



LEADING VEGETABLE OILS DISCOURSE AT THE INTERNATIONAL FORA

at the Dissemination of the Joint Study on “Contribution of Vegetable Oils toward Sustainable Development Goals: A Comparative Analysis”
Jakarta, 4-5 February 2021

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OUTLINE

- The Role of the Ministry of Foreign Affairs (MoFA) in Vegetable Oils Diplomacy
- Relevant Research on Vegetable oils
- Ongoing Diplomacy
- The Way Forward

The Role of MoFA in Vegetable Oils Diplomacy



Research

- Research, **"The Role of Diplomacy to Support SDGs: Review on Palm Oil Industry Management"** (2019)
- Joint Research MOFA and Jaringan Auditor Nusantara (JAN) **"Contribution of Vegetable Oils toward Sustainable Goals: A Comparative Analysis"** (2020)



Promotion

- Documentary entitled **"Human in Oil"** premiered at Docsfair Film Festival in the Netherland (2019)
- **Regional Oil Palm Course**, in collaboration with CRC 990-EFFoRTS (Goetingen University, Jambi University, IPB University, Tadulako University)



Diplomacy

- **International Workshop on Crops for Peace** (2019)
- Joint Working Group on Palm Oil between **ASEAN and the European Union**
- Proposal to establish JWG on Mutual Recognition between Indonesia and the UK
- **FAO** Intergovernmental Group Meeting on Oilseeds, Oils, and Fats (IGG-OOF)



Litigation

Negotiation in **WTO and Dispute Settlement Body** (DSB) WTO/DS593 to address Indonesia's complaint towards EU in regards to EU's RED II and Delegated Regulation.

Relevant Research on Vegetable Oils

MoFA

- **Research, “The Role of Diplomacy to Support SDGs: Review on Palm Oil Industry Management” (2019)**
- **“Contribution of Vegetable Oils toward Sustainable Development Goals: A Comparative Analysis” (2020), in collaboration with JAN**

OTHER RESEARCH

- “Study on Impacts of Vegetable Oils to the Achievement of Sustainable Development Goals” (on going), by Goetingen University, Jambi University, and IPB Univeristy
- Global Demand Analysis of Vegetable Oils for Food and Industrial Use: A Cross-Country Panel Data Analysis with Spatial Econometrics (2016) by Kojima, Parcell, and Cain

Ongoing Diplomacy: Joint Working Group on Palm Oil between ASEAN and the European Union

- Outcome of the 23rd Ministerial Meeting between ASEAN and the EU, December 2020
- The First Joint Working Group held on 27 January 2021
- Objective: a platform to discuss and sharing views about sustainability aspect of vegetable oils sector

Key take away:



Agreement between the parties on knowledge sharing, technical cooperation and capacity building, and joint webinar about sustainable vegetable oils.



The on-going process in the JWG will not replace the Dispute Settlement in WTO (DS593)



The parties agreed to hold a Second Joint Working Group on 19 April 2021 with Malaysia as *co-chairs* alongside the EU

Ongoing Diplomacy:

Update on the Preparation for FAO – Intergovernmental Group Meeting on Oilseeds, Oils, and Fats (IGG-OOF): Formulation of the Voluntary Guidelines on Sustainable Vegetable Oils in Support of SDGs

- **The IGG OOF is a unique and fitting platform** to discuss current trend and prospective of vegetable oils and oilseeds markets
- Opportunity **to develop a guideline on sustainable vegetable oils** that will contribute to the achievement of the SDGs
- To **highlight opportunities and challenges** for improving sustainable production systems among vegetable oil producers
- An **opportune moment** as the last IGG OOF(30th Session) was convened in 2009

OBJECTIVES OF THE FORMULATION OF VOLUNTARY GUIDELINES ON SUSTAINABLE VEGETABLE OILS IN SUPPORT OF SDGs (VG-VSO)

- Set up VG-VSO that embrace the sustainable cultivation of oil seeds and the production and processing of vegetable oils
- The proposed structure of the VG-VSO will include, among others, an overview of relevant sustainability issues related to vegetable oil production and consumption, including their opportunities and challenges in SDGs in Agenda 2030 for Sustainable Development
- Include recommendations for improving the sustainable management of vegetable oils based on the three pillars of sustainable development namely economic, social and environment
- Ensure unity of purpose in addressing and setting out a path to meeting Agenda 2030 and its Sustainable Development Goals
- Contribute towards a better mutual understanding of the sustainability criteria that balance out economic and social progress with the environment, and include existing standards and certification of vegetable oils

31st IGG OOF

Timeline and Progress

72nd Session of Committee of Commodity Problems (CCP), 26-28 Sept 2018

- Indonesia conveyed the proposal to formulate voluntary guidelines on sustainable vegetable oils in support of the SDGs
- The Committee took note of proposal to convene IGG OOF to discuss the VG-VSO proposal

CCP Bureau Meeting, 22 December 2020

Agreed on tentative agenda items and proposed panelists for the IGG OOF

Correspondence of DG FAO, Minister of Foreign Affairs of Indonesia, and Ambassador of Indonesia in Rome, January 2021

→ unequivocal support for Indonesia and FAO to co-host IGG OOF

31st Session of IGG OOF, 4-5 March 2021

Hybrid format, include panel discussion with experts on sustainable vegetable oils in support of SDGs (invitation will be sent out soon)

74th Session FAO Committee on Commodity Problems (CCP) 10-12 March 2021 → The result of the discussion on the VG-VSO during the IGG OOF will be reported to FAO CCP for further consideration.

Ongoing Diplomacy: Proposal to Establish Joint Working Group on Mutual Recognition Indonesia-UK

A MUTUAL SOLUTION TO THE UK'S DECISION TO IMPOSE DUE DILIGENCE ON 7 'FOREST RISK' COMMODITIES



Beef and
Leather



Palm Oil



Timber



Pulp and
Paper



Cocoa



Soya



Rubber

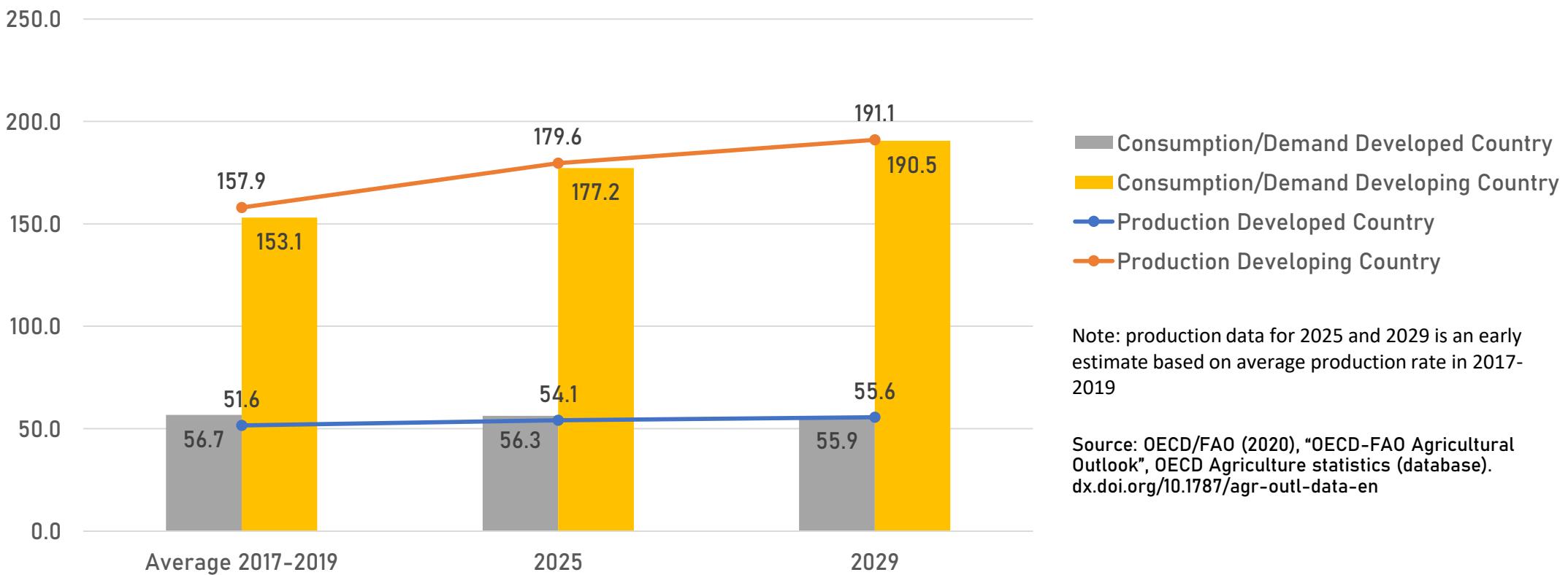
- UK importers are required to take environmental and human right risks assessment of the commodities' supply chain, take precaution and risk mitigations, and report to the UK Government
- Various sustainability standards and certifications applied for palm oil exist today
- Indonesia will advocate for the UK Government to apply the same standard for like and similar products; to address sustainability in a holistic and non-discriminatory manner; and to have a balanced approach between the 3 pillars of SDGs
- Indonesia and the UK will hold a *joint working group* to promote seamless two way sustainable trade → Indonesia will push for a mutual recognition agreement

The Way Forward: Narrative

- Non-discrimination treatment of vegetable oils and putting all vegetable oils at the same par
- Using the SDGs as the main benchmark for sustainability
 - This implies a holistic and balance account on economic, social and environmental dimensions in overviewing all vegetable oils
- The important role of all vegetable oils, including palm oil, to fulfill the global demand of vegetable oils in the future

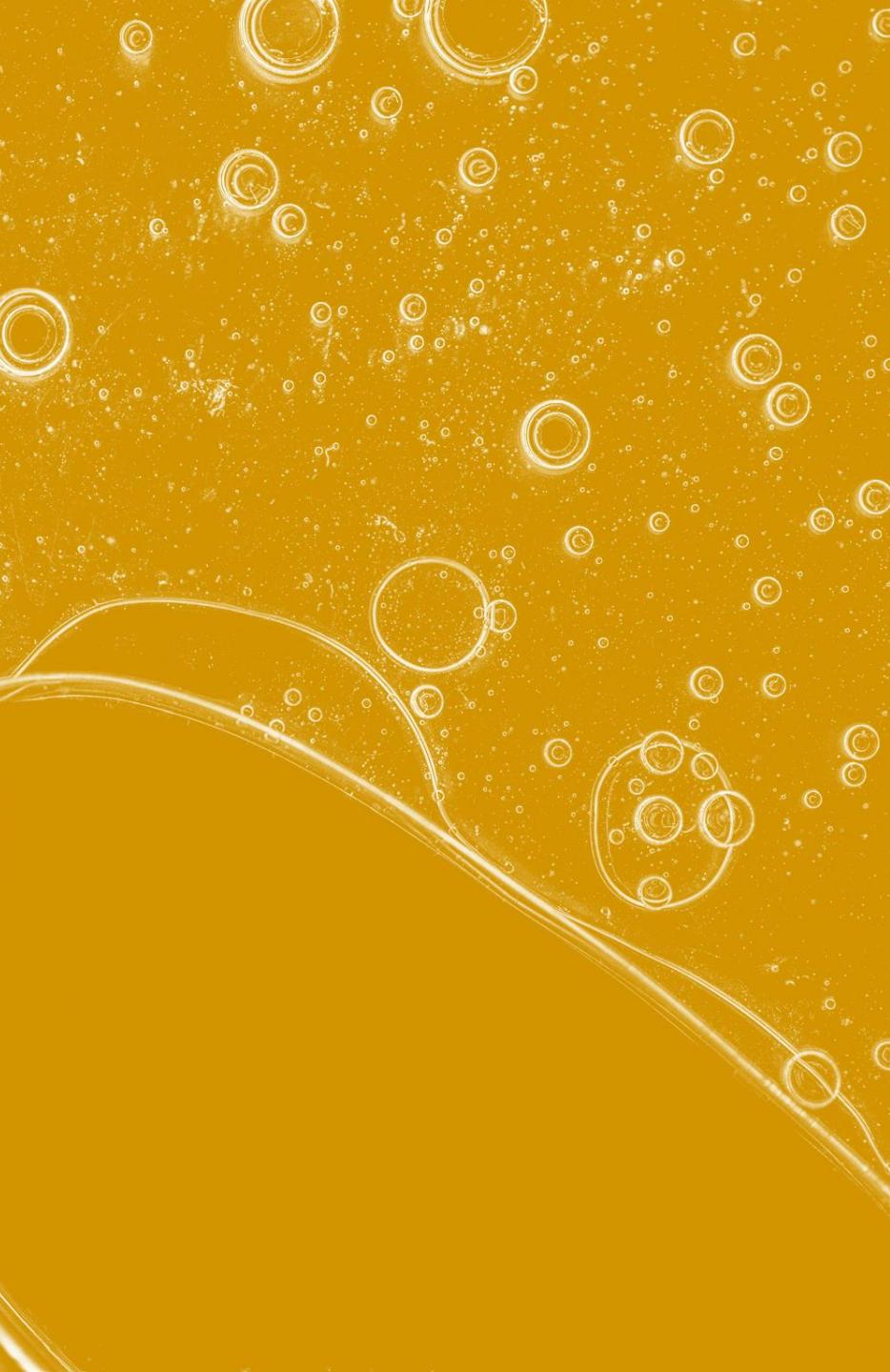
The Way Forward: Vegetable Oils Global Demand: Palm oil as a Part of Solution

Vegetable Oils Production and Consumption (Demand) Outlook
(Unit: Mt)



The Way Forward: Synergy Research & Diplomacy

- **Mainstreaming nexus between vegetable oils & SDGs as a common narrative for all stakeholders**
- **Non-discriminatory standards & treatment among vegetable oils**
- **More in-depth research & funding for research on vegetable oils**
- **Inclusive process in determining vegetable oils standards → producer & importing countries, farmers & consumers**
- **Synergy bilateral, regional & multilateral forums → private & public**
- **Partnership & joint collaboration for research & diplomacy with all stakeholders (e.g. academics, researchers, think tanks, politicians, private sector & farmers)**



THANK
YOU