



REDD+ Update Report

June 2018 (II)

EU's RED II Revision: Trialogue Result and Reactions in Indonesian Media

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Since January 2018, the revision of EU's Renewable Energy Directive II has been one of the most contentious issues in Indonesian media (eclipsed only by terrorism) with "EU's ban on palm oil" being the popular catchphrase. In the previous report, the often-erroneous media coverage on this issue was discussed as well as the standpoints of the government, business industry, and civil society regarding this issue. Despite civil society's efforts to clarify the substance of RED II to correct the popular misperception of 'palm oil ban' and put the environment and human rights back at the heart of the 'trade war' discourse, our analysis on media coverage regarding the results of EU's trialogue on RED II shows limited progress from the previous erroneous perception with only Kompas (printed version) and Mongabay 'getting it right' regarding the substance of RED II revision on palm oil-based biofuel (the two media were specifically engaged in discussion about RED II through a media briefing and a factsheet on biofuel produced jointly by CSOs).¹ This report explores media coverage regarding the result of the 14 June 2018 EU's trialogue on RED II and traces stakeholders' discourse in Indonesian media about this issue, which includes the Minister of Environment of Forestry's, the Minister of Trade's, and the Coordinating Ministers of Maritime's.

¹ "Lembar Fakta terkait 'Larangan' Uni Eropa terhadap Bahan Bakar Nabati dari Minyak Kelapa Sawit," May 2018, retrieved 29 July 2018 from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=10&ved=2ahUKEwirrYLw7MPcAhVBMN4KHfgvCIQFjAJegQIBhAC&url=https%3A%2F%2Fmadaniberkelanjutan.id%2Fwp-content%2Fuploads%2F2018%2F06%2FLembar-Fakta-Biofuel-dan-Kelapa-Sawit-07-Jun-2018.pdf&usg=AOvVaw1T4_QanrykHaKRlrPhu4Np

Results of EU's Triologue of RED II on Palm Oil

In the aftermath of the political agreement reached in mid-June regarding RED II, more specifically regarding palm oil-based biofuel, EU Ambassador to Indonesia, Vincent Guerend circulated a written statement that "the EU is and remains the most open market for Indonesian palm oil."² The other crucial points in his statements are as follows:³

- EU Renewable Energy Directive includes a gradual reduction of the amount of certain categories of biofuels counted towards EU's ambitious renewable energy target.
- Biofuels will be assessed equally regardless of the source.
- The text will not single out, nor ban palm oil

Pointers regarding the result of the Triologue are as follows:

- RED II sets a new, binding, renewable energy target for the EU for 2030 of 32%, including a review clause by 2023 for an upward revision of the target
- Improves the design and stability of support schemes for renewables
- Delivers real streamlining and reduction of administrative procedures
- Establishes a clear and stable regulatory framework on self-consumption
- Increases the level of ambition for the transport and heating/cooling sectors
- Improves and clarifies sustainability of the use of bioenergy, recalling inter alia that biofuels shall not be made from raw material obtained from land with high biodiversity value, such as primary forests and other wooded land, protected areas or highly biodiverse grassland

Regarding palm oil, a factsheet produced by EEAS state that:⁴

- There is no specific or explicit reference to palm oil in this agreement
- The outcome in no way constitutes a ban or even a restriction on the imports of palm oil or palm-oil based biofuels. The relevant provisions in the Directive only aim to regulate to what extent certain biofuels can be counted by EU Member States towards reaching their sustainable energy targets.
- The EU market remains open to palm oil imports.

Regarding the future for biofuels in the EU, the factsheet states that"⁵

- The text that has been agreed foresees that the contribution of certain categories of biofuels, bioliquids and biomass fuels produced from food or feed crops, namely those with high indirect land-use change (ILUC) risk and for which a significant expansion of the production area into land with high carbon stock is observed, will be limited to the 2019 consumption levels. In order to achieve the EU's renewable energy goals, this contribution is later to be phased out in 2030.
- Contributions from biofuels with low ILUC risk will be exempted from these limits according to objective criteria.

² "Palm Oil: Outcome of the Trilogue of the EU's Renewable Energy Directive (RED II)," 25 June 2018, retrieved 29 July 2018 from https://eeas.europa.eu/delegations/indonesia/46646/palm-oil-outcome-trilogue-eu%E2%80%99s-renewable-energy-directive-red-ii_en

³ Ibid.

⁴ Ibid.

⁵ Ibid.

- The text does not single out palm oil - or any other crop. Rapeseed, sunflower, soy or palm oil will be treated equally according to the same criteria.
- The agreement calls for a Commission report on the status of production expansion of relevant food and feed crops worldwide by 1 February 2019.
- By 1 February 2019, the European Commission will adopt Delegated Act to establish criteria for certification for which feedstocks a significant expansion of the production area into high carbon land is observed. This will be done on the basis of the best scientific information available.
- The European Commission is committed to maintain a non-discriminatory and science-based approach in the report and delegated act.

Reactions in Indonesian media

Dominant framing

- From 79 media pieces analysis online, aside from printed media coverage, most of the framing of news regarding the result of EU's Triilogue Result on RED II, specifically regarding palm oil-based biofuel uses the "EU's palm oil ban" or "EU's palm oil-based biofuel ban" phrases. The main framings of the news pieces are: (i) the EU postpones palm oil biofuel ban from 2021 to 2030, (ii) EU's decision is detrimental to Indonesia, and (iii) Indonesia must seek alternative markets other than EU, most notably Russia and China. The only correct description about the substance of the RED II in relation to palm oil is only found in Kompas (printed version), Mongabay Indonesia, and ANTARA (Indonesian news agency), which constitutes the minority among the proliferating news pieces found in second tier but influential online media such as detiknews, tribunnews, kompas online, tempo. Co, CNN, BBC, katadata, and several others. See Table 1 below that summarizes the main framings in the media coverage regarding this issue from mid-June to end of June 2018.

Table 1. Dominant framing of media news piece regarding

No.	Framing	Content
1.	EU postpones the ban of palm oil	<ul style="list-style-type: none"> The EU will issue a temporary decision regarding the ban of palm oil as feedstock for biofuel. Previously, the EU planned to fully ban the use of palm oil as a source of renewable energy by 2021.⁶ EU law will gradually phase out the use of palm oil by 2030.⁷ In a triologue between EU Commission, Council, and Parliament, the EU decided to postpone the ban of palm oil from 2021 to 2030. The European Parliament recently opposes the use of palm oil because of environmental damage and child labor.⁸
2.	EU's RED II decision is detrimental to Indonesia	<ul style="list-style-type: none"> The Indonesian government rejects this policy because it will disturb Indonesia's export to the EU.⁹ RED II decision threatens the export of Indonesian palm oil to the EU. Although RED II does not constitute direct ban on Indonesian palm oil, the decision is still a threat to palm oil industry. Indonesia will face difficulties fulfilling sustainability standards of the EU because most of Indonesia's palm oil plantations comes legally from primary forests and because many palm oil plantations were afflicted by forest fires.¹⁰
3.	Alternative markets for palm oil other than EU	<ul style="list-style-type: none"> Indonesian palm oil industry eyes the potential to increase palm oil export to Russia because this country is committed to fighting black campaign against palm oil in the EU.¹¹ Russia's Ambassador to Indonesia, Ludmila Vorobieva, promises to increase import of palm oil from Indonesia.¹² Indonesian palm oil industry wants to increase palm oil export to China taking advantage of US-China trade war.¹³
4.	Correct interpretation of RED II	<ul style="list-style-type: none"> Revision of RED II includes gradual reduction of a number of biofuel categories or certain biofuels to be counted against the new ambitious renewable energy target, which is 32%, by 2030.¹⁴ RED II will not discriminate against palm oil. There will be no ban or restrictions on palm oil import or palm oil-based biofuel.¹⁵

Source: Various Sources (processed)

⁶ Fajar Pebrianto, "Uni Eropa Putuskan Nasib Sementara Sawit Indonesia 27 Juni," 17 June 2018, retrieved 29 July from <https://bisnis.tempo.co/read/1098485/uni-eropa-putuskan-nasib-sementara-sawit-indonesia-27-juni>

⁷ Hendri Tri Widi Asworo (ed.), "Uni Eropa Sepakat Mulai 2030 Penghentian Penggunaan Minyak Sawit," 14 June 2018, retrieved 29 July 2018 from <http://kabar24.bisnis.com/read/20180614/19/806392/uni-eropa-sepakat-mulai-2030-penghentian-penggunaan-minyak-sawit>

⁸ Ria Apriyani, "Menteri LHK Belum Puas dengan Putusan Uni Eropa Menunda Larangan Sawit," 19 June 2018, retrieved 29 July 2018 from http://kbr.id/nasional/06-2018/menteri_lhk_belum_puas_dengan_putusan_eropa_menunda_larangan_sawit/96394.html

⁹ Fajar Pebrianto, "Uni Eropa Putuskan Nasib Sementara Sawit Indonesia 27 Juni," 17 June 2018, retrieved 29 July from <https://bisnis.tempo.co/read/1098485/uni-eropa-putuskan-nasib-sementara-sawit-indonesia-27-juni>

¹⁰ Fajar Pebrianto, "Uni Eropa: Aturan Baru Biofuel Tidak Menyasar Sawit Indonesia," 18 June 2018, retrieved 29 July 2018 from <https://bisnis.tempo.co/read/1098839/uni-eropa-aturan-baru-biofuel-tidak-menyasar-sawit-indonesia>

¹¹ Michael Reily, "Pengusaha Incar Potensi Tambahan Ekspor Minyak Sawit ke Rusia," 14 June 2018, retrieved 29 July 2018 from <https://katadata.co.id/berita/2018/06/14/pengusaha-incar-potensi-tambahan-ekspor-minyak-sawit-ke-rusia>

¹² Ibid.

¹³ Maskartini, "Tiongkok Kenakan 25 Persen Tarif Bea Masuk Minyak Nabati, CPO Ambil Peluang Ekspor," 19 June, retrieved 29 July 2018 from <http://pontianak.tribunnews.com/2018/06/19/tiongkok-kenakan-25-persen-tarif-bea-masuk-minyak-nabati-cpo-ambil-peluang-ekspor>

¹⁴ Yashinta Difa Pramudyani, "Uni Eropa tetap pasar minyak sawit Indonesia," 16 Juni 2018 retrieved 29 July 2018 from <https://www.antaraneews.com/berita/719185/uni-eropa-tetap-pasar-minyak-sawit-indonesia>

¹⁵ Ibid.

Stakeholders' Standpoint

Meanwhile, the section below summarizes stakeholders' standpoints recorded in the media regarding the result of EU's Trialogue, which includes the government, palm oil industry, and civil society.

Government

Minister of Environment and Forestry – Siti Nurbaya

- The Minister still objects to the EU's decision that prohibits the use of palm oil biofuel although the implementation of the decision is postponed until 2030. According to the Minister, the EU's decision is still a wrong measure. 16
- The Minister claimed that she had been in coordination with the Minister of Foreign Affairs to form a response of the EU's Decision. 17
- The Minister stated that Indonesia has done a lot to improve palm oil planting management that is problematized by the EU. 18
- Indonesia has not formed a response and is conducting consolidation to respond to the EU's decision in coordination with the Minister of Foreign Affairs. 19
- Indonesia is facing a turbulence in forest landscape management in terms of palm oil plantation and is heading towards a new equilibrium. One of the benchmarks are deforestation, peatland, and smallholder. 20
- The President is consistent in carrying out corrective measures to address palm oil problems. It is not easy to convince the world after long time complications and weak palm oil governance in many aspects of land use. 21

Minister of Trade - Enggartiasto Lukita

- Indonesia is not satisfied with the postponement. The Minister still hopes that EU revokes the ban of Indonesian palm oil's entry to the EU entirely. 22
- Although the EU postpones the ban until 2030, the plan still gives out negative sentiments to the palm oil industry as well as against trade with Indonesia. 23
- The Ministry of Trade has prepared a plan to face the ban, but the plan has not been discussed intensively among government officials. 24

Directions from the Coordinating Minister of Maritime – Luhut Binsar Panjaitan

¹⁶ Ria Apriyani, "Menteri LHK Belum Puas dengan Putusan Uni Eropa Menunda Larangan Sawit," 19 June 2018, retrieved 29 July 2018 from http://kbr.id/nasional/06-2018/menteri_lhk_belum_puas_dengan_putusan_eropa_menunda_larangan_sawit/96394.html

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ [Lusia Arumingtyas](#), "Ketika Penghapusan Biofuel dari Sawit Uni Eropa Mundur pada 2030, 26 June 2018, retrieved 29 July 2018 from <http://www.mongabay.co.id/2018/06/26/ketika-penghapusan-biofuel-dari-sawit-uni-eropa-mundur-pada-2030/>

²⁰ [Ibid.](#)

²¹ [Ibid.](#)

²² Wilfridus Setu Embu, "Mendag Tetap Ngotot Minta Eropa Cabut Larangan Minyak Sawit Asal RI," 22 June 2018, retrieved 29 July 2018 from <https://www.liputan6.com/bisnis/read/3566264/mendag-tetap-ngotot-minta-eropa-cabut-larangan-minyak-sawit-asal-ri>

²³ Ibid.

²⁴ <https://www.liputan6.com/bisnis/read/3566264/mendag-tetap-ngotot-minta-eropa-cabut-larangan-minyak-sawit-asal-ri>

²⁴ Ibid.

- Indonesia must ensure that palm oil is not being discriminated.
- There might be a change of criteria regarding palm oil sustainability for export to the EU. The government will ensure the criteria are not detrimental to Indonesia.²⁵
- The President will establish a task force to respond to the EU's decision. The task force will process all policies related to palm oil import ban.²⁶

Indonesia's Ambassador to Germany - Arief Havas Oegroseno

- Although there is no mention of palm oil in the ban list, analysts in Brussels told me personally that the EU will still ban palm oil in a discriminatory manner. ²⁷
- The environment is only a façade to hide trade war between European products that are less efficient than CPO such as rapeseed, soy, sunflower oil, and others. ²⁸

Palm Oil Industry

Executive Director of Indonesian Palm Oil Business Union (GAPKI) – Danang Girindrawardana

- The EU's decision is still a discrimination of EU against crude palm oil-based products. The EU's decision is only postponed 12 years.²⁹

Executive Director of Indonesian Biofuel Industry (GIMNI) – Sahat Sinaga

- The EU's postponement to 2030 must be responded to with concrete actions: certify the land, clarify community forest areas that can be used for palm oil (because communities often want to turn their inherited land to palm oil plantations but cannot because they don't get permit from the Ministry of Forestry. ³⁰ He wrongly referred to the MoEF as 'Ministry of Forestry.'
- There must be land amnesty, land certification and HGU certification, and transparent replanting of the Ministry of Forestry. ³¹

²⁵ Ridwan Aji Pitoko, "Pemerintah Masih Kaji Keputusan Uni Eropa Menunda "Pemerintah Masih Kaji Keputusan Uni Eropa Menunda Larangan Impor Sawit", 28 June 2018, retrieved 29 July 2018 from <https://ekonomi.kompas.com/read/2018/06/28/154256926/pemerintah-masih-kaji-keputusan-uni-eropa-menunda-larangan-impor-sawit>.

²⁶ Ibid.

²⁷ Agus Setiawan, "Berkedok Isu Lingkungan, Minyak Sawit Menjadi Komoditas Perang Dagang UE dan Indonesia," 19 June 2018 retrieved 29 July 2018 from <https://nusantaranews.co/berkedok-isu-lingkungan-minyak-sawit-menjadi-komoditas-perang-dagang-ue-dan-indonesia/>

²⁸ Ibid.

²⁹ Rayful Mudassir, "UE Longgarkan Aturan Penghapusan Biodiesel Sawit, RI Masih Keberatan," 19 June 2018, retrieved 29 June 2018 from <http://industri.bisnis.com/read/20180619/12/807531/ue-longgarkan-aturan-penghapusan-biodiesel-sawit-ri-masih-keberatan>

³⁰ Grahana Mediatama, "Biofuel sawit diperbolehkan Uni Eropa, sustainability lahan sawit harus digalakkan," 19 June 2018, retrieved 29 July 2018 from <https://industri.kontan.co.id/news/biofuel-sawit-diperbolehkan-uni-eropa-sustainability-lahan-sawit-harus-digalakkan>

³¹ Ibid.

Deputy Secretary General of Indonesian Palm Oil Farmer Association (APKASINDO) – Rino Afrino

- With more time, Indonesia can improve its palm oil production governance. We can breathe a bit that the 2021 timeframe is postponed to 2030.³²

Chairman of Indonesian Biofuel Producer Association (APROBI) - Master Parulian Tumanggor

- APROBI appreciates the President and the cabinet for the lobby and rejection discrimination against palm oil biofuel in Europe
- With the 12 years' time, it is enough for Indonesia to make improvements in upstream and downstream to create sustainable palm oil industry. 33

Civil Society

ELSAM – Deputy Director of Advocacy - Andi Muttaqien

- The EU's postponement is too far to 2030. Improvement of palm oil plantation in Indonesia is still reactive. When the EU Parliament wanted to phase out palm oil in 2021, palm oil management improvement started to be discussed.³⁴

Nils Herman Ranum, Head of Policy and Campaign Department, Rainforest Foundation Norway

- A lot of rainforests will be destroyed by the palm oil industry in the 12 years.
- Driving Deforestation report estimates that 4.5 million hectares will be deforested due to biofuel policy as well as adverse impacts to biodiversity and forest-dependent people. In addition, there will be additional emissions of 7 million tones CO₂ in the next 20 years due to deforestation and peat drainage.

Pusaka

- The EU must have followed the European Parliament's recommendation to halt palm oil use in biofuel by 2021 instead of waiting until 2030. Pusaka with 236 CSOs group leaders as well as palm oil smallholders have sent an open letter. The letter pleads to oil palm plantations to stop the violation of human rights of indigenous people, smallholders, and local communities and urges the government of Indonesia to improve the governance of oil palm plantations and review palm oil permits through palm oil moratorium.³⁵

Walhi

³² Hans Spross, "Uni Eropa Tunda Larangan Sawit Hingga 2030," 20 June 2018, retrieved 29 July 2018 from <https://www.dw.com/id/uni-eropa-tunda-larangan-sawit-hingga-2030/a-44315242>

³³ Qayuum Amri, "Sawit Tetap Dipakai Uni Eropa, Pengusaha Puji Diplomasi Pemerintahan Jokowi," 19 June 2018, retrieved 29 July 2018 from <https://sawitindonesia.com/rubrikasi-majalah/berita-terbaru/sawit-tetap-dipakai-uni-eropa-pengusaha-puji-diplomasi-pemerintahan-jokowi/>

³⁴ <http://www.mongabay.co.id/2018/06/26/ketika-penghapusan-biofuel-dari-sawit-uni-eropa-mundur-pada-2030/>

³⁵ KOMPAS, printed version, 18 June 2018.

- Moratorium policy should be integrated with law enforcement against large scale palm oil plantations in forest area, improvement of smallholder's welfare (through moratorium), downstreaming of palm oil products, and conflict resolutions in palm oil concessions.
- Regarding EU decision, WALHI regrets the delay of until 2030. This can encourage corporations to increase land expansion –
- WALHI encourages that the government of Indonesia direct all palm oil companies to invest in downstream sector of palm oil products.³⁶

³⁶ KOMPAS, printed version, 19 June 2018.