, including Complaint Desk to ensure alignment of all new units under the Assurance Division.
- f. Remodel the Impact & MEL Unit to improve interlink with different other units under Assurance Division (as well as links to other divisions) to improve the expectation of impact.



## 5.3 Secretariat Manpower

Together with the restructuring outlined above, the RSPO Secretariat (Assurance Division) functionality to support the improved Assurance System (and their implementation) is dependent on increased capacity, including greater expert capability in key areas. The redesign is based on the following manpower resources:

### Global Roles

The global roles undertake the overall assurance performance of RSPO's Assurance System, although it is recognised that some of these global roles may sit in the regional offices.

Position	No. of Personnel
Director of Assurance	1
Deputy Director of Compliance	1
Head of Impact and MEL	1
Impact, MEL, Research & Knowledge Manager, Data Analyst	4 Managers 4 Executives
Head of Certification	1
P&C, Supply Chain, Trade Mark, Data Analyst	2 Managers 5 Executives
Head of Integrity	1
Integrity of Assurance	1 Manager 2 Executive
Environmental and Human Rights & Social	2 Specialist
Head of Grievance Unit	1
Grievance and Complaint Desk Note: 4 of these Managers sit at the regional offices	6 Managers 4 Executives
DSF	1 Manager 1 Executive
Head of Risk	1
General Risk Management, Social Risk and Environmental Risk	4 Managers 2 Executives

Note: This is as approved by the Remuneration Committees

### Regional Roles

Regional roles and responsibilities focus on regional assurance matters that define current priorities and ensure the assurance performance in a specific region. In regional offices where there are no specific assurance functions, regional staff are required to provide necessary assistance across divisions when required.

Country	Description/Remarks
Indonesia	5 Staffs (Assurance Manager, Certification Manager, SH Certification Manager, Environmental Specialist, Executive)
Africa	2 Staffs (Assurance Manager, Human Rights and Social Specialist)
Europe	1 Staff (Assurance Manager)
Malaysia	1 Staff (Human Rights & Social Specialist)
LatAm	1 Staff (Environmental Specialist)

## 5.4 Workstreams and Activities

Under the Provide Assurance Pillar, the RSPO Secretariat has identified three operational workstreams as summarised below:

### PILLAR 2: Provide Assurance

A trusted and credible Assurance System that is fit for purpose, transparent, consistent, and serves as a channel for system improvement and learning.

WORKSTREAM 1	WORKSTREAM 2	WORKSTREAM 3
<b>Strengthen Assurance System</b>  Rebuilding an integrated Assurance System that is fit for purpose and trusted	<b>Monitor Compliance</b>  Facilitating a fair, efficient audit process and a comprehensive grievance system that restores confidence in RSPO Assurance	<b>Embed MEL to Create Impact</b>  Designing and ensuring the delivery of outcomes and impacts through best-in-class Monitoring, Evaluation and Learning frameworks

A total of 40+ activities have already been identified and budgeted for the three work streams in this pillar. Many of these activities will require the recruitment of new specialist staff and will therefore be activated in phases.

In terms of the scope of this specific report, Workstreams 1 and 2 are relevant here, and the prescribed activities are reproduced below:

### WORKSTREAM 1: Strengthen Assurance System

No.	Activities
57	Scale up Secretariat capacity and improve training for staff, members and service providers
58	Develop performance criteria for CBs and strengthen accreditation processes
59	Improve traceability through PalmTrace
60	Create and implement database of risk-based Assurance System
61	Review and periodically update system documents to improve and strengthen Assurance System
62	Review NPP and ensure public consultation is completed
63	Form interdepartmental linkages between Assurance and Standards for 2023 P&C
64	Strengthen communications for all stakeholders - BoG, Committees, AB, CBs, Growers

### WORKSTREAM 2: Monitor compliance

No.	Activities
65	Develop an infrastructure for monitoring of compliance by all actors within the Assurance System
66	Improve and verify consistent interpretation of standards and assurance procedures
67	Improve and enhance RSPO Interpretation Forum
68	Strengthen and define the role of IMU in transition into Risk Unit
69	Strengthen Complaints Unit to enhance case management process and expedite resolution of complaints
70	Deliver proactive communication to growers on mandatory TBP and enforce the rules
71	Review and approve PalmTrace licence
72	Analyse data captured in PalmTrace (market data, certification data)
73	Jointly implement and monitor PalmTrace with RA/UTZ
74	Adapt metrication template for smallholders
76	Scale up monitoring of Hotspot, HCV, and NPP

77	Enhance use of technology i.e. GIS, environmental, risk mapping of social risks etc.
78	Coordinate daily hotspot monitoring, HCV monitoring and NPP Monitoring
79	Enhance capacity of DSF mechanism to promote use of mediation for resolution of disputes
80	Review submission of implementation of LURI (2018 P&C and ISH Standard 2019)
81	Coordinate the independent review of RSPO non-ALS HCV assessments
82	Review the existing Grievance System to streamline all processes
83	Review the CAP 2017
84	Facilitate Committees to strengthen consensus-building and transparency - ASC, TF, CP, WGs, etc.

### WORKSTREAM 3: Embed MEL

No.	Activities
85	Build best-in-class MEL Unit and train staff in operational excellence
86	Create a comprehensive MEL framework for all RSPO work plans in partnership with NGOs
87	Monitor and review relevance of standards to ensure alignment with impacts
88	Maintain and coordinate ACOP
89	Develop, iterate and improve on the annual ACOP process
90	Identify standardised measures/metrics for impact reporting and monitoring against SDGs
91	Build a knowledge hub to ensure accurate analysis of data for standard-setting and communication
92	Evaluate the success of country programmes and modalities: cost-benefit, effectiveness and sustainability
93	Create and implement projection prioritisation and portfolio models for planning, monitoring and forecasting
94	Establish a gender task team to ensure gender is mainstreamed across all programmes
95	Formalise external benchmarking/scrutiny by third party international accredited body
96	Periodically review all strategies (activities, causal pathways, etc) to facilitate learning for continuous improvement
97	Develop an integrated information system for operational performance



In addition, a number of assurance-related activities are captured under Pillar 1: Set Standards (reflecting the objective to build a more integrated Secretariat structure where there are active links between Divisions). The most relevant activities in Pillar 1 are as follows:

PILLAR 1: Set Standards	
No.	Activities
23	Develop Social Auditing Guidance (for Auditors and CBs)
31	Implement LUCA process including smallholders
32	Implement RaCP process (to facilitate Compensation Panels)
33	Implement peat drainability assessment requirements and training on Drainability Assessment
35	Implement use of PalmGHG
37	Reactivate and deliver Ulula project, starting with pilots

These activities are being formulated into the Assurance Division work plans. Additionally, other pillars in the RSPO Operational Plan such as Pillar 3 Sector-wide engagement to build enabling conditions is also useful for us to integrate into building trust in the RSPO Assurance Systems.

## 5.5 Data integration and infrastructure

The development of the RSPO Secretariat's data systems and databases has been organic and piecemeal. This has led to a situation where the development, implementation and operation of data has become siloed. There is little room for automated integration and cohesion as long as this siloed nature persists. Salesforce is used as the principal database for most Secretariat data, but some key aspects still sit completely outside Salesforce eg. PalmGHG Calculator is housed as a separate app with no back integration of calculator results to SF; GIS data is largely contained in Google Drive.

Asymmetry of the Secretariat's data also presents a challenge. There are several reporting time periods scattered across the Secretariat's data that are incompatible with accurate integrated analysis: rolling 12-month audit periods (Certification), company financial year (PalmGHG), calendar year (ACOP, Impacts), and RSPO's financial year (internal finance). Some of this asymmetry cannot be avoided due to the inherent structure of the operations (unless there is a BoG or GA decision to force a change in those operations and associated timelines), but there is scope for some cohesion in merging and analysing disparate data sets with varying timelines. However, while experienced staff within the Secretariat may be familiar with the nuances of such a data approach, it will make the communication of such data and analysis to stakeholders and the public very challenging, as RSPO's data will always come with several critical caveats that must be carefully presented to avoid any misunderstandings.

Historically, RSPO's data has been analysed with an intention to summarise, not to intervene. This has resulted in most data analysis being focused on retrospective aggregation of data, with light causal analysis and lacking any forward-looking forecasting or projection aspects. This has limited the RSPO Secretariat's ability to effectively utilise data, as data is used to describe what has happened in the past rather than what could happen in the future. This lack of forward-looking projection has been further hampered by the historical siloed approach to data that prevented cross-cutting, integrated analysis.

Perception of accuracy is key. It is impossible to achieve 100% accurate data, especially in an industry and with standards as complex as RSPO's. Extrapolation and estimation are always necessary to fashion salient aggregate analysis out of the data chaos collected through the various systems of RSPO. Accusations of inaccurate data lobbied at the Secretariat are misaligned: fully accurate data is impossible, and the aim should be to minimise the margin of error in collected data to ensure that data, trends and analysis reported to stakeholders and the public adequately describe the underlying situation on the ground and in the market.

An additional and specific challenge comes in the form of inconsistent formatting of audit reports. Audit reports (P&C, SCC, RISS) form the backbone of RSPO's data, but the ownership of the audit reports lie with the CBs. This has led to a situation where each CB uses different templates and formats for audit templates. A list of key indicators that must be covered at a minimum by the standard is provided by the Secretariat to CBs, but each CB can go above and beyond that to provide additional information (eg. wage spread in estates/mills is collected by some CBs, but not others).

This presents a severe challenge in collating and effectively utilising this data because:

- The inconsistent nature of audit reports (in both format and fields) prevents automated collection of data. Any analysis of audit reports can only be done manually at this point
- The data captured within audit reports is inconsistent. Each audit report conforms to the list of requirements set out by RSPO, but any data beyond that (which typically deal with HRSS aspects) is incomplete due to the different approaches of each CB

A proposal to create a fixed audit report template that is set and owned by RSPO should be considered to overcome this. The audit report template would be owned by RSPO, but the content within would be owned by and the responsibility of the CB, in respect to the principle of independent third-party auditing. As this will require a membership mandate, this proposal should be considered as part of the upcoming P&C 2023 review, with the necessary consultations with ASI, CBs and members. Endorsement of this approach to audit reports would be part of the process to endorsing the P&C 2023 standard.



# SECTION 4





## 6. Solutions and Work Plan

Key parts of the identified root causes as well as the RSPO Operational Plan were considered in preparing the new work plan. In addition, feedback from the Assurance Forum, as shown below, was also taken into account. Four main solutions that were proposed are training, shadow audits, auditor's calibration and risk-based audits.



The work plan is divided into two; solutions under the RSPO Operational Plan and work plan in response to the root cause analysis. This will be explained in further detail in the following section.

## 6.1 Solutions under the RSPO Operational Plan

This section presents recommended actions from the Secretariat's Operational Plan and internal gap assessments, in the form of a comparative analysis of proposed actions with activities that are already identified by the Operational Plan (section 3).

	Included in the Operational Plan
	Partially included or with a different focus
	Not included

## Cross-Cutting actions

	Work Plan	RSPO Operational Plan
1	Secretariat capacity strengthening	57
2	Secretariat systems and SOPs	61
3	Mechanisms to monitor AB performance and actively engage	58, 65



	Work Plan	RSPO Operational Plan
4	Enhanced mechanisms for monitoring CB performance	58, 65
5	Piloting assessor independence options	
6	Sector-wide engagement to build enabling conditions	Pillar 3
7	Outreach and transparency measures	64 Pillar 3
8	Holistic approach to training and capacity building	57
9	Certification assessment methodology improvements	
10	Consideration of P&C complexity and impact, linkage to MEL and 2023 review	63, 86, 87
11	Enhance integrated data support	97

### Key Thematic Actions

Thematic Area		Work Plan	RSPO Operational Plan
Labour	1	Specific labour assessment guidelines for CBs	23
	2	Compliance guidance and best practice for growers	
	3	Build capacity of estate management and trades unions	
	4	Workers' Voice mechanism to increase direct access to grievance mechanisms	37
	5	Engagement in sector-level and government processes to build compliance	Pillar 3
Deforestation and land conflict/FPIC	6	Ensure all concessions are declared, mapped and monitored	76, 77, 78
	7	NPP implementation review	
	8	Review of HCV/HCS management in certified units	
	9	Increase outreach and involvement of key parties	
	10	Effective implementation of RaCP	32
	11	Review of relationship and engagement with HCVN/HCSA	

## 6.2 Work Plan in Response to the Root Cause Analysis

RSPO's new Operational Plan reflects a renewed commitment to taking the further steps necessary to ensure the implementation of rigorous certification and assurance, and to restore a high level of trust in its wider Assurance System. The objective of this brief review is to take a systematic approach to identify the main existing gaps and weaknesses in implementation, including the root causes where these are not readily apparent, and to capture the necessary recommendations to address these failings.

It should be noted that the Assurance System is inherently based on pragmatic approaches involving sampling and that recommended actions have to be mindful of the direct cost burden of the assurance process, and cognisant of the practical challenges in implementing major changes given the range of actors involved. Nevertheless, some key priorities emerge very clearly from this review, and do not present unreasonable additional burdens to RSPO or certificate holders. By supplementing the new Operational Plan with the additional recommended actions, RSPO can move quickly towards greater assurance in the implementation of its standards and higher confidence in achieving its objectives.

This section seeks to integrate the identified actions into an overall aggregated list for inclusion in the work plan of the Assurance Division.

This section attempts to merge the three action lists, to remove duplication and integrate common points, and present them under the Operational Plan's two workstreams, (1) Strengthen Assurance System, and (2) Monitor Compliance. A consolidated list of proposed activities is presented in the table below, incorporating the current Operational Plan, the Secretariat's internal gap analysis and the review of external reports.

No	OP	Activities from OP and Secretariat Gap Analysis	Actions from Root-Cause Analysis
<b>Workstream 1: Strengthen Assurance System</b>			
1	✓	Scale up Secretariat capacity <ul style="list-style-type: none"> <li>• New recruitment of personnel to increase the Assurance Division resourcing to target level</li> <li>• Strengthen the expert roster across specific functional areas.</li> </ul>	Improve resourcing of Secretariat to enhance capacity and capability, particularly in relation to the critical thematic areas.
2	✓	New design and function of the Assurance Division with explanatory internal procedure and flowchart system <ul style="list-style-type: none"> <li>• Remodel each of the Assurance Division units</li> <li>• Create an alignment model with stronger integration of units under the Assurance Division</li> <li>• Incorporate Data Task Force measures and improve data analytical capability and skills.</li> </ul>	

No	OP	Activities from OP and Secretariat Gap Analysis	Actions from Root-Cause Analysis
<b>Workstream 1: Strengthen Assurance System</b>			
3	✓	<p>Review and periodically update system documents to improve and strengthen the Assurance System</p> <ul style="list-style-type: none"> <li>• Design an improved internal procedure of Compliance (incorporating the certification unit and integrity unit) with new tasks and flow chart respectively.</li> <li>• New learning and evaluation mechanism aligned with the operational excellence process (ISO 9001 or beyond).</li> <li>• Design an improved template of compliance checklist and Palm Trace approval checklist</li> <li>• Explore a new model of RSPO Certification System in 2025 through Monitoring, Evaluation and Learning (MEL) for improvement over time.</li> </ul>	
4	✓	<p>Develop an infrastructure for monitoring of compliance by all actors within the Assurance System</p> <ul style="list-style-type: none"> <li>• New governance of actors to support the accountability of RSPO Assurance System, including roles and decision-making processes in the RSPO governance bodies and Assurance Forum.</li> </ul>	Robust and agile management systems for the Secretariat in key areas, including more proactive engagement mechanisms with ASI, and interactions with CBs as necessary for public domain grievance management.
5	✓	<ul style="list-style-type: none"> <li>• Improve training for staff, members and service providers</li> <li>• New governance and improved training design for auditors</li> <li>• Enhance RSPO training programme for auditors, recognising different global benchmarking references in the RSPO P&amp;C, SCC and RISS.</li> <li>• Training for growers will be planned and strategised by the Technical Division.</li> </ul>	Holistic approach to training and capacity building, based on needs assessment and supported by effectiveness monitoring. Compliance guidance and best practice for growers and certificate holders, focused specifically on key labour compliance issues. This should be supported by targeted training and outreach to certificate holders to support understanding and compliance. Notes from training programmes such as CB workshop or alignment workshop will be minuted and circulated via RSPO's Interpretation Forum.

No	OP	Activities from OP and Secretariat Gap Analysis	Actions from Root-Cause Analysis
<b>Workstream 1: Strengthen Assurance System</b>			
6		Explore options for mechanisms to delink, in some part, business relations between CBs and auditees that align with the applied RSPO Certification System Document.	Pilot mechanisms to increase assessors' independence. Propose link to ASI CB performance assessment (high risk growers must select from a pool of higher performing CBs) as a potential basis for matching risk levels of assessments to level of CB performance.
7	✓	<p>Review the existing Grievance System to streamline all processes</p> <ul style="list-style-type: none"> <li>• Design an integrated grievance system under the Assurance Division which accommodates the development of the necessary range of mechanisms as part of quality assurance, including recognition of the role of RSPO members' internal grievance procedures</li> <li>• Continue the review of HRD policy with implementation review to determine which unit is best placed to take responsibility for HRD implementation under the new Assurance Division structure</li> <li>• Improve and redesign DSF for effective mediation as an alternative resolution to the CAP (delinking DSF with CAP, during the review of CAP).</li> </ul>	
8	✓	<p>Form interdepartmental linkages between Assurance and Standards for P&amp;C 2023</p> <ul style="list-style-type: none"> <li>• Work with the Standard Development Division to plan a suitable and aligned timeline of RSPO standard review in 2023, including planning of review and creation of relevant supporting documents</li> <li>• Assist Compliance in creating a standard audit report template to be presented as a proposal by the Secretariat to the P&amp;C TF. Any new indicators proposed during the P&amp;C 2023 TF must be metricated by the TF and incorporated in the audit report template</li> </ul>	Consideration of P&C complexity and impact, and relationship with the Assurance System, to inform 2023 P&C review and strengthen Impact & MEL Unit.



No	OP	Activities from OP and Secretariat Gap Analysis	Actions from Root-Cause Analysis
<b>Workstream 1: Strengthen Assurance System</b>			
		<ul style="list-style-type: none"> <li>Design the next standard review with involvement of CBs and AB during standard development</li> <li>Work together with the MEL redesign process, with particular emphasis on monitoring impact.</li> </ul>	
<b>Workstream 2: Monitor compliance</b>			
9	✓	Strengthen accreditation processes <ul style="list-style-type: none"> <li>Design and implement joint performance review by ASI and the RSPO Secretariat.</li> </ul>	Mechanisms to monitor performance of the accreditation body, including adequacy on sanctions on CBs for poor performance.
10	✓	Develop performance criteria for CBs <ul style="list-style-type: none"> <li>Strengthen the role of peer reviewer during audit through development of peer reviewer database and frequent capacity building program.</li> </ul>	Enhanced mechanisms for monitoring of relative CB performance levels to inform actions by the Secretariat and ASI, supported by greater transparency.
11	✓	Implement infrastructure for improved monitoring of compliance <ul style="list-style-type: none"> <li>Design and implement a joint platform of "Incident Review" between ASI and RSPO</li> <li>Design stakeholder database from regional IMO programme for audit activities, to strengthen the link with the Assurance System and processes.</li> </ul>	
12	✓	Improve and verify consistent interpretation of standards and assurance procedures <ul style="list-style-type: none"> <li>Improve and enhance RSPO Interpretation Forum.</li> </ul>	
13	✓	Coordinate daily hotspot monitoring, HCV monitoring and NPP Monitoring.	Ensure through sample checks that all concessions are declared by members to the Secretariat and mapped on RSPO databases. Full implementation of remote concession monitoring for evidence of land use change/deforestation and fires, and investigation protocols if any incidences are detected.

No	OP	Activities from OP and Secretariat Gap Analysis	Actions from Root-Cause Analysis
<b>Workstream 2: Monitor compliance</b>			
14			A thorough review of the processes for enforcing NPP compliance and ensuring effective verification by CBs, to identify weaknesses and training needs to be addressed, and to agree on an effective oversight programme by ASI. This would include the linked issues that arise during certification assessments, relating to requirements for uncertified units under the same ownership, and compliance with Principles 4 (land rights) and 7 (deforestation) relating to recent plantings.
15			A thorough review of a sample of certification units to evaluate the ongoing measures to monitor and manage identified HCV/HCS areas, and any related assessment issues.
16	✓	Implement RaCP process (facilitate Compensation Panels).	Ensure effective and credible implementation of RaCP to remediate and compensate for past non-compliances, taking into account the recommendations of the recent RaCP review.
17			Review of relationship and ongoing engagement with HCVN and HCS to ensure alignment on roles, including implementation of ALS and ICLUPs.
18	✓	Develop Social Auditing Guidance (for Auditors and CBs) <ul style="list-style-type: none"> <li>• Development of Labour and Social Guidance document and customised audit methodology.</li> </ul>	Establish specific labour assessment guidelines for CBs that require more meaningful sampling, more time in the field as opposed to reviewing documentary evidence, higher numbers of worker interviews, and more robust approaches including gender balance of teams and unannounced spot/audits, and measures to build confidence in interviewees, to provide assurance of anonymity and protection. This should be a normative document that complements the existing RSPO Certification Systems document, drawing lessons from other schemes such as Social Accountability International (SAI) and other ISEAL members, and supported by targeted specific training and capacity building for CBs.

No	OP	Activities from OP and Secretariat Gap Analysis	Actions from Root-Cause Analysis
<b>Workstream 2: Monitor compliance</b>			
19			Increase outreach and involvement of key parties through a wider programme to build labour compliance, such as estate level management and trade unions, as well as communities and their representative organisations.
20	✓	Reactivate and deliver Ulula project, starting with pilots.	Improve accessibility of workers to grievance processes, through mechanisms such as Worker Voice.
21			Outreach to harder to reach stakeholders to support their role in building compliance, such as raising awareness to workers' and community organisations; and promoting transparency by considering opportunities for independent observation of assessments; and allocation of a specific fund to support these activities by relevant parties.
22		Engagement strategy with prioritised State Actors. Stronger engagement programme with Government and Investment/Financial Sector). Development of stronger Government engagement programmes including support to identify alignment between regulatory frameworks and RSPO Standard.	Sector-wide engagement where appropriate to build enabling conditions. Wider sector-level engagement by RSPO to help build enabling conditions and address structural challenges, including participation in government-led and multi stakeholder processes, and other targeted engagement such as with government labour inspectors.
<b>Workstream 3: Embed MEL</b>			
23		Build a knowledge hub to ensure accurate analysis of data for standard-setting and communication.	
24	✓	Data Task Force in strengthening an integrated information system of assurance and operational performance.	Improve the implementation and operation of integrated data in providing clear impact while learning from the implementation of the Assurance System.

Activities and prioritisation are also being included in a separate Assurance Division work plan. Given the ongoing scaling-up of the Secretariat's resources, current limited resources would need to be allocated first on the most pressing issues.

RSPO is an international non-profit organization formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

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