



6TH
SINGAPORE DIALOGUE ON
**SUSTAINABLE
WORLD
RESOURCES**

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ASEAN's Pathway to Sustainability: Targets for 2020 and Beyond

CONFERENCE HIGHLIGHTS



SINGAPORE INSTITUTE
OF INTERNATIONAL AFFAIRS

KEYNOTE SPEAKERS:

Ms. Teresa Kok

Minister for Primary Industries, Malaysia

Mr. Masagos Zulkifli

Minister for the Environment and Water Resources Singapore

PANELLISTS:

Ms. Fay Fay Choo

Asia Director for Cocoa Sustainable Sourcing, Mars

Mr. Nazir Foead

Chief, Peatland Restoration Agency of the Republic of Indonesia (BRG RI)

Ms. Lucita Jasmin

Director, Sustainability & External Affairs, APRIL Group

Dr. Petra Meekers

Global Head Sustainable Procurement, Unilever Singapore

Dr. Orathai Pongruktham

Director, Project Development, Thailand Environment Institute

Dr. Nigel Sizer

Chief Program Officer, Rainforest Alliance

Mr. George S. Tahija

Commissioner, PT. Austindo Nusantara Jaya (ANJ)

Mr. Bryan Taylor

Chief Operating Officer, Tropical Landscapes Finance Facility

Mr. Franky Oesman Widjaja

Chairman & CEO, Golden Agri-Resources

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Executive Chairman, Inisiatif Dagang Hijau (IDH) Foundation, Indonesia

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School of Social Sciences and Co-Director, Economic Growth Centre, Nanyang Technological University

Mr. Hosuk Lee-Makiyama

Director, European Centre for International Political Economy (ECIPE)

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Bupati of Sintang, West Kalimantan

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Ms. Lee Chen Chen

Director of Policy Programmes, Singapore Institute of International Affairs

Dr. Nirarta Samadhi

Country Director, World Resources Institute Indonesia

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Chairman, Singapore Institute of International Affairs

Mr. Rod Taylor

Global Director, Forests, World Resources Institute, Washington DC

ASEAN's Pathway to Sustainability: Targets for 2020 and Beyond

Global attention to climate change and sustainability are driving dramatic and new challenges for ASEAN's agroforestry sector. Demands by governments and consumers are pressuring producers as well as major purchasers and financial institutions involved in the supply chains of key products in this sector. While undertaking sustainable practices comes with costs, the new paradigms for the sector in environmental protection also offer opportunities for growth for those who adjust and innovate.

For years, the fires and haze pollution signalled the deforestation and environmental harms associated with the agroforestry sector in the region. Yet while concerns remain, there have been fewer fires and less haze in the ASEAN region since 2015, despite increasingly dry climatic conditions across the world. This record indicates the greater attention and better management given to prevent environmental harms. Governments and companies have also taken additional steps to increase accountability and track progress by setting various sustainability targets, such as ASEAN's goal of a haze-free region by 2020.

However, the work does not stop here. As we take stock of the efforts undertaken by various stakeholders and their initial successes, questions arise whether ASEAN's agroforestry and resource sectors can go further to address broader and more ambitious goals in climate change and sustainability, and how greater responsibilities and innovative responses can be fostered across supply chains.

To explore these questions, the SIIA hosted the 6th Singapore Dialogue on Sustainable World Resources (SDSWR) on 2 May 2019 at the Fullerton Hotel Singapore. More than 300 representatives from governments, the private sector, NGOs, academia, and the media participated in the full-day conference.

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PANEL 1

Agroforestry in ASEAN: Redefining Commitments, Redesigning Solutions for 2020 and Beyond

MODERATOR

Mr. Rod Taylor, Global Director, Forests, World Resources Institute, Washington DC

PANEL KEYNOTE

Mr. Nazir Foad, Chief, Peatland Restoration Agency of the Republic of Indonesia

PANELLISTS

Mr. George S. Tahija, Commissioner, PT. Austindo Nusantara Jaya (ANJ)

Ms. Fay Fay Choo, Asia Director for Cocoa Sustainable Sourcing, Mars

Mr. Bryan Taylor, Chief Operating Officer, Tropical Landscapes Finance Facility



A number of sustainability targets by various governments and companies are due by 2020, and realising them is key to strengthening the credibility of these stakeholders. However, as the target year draws near, questions arise as to how far these goals have been achieved and whether new solutions are needed to address agroforestry challenges in the future.

ASEAN countries, for example, have committed to a haze-free ASEAN by 2020. Its biggest member state, Indonesia, has been the main source of choking haze that blanketed parts of the region over the past decades. The Peatland Restoration Agency (BRG), set up to deal with forest fires after one of the worst haze crisis in 2015, claims to have restored about a third of its target of 2 million hectares of degraded peatlands.

With its mandate ending in 2020, BRG Chief Pak Nazir Foead said effective fire management needs the cooperation of all stakeholders – from government and provincial officials allocating more resources to help smallholders, to companies being more responsible, as well as NGOs who are actively working with communities across Indonesia. Harnessing data from sensors and satellite monitoring systems on peatlands is also essential for fire preparedness.

“If we analyse the distribution of hot spots, the further from the peat restoration area, the more hotspots there are. This shows us that intervention works – without rewetting, fires happen as usual. It also shows us that the efforts carried out by the government, corporations, communities, NGOs and universities do make a change.”



Mr. Nazir Foead

Chief, Peatland Restoration Agency of
the Republic of Indonesia

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Meanwhile, various companies have made promises including 100% sustainable sourcing and No Deforestation, No Peat, and No Exploitation (NDPE) commitments – all by 2020. Mars, for instance, became the first global chocolate company to commit to sourcing only certified cocoa. However, cognizant that business cannot thrive without the mutuality of benefits throughout the supply chain, the company made the decision to go above and beyond certification to improve the incomes of farmers and their families and end child labour, on top of forest conservation.

“We are working intensively with farmers to modernize their techniques, looking closely at resilience and diversification of livelihoods. Today we are talking about conservation, but we must address livelihoods that are resilient and ensure (farmers’) next generations, and at the same time, preserve natural resources.”



Ms. Fay Fay Choo

Asia Director for Cocoa Sustainable
Sourcing, Mars

For others, the bigger challenge is finding the sweet spot between development and conservation. Palm oil company Austindo Nusantara Jaya has made efforts to create conservation areas through empowering local communities that are involved in illegal logging with alternative jobs, collaborating with NGOs and so on.

However, conservation comes at a cost, and “the rhetoric about saving critical ecosystems has not yet translated into a sensible valuation or mechanisms that would encourage people to protect, rather than convert, critical habitat”, said ANJ’s Commissioner Mr. George Tahija. Areas like Papua, for example, are in dire need of development to provide its inhabitants access to healthcare, education, and better livelihoods. At the same time, there are pressures to conserve forests.

“We fully understand the need to pass on to the next generation, not only our business but our natural resources. Balancing development and conservation is complex. The solutions are equally complex and by jurisdiction require alignment among landscape, lifescape, and government development goals.”



Mr. George S. Tahija

Commissioner,
PT. Austindo Nusantara Jaya

“The finance sector needs to stop to see that global biodiversity is about to collapse. Those benefits that nature provides for people need to be part of a transaction, not money in money out. Top investment funds have done their due diligence and begun investing in forests, but we need more. If we had as much investment in landscapes as infrastructure, we’d be moving in a positive direction.”



Mr. Bryan Taylor

Chief Operating Officer,
Tropical Landscapes Finance Facility

PANEL 2

Sustainable Production and Consumption: Making it Work in Asia

MODERATOR

Associate Professor Simon Tay, Chairman, Singapore Institute of International Affairs

PANEL KEYNOTE

Mr. Franky Oesman Widjaja, Chairman & CEO, Golden Agri-Resources Ltd

PANELLISTS

Dr. Petra Meekers, Global Head Sustainable Procurement, Unilever Singapore

Ms. Lucita Jasmin, Director, Sustainability & External Affairs, APRIL Group

Dr. Orathai Pongruktham, Director, Project Development Department, Thailand Environment Institute

Dr. Nigel Sizer, Chief Program Officer, Rainforest Alliance



The introduction of various government measures and industry initiatives have come to reflect growing expectations for companies to be sustainable. Yet, ensuring sustainable production and consumption remains questionable in Asia – several progressive companies have faced criticisms for not doing enough, while many smallholders and mid-size players are struggling to comply with tougher standards.

While certification remains important, there are severe limitations, illustrated by the fact that only a tenth of the world's forests are certified. Organisations like the Rainforest Alliance (RAN) are working to “reimagine” certification to achieve more landscape reach, increase the value and wages of farmers, and so on. RAN is also part of a coalition of NGOs working on the Accountability Framework initiative (AFi) that develops common norms and definitions for delivering on ethical supply chain commitments.

Meanwhile, APRIL Group is building on their sustainable forest management practices to include the United Nations Sustainable Development Goals as a framework for aligning and measuring the impact of their commitments. The company is also adopting circular- and bio-economy as a sustainability strategy, and investing in innovative technologies to grow while responding to the global mandate of SDGs and mitigating climate change.

“Asia has more than 60% of the global population. Half of raw material consumption will be happening in this part of the world. So, however we choose to shape, manage, produce, or consume our resources, will definitely have a significant impact on the global sustainability trajectory.”



Ms. Lucita Jasmin

Director, Sustainability & External Affairs,
APRIL Group

“There is very, very little incentive for (producers) to make changes in their production practices. This comes back to consumer and retailer engagement, and looking at what is going on in these supply chains and how the benefits are being distributed so that there is a premium, a benefit, and an incentive.”



Dr. Nigel Sizer

Chief Program Officer,
Rainforest Alliance

At the same time, consumers are not necessarily spending their money on sustainably produced goods, and this remains prevalent among major consumer markets. The lack of positive marketing for such goods could further influence the perceptions of governments and consumers like the European Union's stance on palm oil, and in turn, impact the industry's market access.

“Consumers relate to a product from a trust basis – knowing that if you translate the positive impacts of what the brand has delivered and how they are delivering it, that is where we see the growth.”



Dr. Petra Meekers

Global Head Sustainable Procurement,
Unilever Singapore

“In Thailand, we have the green eco-label for companies that request it. The motivation for this is not just for their consumers, but companies themselves are also becoming more aware of how unsustainable development can cause negative impacts to their businesses.”



Dr. Orathai Pongruktham

Director, Project Development Department,
Thailand Environment Institute

Echoing similar sentiments of other panellists, Golden Agri-Resources' Chairman and CEO Mr. Franky Widjaya underscored the importance of balancing global economic, social, and environmental needs to solve sustainable issues and climate change. Hinting at the EU's decision to end the use of palm oil in its transport biodiesels by 2030, Mr. Widjaya called for governments and consumers to stop shifting the goalposts, and for the industry to aspire towards a common set of guidelines that supports all players.

“Let's drop the baggage. Stop the blame game. Stop shifting the goalposts. Let's set aside our interests, and work together collaboratively to deliver a sustainable food and energy system.”



Mr. Franky Oesman Widjaya

Chairman & CEO,
Golden Agri-Resources Ltd

ASEAN's Pathway to Sustainability

We risk ecological catastrophe if we do not change our consumption and production patterns. We need to forge a new consensus for development and cooperation. It requires stronger collective action globally and regionally, and also from all segments of society.



Mr. Masagos Zulkifli

Minister for the Environment and Water Resources, Singapore

"Developing countries... are seen struggling between the desire to preserve or to exploit their natural resources for economic growth and a better quality of life, while answering to the global commitment of mitigating climate change and environmental preservation."



Ms. Teresa Kok

Minister for Primary Industries, Malaysia

"We are going to miss a lot of these 2020 targets. We won't have a completely haze-free ASEAN by 2020. We won't have a deforestation-free supply chain. But I think the message is not to give up and hang our heads in failure, but to double down on the effort and reset some targets, and really achieve those ones."



Mr. Rod Taylor

Global Director of the Forests Program, World Resources Institute

"We need acceptance of robust sustainability principles as the norm of the game. Setting sustainability commitments and implementing it requires massive collaboration among the spectrum of stakeholders. Collaboration requires trust, and trust cannot be built unless we have honest conversations and a safe space to talk about the real problems."



Assoc. Prof. Simon Tay

Chairman, Singapore Institute of International Affairs

"The momentum for sustainable production is facing a conundrum – sometimes the standards seem to be too high for all, but for some it doesn't seem enough. These are some dangers we face, even as we all agree to move towards sustainability. But increasingly, I find there is hope: that we will move forward."



Dr. Nirarta Samadhi

Country Director,
World Resources Institute Indonesia



Green and Sustainable Trade: A New Lever to Fight Climate Change

MODERATOR

Ms. Lee Chen Chen, Director for Policy Programmes, Singapore Institute of International Affairs

PANELLISTS

Dr. Tengfei Wang, Economic Affairs Officer, Trade, Investment and Innovation Division, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

Mr. Hosuk Lee-Makiyama, Director, European Centre for International Political Economy

Ms. Vivian Sia, Deputy Director, Agricommodities Division, Enterprise Singapore

Mr. Rubens Marques, President-Director, PT Louis Dreyfus Company, Indonesia



The world's largest trade deal between Europe and Japan in 2018 may have marked a turning point in the fight against climate change, when it became the first Europe has signed with a specific provision on the Paris climate change agreement. This could set an example for the EU and ASEAN, as they restart the process of establishing a free trade agreement. While it is critical to ensure that trade continues to support ASEAN's shift to a low-carbon economy, it is important to recognise the special and differentiated needs of each member state, especially as the region is home to some of the world's least developed nations.

However, EU-ASEAN FTA negotiations have hit a sour note following the EU's decision to stop using palm oil as biodiesel for its transportation sector. What was regarded as a domestic issue, motivated by a genuine concern for the environment alongside commercial, fiscal, and subsidy interests, has spilled over to affect diplomatic relations with the world's biggest palm oil producers, Indonesia and Malaysia. To mend relations, there are suggestions to create an international treaty or a common forum to debate and settle palm oil issues.

The workshop also discussed what green and sustainable trade means for ASEAN's agroforestry sector and the extent to which trade can shape the future sustainability of the supply chain. There has been an increasing emphasis on multi-stakeholder collaboration, with a focus on traceability to smallholders and improving their livelihoods. On top of that, traders are realising that their roles are not limited to just buying and selling commodities, but also staying ahead of the sustainability game amidst demands for transparency from consumers and financial institutions.

WORKSHOP 2

A Haze-Free ASEAN by 2020 - Are We There Yet?

MODERATOR

Dr. Nirarta Samadhi, Country Director, World Resources Institute Indonesia

PANELLISTS

Mr. Jarot Winarno, Bupati of Sintang, West Kalimantan

Mr. Fitrian Ardiansyah, Executive Chairman, Inisiatif Dagang Hijau (IDH) Foundation, Indonesia

Ms. Anne Rosenbarger, Southeast Asia Commodities Manager, Forests Program, World Resources Institute

Mr. Apichai Sunchindah, Independent Development Specialist

Associate Professor Chia Wai Mun, Associate Professor, School of Social Sciences and Co-Director, Economic Growth Centre, Nanyang Technological University

Dr. Huijuan Wu, Assistant Director (Sustainability), Singapore Institute of International Affairs



The vision of a 2020 Haze-Free ASEAN is drawing closer, but there are concerns that the goal for blue skies cannot be achieved. However, some progress have been made particularly in Indonesia where forests and peatlands have been ravaged by fires. There is debate that the success seen over the past five years may have had more to do with luck and wetter conditions, rather than the combined efforts of governments, the private sector, development aid agencies, financial institutions, and NGOs – but that does not mean these have been ineffective and should cease.

When fires broke out in 2018 in the West Kalimantan district of Sintang, authorities were more prepared to deal with the crisis, given better equipment and coordination with various stakeholders. Besides close cooperation with companies and NGOs, the district is now working with smallholders to help them quit the slash-and-burn culture, while at the same time empowering them with education and sustainability awareness. Given such interventions on concession land and areas managed by smallholders, there are suggestions to set up a system to deal with unmanaged land. There were also calls for more investments to pilot new programmes, and consumers were urged to share the burden of paying more for sustainably produced goods.

NGOs are also pulling their weight. IDH – the sustainable trade initiative is working with various stakeholders to verify the sustainability of entire jurisdictions. The Verified Sourcing Areas mechanism establishes a direct link between the producing regions and end-buyers, and could be an alternative to certification schemes which are still crucial, but face challenges in reaching critical mass.

Data – and its availability and transparency – is also becoming increasingly important. The World Resources Institute is refining the existing Global Forest Watch platform, such that it becomes a common platform where stakeholders across commodity sectors and points in the supply chain can unite around, and use as a catalyst for follow up actions and interventions. The SIIA itself developed a Haze Outlook as a tool to predict the risk of haze returning to the region, derived from quantitative and qualitative data. Others are using data to predict weather patterns and occurrence of fires to better prepare governments for impending crisis.





About the Singapore Institute of International Affairs (SIIA)

The SIIA is an independent think tank dedicated to the research, analysis, and discussion of regional and international issues. Founded in 1962 and registered as a membership-based society, the institute is Singapore's oldest think tank that aims to help Singapore become a more cosmopolitan and global society through public education and outreach on international affairs. The SIIA is also a founding member of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), a regional alliance of think tanks, and plays a key role in Track II diplomacy, supplementing official dialogue between governments. Since 2013, the SIIA has consistently ranked highly as one of the top think tanks in Southeast Asia and the Pacific, in the Global Go-To Think Tank Index done by the University of Pennsylvania. For 2018, the SIIA was ranked the best independent think tank in Asia for the third year running, and the no. 1 think tank in ASEAN. Visit www.siiainline.org for more information.

About the SIIA Sustainability Programme

The SIIA's sustainability programme focuses on haze caused by fires in Indonesia and on the sustainability of the plantation sector, both key issues for Singapore. The SIIA also works on climate change issues facing ASEAN and Asia. The SIIA's sustainability work goes back to 1997, when it organised Singapore's first haze dialogue with the Singapore Environment Council. Over the years, the SIIA has increasingly broadened its sustainability work from haze to related issues, such as forest governance and sustainable livelihoods. In 2014, the SIIA launched the annual Singapore Dialogue on Sustainable World Resources, now in its 6th year, to highlight best practices within the plantation industry.

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