

Terms of Reference RSPO Shared Responsibility Working Group (SRWG)

1. Introduction

All RSPO members have the responsibility and are committed to support the vision “to transform markets to make sustainable palm oil the norm”. The RSPO Theory of Change (ToC) is a road roadmap that demonstrate how RSPO will achieve this vision through key strategies and activities that RSPO will implement together with members, partners and other actors. The process of change at the RSPO is characterised by a progression of “Mobilise, Act and Transform”. This is the backbone of the RSPO ToC and underpinned by the concept of **shared responsibility (SR)** and **accountability** for results.

RSPO has seen an impressive growth with approximately 20 percent of global palm oil production is RSPO certified. To reach scale and sustainability, there is an **urgency** for commitment to collective action through shared responsibility and accountability. A key assumption of the ToC is that market intervention (e.g. supply and demand matching) is needed in the near to medium term as well as accountability for buyers to fulfil their commitments and ensure the uptake of sustainably produced palm oil.

The concept of shared responsibility has been discussed and agreed upon for a number of years across members. While the Principles & Criteria (P&C) are 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.” GA9 reiterated this in Resolution 6D, emphasising: “Keeping in mind many elements of the Principles and Criteria are applicable to all types of responsible organisations, regardless of business interest, geography, or scale.”

The GA8 in 2012 recognised some of the barriers to implementing shared responsibility including developing clear guidance on the expectations of the contribution of ordinary members, as well as sanctions (resolution 6m). The GA15 in 2018 Resolution 6G specifically asks for: “members to whom the P&C do not directly apply, to participate in the process of developing and implementing ‘shared responsibility’ elements.” Following the endorsement of the Shared Responsibility Taskforce (SRTF) ToR in the RSPO BoG meeting in September 2018. The Shared Responsibility Task Force (SRTF) was formed in March 2019 to define more explicitly what shared responsibility means and develop recommendations for accountability.

The RSPO Shared Responsibility Requirements and Implementation document developed by the SRTF was endorsed by the RSPO Board of Governors (BoG) on 31 October 2019. The document provides definition of SR procedures applicable to selected RSPO members (non-producer ordinary members) and includes recommended mechanism to reporting and collection of SR requirements. See Figure below for topics covered by Shared Responsibility and for more information, please download the document from SRTF webpage (<https://rspo.org/resources/supporting-bodies-sc-wg-tf/task-forces/shared-responsibility-task-force>).

Roundtable on Sustainable Palm Oil

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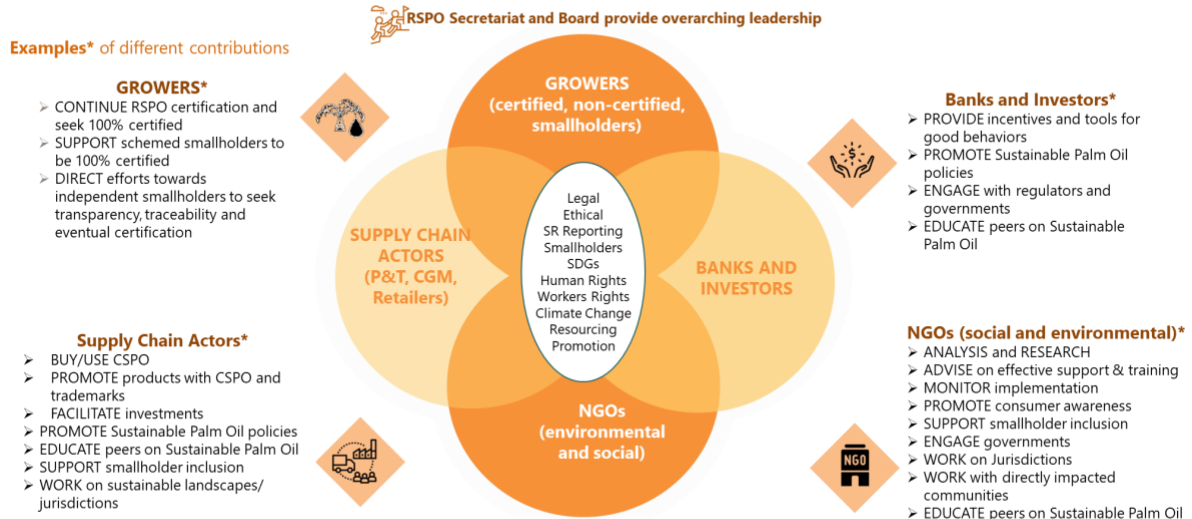
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Overview SR elements for all membership categories

Shared Responsibility to make Sustainable Palm Oil the Norm



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2. Objectives

The Shared Responsibility Working Group (SRWG) will work on the practical implementation of SR requirements, as detailed in the RSPO BoG endorsed 'SRTF Shared Responsibility and Implementation' document (31 of October 2019). This includes the development of procedural and/or guidance documents, the incentives and sanctions system as well as the resourcing plan for transformation in Year 1.

The SRWG will develop a monitoring plan in Q1 of Year 1 and review the implementation of SR towards the end of Year 1 to make adjustments and recommendations.

Every year, the SRWG will review the progress on SR requirements, identify barriers and issues, as well as specifically review the CSPO supply and demand projections and make a recommendation for % increase of uptake by supply chain member categories to the BoG.

3. Scope of Work

The SRWG will focus on the implementation of SR requirements outlined in the SR Requirements and Implementation document endorsed by the RSPO BoG on 31 October 2019. Therein the elements to be still developed are clearly specified. Note that only those aspects form part of the scope of work, which is presented below. It is understood that several of the workstreams will run in parallel and with the support of RSPO Secretariat:

- a. Work on the implementation of SR requirements in collaboration with the RSPO Secretariat.
- b. Develop relevant procedures and/or guidance documents to support implementation of SR.
- c. Develop a monitoring plan to understand what works, identify barriers and challenges.
- d. Develop a communications strategy for SR and lead on communication on SR within their own constituencies
- e. Provide recommendations on implementation of SR Requirements to relevant Standing Committees (SC).
- f. Formalise communications with the relevant SCs, e.g. regular updates concerning the topics relating to the specific SCs. The SRWG workplan will detail timetable for coordination of linked workstreams and SCs will be informed of opportunities for inputs and 'sense-checking'. Examples for obvious linkages include: Smallholder SC and resourcing plan; Assurance SC and incentives and sanctions mechanism; Market Development SC and uptake of CSPO volumes.
- g. Develop the resourcing for transformation mechanism, with input from public consultation.
- h. Develop mechanism for incentives and sanctions, with input from public consultation.
- i. Propose a projections-based % figure for uptake of CSPO volumes for SC membership categories to the BoG for Year 2.
- j. Review the implementation of SR requirements at the end of Year 1 and provide recommendations for Year 2.

4. Expected Outputs

The SRWG is expected to deliver the following outputs, many of which will be developed in parallel:

- a. Communication strategies/workplan to socialise SR implementation and outputs and leading on socialisation within own constituency
- b. Benchmarking report of SR requirements against existing 3rd party sustainable reporting.
- c. SR monitoring and evaluation plan.
- d. Resourcing for transformation mechanism and action plan.
- e. Development of incentives and sanctions mechanism.
- f. Recommendations for Year 2 target based on analysis of data collected and projections prepared by the RSPO Secretariat in Q3.
- g. Complete review of SR Year 1 implementation with recommendations for Year 2.
- h. Work plan for Year 2 of SR implementation.

5. Meeting

The WG is expected to meet physically every quarter during Year 1 and Year 2 of SR implementation; additional virtual meeting(s) may be organised to discuss tasks assigned to the SRWG or specific sub-groups of the SRWG. Additional physical meetings can be arranged based on request from the SRWG and must be supported by the Co-Chairs of the SRWG.

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The Co-Chairs of the SRWG and the RSPO Secretariat will have frequent communication updates for arrangement of such meetings.

Minutes of meetings and clarification of decisions made by the SRWG are to be shared, no later than 10 working days after each meeting.

Members of the SRWG shall also respect the “Chatham House Rule” in their reporting of SRWG discussions. This means that while remarks made during meetings may be repeated, they should not be attributed to an individual SRWG member, except where an attributed comment has been included in the approved minutes of that meeting.

6. Composition

It is proposed that the WG comprised of ordinary members representing the seven sectors of RSPO membership, reflecting the BoG structure. The SRWG will be chaired by two Co-Chairs from different sectors elected by the SRWG members. Experts (technical consultants, researchers, etc) can participate in specific session of the meetings by invitation only.

The composition strives for balanced representation but acknowledges that some of the biggest direct impact/change will affect the non-grower membership categories. The percentage of participation by non-grower membership categories has been increased compared to the SRTF composition following feedback from supply chain membership specifically, now representing close to 50% of the composition of the SRWG.

Table 1: SRWG final composition signed off by the SRTF OC with aim to have an agile and balanced composition

#	Sector	Total (Substantive & Alternates)	Details
1	Growers	4	One each MY, INA, ROW, SH
2	Processors & Traders	2	
3	Consumer Goods Manufacturer	2	
4	Retailers	2	
5	Banks and Investors	1 to 2*	
6	Environmental NGO	1 to 2*	
7	Social NGO	1 to 2*	
	Total	13 - 16	

Notes:

* a minimum of 1 representative each for Banks, eNGOs and sNGOs will achieve balanced representation, recognising that there will be less impact for these members and that there may be resource and availability constraints. Thus, it will be up to the sector to nominate 1 or 2 representatives.

SRWG members should be members of organisations with experience and empowered by the constituency to act on their behalf and are expected to regularly debrief with their constituencies.

SRWG members must commit to attend physical meetings and conference calls. The calls may be held outside regular office hours to accommodate the different time zones present in the SRWG.

SRWG members will be responsible for coordinating and updating directly with their alternates.

SRWG members should not be from the same organisation/company.

7. Retirement Criteria/Reselection of Inactive SRWG Members

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

The reasons (not exhaustive) for the SRWG to consider retirement of a member are:

- Absence from meetings for three consecutive meetings without justified reason for not attending these meetings;
- Persistent refusal to furnish information requested by the WG. Information requested, if deemed beneficial to the objectives of the WG, shall not be unreasonably withheld except for those which are commercially sensitive and/or prohibited by law for dissemination;
- Persistent refusal to sign the RSPO Code of Conduct.

Retirement of membership will be informed in writing to the SRWG Co-Chairs, copied in to the Co Chairs of the BoG and RSPO Chief Executive Officer (CEO).

The Co-Chairs will invite the constituents of the affected sectoral and/or geographical stakeholder group to nominate a new representative to the SRWG.

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8. Governance structure

The SRWG will report to the Standard Standing Committee (SSC) and the reporting line will be reviewed towards the end of Year 1 of SR implementation.

As several workstreams of the SRWG will have more direct links to specific SC, e.g. Assurance, Market Development, Smallholders, the SRWG or SRWG workstream subgroup will consult with the corresponding SC through feedback opportunities with the entire SC membership.

Progress reports and updates will be prepared for every BoG meeting.

9. Role of Secretariat

The RSPO Secretariat shall support the working group by facilitating and coordinating working group meetings. The Secretariat will be responsible for the implementation of SR requirements with guidance from the SRWG, commissioning projects or studies outlined in Year 1 of implementation and Year 2 and developing the market supply and demand modelling projections.

10. Management

Each member must declare any conflict of interest on any matters on the agenda and/or matters arising at the beginning or during the course of the meeting. Should a conflict of interest exists, the member concerned must recuse themselves from the decision-making process or sensitive discussions.

Members and invited experts who have been privy to the discussions shall not use their position on the SRWG and/or information obtained to obtain monetary gain or bid for any projects commissioned by the SRWG directly or indirectly through organisation with whom they are associated. For example, members and invited experts who observe discussions about developing project TORs will not be allowed to tender, and/or participate in the tender evaluation/selection processes.

All members of the SRWG are required to sign the Code of Conduct.

All outcomes and decisions are made on a consensus basis¹, members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the SRWG are consistent with the consensus reached within the SRWG.

¹ "Consensus" is defined by ISO as "general agreement, characterised by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments". The definition notes, "Consensus need not imply unanimity".

If consensus is not possible for any specific issue, at least 75% of the members are required to vote in favour for the adoption of a decision, and shall include at least one supporting vote from each membership category.

If a decision still cannot be reached through the mechanism above, the Chair (or co-Chairs) of the SRWG may declare a deadlock and refer to the SROC for the final decision.

Minutes of the meeting and clarifications of decisions made by the SRWG are to be shared no more than two months on the website after the meeting by the Secretariat.

In order to fulfil these tasks and meet objectives, it will be necessary to establish a yearly work program including a series of targets or deliverables including resources (see Scope of Work and Expected Output sections for reference).

11. Active Period

It is proposed that the objectives and responsibilities outlined be effective in the period of 1 April 2020 – 31 March 2022. In the last quarter of 2021, the mandate, structure and objectives will be reviewed and updated as necessary.

12. Reference

RSPO, 2019. RSPO Shared Responsibility Task Force (SRTF) Shared Responsibility Requirements and Implementation. 31 October 2019

RSPO, 2017. Theory of Change Narrative Document.

RSPO, 2019. Shared Responsibility Requirements and Implementation.

RSPO GA8, 2012. Resolution 6m; Request for All RSPO Ordinary members to Submit Time Bound Plans.

RSPO GA9, 2012. Resolution 6d; The Application of and Reporting Against Relevant Principles and Criteria Across a Members Sectors.

RSPO GA15, 2018. Resolution 6g; Adoption of the Principles and Criteria for the Production of Sustainable Palm Oil 2018.

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Appendix 1: Shared Responsibility Working Group (SRWG) Code of Conduct

All members of the SRWG are required to sign a Code of Conduct form.

Every member of the SRWG must declare any conflict of interest (financial or otherwise) on the agenda and/or any matters which arise in due course of the meeting. Should a conflict of interest arise, any member concerned must recuse himself/herself from the decision-making process or any sensitive discussions.

All members of the SRWG shall ensure the accuracy of the information provided and interpretation of all outcomes and decisions of the SRWG shall be consistent with the consensus reached by its members.

Confidentiality

Transparency is very important to RSPO and SRWG materials are only classified as confidential in exceptional circumstances. However, where information has been designated as confidential because of its sensitivity, SRWG should apply their best efforts to protect it from becoming public.

Promotion and Commitment

Member organisations will acknowledge their membership of the SRWG and its objectives, the Shared Responsibility Requirements and Implementation 2019 and its implementation process through informed and explicit endorsement. Members of the SRWG will promote and communicate this commitment throughout their own organisation.

Transparency

Members will not make any misleading or unsubstantiated claims about the production or use of sustainable palm oil. Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict.

Breaches of this Code

Breaches of this Code may lead to exclusion from the SRWG. Members will seek to resolve grievances directly with other member organisations, and will not make unsubstantiated allegations of breaches against other members.

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Prior to taking public action in cases of unresolved allegations of breaches of this Code, members shall report breaches to the Co-Chairs of the SRWG and the Member Category Representative in RSPO Board of Governance, which will deal with the alleged breaches in accordance with the RSPO Grievance Procedure.

I acknowledge and agree with the terms in ToR and CoC above.

Signed by:

Witnessed by:

Name:

Organisation:

Date:

Name:

Organisation:

Date:

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