The Palm Oil Landscape in Sabah

- **Forest Cover**: 61%;
- **Forest Reserves & Protected Areas**: 52%;
- **Totally Protected Areas**: 24%
- **About 1.54 Million ha** of Sabah's land is cultivated with palm oil.
  - Smallholders: 221,138.49 ha;
  - Estates: 1,325,765.88 ha; and
  - Mills: 130 mills
- **Sabah currently exports 12% of the World’s Crude Palm Oil (CPO)**, and is the third largest producer after Indonesia and Peninsular Malaysia.
- **RSPO Certified**: 24%
- **MSPO Certified**: 22.4%
Why Jurisdictional Approach (JA)?

- **Competitiveness**: (Sabah is too small to compete on the basis size, thus, decided to compete on the basis of Governance)
- **Cost effective**: (individual certification costly)
- **Addressing issues at jurisdictional level**: Labor, Land tenure, Indigenous rights, Smallholders' readiness towards certification, Impacts of oil palm plantations within forest reserves
- **Better access to the Premium market**

The Sabah Jurisdictional Certified Sustainable Palm Oil (JCSPO) Initiative

- Goal: bring all oil palm plantations within Sabah, including the smallholders towards 100% RSPO certification by 2025;
- Objectives:
The Implementation of the MSPO Certification in Sabah

- In 2017, the Ministry of Plantation Industries and Commodities (MPIC) announced that the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is now mandatory. All oil palm plantations in Malaysia are obligated to comply by the end of 2019;
- Sabah has agreed to implement both the JCSPO Initiative and the MSPO Certification concurrently within the State;
- The JCSPO Initiative is still the ultimate goal, obtaining the MSPO Certification is complementary and regarded as a step-wise approach towards achieving the bigger goal, i.e., accepted by the market.

The Coordination of Palm Oil Certification in Sabah

Figure 2: Organizational structure of the JCSC (Current institutional structure)

Figure 3: The proposed Governance Structure (Future institutional structure)
The Implementation of the Sabah JCSPO in Sabah

**Funds needed** over the period of five (5) years (2016–2021)

- About **RM 17.8 million/approx. USD4.2 million** is needed;
  - a) Achieving no loss to HCV and HCS Forests for oil palm in Sabah *(approx. RM 4.3 Million)*
  - b) Enable zero-conflict in oil palm production landscapes in Sabah *(approx. RM 3.4 Million)*
  - c) Strengthen smallholder sustainability and uplift local livelihoods *(approx. RM 7.8 Million)*
  - d) Institutional Framework *(approx. RM 2.3 Million)*

- Total fund secured thus far: **Approx. RM 12.6 Million/ USD 3 Million**

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**cont. The Implementation of the Sabah JCSPO in Sabah**

<table>
<thead>
<tr>
<th>contributor</th>
<th>contribution</th>
<th>purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabah Forestry Department</td>
<td>contributed <strong>RM 1 million</strong> <em>(approx. USD 238,339.00)</em></td>
<td>to kick-start the implementation of the Year One (1) Action Plan</td>
</tr>
<tr>
<td>RSPO &amp; WWF–Malaysia</td>
<td>contributed <strong>USD300,000.00</strong> &amp; <strong>USD58,177</strong> respectively</td>
<td>to support the <strong>High Conservation Value (HCV)</strong> and <strong>High Carbon Stock (HCS)</strong> mapping process in Sabah</td>
</tr>
<tr>
<td>High Carbon Stock Approach (HCSA) Executive Committee</td>
<td>contributed <strong>USD15,000.00</strong></td>
<td>to support the <strong>Sabah HCS process</strong></td>
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</tbody>
</table>
cont. The Implementation of the Sabah JCSPO in Sabah

AAK gave a one (1) year grant to support the smallholder work in Telupid, Tongod, Beluran and Kinabatangan (TTBK)

awarded USD200,000.00 & USD100,000.00 match from RSPO, for over 22 months (to be shared equally between Sabah and Central Kalimantan)

UNEP 10-Year Food Program (Through RSPO) to support the smallholder work

Figure 4: Twenty (20) villages selected in TTBK

cont. The Implementation of the Sabah JCSPO in Sabah

- **Unilever** will contribute USD 1,400,000.00 over the five (5) years to support the Living Landscape Programme (LLP), targeting 60,000 ha middle-sized holders in the Sugut and Tawau landscapes for certification by 2023;

- **Unilever** will also contribute USD 220,000.00 over the five (5) years to support the institutionalization of a Permanent Secretariat in Sabah. The State Secretary has agreed to this and suitable candidates/officials will be identified.

Figure 5: Twenty (20) villages selected in TTBK
Key Achievements of the Sabah JCSPO

1) The establishment of the Jurisdictional Certification Steering Committee (JCSC)
2) The development of the First Five (5) Years Action Plan and the Year One (1) Action Plan;
3) The implementation of the Year One (1) Action Plan
   a) HCV–Compensation Working Group—to produce a HCV map and assessment report for Sabah
      Progress:
      o The State-wide Forest Carbon mapping: completed;
      o The HCV Map Zero: will be ready in December 2018
   b) FPIC Working Group—to develop and field-test the Sabah specific FPIC Guide & operational mechanism
      Progress:
      o The Sabah specific FPIC Guide: developed;
      o Field-testing of the FPIC Guide: Pilot phase in TTBK
   c) Smallholder Working Group—cataloguing smallholders
      Progress:
      o Smallholder pilot will be conducted in TTBK

4. Recognition of the Sabah JCSPO Initiative as the ultimate goal for oil palm certification in Sabah;
5. Recognized as the most advanced Jurisdiction Initiative globally, in terms of its implementation and had attracted interests of support from the consumers/International Community.
6. The Living Landscape Programme (LLP)—targeting 60,000 ha middle-sized holders in the Sugut and Tawau Landscapes
   Progress: Planning phase
7. The Institutionalization of a Permanent Secretariat
   Progress: the State Secretary has agreed to this.
Ten (10) Anticipated Outcomes by 2025

1) Adoption of the State-wide HCV map. The no-go zones are determined;
2) Incorporation of the FPIC and HCV requirements into the Environmental Impact Assessment (EIA) and the Proposal for Mitigation Measures (PMM) Guidelines for Sabah;
3) Incorporation of the Sabah FPIC Guide into Company Policy and Standard Operating Procedures;
4) Full implementation of FPIC in the State;
5) Endorsement of the State level Land Use Change Analysis (LUCA) map and the Sabah’s nett conservation liability;

6) Adoption of the Sabah Compensation and Remediation plan;
7) Full implementation of the i) Smallholder interventions, ii) Smallholder Facilitated Land Application Process (FLAP) and iii) Mill–smallholder Best Management Plan (BMP) Programme;
8) Fully functioning Permanent Secretariat and its Governing Body to oversee all oil palm matters within the State;
9) 100% RSPO & MSPO Certification for all oil palm plantations in Sabah;
10) 6 million metric tonnes of CSPO fully procured.
Conclusion

Adoption of the Sabah JCSPO Initiative

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2015</td>
<td>Development of the first five (5) Year Action Plan &amp; the Year One (1) Action Plan</td>
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<tr>
<td>2017</td>
<td>All oil palm plantations in Sabah are MSPO certified by the end of 2019</td>
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<tr>
<td>2019</td>
<td>By 2021, o The Smallholder pilot in TTBK is completed; and o The Sabah FPIC Guide has been field-tested in TTBK</td>
</tr>
<tr>
<td>2021</td>
<td>By 2023, o All oil palm plantations are RSPO &amp; MSPO certified; and o 6 million metric tonnes of CSPO are fully procured</td>
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<tr>
<td>2023</td>
<td></td>
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<tr>
<td>2025</td>
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</table>

- Our target is 2025, ten (10) years and we are currently in the initial stage;
- The Sabah JCSPO remains as the ultimate goal, pursuing the MSPO Certification is complementary and regarded as a step-wise approach towards achieving the bigger goal;
- We hope to garner supports from interested parties to enable Sabah to have all of its oil palm 100% RSPO-Certified by 2025.

Thank You