

## **Indonesian President Jokowi Sets Direction for Palm Oil**

The decision by Swiss voters to support truth over fear, opportunity over barriers and small farmers from the Global South was a big win. This did not occur in a vacuum. Over the last several months, senior officials at the highest level in Indonesia and ASEAN have laid down the groundwork for solid public initiatives supporting palm oil in Indonesia and across the region.

Case in point: last month, the Swiss State Secretariat for Economic Affairs (SECO) officially kicked off a \$65 million program to support Indonesia “on its path towards a more competitive, resilient and equitable economy.” A key component of this initiative is to “improve the welfare of Indonesian palm oil smallholders and residents of palm oil producing regions alongside environmental interventions to ensure social and environmental sustainability.” This programme will provide the necessary support and capacity building to help fulfil the trade deal, which agrees to “cooperate on improving and strengthening government standards” in the area of ISPO and palm oil.

However, challenges across the European continent persist, namely the Indirect Land Use Change (ILUC) in the EU’s and UK’s renewable programs which arbitrarily targets palm oil and gives a pass to other vegetable oils, or the measures leading up to UK and EU due diligence for ‘imported deforestation’ singling out palm oil. This is especially concerning as it ignores the documented evidence of palm oil’s efficiency and sustainability, both in absolute terms and relative to other vegetable oils, some of which are produced in Europe.

Similarly, some campaigners in the USA are making a big play around labour rights and palm oil, but human rights questions in large sunflower and soya producing countries – namely Russia, Ukraine and Brazil – are ignored.

The double-standard is clear for all to see, and President Jokowi’s comments signal a shift is underway in Jakarta. In early February, President Jokowi stated unequivocally:

“Indonesia will continue to fight against palm oil discrimination. The efforts will be stronger if it is conducted together. Indonesia invites Malaysia to have the same commitment regarding the issue of palm oil.”

The occasion was a state visit by Malaysian Prime Minister Muhyiddin Yassin, who followed President Jokowi by stating:

“Malaysia will continue to cooperate with Indonesia in this issue and initiate council of palm oil producing countries to save palm oil industry and millions of palm farmers whose livelihood depends on palm oil industry in Malaysia and Indonesia.”

The President’s statements have been taken on by senior officials and industry experts. Executive Director of Indonesia’s estate fund Badan Pengelola Dana Perkebunan Kelapa Sawit (BPD PKS), Eddy Abdurrachman, stated:

“Our promotion strategy going forward will not just be defensive, but it also will be offensive,” he said in relation to other vegetable oils, noting that Indonesia had not been inclined to criticise other vegetable oils. “At the moment it is always palm that is questioned, but never it is discussed related to other vegetable oils.”

“We have problems with other vegetable oils in Europe, such as rapeseed ... If it is stated that palm oil is damaging 'biodiversity', we will also be concerned about how rapeseed in Europe and its use of their fertilizer impacts waterway biodiversity.”

The legislation being considered in Europe needs to be based on science, and that may be uncomfortable for Europe when the science doesn’t look very good in your own backyard.

### **ISPO is National Government Policy**

Central to Indonesia’s argument that its palm oil is superior, and the #1 Sustainable Choice is its national standard, Indonesia Sustainable Palm Oil (ISPO).

Recently, ISPO was updated, and approved by President Jokowi. The goal then was clear: “increase the acceptance and competitiveness of Indonesian Palm Oil Plantation Results in the national and international markets.”

That is even more significant as the EU is preparing to launch their 'Sustainable Labelling Framework,' as part of the EU Green Deal regulations. This will include new criteria defining which food labelling is permissible in Europe, and which claims about environment / sustainability are allowed on food labels in Europe. The Commission could very well introduce mandatory criteria that would refuse to recognise ISPO.

This would be a provocative approach from the EU and Swiss Government, as ISPO is an important element of Indonesia's sustainable palm oil cultivation, and it would dash efforts to reach the 2030 U.N. Sustainable Development Goals and undermine Indonesia's national sovereignty. In the lead up to the Indonesia-EU Comprehensive Economic Partnership Agreement negotiations in late February, deputy trade minister Jerry Sambuaga called for greater recognition of Indonesian standards across Europe.

"Products that we have tested and standardized must be accepted by the European Union as we also accept the results of their testing and standardization. There are mutual principles and mutual recognition," he stated after a meeting with the EU's Ambassador to Indonesia Vincent Picket.

He noted that plantation products, agricultural products and forest products have all faced significant technical problems relating to standards when entering European markets. The most significant of these to Indonesia is, of course, palm oil.

"I think that the matter of quality testing and product standardization is often asymmetrical between us and partner countries. Whereas in trade agreements there should be principles of mutualism, mutual recognition and mutual assistance in capacity building. Therefore, it is natural that from the very beginning we asked our trading partners to establish a joint agreement about the quality test and product standards."

The comments come just as Indonesia's government agencies are noting greater levels of cooperation on ISPO implementation.

Indonesia's accreditation body, Komite Akreditasi Nasional (KAN) accredits the auditors that can certify for standards. It is a member of the International Accreditation Forum, the global body for national accreditation agencies. KAN has recently completed the transition processes for the new revised ISPO, which was approved by President Jokowi in 2020.

As of the beginning of March, KAN has approved 15 organisations to certify companies under the new standard.

ISPO follows seven principles, 28 criteria and 15 sub-criteria covering: legal compliance; good agricultural practices; environmental, natural resource, and biodiversity management; employment responsibilities; social and economic empowerment; transparency; and sustainable business improvement.

Currently there are around 5.3 million hectares of palm oil certified under the ISPO system, making it the largest palm oil certification scheme in the world, and making Indonesia the #1 global producer of sustainable palm oil.

Indonesia is the world leader in sustainable palm oil and ISPO, its national standard, is a big reason why. The recently updated ISPO certification standard should be included and recognised without prejudice across Europe.

Source: - Indonesia Palm Oil Facts  
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