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منظمة  
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# COMMITTEE ON COMMODITY PROBLEMS

## 31<sup>ST</sup> SESSION OF THE INTERGOVERNMENTAL GROUP ON OILSEEDS, OILS AND FATS

4–5 March 2021

### Towards an FAO Voluntary Guidelines on Sustainable Vegetable Oils in Support to the SDGs

– ‘White paper’ prepared by the Government of Indonesia –

At the 72nd Session of the Committee on Commodity Problems (CCP), held on 26-28 September 2018, the Republic of Indonesia put forward a proposal to convene the Intergovernmental Group (IGG) on Oilseeds, Oils and Fats to formulate voluntary guidelines on vegetable oils in support of the Sustainable Development Goals (SDGs). The Committee took note of the proposal and agreed that it would be submitted for consideration by the CCP Bureau. The Report of the 72nd Session of the CCP was subsequently endorsed by the Council at its 160th Session in December 2018. Following consideration and agreement by the CCP Bureau and approval by the Director-General, it was agreed to hold the 31st Session of the IGG on Oilseeds, Oils and Fats on 4-5 March 2021. Arrangements for the meeting, including preparation of the provisional agenda and other logistical aspects, were made in close collaboration with the CCP Bureau.

This document has been prepared by the Government of Indonesia as a background note for Agenda Item III.

*Queries on the substantive content of the document may be addressed to:*

Directorate of Trade,  
Commodity and Intellectual Property,  
Directorate General for Multilateral Cooperation,  
Ministry of Foreign Affairs of the Republic of Indonesia,  
email: [pkki@kemlu.go.id](mailto:pkki@kemlu.go.id)

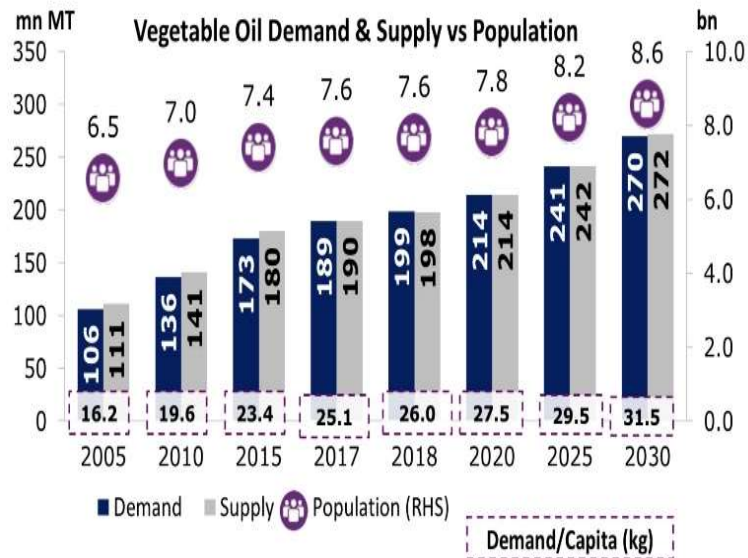
Novi DR,  
Coordinator for Agriculture and Commodities Development  
Directorate of Trade, Commodity, and Intellectual Property,  
Ministry of Foreign Affairs of the Republic of Indonesia,  
email: [novi.ratnasari@kemlu.go.id](mailto:novi.ratnasari@kemlu.go.id)

## A. BACKGROUND

1. One of the major challenges in the agricultural, food and drinks sector is to address and achieve sustainability for vegetable oils in respect of the United Nations 2030 Agenda on Sustainable Development Goals. This challenge stems from the ever-increasing demand and the related need to protect the global land bank through optimizing supply chains, and addressing these challenges at the level of vegetable oils in general, rather than competing oil seeds.

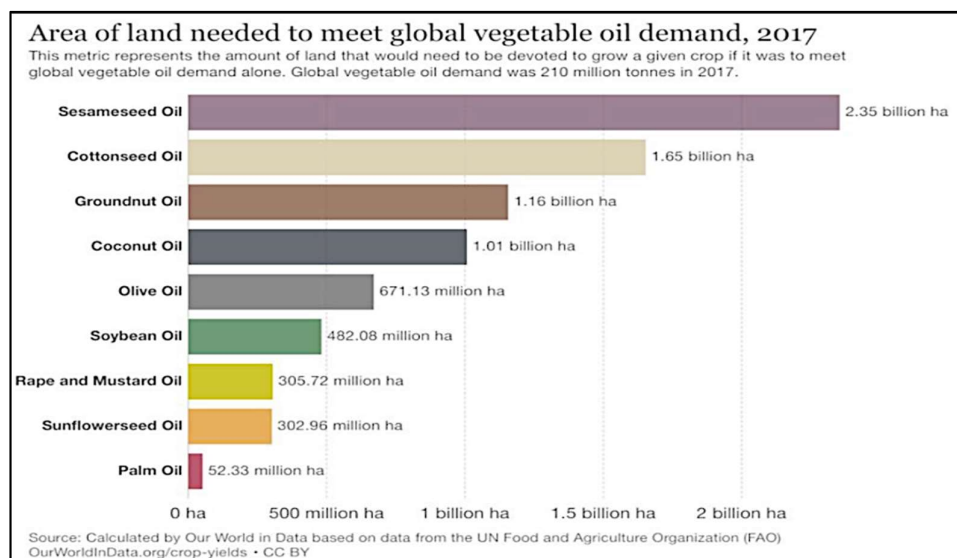
2. During the past decade, the global demand for vegetable oils has continued to be driven by, amongst others, population growth; its role as a staple commodity essential to many economies being extensively used in the food sector; as well as numerous industrial and energy applications. In fact, most recent forecasts project an increase in demand in the range of 60 Mn tons between now and 2030.

### Population Growth is a Key Driver



Source: LMC Oilseeds & Oils Report, United Nations, USDA

3. Taking into account the continuously growing demand for vegetable oils, a crucial element in safeguarding our sustainable future is the productivity of each type of vegetable oil. As the yields of vegetable oils will impact the area of land required for their cultivation, our effort to ensure adequate and sustainable production of vegetable oils must not deplete global land areas. The following graph illustrate the estimated hectares of land needed to meet global vegetable oil demand, based on the condition in 2017.



4. In addition to the protection of the global land bank, there is also the need to balance out economic and social progress with environment concerns. While palm oil, soya and coconut oil are essential to the development of many emerging economies, the cultivation of rape seed and sunflower helps underpin the social and economic fabric of regions such as Europe, Australia and beyond. In fact, the cultivation and processing of oil seeds contributes to 17 of the goals of SDG 2030, to include poverty alleviation, contributing to the development of rural economies especially small holders, as well as improvements in education, health, communications and transport.

5. Environmental concerns are at the forefront of the cultivation of oil seeds and processing of vegetable oils, with a number of mandatory and voluntary sustainability schemes in application. Nevertheless, future efforts need to be broader based, more holistic in nature, to address not just deforestation, loss of biodiversity, but also the contamination of soils and water tables from the use of fertilizers and pesticides.

6. In this light, it is important to strike a balance between ensuring increased productivity of vegetable oils in meeting global demands and making sure that all vegetable oils are produced sustainably and contribute to the attainment of the SDGs in all the three pillars – economic, social and the environment. Its production should contribute to better environmental management, halting biodiversity loss and deforestation, combating climate change, land degradation, poverty reduction, community empowerment, and equitable development.

## B. THE ROLE OF FAO

7. Amongst UN Agencies, the FAO has a pivotal role to play as the primary global forum for Food and Agriculture, including vegetable oil as a crucial component for global nutrition and food security. In this capacity, FAO can set a global standard for vegetable oils that would cover environment, social, and economic concerns, in attaining the SDGs comprehensively.

8. In this respect, the FAO Committee on Commodity Problems, at its 72nd session, emphasized the role that agricultural trade can play as an enabler to achieve the SDGs, particularly SDG 1 on ending poverty in all its forms everywhere and SDG 2 on ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture.

9. The Committee also underlined the importance of a universal, rules-based, open, non-discriminatory, equitable and predictable bilateral, plurilateral and multilateral trading system that is conducive to world food security, improved nutrition and sustainable agricultural development.
10. The Committee took note of the proposal to convene an Intergovernmental Group (IGG) meeting on Oilseeds, Oils and Fats to formulate voluntary guidelines on sustainable vegetable oils in support of the SDGs.
11. These voluntary guidelines need to address vegetable oils in general setting out criteria of sustainability for all oil seeds, some more applicable than others, but taken together ensuring unity of purpose in working towards the sustainability goals of 2030; as well as offering to dispel uncertainty in the marketplace that results from conflicting sustainability claims of different vegetable oils by providing the consumer with the confidence of meeting universally accepted SDG goals.
12. These guidelines would also contribute to encouraging seamless trade in vegetable oils, encouraging fair competition as well as preventing the use of trade restrictive measures as a guise for protectionism.
13. It is therefore essential to follow up the outcomes of the 72<sup>nd</sup> Session of the FAO Committee on Commodity Problems, by convening the Intergovernmental Group (IGG) meeting on Oilseeds, Oils and Fats.
14. In this regard, the IGG meeting is proposed to be held on 4-5 March 2021, before the holding of the 74<sup>th</sup> Session of the FAO Committee on Commodity Problems on 10-12 March 2021.

### **C. KEY OBJECTIVE**

15. Establish and Promote FAO Voluntary Guidelines on Sustainable Vegetable Oils in Support of SDGs, as endorsed by the 72<sup>nd</sup> Session of the CCP (26-28 September 2018) and the 160<sup>th</sup> Session of the FAO Council (3-7 December 2018).
16. Set up Guidelines that embrace the sustainable cultivation of oil seeds and the production and processing of vegetable oils.
17. Ensure unity of purpose in addressing and setting out a path to meeting Agenda 2030 and its Sustainable Development Goals.
18. Contribute towards a better mutual understanding of the sustainability criteria that balance out economic and social progress with the environment to include existing standards and certification of vegetable oils.

### **PROPOSED SCOPE OF DISCUSSION OF THE INTERGOVERNMENTAL GROUP**

19. The Intergovernmental Group (IGG) meeting on Oilseeds, Oils and Fats will discuss the proposal to
  1. The Voluntary Guidelines (VG) aims to promote the goal of sustainable vegetable oils supply chains along the 3 pillars of the SDGs: economic, social, and environment.
  2. It will encourage all stakeholders, including smallholders, to engage altogether in sustainable vegetable oils production.
  3. VG will be composed of a set of sustainability recommendations to guide all stakeholders toward policies that foster sustainable vegetable oils in support of the 17 SDGs.

4. VG will make reference to existing sustainability certification schemes and encourage their replication to other vegetable oil commodities, as appropriate, and pave the way towards mutual recognition.
5. VG will be structured into three pillars: environmental, social, and economic. Within each pillar, a number of themes containing recommendations will be considered.

#### **D. PROPOSED FORMAT AND AGENDA OF THE IGG MEETING**

20. The meeting will be held in virtual format on 4 and 5 March 2021. It will consist of 3 sessions, and organized into the following agenda:

- 1) Opening
- 2) Organizational Matter
- 3) Vegetable Oils Market Development and Short- and Medium-Term Outlook
- 4) Panel Discussion on Sustainability of Vegetable Oils in Support of SDGs
- 5) Proposal for an FAO Voluntary Guidelines on Sustainable Vegetable Oils in Support of SDGs
- 6) Consideration and Adoption of Report

#### **E. WAY FORWARD**

21. It is hoped that the IGG will endorse the proposal to develop a Voluntary Guidelines on Sustainable Vegetable Oils in Support of the SDGs. The IGG's recommendation will then be forwarded to the 74th Session meeting of the Committee on Commodity Problems on 10-12 March 2021 for its endorsement, which will then be submitted to the FAO Council meeting in April 2021 for final decision.

22. Upon endorsement of the FAO Council, the drafting process will take place in the form of an Open-Ended Working Group, with possible Inter-Committees participation.