

Sustainability and Responsibility

Transforming the Palm Oil Industry in Post-COVID-19 Era

Forum at the World Trade Institute (WTI), Bern (Switzerland), 16 May 2022



MPOB-UKM ENDOWMENT CHAIR

Background

Southeast Asian countries, Indonesia, Malaysia and Thailand are the largest producers of palm oil in the world. Indonesia and Malaysia contribute nearly 80% of the global palm oil production. Palm oil are mostly exported to markets worldwide. European countries import roughly 8.2 million metric tons (MT) mostly from Indonesia, Malaysia and Thailand. Palm oil and its derivatives are used in a wide range of food and consumer products – from biscuits and chocolates, to soaps and cosmetic products. In Europe, palm oil is also used as biofuel for the transportation sector. The past years saw growing criticism on the negative impacts of palm oil, often been associated with land expansion and clearance, deforestation and endangered wildlife. More recently, there have been discussions on labour rights violations, including forced and child labour involving migrants and plantation workers in Malaysia and Indonesia. The current narrative of global palm oil discourse is highly politicized, witnessed for instance in the Swiss vote on the EFTA-Indonesia Trade Agreement, attracting negative responses, from the industry and beyond. It is often neglected that palm oil has been the backbone of many rural communities in Indonesia and Malaysia. In these countries alone, there are nearly four million oil palm smallholder farmers, collectively. In addition, the industry employs about 4 million people in Indonesia, and nearly 1 million people in Malaysia, including temporarily-contracted migrants from the wider Asia's region. For many decades, the industry has helped lift millions of people out of poverty. At the national level, the palm oil industry contributes between 2% and 4% of Indonesia's and Malaysia's Gross Domestic Product (GDP) respectively, making the sector a government priority in contributing to sustainable development.

Forum's Vision

One observation from above is the divergence in the narratives both in producing countries and the developed-country export markets, where palm oil has become a highly politicized commodity. Against this background, the **World Trade Institute (WTI)**, **Institute of Malaysian & International Studies (IKMAS, UKM)**, the **MPOB-UKM Endowment Chair** and the **International Institute for Trade and Development (ITD, Thailand)**, will jointly organize a forum, which is currently scheduled to take place in Bern on 16 May 2022. The forum brings together regulators, industry, civil society and the scientific community to reflect the everyday realities – challenges and opportunities, in all its facets from a sustainable development perspective, and to provide a critical but constructive avenue to exchange views and aspiration.

What's Next after the Forum?

The forum aims to establish an informal network comprised of regulators, academia and industry leaders and experts to support current and future sustainability efforts in the palm oil sector. IKMAS (UKM) envisions to act as a knowledge hub and mediator to achieve this vision, through convening of high-level dialogue, policy advocacy and exchange of scientific research.

Who Are Expected to Participate in the Forum?

Regulators and government representatives of the Southeast Asian economies; representative from global and regional organizations; palm oil producers and globally operating firms; trade and business associations; sustainability certification bodies; academic institutions, and experts; as well as members of civil society and not-for-profit organizations.

Draft Programme Agenda as of 4 May 2022 (Bern, Switzerland) (16 May 2022)

Programme & Description	Panel Speakers	Time
<p align="center"><i>Welcome</i></p>	<p align="center">Introduction and Objectives</p> <p align="center">Conveners: Prof Manfred Elsig, World Trade Institute & Prof Sufian Jusoh, IKMAS</p>	<p align="center">9.30am to 9.40am (CET)</p> <p align="center">3.30pm to 3.40pm (MYT)</p>
<p align="center">Session 1</p> <p>This session will take stock of the existing sustainability efforts and challenges in the palm oil sector in all its facets. These range from improving transparency mechanisms, enhancing measures on environmental protection and continuous improvement of labour conditions. The session will also discuss how palm oil affect small-holders, rural communities and women. The session's goal is to provide an overview of the progress and the challenges facing the sector, and take stock of existing partnership and collaboration initiatives.</p> <p><u>Guiding questions:</u></p> <ol style="list-style-type: none"> 1. What are the challenges and opportunities of current sustainability efforts on the ground (regulations and voluntary production and trade standards)? 2. What are some of the success stories (environment, biodiversity, economic and/or social impact)? 3. What are the main constraints, including transparency, traceability, and cost-benefit of different regulatory thresholds and voluntary standards? 	<p>Theme: Palm Oil and Sustainability: Taking Stock</p> <p>Chair: Dr Christian Häberli, World Trade Institute</p> <ul style="list-style-type: none"> • Dr Yusof Basiron, Council of Palm Oil Producing Countries (CPOPC) (<i>virtual</i>) • Wan Kasim Wan Hadir, FGV Holdings Berhad (<i>virtual</i>) • Romain Deveze, Senior Program Manager, Markets & Forest Risk Commodities · WWF Switzerland • Monica Rubiolo Head of Trade Promotion, the State Secretariat for Economic Affairs (SECO) • Mohammad Hafezh Abdul Rahman, Malaysian Palm Oil Certification Council (MPOCC) (<i>tbc whether on site</i>) <p>Discussant: Manfred Bötsch, CEO Identitas, and former Director of Swiss Federal Office for Agriculture</p>	<p align="center">09.40am to 11.15pm (CET)</p> <p align="center">3.40pm to 5.15pm (MYT)</p>
<p align="center">Session 2</p> <p>This session focuses on current developments and challenges in designing trade agreements in view of addressing sustainability concerns related to the palm oil production and trade. It was also focus on regulatory initiatives that impact on palm oil exports (e.g., deforestation initiatives) The session's goal is to create a better understanding and awareness about the possibilities but also limits of regulating palm oil through trade agreements and how governments react to societal demands.</p>	<p>Theme: Trade Agreements and other Regulatory Initiatives</p> <p>Chair: Dr Charlotte Sieber, University of Zurich</p> <ul style="list-style-type: none"> • Ambassador Markus Schlagenhof, the State Secretariat for Economic Affairs (SECO), Switzerland • Manu Sithiprasasana, International Institute for Trade and Development (ITD), Thailand • Dr Ahmad Parveez Ghulam Kadir, Malaysian Palm Oil Board (MPOB) • Wan Aishah Wan Hamid, Malaysian Palm Oil Council (MPOC) 	<p align="center">11.35am to 1.10pm (CET)</p> <p align="center">5.35pm to 7.10pm (MYT)</p>

<p><u>Guiding questions:</u></p> <ol style="list-style-type: none"> 1. What is the experience of addressing palm oil in recent trade agreements? 2. What are issues related to the implementation of such commitments? 3. What are other regulatory initiatives or unilateral measures at the horizon in Europe and elsewhere (deforestation legislation, export bans)? 4. How do WTO commitments affect these discussions? 	<ul style="list-style-type: none"> • Filip Deraedt, Deputy Head of Unit (South and South East Asia, Australia, New Zealand), DG Trade European Commission (<i>virtual</i>) <p>Discussant: Sir Mark Moody-Stuart, Chairman of the Global Compact Foundation and Board Member, UN Global Compact (<i>virtual</i>)</p>	
<p style="text-align: center;">Session 3</p> <p>This session will build on the previous two sessions with a view to develop innovative ideas for prospective partnerships and collaboration across stakeholder groups. Questions addressed focus on how to increase production of sustainable palm oil, foster responsible business and investment practices, improve participation of small holders, and other vulnerable groups such as youth, women, migrant and seasonal workers, and indigenous community.</p> <p><u>Guiding questions:</u></p> <ol style="list-style-type: none"> 1. What can we learn from the current progress and issues in implementing sustainable and responsible production of oil palm? 2. How can we address the concerns of smallholder farmers, SMEs-growers, workers, women and other segments of vulnerable community to be included in the sustainability transformation journey? 3. How can we bring together stakeholders and shareholders in downstream and upstream supply chains to intensify sustainability efforts collaboratively in the sector? 	<p>Theme: Ways forward</p> <p>Chair: Dr Sufian Jusoh, IKMAS UKM, Malaysia</p> <ul style="list-style-type: none"> • Dr Elisabeth Bürgi, Centre for Development and Environment (CDE) • Mohd Izham Hassan, Malaysian Palm Oil Council (MPOC) • Leena Ghosh, Roundtable Sustainable Palm Oil (RSPO) (<i>virtual</i>) • Didier Bergeret, Consumer Goods Forum (CGF) (<i>virtual</i>) • Quin Tsu Leong, International Organization for Migration (IOM), Malaysia (<i>virtual</i>) <p>Discussant: Sascha Tischer, The Forum for Sustainable Palm Oil (FONAP) (<i>invited</i>)</p>	<p>2.15pm to 3.50pm (CET)</p> <p>8.15pm to 9.50pm (MYT)</p>