

# ROUNDTABLE MEETING ON SUSTAINABLE PALM OIL

**Plenary 3:**

**Jurisdictional Transformation**

**Title: The implementation of the Sabah JCSP0 Initiative : Brace for Turbulence Ahead**

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# SABAH JURISDICTIONAL CERTIFIED SUSTAINABLE PALM OIL (JCSPO) INITIATIVE



## RECAP

### 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

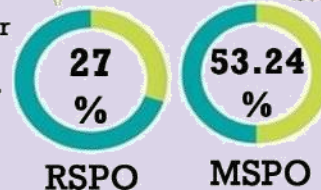
### Palm oil landscape in Sabah

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

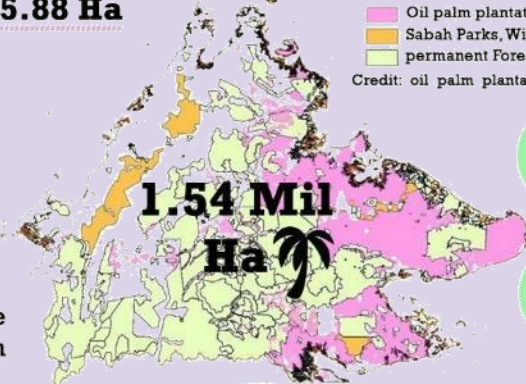


- Exports 12% of the World's Crude Palm Oil (CPO)
- 3rd largest producer

#### Certification



Oil palm plantations  
Sabah Parks, Wildlife Sanctuary, Wildlife Conservation Area  
permanent Forest Reserves  
Credit: oil palm plantations extent, modified from CIFOR 2016



61%

**Forest Cover**

52%

**Forest Reserves & Protected Areas**

**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

### WHY Jurisdictional Approach (JA)?



Addressing issues at jurisdictional level (Labour, land tenure, indigenous rights, smallholders' readiness towards certification, impacts of oil palm plantations within forest reserves)



Better access to premium markets



Cost effective (individual certification is costly)



Competitiveness (Sabah is too small to compete on the basis of size, thus will compete in the basis of governance)

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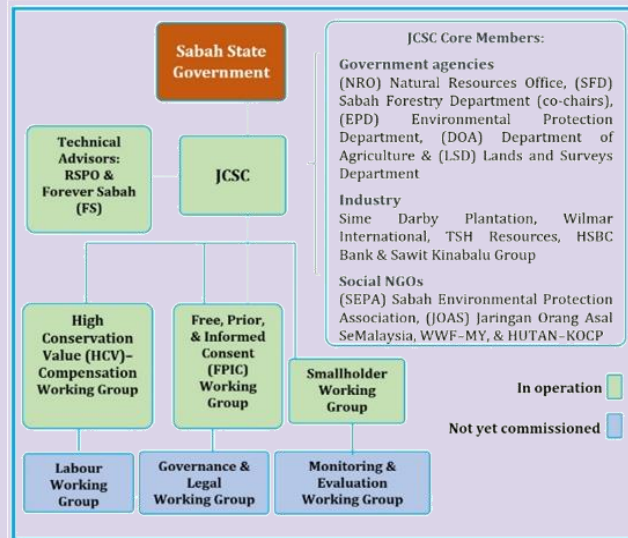


## TARGET BY 2025... WHERE ARE WE NOW?

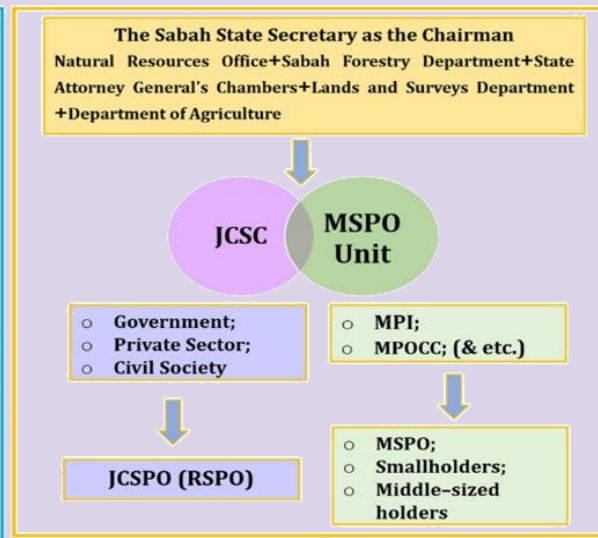
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**Reaffirmation of commitment** by the current State Government of Sabah in 2018 (*after the election*)

### Coordination of palm oil certification in Sabah



The organizational structure of the Jurisdictional Certification Steering Committee (JCSC)



Jurisdictional Certification Steering Committee (JCSC)+ MSPO Unit = **concurrent implementation** of the Sabah JCSPO Initiative & the MSPO Certification Scheme

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 ✓



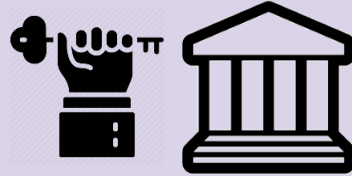
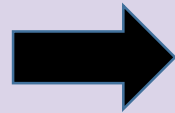
## TARGET BY 2025... WHERE ARE WE NOW?

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### Establishment of a Permanent Secretariat



JCSC



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.

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### 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**;

# SABAH JURISDICTIONAL CERTIFIED SUSTAINABLE PALM OIL (JCSPO) INITIATIVE TARGET BY 2025... WHERE ARE WE NOW?



CONT.

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## Implementation of the Year One Action Plan

5. Smallholder pilot within TTBK: **ALMOST COMPLETED**

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

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%**

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## Recognition



Recognized as **ONE OF THE MOST ADVANCED** jurisdictional initiative globally



Recognized as the **ULTIMATE GOAL** in Sabah



## WORLD RECOGNITION (VARIOUS INTERNATIONAL PLATFORMS)

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

# SABAH JURISDICTIONAL CERTIFIED SUSTAINABLE PALM OIL (JCSPO) INITIATIVE



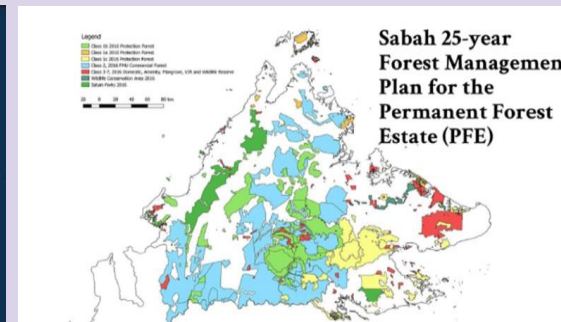
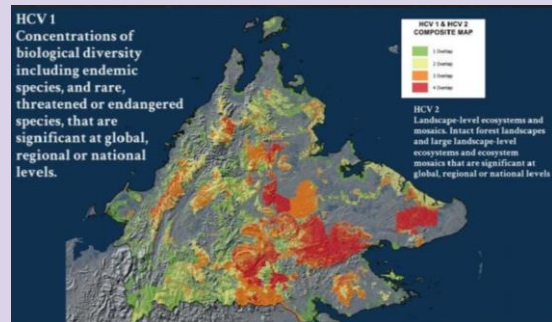
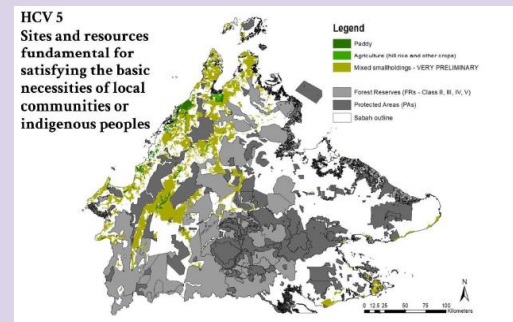
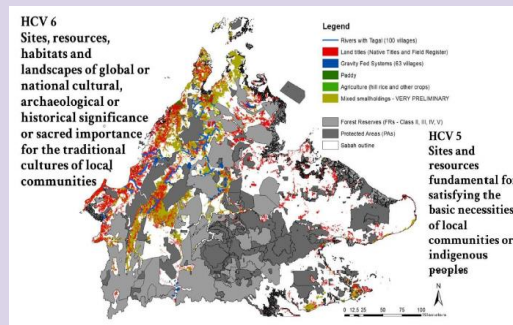
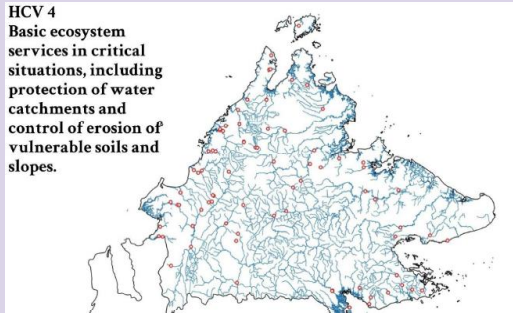
## TARGET BY 2025... WHERE ARE WE NOW?

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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):
  - 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)
  - to be conducted on a case-by-case basis, a participatory approach that are coupled with the FPIC process



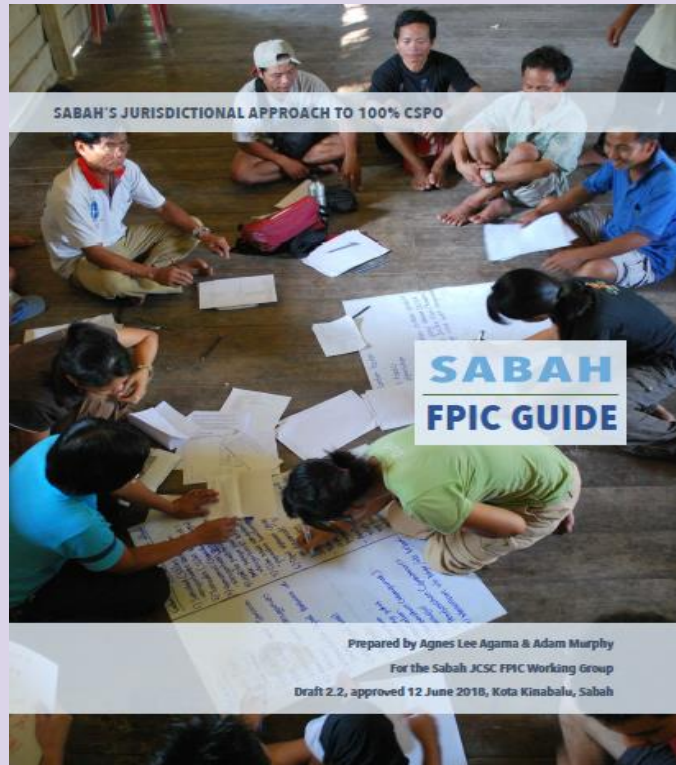
# SABAH JURISDICTIONAL CERTIFIED SUSTAINABLE PALM OIL (JCSPO) INITIATIVE



## TARGET BY 2025... WHERE ARE WE NOW?

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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.

# SABAH JURISDICTIONAL CERTIFIED SUSTAINABLE PALM OIL (JCSPO) INITIATIVE



## TARGET BY 2025... WHERE ARE WE NOW?

9

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

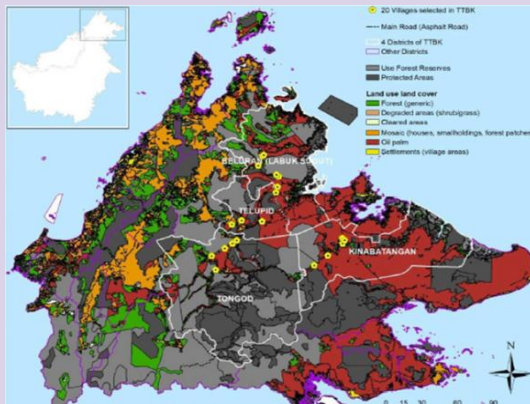
### PROGRESS:

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.

Smallholder Readiness for Roundtable on Sustainable Palm Oil (RSPO) Jurisdictional Certification of Palm Oil by 2025: results from field studies in Sabah's Telupid, Tongod, Beluran & Kinabatangan Districts



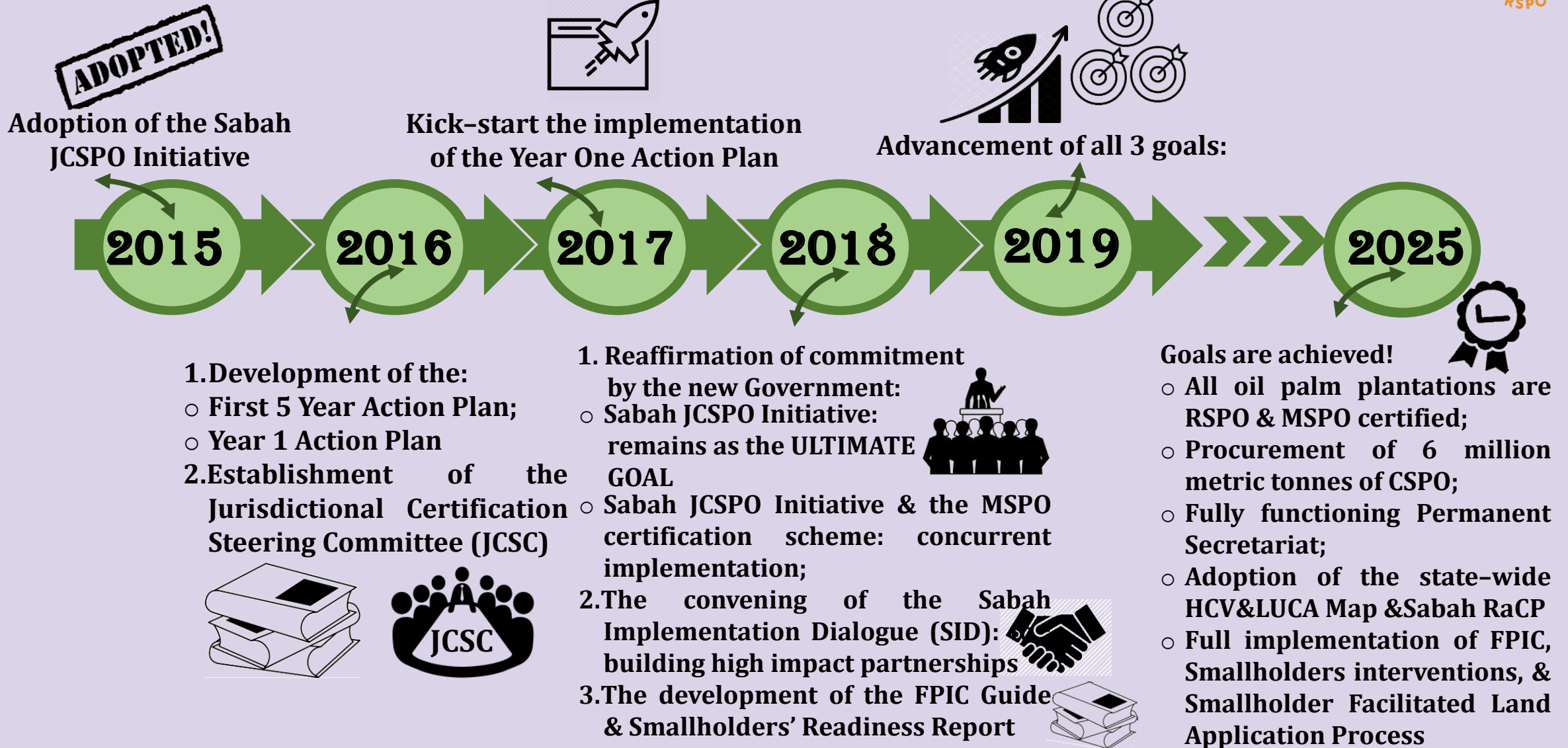
### Good Management Practices Plan (Intervention Model)

Intervention Model	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1. Smallholder readiness for RSPO													
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20. Smallholder readiness for RSPO													





# CONCLUSION



**Thank You**