



“Sustainable Palm Oil Contributes to Sustainable Development Goals Achievement - Academic and Practitioners’ Perspective Confirm”

Studies show that when the palm oil sector is managed in a sustainable and inclusive manner, it has a significant contribution towards SDGs achievement

Sustainable palm oil production supports economic growth, poverty and hunger alleviation and access to nutritious food

Public private collaboration is needed to achieve systemic solutions

Indonesia stresses its commitment to sustainable palm oil production and confirms the stop for new palm oil land clearing in forest areas

Rome, October 20th 2021 – In the framework of the Sustainable Development Festival 2021 promoted by the Italian Alliance for Sustainable Development – ASviS, the **UNDP Green Commodities Programme** and the **Italian Union for Sustainable Palm Oil** organised on October 13 last the event ‘**Sustainable Palm Oil Contribution Towards Sustainable Development Goals Achievement: Academic and Practitioners’ Perspective**’ to provide the scientific perspective on sustainable palm oil contribution towards SDGs achievement and the practical experience from the supply chain, with a view to initiate and foster further collaboration between public and private stakeholders in Italy and Indonesia to jointly support sustainable palm oil development.

The UNDP Green Commodities Programme (GCP) helps to address the sustainability challenges of highly traded agricultural and marine commodities such as palm oil, beef, soya and fisheries. Its mission is to improve the lives of farming families and their communities while protecting high conservation value forest and important vulnerable ecosystems, by supporting governments to take the lead in creating national environments where sustainable commodity sectors can grow. In Indonesia the UNDP GCP supports the Sustainable Palm Oil Initiative, a partnership between the Ministry of Agriculture and UNDP Indonesia.

A general overview on challenges related to sustainable palm oil was presented by Charles O’Malley, *Senior Systems Change Advisor at UNDP Green Commodities Programme*. O’Malley noted that sectoral sustainability standards such as RSPO have been vital in driving best practice in palm oil sector to correct negative impacts, but it is necessary to raise minimum standards through government action. Palm oil has also significant positive impacts including on poverty and hunger alleviation, economic growth and decent work, but it is also clear that a public private collaboration is needed to achieve systemic solutions to ensure the achievement of all relevant SDGs.

The results of a review of scientific publications regarding the socio-economic impact of palm oil were presented by Matteo Bellotta, *Euro-Mediterranean Center on Climate Change (CMCC Foundation)*. The analysis focused on palm oil contribution to the achievement of 8 out of 17 SDGs, referred to the socio-economic dimension of sustainability and confirmed that palm oil supports their achievement especially with regards to poverty and hunger alleviation and economic growth of local economies. Bellotta also highlighted some critical issues, such as gender inequalities and conflicts relating to land access and ownership, which can actually

be solved with the adoption of sustainability certifications. *"The contribution of palm oil production to the achievement of socio-economic SDGs is a complex and controversial issue. Benefits and drawbacks are highly dependent on how much the production system is robustly based on sustainability principles and criteria"*. Certification of the entire value chain with the inclusion of smallholders is therefore the way forward, but the support of government action is needed.

Interesting figures based on a comparative report on vegetable oils contribution to SDGs conducted by the Policy Analysis and Development Agency of the Ministry of Foreign Affairs (MoFA) of the Republic of Indonesia were presented by H.E. Ngurah Swajaya, Director General of American and European Affairs, MoFA. Palm oil has contributed significantly to poverty alleviation for around 30 million local community and intra-territorial equity, improving the livelihood of more than 2 million smallholders, who own more than 40% of oil palm plantation, creating job opportunities for 16.2 million people (4.2 million direct and 12 million indirect), generating around USD 19 billion annual export revenues.

"Unfair and discriminatory treatment to palm oil will only bring adverse effects to socio-economic conditions of more than 2 million oil palm smallholders, and it will also affect the attainment of SDGs, as well as our continuous effort to reduce deforestation and GHG emission in Indonesia - said H.E. Ngurah Swajaya, underlining the country's effort towards sustainability also in view of the G20 Summit which will be held in Bali in 2022 - We are ready to work together with like-minded countries, to address the need of a comprehensive, holistic and non-discriminatory approach to all vegetable oils, including palm oil".

The Indonesian Government strengthened its commitment to SDGs achievement through the development of the Indonesian Sustainable Palm Oil (ISPO) certification system and the adoption of the National Action Plan for Sustainable Palm Oil, signed into Presidential Instruction by President Joko Widodo in November 2019. These measures aim to increase the sustainability and competitiveness of palm oil production, while also focusing on the reduction of carbon emission. Important results have indeed already been achieved with respect to deforestation, at its lowest rate in the last 20 years, and forest fires, which dropped by 89%.

Answering to a question about the outlook for Indonesian sustainable palm oil regulations after the palm oil moratorium ended last September, the Ambassador confirmed that *"The enactment of Omnibus Law on Job Creation has included the continuation on sustainability of palm oil production, including to stop the opportunity for new palm oil land clearing in forest areas."*

The important role played by Indonesian smallholders -representing about 42% of the total palm oil production - was highlighted by Rukaiyah Rafik, Farmer School Principal at FORTASBI, the Indonesian Sustainable Palm Oil Smallholders Forum initiated in 2014 by several NGOs and organizations of oil palm farmers to increase their capacity to obtain sustainability certification. *"Smallholders are important parties that must be engaged in encouraging the achievement of the SDGs. Sustainable palm oil certification under the RSPO and ISPO schemes is a tool that can be used to encourage their involvement. Collaboration between all stakeholders is very important to ensure smallholders are not left behind."* Ms Rafik also noted that ISPO and RSPO certifications benefit smallholders because they can learn how to better manage their organization and to increase the productivity of their plantations, to respect workers' rights and to preserve ecosystems, among others.

The floor went to the representatives of two companies operating in the palm oil supply chain in Indonesia and Italy. What emerged is that the private sector is clearly committed to pursue



the achievement of SDGs through sustainable practices that go beyond certification and that there is need for a closer collaboration and engagement of all stakeholders.

Rudy Prasetya, Head of Sustainability at Triputra Agro Persada, noted that *“ESG is a journey for everyone. Commitment to support UN SDGs needs to be expressed in the daily operations of any institutions. Partnership amongst stakeholders including governments, business players, academia, civil society and consumers in the spirit of non-discriminatory, fairness and justice is key to make it work.”*

Prasetya was echoed by Marcello Valenti, Environment and Sustainability Manager at Unigrà, who also stressed that *“The constant, systematic and ESG performances-oriented dialogue between the operators in the supply chain is the way to support the transition towards sustainability”*.

Charles O’Malley, UNDP, in his closing remarks, highlighted that *“The growth of the palm oil sector has brought many benefits to consumers and producers. It has also come at environmental cost. Reconciling these tensions will not be solved by dividing the world into “good guys” and “bad guys”. We need to take a systemic approach and realise that solutions can only be created when we all work together. That means we need greater collaboration between the producers and the buyers – that includes governments, companies and communities.”*

The Italian Union for Sustainable Palm Oil - represented by its Secretary General Francesca Ronca - confirmed its commitment to promote the uptake of certified sustainable palm oil and to facilitate the dialogue and cooperation among stakeholders to accelerate the complete transformation of the value chain of this commodity, so important for the sustainable economic development of Indonesia and many other producing countries and key to meet the growing global demand for vegetable oil.

TO REPLAY THE EVENT, CLICK [HERE](#)

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Italian Union for Sustainable Palm Oil (<https://www.oliodipalmasostenibile.it>) was established in October 2015 by a group of companies and associations active in various sectors where palm oil is used, with the aim of actively promoting the culture of sustainability of this product and promoting the production and the exclusive use of sustainable palm oil.

For more information:

Press Office Italian Union for Sustainable Palm Oil

Sara Orsenigo – sara.orsenigo@mediatyche.it