



December 2020

Indonesian NGOs Joint Statement

EU Communication (2019) on stepping up EU's action to protect and restore the world's forest.

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I. INTRODUCTION

We the members of the Indonesian Civil Society Communications Forum (FKMS)¹ for Fair and Sustainable Palm Oil Governance, working on palm oil issues and its link to forest and sustainability in Indonesia, would like to share our views and inputs on the European Union (EU) Proposal regarding EU Communication stepping up EU's action against the deforestation and forest degradation through Due Diligence obligation to reduce EU consumption footprint on land and encourage the consumption of products traded in the EU free from deforestation and forest degradation for Forest Risk Commodities (FRC)².

We noted the following points:

1. We welcome EU initiative in responses to scaling up to save the environment through a due diligence scheme where the commodity produced and traded in EU are legally and sustainably accountable also free from deforestation and forest degradation ;
2. There are differences of analogy of deforestation and forest degradation between EU and Indonesia. This difference of analogies might impact the implementation of this initiative. The common understanding of the keywords and concepts is essential and need to be discussed to get common agreement by involving multi-stake holders. Existing initiative like Accountability Framework Initiative (AFI)³ can be drawn upon;
3. The EU Due Diligence must include clear sustainability standards and human rights – including the rights to a healthy environment and well-being for all people where these commodities are produced. By to do so, Due Diligence should be in lined with the UN Guiding Principles and Business and Human Rights;
4. The EU's proposal on Due Diligence must include the financial sector as its subject. We believe that **implementation** of this due diligence must be placed in a value supply chain framework, because

1 FKMS consist of over 40 non-governmental civil society organisations.

2 Forest Risk Commodities defined as globally traded goods and raw materials that originate from tropical forest ecosystems, either directly from within forest areas, or from areas previously under forest cover, whose extraction or production contributes significantly to global tropical deforestation and degradation (EU, 2018)

3 <https://accountability-framework.org/>

these risky commodities are traded through the global trade system, involving not only producers, but also financial institutions backing the supply of raw materials, productions, distribution and trade;

5. The Due Diligence to be carried out by EU companies / business lacks a clear mechanism – including whether this will include supply chain tracing – which will influence the credibility of the due diligence, especially if independent monitoring or at least a grievance mechanism is not included as part of compliance with accountability;
6. A two-way (Indonesia and EU) monitoring scheme by multi-stakeholders is required for supply chains that meet the sustainability values as stated in the No Deforestations, No Peat, No Exploitations (NDPE) scheme and that refers to the Paris Agreement to contribute to reducing climate change by 1.5°. ⁴

II. REKOMENDATION

Indonesia has a number of policies in effect on improving palm oil governance, including: (1) in 2011, the Government of Indonesia passed a Ministerial Regulation on Indonesian Sustainable Palm Oil, amended to Presidential Regulation and passed on March 2020; (2) Presidential Instruction No.8 of 2018 on the Postponement and Evaluation of Oil Palm Plantation Permits and Enhancing Oil Palm Plantation Productivity, which ends in 2021; and (3) Presidential Instruction No.6 of 2019 on the National Action Plan on Indonesian Sustainable Palm Oil.

We realize that the Government of Indonesia has attempted to improve its palm oil governance, but this still requires further policy strengthening and commitment in its implementation, oversight and the law enforcement.

Furthermore, from the aforementioned observations, we ask the EU Government to take the following recommendations into considerations:

1. Synchronize this regulation with other EU policies regarding the implementations of principles on business and human rights;
2. Common understanding and agreement on the keywords and concepts is essential regarding deforestation and forest degradations between Indonesia and EU;
3. Develop clear the due diligence standard and sustainability standard and make sure that implementation is enforced, by doing so the goal of this initiative is achieved;
4. If it possible, this initiative may adopt the Carding Country scheme based on national standard where the commodities is being produced, and only accept that national standard which comply with legality aspect, sustainable practices, transparency, and just and respect to human rights, including acknowledge the right of indigenous people and the protection of the workers or develop its own standard which more robust and binding for both parties which in lined with international standard by involving multi-stakeholders;
5. Develop a grievance mechanism for stakeholders as part of the system accountability;
6. Implement the same policies to all FRCs commodities without discriminations;

⁴ https://bphn.go.id/data/documents/na_ruu_ratifikasi_paris_agreement.pdf

7. Provide technical and non-technical support to producer countries to meet these standards and for policy implementation, including providing tangible incentives for business that are meeting these standards;
8. Develop grievance mechanism for stakeholders as part of the system accountability;
9. Provide support for oil palm smallholders (with plantation <6 ha) and indigenous peoples who have supported anti-deforestation policies and at the same time are victims of deforestations;
10. Implement the same Due Diligence Regulations for the finance sector to stop financing of activities causing deforestation;
11. Develop an independent platform to identify and monitor supply chains from companies linked to deforestation for FRCs;
12. Robust law enforcement that including effective punishment, proportional, and eliminate the factor that can cause the lack of the enforcement;
13. Focus not only on deforestation issues, but also on the impacts of deforestation, including human rights, as well as forest and land fires, because these three are linked to palm oil production development;
14. Implementation of Due Diligence not only based on the documents, but also ground checking;
15. Collaborate and synergize with Government of Indonesia, palm oil business, smallholders and civil society to ensure that Indonesia's palm oil products are free from conflicts, whether economic, social and environmental;
16. Making sure this initiative in lined with other EU policies and commitments regarding the saving environmental efforts and minimizing the leakage in this initiative.

List of signatories

1. Kaoem Telapak
2. The Institute for Ecosoc Right
3. Tropical Forest Foundation Indonesia
4. The Institute for Policy Research and Advocacy (ELSAM)
5. Yayasan Madani Keberlanjutan (Sustainable Madani Foundation)
6. Link-AR Borneo
7. Setara Jambi
8. Independent Forest Monitoring Network (JPIK)
9. Kelompok Kerja Sistem Hutan Kerakyatan (POKKER SHK)
10. Greenpeace Indonesia
11. Yayasan Pusaka Bentala Rakyat
12. Komunitas Teras
13. LPMA Borneo
14. Perkumpulan Wallacea
15. Sawit Watch



Kelompok Kerja
Sistem Hutan Kerakyatan

GREENPEACE

PUSAKA
untuk memberdayakan hak-hak masyarakat

komunitas
TERAS

LPMA BORNEO
Lembaga Pemberdayaan Masyarakat Adat Borneo

PERKUMPULAN
WALLACEA