



*Civil Society Communication Forum for Strengthening  
ISPO and Civil Society Groups for Indonesia's Sustainable  
Palm Oil Industry*



**GOVERNMENT URGED  
TO SERIOUSLY REVAMP  
ISPO CERTIFICATION SYSTEM**

*PRESS RELEASE*

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Indonesia's Sustainable Palm Oil Industry*

*Government Urged to Seriously Revamp ISPO Certification System*

Jakarta, 20 September 2018

Today the Civil Society Communication Forum (FKMS) for Strengthening ISPO is once again calling for the Government to immediately revise the substance of the draft Presidential Regulation on Sustainable Palm Oil Certification System (ISPO) and to improve its development toward a more transparent and participatory process before the draft regulation is passed. FKMS views that the draft of the mandatory certification system is still inadequate in improving palm oil governance, protecting the environmental, and fulfilling human rights as well as ensuring market acceptance.

FKMS, with its members comprising 40 civil society organizations focusing on palm oil issues in Indonesia, appreciates the Government's efforts to strengthen ISPO certification system and is directly involved in providing inputs. "A number of inputs have been delivered to the Government to ensure that this ongoing certification is credible and recognised, such as a transparent and participatory drafting process, robust ISPO standards (principles and criteria), credible and transparent certification process, along with a complaints submission and complaint handing mechanism acceptable by stakeholders," said Sri Palupi from Institute for Ecosoc Rights.

Okto Yugo Setiyo from Jikalahari added, "Uncontrolled deforestation and degradation of natural forest and peat land for oil palm plantation conversion must be halted, and therefore it is critical to ensure that principle on protection of natural forest, peat land and biodiversity is adopted in the ISPO standards."

Marselinus Andri from the Oil Palm Smallholders Union (SPKS) added, "the implementation of ISPO certification system must be complemented by efforts to provide a solution for the issues faced by independent smallholders, which remain untouched by Government policies. In addition, providing incentives or assurance benefits can encourage independent smallholders to participate in ISPO certification."

In addition to increasingly less transparent discussion and drafting process since late 2017, FKMS views that the latest Presidential Regulation draft has removed a number of crucial substance required to ensure a credible sustainable oil palm certification system.

"The provision on independent monitoring of ISPO certification system was removed, as well as the filing and handling of complaints by stakeholders on certification results. Surely this will negatively impact the credibility of the ISPO certification scheme," said Dhio Teguh Ferdyan from the Independent Forest Monitoring Network (JPIK).

"Our observations in West Kalimantan have shown that ISPO certified companies are still committing numerous violations against ISPO standards. Because ISPO standards are based on laws and regulations, these violations must be dealt with. Unfortunately, this Presidential Regulation draft does not stipulate law enforcement on noncompliance that are in fact violations of the law," commented Agus Sutomo from Link-AR Borneo. In the draft Presidential Regulation on ISPO certification system, the Ministry of Agriculture is given only 90 days to develop standards and implementing regulation of this certification system. FKMS believes it to be inadequate to produce a quality regulation and is concerned that this will hinder the implementation of ISPO certification system.

“Before the regulation is passed, the Government must revise the substance of this draft Presidential Regulation on ISPO certification system and improve the policy making process into a transparent, inclusive and accountable process. We believe that this is the only way that the ISPO certification system can be truly strengthened which in turn produces a credible, robust, accountable system and recognised by all stakeholders in Indonesia as well as the global market,” stated Abu Meridian from Kaoem Telapak and coordinator for FKMS.

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#### Notes to Editor

- The Civil Society Communication Forum for ISPO strengthening comprises around 40 civil society organizations throughout Indonesia that have participated in the ISPO certification strengthening process since 2016.
- Currently oil palm plantation concessions cover 12.3 million hectares with productions reaching 35.3 million tons in 2017.
- Until 2018, around 413 out of 2,300 oil palm plantation companies are ISPO certified, or approximately 2.3 million hectares out of 14 million hectares oil palm. Only 3 independent smallholder cooperatives have obtained ISPO certification, although independent smallholders oil palm plantation areas account for approximately 40% of the total oil palm area in Indonesia.
- Indonesia loses around 684,000 hectares of forests annually due to illegal logging, forest fires, forest encroachment, and forest conversion including for oil palm. Based on the Global Forest Resources Assessment's (FRA) data, Indonesia ranks second globally for deforestation after Brazil, even though Indonesia is regarded as a megadiverse country for having one of the largest forest areas and highest biodiversity in the world.
- The government's actions of dismissing agreement in the multi-stakeholder ISPO strengthening process also occurred on January 2017, which drove a number of civil society organizations to release a position paper on Indonesia's sustainable palm oil industry and the ISPO scheme. This position paper can be downloaded from [http://jpik.or.id/info/wp-content/uploads/2017/03/Kertas-Posisi\\_IND.pdf](http://jpik.or.id/info/wp-content/uploads/2017/03/Kertas-Posisi_IND.pdf)
- During the meeting between FKMS representatives with the Coordinating Ministry of Economic Affairs in April 2018, the coordinating ministry promised a more inclusive process, including holding a national public consultation and transparency of changes to the Presidential Regulation draft text, which were not kept.