ROUNDTABLE MEETING ON SUSTAINABLE PALM OIL

Plenary 3:
Jurisdictional Transformation
Title: The implementation of the Sabah JCSPO Initiative: Brace for Turbulence Ahead

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A Shared Responsibility: Converting Commitments into Action
Objectives

1. To transform Sabah’s palm oil production and supply chains
2. Halting deforestations
3. Restoring ecosystem
4. Securing sustainable livelihoods

Goals

1. To achieve no loss of High Conservation Value (HCV) & High Carbon Stock (HCS) forests for all oil palm in Sabah
2. Enable zero conflict in oil palm producing landscapes in Sabah
3. To strengthen smallholder sustainability and uplift livelihoods

Palm oil landscape in Sabah

- Smallholders 221,138.49 Ha
- Estates 1,325,465.88 Ha
- Mills 130

- Indonesia 12%
- Malaysia 52%
- Sabah 32%

- Exports 12% of the World’s Crude Palm Oil (CPO)
- 3rd largest producer

Certification

- RSPO: 27%
- MSPO: 53.24%

- Totally Protected Areas 26% → 30% Target by 2025

Financial Support thus far

Financial support needed over the period of five (5) years (2016-2020): RM 17.8 MILLION/approx. USD 4.2 MILLION

Total secured thus far:
RM 12.6 MILLION/approx. USD 3 MILLION
1. **Reaffirmation of commitment** by the current State Government of Sabah in 2018 (*after the election*)

2. **Development of important documents** (some will be finalized soon and adopted for state-wide implementation)

   (a) First Five (5) Year Action Plan
   (b) First Year Action Plan
   (c) Smallholder Readiness Report
   (d) Free, Prior, and Informed Consent (FPIC) Guide;
   (e) Facilitated Land Application Process (FLAP) Report
Establishment of a Permanent Secretariat

A permanent Secretariat to oversee all matters pertaining to oil palm within the State is crucial.

Progress:
1. Fund from Unilever and HSBC: USD 220,000.00 over the period of five (5) years;
2. A sub-committee to develop a ToR for the establishment of a permanent secretariat will be established;
3. Suitable candidates will be appointed as the (1) Secretariat Manager and (2) Assistant.

Implementation of the Year One Action Plan

Progress:
1. State-wide carbon mapping: COMPLETED
2. State-wide HCV assessment: COMPLETED (in draft form);
3. Field-testing of the FPIC Guide within the pilot areas (Telupid, Tongod, Beluran & Kinabatangan, TTBK): COMPLETED (The FPIC Guide is currently being revised based on the inputs derived from the field-testing process);
4. Living Landscape Programme (LLP) – targeting 60,000 ha of middle-sized holders within the Sugut and Tawau landscapes for certification by 2023: INITIAL STAGE;
Target by 2025... Where are we now?

CONT. 5 Implementation of the Year One Action Plan

5. Smallholder pilot within TTBK: ALMOST COMPLETED

***this smallholder pilot is targeted to be completed by 2021

6 Recognition

Recognized as ONE OF THE MOST ADVANCED jurisdictional initiative globally

Recognized as the ULTIMATE GOAL in Sabah

WORLD RECOGNITION (VARIOUS INTERNATIONAL PLATFORMS)

- Tropical Forest Alliance (TFA) 2020 annual gathering at Jakarta (March 2016);
- 2016 RSPO RT at Bangkok (November 2016);
- 2017 RSPO EU RT at London (June 2017);
- 2017 TFA 2020 and Forest Trend’s Climate Week Event at New York City (September 2017);
- UNFCCC Forests Day Event in Bonn at COP 23 (November 2017);
- TFA 2020 Annual Event in Accra, Ghana (June 2018);
- Global Climate Action Summit in San Francisco, USA (September 2018); and
- EU Malaysia Chamber of Commerce and Industry Conference in Kuala Lumpur (October 2018)

SMALLHOLDERS

(1) RSPO: < 50.00 ha
(2) MSPO: <40.46 ha

Estimated 53,000 (221,138.49 ha) in Sabah

- RSPO certified: about 1.5%
- MSPO certified: about 4.7%
Advancement of GOAL 1 – To achieve no loss of High Conservation Value (HCV) and High Carbon Stock (HCS) forests for all oil palm in Sabah

PROGRESS:
1. Methodology review: COMPLETED in May 2019;
2. Report write-up: ALMOST COMPLETED;
3. Stakeholder consultation session: will be conducted once the report and HCV maps are ready.

SOME KEY CHALLENGES:
1. High Carbon Stock Assessment (HCSA) is UNFEASIBLE at the jurisdictional level;
2. HCV 5 & 6 are demarcated areas that are serving the basic needs of local communities. A step wise approach to HCV 5 & 6 are as follows:

Step-wise approach:
1. Meta Map (scoping):
   o An indicative map to identify the locations of communities and certain landscape values, i.e., land use/land cover.
2. HCV 5 & 6 assessment (second phase)
   o to be conducted on a case-by-case basis, a participatory approach that are coupled with the FPIC process
Advancement of GOAL 2 – Free, Prior & Informed Consent (FPIC) to enable zero conflict in oil palm producing landscapes in Sabah

STEP–WISE PROCESS:
1. Adapting RSPO’s FPIC Guide into Sabah FPIC Guide & SOPs;
2. Identifying suitable department/ministry to ‘house’ FPIC;
3. Integration of FPIC into Sabah’s laws and institutions and organizational cultures of all stakeholders involved in palm oil production in Sabah.

PROGRESS:
1. Field–testing of the FPIC Guide within the pilot areas, i.e., TTBK: COMPLETED;
2. Revision and finalization of the FPIC Guide: IN PROGRESS;
3. “Housing” of FPIC in Sabah: the Ministry of Law & Native Affairs had agreed to co–convene a dialogue on this matter.

SOME KEY CHALLENGES:
1. Poor engagement with some governmental bodies;
2. Testing the FPIC Guide in “real time” is UNFEASIBLE due to the lack of suitable locations or cases.
Advancement of GOAL 3 - to strengthen smallholder sustainability and uplift livelihoods

STEP-WISE PROCESS:
1. 2017: to build an integrated network;
2. 2019: MSPO certification;
3. 2025: RSPO Jurisdictional Certification

PROGRESS:
1. Good Management Practice: ALMOST COMPLETED;
2. The WG will continue to collaborating with Malaysian Palm Oil Board (MPOB) and Wild Asia to increase smallholders’ readiness towards certification;
3. Finalization of the Facilitated Land Application Process (FLAP) report: ONGOING

SOME KEY CHALLENGES:
1. Only 17% of smallholders in TTBK had heard of RSPO;
2. 20–30% of smallholders employed non-legal labour;
3. About 13,000 smallholders in Sabah are UNREGISTERED.
CONCLUSION

1. Reaffirmation of commitment by the new Government:
   - Sabah JCSPO Initiative: remains as the ULTIMATE GOAL
   - Sabah JCSPO Initiative & the MSPO certification scheme: concurrent implementation;

2. The convening of the Sabah Implementation Dialogue (SID): building high impact partnerships

3. The development of the FPIC Guide & Smallholders’ Readiness Report

Goals are achieved!
- All oil palm plantations are RSPO & MSPO certified;
- Procurement of 6 million metric tonnes of CSPO;
- Fully functioning Permanent Secretariat;
- Adoption of the state-wide HCV&LUCA Map & Sabah RaCP
- Full implementation of FPIC, Smallholders interventions, & Smallholder Facilitated Land Application Process

Adoption of the Sabah JCSPO Initiative

Kick-start the implementation of the Year One Action Plan

Advancement of all 3 goals:

Thank You