

## TERMS OF REFERENCE

### Jurisdictional Approach Working Group

#### Introduction

The Jurisdictional Approach Working Group (JAWG) was set up following a decision by the Board of Governors, with a mandate to support the development of a Jurisdictional Approach to RSPO certification (from here on 'JA') in terms of technical development and stakeholder alignment.

Currently, there are two main barriers blocking progress towards a sustainable palm oil sector:

- 1) **Inclusion of all producers in sustainable production:** Truly sustainable production requires the inclusion of all palm-oil producers in a specific region, instead of 'islands of certification in seas of business-as-usual'. This requires including non-certified and potentially disinterested groups, as well as dealing with unregistered producers.
- 2) **Broad stakeholder action for structural change:** Tackling sector-wide, structural problems, such as those mentioned above, in most cases go beyond the responsibility and capacity of producers and require the active involvement of governments and other stakeholders in a region.

The JA is proposed as a solution to the abovementioned challenges. The regional scope offers the right level of scale to involve a critical mass of stakeholders, including the government, and tackle structural challenges that go beyond the capacity of single organizations. The JA will be coordinated on a regional scale by a dedicated, impartial, and competent entity, which allows for standardization, identification of best practices, and improved efficiency through the centralization of efforts.

#### Scope and Goals

##### Scope of work

- Providing high-level guidance on all the work related to the jurisdictional approach to RSPO certification, focused on the development of an approach centered around local applicability, acceptance by the market, and pragmatic development over time;
- Alignment and information exchange with current JA initiatives to identify best and worst practices;
- Striving for JA pilots (current and new) to provide feedback on and, as much as possible, implement the guidance developed by the WG.

##### Goals

The goals of the JAWG can be grouped in two categories: Technical development and Stakeholder alignment.

Technical development goals:

- Ensure the development of a certification system document that provides guidance on the application of the P&C at a jurisdictional level, and which allows an audit of a jurisdiction-level entity against the RSPO P&C;

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- Ensure clarity on the implications of a JA on RSPO, in terms of: membership of a jurisdiction-level entity and the producers that fall within its regional scope, stepwise incentives/certification, mechanisms for continuous improvement;
- Develop guidance on topics arising from the JA that go beyond the current P&C (continuous improvement of performance, promoting market access, access to finance, financing models, etc.);
- Ensure proper alignment of the developed guidance with the local reality of (potential) pilot regions.

### Stakeholder alignment goals:

- Ensure proper alignment with the RSPO Secretariat and Board of Governors on current ways of working, implications for RSPO and its members, as well as with the expectations of stakeholders;
- Promote the incorporation of stakeholder input, specifically focusing on feedback from local producers and non-industry stakeholders in current and potential future locations working on a jurisdictional approach to palm oil sustainability and/or RSPO certification;
- Act as ambassadors to key stakeholders in government and industry to ensure buy-in/support and active contribution to the jurisdictional approach to RSPO certification in development.

### Structure

#### **Criteria for Membership and Composition**

The JAWG will fall under the Standards and Certifications Standing Committee (S&C SC). The Working Group will be responsible for the overall work on JA matters in the RSPO.

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The JAWG will consist of members from constituent stakeholder groups, and will be composed as follows\*:

Category	Division	Total
Growers	Malaysia	1
	Indonesia	1
	ROW	1
Social NGO		2
Environmental NGO		2
Supply Chain	Consumer Goods Manufacturer	1
	Bank/Investor	1
	Retailer	1
	Processor/Trader	1
Smallholders	Malaysia	1
	Indonesia	1
	ROW	1

*\*Composition may change once the JAWG has been formed, if the Working Group decides that this is necessary to reach its goals effectively.*

The JAWG shall also be inviting representation from expert(s) and/or government officials as deemed necessary. Members in this category will have no rights to vote.

**Criteria for membership are:**

- Members are willing and able to provide their advice and expertise to the RSPO in general and to the supporting external consultants in particular;
- Members are willing and able to actively share information of other relevant initiatives, jurisdictional or other, or working groups they are participating in;
- Members are willing and able to actively participate and/or co-organize activities that are organized regarding the JA;
- Members are willing and able to actively consult and gather input from key stakeholders (industry, government, NGOs, Certification Bodies, other standard setting organizations) regarding the JA;
- Members are willing and able to actively act as ambassadors to ensure the concept of JA is supported by key stakeholders in industry and government;
- Members are expected to have knowledge of at least the following topics:
  - o The palm oil supply chain, and main barriers to sustainable production at each step;
  - o Added value and cost of RSPO certification, and main barriers to certification;
  - o High Conservation Value, High Carbon Stock, GHG, Free Prior and Informed Consent, and Social and Environmental Impact Assessment;
  - o Transparency and traceability in the palm oil supply chain.

In order to ensure effectiveness of the Working Group, it is expected that members allocate sufficient time to achieve the mission of the JAWG. The estimated level of effort for members is:

- To participate in 2-3 physical meetings (each lasting approximately 2 days) over an initial period of 6 months;
- To be available on average 1 hour per week for providing input via email or telephone, for the 1<sup>st</sup> year of this ToR (2018);
- To attend an estimated 3-4 physical meetings in the whole year of 2019 for the finalization and preparation of implementation.

**Retirement/New Addition Criteria for Working Group Members**

The JAWG can exercise the right to release the membership of a Working Group member and subsequently add new member to fill the empty seat. The decision is taken by the Working Group through consensus (excluding the affected party).

The reasons (not exhaustive) for the Working Group to consider departure of a Working Group member(s) are:

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

Retirement of membership will be informed in writing by the Co-Chairs of the JAWG, copied in to the RSPO Secretariat. The Co-Chairs of the JAWG will invite the constituents of the affected sectorial and/or geographical stakeholder group to nominate a new representative to the WG.

Any proposal of retirement of membership or new addition will be informed in writing by proponent (members of JAWG) to the Co-Chairs of the JAWG, copied in to the RSPO Secretariat. The Co-Chairs are empowered to approve/reject the proposal; should there be an indication of differing opinions on the proposal, the proposal is to be tabled to JAWG for consensus.

### **Active Period**

It is proposed that the JAWG undertakes its work in the period April 2018 to (at least) December 2019. The deadline for delivery of the final draft Certification System Document will be December 2018; the final adoption of the Certification System Document will be at the RSPO General Assembly in Nov 2019

### **Management**

#### Chairperson

The JAWG will be chaired by two Co-Chairs. The Co-Chairs, together with the representatives from the Secretariat are responsible to ensure for the overall cohesion, coordination and facilitation of the Working Group. The Co-Chairs will be selected by the WG members, one each from growers and NGOs.

#### Communication

It is desirable that the Working Group organize face-to-face meetings once every 2-3 months and organize teleconferences as and when necessary. The Co-Chairs and RSPO Secretariat, including consultants engaged will have bi-weekly communication update.

The Chatham House Rule with the aim of providing anonymity to speakers is applied throughout all meetings as an aid to free discussion, encouraging openness and the sharing of information. The Chatham House Rule reads as follows:

‘When a meeting, or part thereof, is held under the **Chatham House Rule**, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.’

#### Planning

In order to fulfill these tasks and meet RSPO objectives, it will be necessary to establish a work program including a series of targets or deliverables and budget.

#### Projects

The JAWG can propose project(s) or may accept projects from third parties, deemed necessary for accomplishing tasks assigned to RSPO Secretariat. Project implementation can be outsourced to external parties. The Working Group will be responsible for the overall management and coordination of the projects, facilitated by RSPO Secretariat.

#### Decision Making

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

## Role of the Secretariat

The day-to-day activities of the RSPO Secretariat on the JA and in support of the JAWG will be executed by the RSPO Secretariat with support of an external consultant should it be deemed necessary. The Secretariat should support the Working Group and facilitate interactions with the members and stakeholders. The Secretariat will also oversee the preparation of commissioned studies and other work.

The Secretariat will support the goals of the JAWG. Its principal functions are to prepare for, and service, meetings of the JAWG and related projects on the JA under the guidance of the Co-Chairs; coordinate with other relevant regional and international bodies; represent the JAWG at any relevant meetings when required; support, monitor, and facilitate the flow of projects in, projects under the JAWG; coordinate work carried out under the JAWG with other relevant organizations or Working Groups; to facilitate the flow of information from the JAWG to relevant stakeholders of RSPO.