

TERMS OF REFERENCE

# SHARED RESPONSIBILITY

*Note to P&C Review TF: This document contains the full process description covering all involved parties – subsequently, the actual ToR to go out for tender for the consultant will be adapted accordingly, as will the portion relevant for ToR for Shared Responsibility Taskforce.*

*Note for RSPO Secretariat: this process envisions a leadership role for RSPO both on the Taskforce and liaising with the various RSPO departments internally. It is recommended to ensure success, that this lead individual be a senior manager, be allocated time to dedicate to this and be the same person to ensure continuity.*

---

## 1. INTRODUCTION

---

The RSPO Theory of Change (ToC), is a roadmap that demonstrates how RSPO will achieve its vision; to make sustainable palm oil the norm through the key strategies and activities RSPO will implement, together with the support of members, partners, and other actors, to trigger the transformation of the palm oil sector.

The process for change at RSPO is characterized by a progression of “Mobilize, Act and Transform”. This is the backbone of the RSPO Theory of Change and underpinned by the concept of **shared responsibility and accountability** for results.

**Commitment:** All the actors commit to their contribution to transforming markets.

**Collaboration:** Recognizing the need to work together and making that happen: transformation of markets can’t happen without collaboration.

**Accountability:** Commitments are to be fulfilled with a shared responsibility for impact. The expectation of partners and all members is that they actively participate and work together to transform the markets and that there is a mutual agreed accountability for results.

The concept of shared responsibility has been discussed and agreed upon for a number of years across members. The GA8 in 2012 recognized some of the barriers including clear guidance of the contribution of ordinary members, as well as sanctions (resolution 6m). GA9 reiterated this in Resolution 6D, emphasizing:

- Keeping in mind many elements of the Principles and Criteria are applicable to all types of responsible organizations, regardless of business interest, geography, or scale.
- Emphasizing that a uniform standard applicable to all ordinary members is only fair and equitable

---

## 2. BACKGROUND & OBJECTIVES

---

All RSPO members share the responsibility for achieving the vision “to transform markets to make sustainable palm oil the norm”. There is the need to define more explicitly what this means in terms of

accountability – to each other and to all stakeholders who support RSPO. Members have different roles in contributing to the shared vision of Sustainable Palm Oil is the Norm.

While the P&Cs is applicable to the *production* of sustainable palm oil, the RSPO Code of Conduct for Members, clause 3.2, applicable to all members, requires:

“3.2 Members to whom the P&C do not apply directly will implement parallel standards relevant to their own organisation, which cannot be lower than those set out in the P&C.”

During the P&C revision process, mechanisms of accountability were discussed and explored with wide agreement on the concept of shared responsibility, but less consensus on the how. It was agreed that a transparent process would need to be established that considers the overall process from determining a limited set of relevant and meaningful reporting criteria, that are essential for the provision of information on salient issues across the non-producer RSPO members, including who and what, procedures for collection, analysis and reporting, consequences and communications strategies.

### 3. PROCESS TO DATE

---

A Subgroup of the P&C TF was formed prior to the TF3 in Bali to discuss and propose possible ways to meet the overall objectives of the P&Cs Review to incorporate elements of impacts as per the RSPO Theory of Change and to make it more relevant and practical particularly by making it metricated (measurable). A restructuring Subgroup met post Bali TF3 and fleshed out some key justifications and agreement to look at options for restructuring and inclusion of shared responsibility. The group took the outputs from TF4 and met virtually with a smaller core group of once a week looking at reorganization, streamlining, metrification and shared (core) indicators. The work was presented stepwise to a larger “sounding board” every week over the course of the month. Their recommendations were presented to the entire TF5.

This *potential* set of shared requirements were identified in the proposed revised P&Cs applicable to all members. These have been aligned with the RSPO ToC and shared vision. This initial list of potential shared requirements ensures a consistent expectation of best practice standards for all RSPO members. These and other identified themes can be found in Annex 1.

In the TF5, the group broadly recognized the concept of shared responsibility, but acknowledged that further input and voices were needed. In addition, the implementation, including communications was consider a prerequisite.

Public Consultation II of P&C Review sought input on the concept of shared responsibility, the potential list of topics and ideas for implementation mechanisms for the different membership categories. The initial comment analysis indicated an overwhelming support for the concept itself. Respondents proposed additional topics across the prosperity, people, planet spectrum and their ideas for implementation mechanisms ranged from self-reporting to 3<sup>rd</sup> party certification. The full lists can be found in Annex 2.

### 4. PROCESS TO FINALISATION

---

Overall, the process should be highly transparent with clear, objective criteria at each step for buy in and to ensure commitment to the process.

## 4.1 ROLES AND RESPONSIBILITIES

---

Four main roles are defined: Oversight Committee, RSPO Secretariat, Shared Responsibility Task Force and the Facilitator/Technical Consultant.

### 4.1.A. OVERSIGHT COMMITTEE

---

The oversight committee provides the overall decision-making authority. In the case of disagreement with the recommendations of the Taskforce, there needs to be a clear process for resolving deadlock. It is responsible to ensure the Terms of Reference are met, processes are followed, and consensus met.

This committee is to be composed of chairs of all standing committees<sup>1</sup> and the RSPO Appointed Liaison/lead. Their main responsibility is to oversee the consultant and SR-Taskforce, by evaluating submitted consultant outputs and through a series of tele-conferences at critical points (e.g. prior to SR Task Force tele-conferences).

### 4.1.B. RSPO SECRETARIAT

---

RSPO Secretariat will appoint one person as the RSPO Liaison/lead. The main responsibilities include:

- Development of the ToR for the consultant
- Recruitment of the consultant
- Establishment of the Oversight Committee and SR-Taskforce
- representation on the Oversight Committee and SR-task force
- funding and support of the Consultant
- internal coordination with various RSPO departments

### 4.1.C. SHARED RESPONSIBILITY (SR) TASKFORCE

---

As this is a temporary, but time sensitive project, a small Taskforce is needed that will enable agile and swift action. The composition should ensure diversity in perspectives and needs, but it's crucial to be small to move forward. The SR Task Force will be comprised of representatives from each membership category plus the RSPO Appointed Liaison Lead<sup>2</sup>. Representatives will be free to select an alternate, but the representative themselves are responsible for coordinating and updating directly with their alternates.

---

<sup>1</sup> This would be 3 people (S&C - Liz, T&T - Eddy, C&C – Jan Kees.... or 4 if also SH ready by then (likely then Johan)

<sup>2</sup> To achieve balance between production and non-production: it could be one each of SNGO, ENGO, Processor/Trader, CGM, Retailer, Bank/Investor [6 reps] and two each of MY growers, IN growers, ROW growers [6 reps – assuring inclusion of SH & outgrowers in the selection of the 6]

The process will be open and transparent with publication of ToR for the SR-Taskforce upon approval by the BoG and subsequent nomination of representatives coordinated by each sector's BoG representative, mirroring the process for the P&C TF.

The SR-Taskforce reports to the Oversight Committee. Their main responsibility includes participating in teleconference meetings to agree on list of indicators and mechanisms for each membership category, based on consultant's proposal.

The SR-Taskforce may further elaborate their own internal working mechanism (e.g. using full composition of the SR-Taskforce as 'sounding board' and smaller subgroups to advance the work). The SR TF must determine mechanisms to ensure the Smallholder voice is considered/consulted with some type of specific outreach (e.g. could be through the growers or NGO reps).

#### **4.1.D. FACILITATOR/CONSULTANT**

---

Facilitator/technical Consultant is responsible for coordinating Phase 1 (and 2 for continuity but with shift to RSPO Secretariat as lead) below through teleconferences with the SR Task Force. They report to RSPO Liaison Lead.

Prepare technical documents for SR Taskforce, Oversight Committee and Public Consultation.

#### **4.2 DEFINITION OF THE SHARED RESPONSIBILITY MECHANISM**

---

Definition of a procedure applicable to all selected RSPO members to include: how and what to report, when and in which format. In addition, mechanisms for incentives and sanctions should also be recommended. The work needs to be coordinated with the relevant RSPO teams through the RSPO Appointed Liaison/lead.

Phase I: Defining the Indicators for Shared Responsibility

1. Draft List of Themes (e.g. Transparency, Markets)
2. Review draft list of themes and create list of potential indicators with rationale including applicability per membership category
3. Review existing systems of reporting and analysis, including ACOP and SCC certification. This should be reviewed and 'match' with recommended indicators. The review should a consideration of the quality of the current reporting system's data for completeness and accuracy.
4. Should identify gaps (i.e. are there any recommended indicators currently not addressed?)
5. Should identify which systems need to be improved.
6. Should propose where needed additional mechanisms and/or system improvements.
7. Detail on how indicators might be reported, bearing in mind different the membership categories
8. TF presents to report to the Oversight Committee for an initial sign-off on indicators with rationale and applicability

Phase 2: Implementation System. Equally important is the establishment of a mechanism for implementation of the defined indicators.

9. Based on Phase 1, develop recommendations on potential collection, reporting, analysis and MEL (monitoring, evaluation and Learning) strategies (implementation strategy) (consultant with mini-TF)
10. Mechanisms for incentives and sanctions should be included. An initial identification of potential costs/benefits and risks to non-producer members to do their share.
11. TF presents to report to the Oversight Committee for sign-off
12. Oversight Committee submits indicators and implementation system proposal for BoG for endorsement

RSPO Secretariat using the consultant's recommendation report:

13. Develop an analysis and result reporting mechanism by the RSPO secretariat that lays down the expectations on the RSPO secretariat how to use the received data for analysis and how to report the analysis results (with SR Task Force for input)
14. Develop a supporting communication strategy to introduce the changes and to clearly describe the process steps, the objectives, involved parties etc. The objective should be to reach fast and comprehensive support among the RSPO members as well as recognition beyond among relevant stakeholders. (with SR Task Force for input)

As this is a new process, the first year could be considered a pilot with a review of the process and results of adoption to adjust and improve before applying sanctions. Incentives will need to be built in to ensure full participation.

15. Conduct an evaluation of the process after one year to assess the issues, gaps and adjust.
16. Conduct an annual review of the compliance mechanism and results. Coordinate with the Impacts Team as part of the RSPO Monitoring and Evaluation system

### 4.3 PUBLIC CONSULTATION

---

Whilst this is not a standard, a public consultation will seek input from a broader constituency as it will concern them directly. RSPO Secretariat organise a 30 day online public consultation on the implementation of shared responsibility with particular effort to consult the membership categories concerned through dedicated webinars in English. Online surveys in English, French, Spanish, Bahasa Indonesia.

### 4.4 FINALISATION

---

SR-Taskforce reviews feedback from public consultation and finalises the proposed mechanisms. Oversight Committee endorses final concept and submits to BoG for final endorsement.

## TIMELINE

---

ACTIVITY	TIMELINE
Finalisation of ToR	TF6 – Sept 2018
Approval by BoG	Oct 2018
Call for Tenders	Oct/Nov 2018
Development of Proposed Mechanism	Dec 2018 - Feb 2019
Public Consultation – 30 days plus translations	Mid-March/mid-April 2019
Finalisation of Mechanism	May 2019
Endorsement by BoG	June 2019

## ANNEX 1 BACKGROUND DOCUMENTS FOR POTENTIAL THEMES OR INDICATORS

---

These lists will be provided to the consultant as a starting point, but are by no means definitive or complete:

- Previous Mini task force list: Transparency, Ethical Conduct, Legality, Human Rights Respected, Workers Rights and Conditions, Energy Use and GHG emissions
- Marcus: independent auditing and accessible challenge and grievance procedures. Could it include sharing costs down the supply chain?
- Madeleine- sustainable sourcing/procurement/use of RSPO certified palm oil.
- Jenny – notes on T&T conversations on mechanisms
- Chew's proposed list
  - GA8 – Resolution 6m, adopted March 8th, 2012. "Request for all RSPO Ordinary Members to submit time bound plans"  
<https://www.rspo.org/file/Resolution%206m%20-%20Request%20for%20OM%20to%20submit%20TBP.pdf>
  - GA9 (RT 10, 2012) - Resolution 6d (<http://www.rspo.org/file/Resolution%206d.pdf>)
  - GA13 (RT14, 2016) - Resolution 6b  
<http://www.rspo.org/ga/ga13/Resolutions/ResolutionGA13-6b.pdf>

## ANNEX 2: PUBLIC CONSULTATION SUMMARY – TO BE FINALIZED

---