

Terms of Reference

Analysis of Audit Reports on Indicators under Principle 4, 5 and 6 of the RSPO P&C 2018

Background

The RSPO has developed a comprehensive set of Principles and Criteria (P&C) for the production of sustainable palm oil. For the purposes of compliance with the requirements under the “People” pillar, Principle 4: Respect Community and Human Rights and Deliver Benefits); Principle 5: Support Smallholder Inclusion; and Principle 6: Respect Workers’ Rights and Conditions consist of criteria that set out the key human rights and social indicators as well as smallholder inclusion indicators. These must be complied with by all palm oil producers who seek to be certified against the RSPO P&C.

For RSPO members to produce and trade Certified Sustainable Palm Oil (CSPO), the production site (mill and supply base) must be audited by a Certification Body once every five (5) years. Once certified, the producer will be annually assessed for continued compliance through surveillance audits. The nature of auditing elements, such as those contained in Principles 4, 5 and 6, relies heavily on both the auditors’ understanding and clarity of the standards that an organisation is being audited against. Recognising these challenges as well as the criticism often given towards voluntary social standards, it is important to examine these standards more closely and make efforts towards strengthening them moving forward.

To this end, the RSPO intends to carry out research to assess whether the human rights and social (Principles 4 & 6) and smallholder inclusion (Principle 5) indicators are easily interpreted, implemented, and audited. This research aims to evaluate and analyse how auditors assess compliance of RSPO producer members against these Indicators. This analysis is part of the RSPO’s Secretariat’s own due diligence to ensure that the RSPO Standards requirements under the “People” pillar are implementable, and to identify bottlenecks, challenges and areas for improvement.

Objectives

The key objectives of the analysis of audit reports relating to Principles 4, 5 and 6 of the P&C 2018 are to:

- Assess auditors understanding and reporting of the requirements and objectives of Indicators within Principles 4, 5 and 6.
- Identify key regional and contextual challenges in relation to growers’ implementation of the requirements under Principles 4, 5 and 6¹.
- Identify key regional and contextual human rights & social issues² on the ground for standards enhancement and refinement.
- Provide recommendations for standards enhancement.

¹ Insofar as can be deduced from auditor’s reporting.

² Ibid.

Approach and Methodology

Analysis Requirements

Review 30% of all available audit reports from 2019 to 2022, per country³ (eg. if 360 audit reports are available for Indonesia from 2019 to 2022, the consultant is expected to analyse at least 108 audit reports from Indonesia)

The analysis should provide a comprehensive overview of how auditors report compliance and highlight implementation challenges for RSPO members in complying with Principles 4, 5 and 6. Specifically, it should answer the following questions:

1. Do the auditors understand the indicators and know what is the intention or objective of each of the indicators?
2. Are there obvious or any difficulties signaled by the way the auditors are reporting? If yes, what are these difficulties or challenges ?
3. Are there any implementation issues/challenges faced by RSPO members in complying with Principles 4, 5 and 6 revealed in the audit reports?
4. Are there contextual/regional issues that are apparent?

References

In conducting the data extraction and analysis, reference should be made to the following key documents:

- RSPO database of [Audit Reports](#)
- RSPO P&C 2018
- Relevant National Interpretations of the RSPO P&C 2018
- RSPO Certification Systems Document - November 2020

Deliverables, Timeline and Budget

The work is expected to be completed within four (4) months.

Within the project period, the Consultant is expected to develop the following deliverables:

- i. Revise and populate an **Analysis Template** with relevant key information for the analysis of audit reporting of Principles 4, 5 and 6.
Note: An Excel sheet template for the extraction of data from audit reports will be provided by the RSPO Secretariat upon commencement of the project. The Consultant is expected to revise the template to meet the objectives of the review.
- ii. Develop a draft and final **Principles 4, 5 and 6 Audit Analysis Report**. The key requirements for the report are as follows:
 - Sets out how auditors have been reporting against each indicator in Principles 4, 5 and 6
 - Total Conformance and Non-Conformance (Cs and NCs), with analysis of auditor's understanding of the requirements under Principles 4, 5 and 6
 - Presentation on key findings, including issues and challenges for (i) auditors (auditing and reporting) and (ii) RSPO members (implementation), in the regions listed below:
 - Africa (Cameroon, Côte d'Ivoire, Gabon, Ghana and Nigeria)
 - Latin America (Brazil, Colombia, Costa Rica, Ecuador and Guatemala)

³ Refer to countries listed under item (ii) of **Deliverables, Timeline and Budget**.

- Oceania (Papua New Guinea)
- Southeast Asia (Cambodia, Indonesia, Malaysia, and Thailand)

iii. Develop a Presentation Pack, with a summary of key findings and outcomes from item (i) and (ii)

The expected timeline for delivery is as below:

No.	Activity	Timeline
1	Deadline for expression of interest	15 August
2	Selection of researcher/consultant	22 August
3	Kick Off Meeting	24 August
4	RSPO Secretariat to submit (i) audit report list (all audit reports from 2019 to 2022) and (ii) draft Analysis Template	26 August
5	Finalisation of Workplan and Consultant to submit draft Analysis Template	30 August
6	RSPO Secretariat to provide feedback to Draft Analysis Template	6 September
7	Consultant to submit completed Analysis Template	30 September
8	Consultant to submit draft Audit Analysis Report (Draft 1)	7 October
9	RSPO Secretariat to provide feedback to Draft 1 Report	14 October
10	Consultant to submit draft Audit Analysis Report (Draft 2)	28 October
11	RSPO Secretariat to provide feedback to Draft 2 Report	7 November
12	Consultant to submit final Audit Analysis Report and Presentation Pack	18 November

The Consultant is expected to provide an outline of the work plan together with a breakdown of costs in their proposal.

Roles and Responsibilities

The consultant will provide bi-weekly updates to the Human Rights and Social Standards Unit on the progress of the project (as per the work plan) and as requested, for clarification.

The consultant must ensure that the relevant procurement process within the RSPO Secretariat has been complied with, including submission of relevant documents for processing, during the tender process.

Consultant Requirements

- Good level of understanding of RSPO, including its process requirements
- Good level of understanding of the RSPO P&C 2018, in particular, Principles 4, 5 and 6
- Familiarity with social aspects (including issues and challenges) of the palm oil sector
- Experience in analysis of large data sets

- High-level written and verbal communication skills
- Audit experience and/or research related to the RSPO P&C is an added advantage

Interested applicants may submit their expression of interest to hrss@rspo.org by 6:00 PM MYT (GMT+8) on 15 August 2022. For any queries, kindly contact the Human Rights & Social Standards Unit, RSPO Secretariat at hrss@rspo.org.