

ECUADOR

Jurisdictional Certification



MINISTERIO DE
AGRICULTURA Y GANADERÍA

MINISTERIO
DEL AMBIENTE

PROAmazonía
Programa Integral Amazónico de
Conservación de Bosques y Producción Sostenible



Al servicio
de las personas
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1

Oil Palm in Ecuador



The cultivation of oil palm and the commercialization of its oil have a history of more than 5,000 years. Initially, the production of palm oil originated from oil palms native to western equatorial Africa (*Elaeis guineensis*), whose seeds were brought to America by merchant ships arriving from Europe in the 19th century.

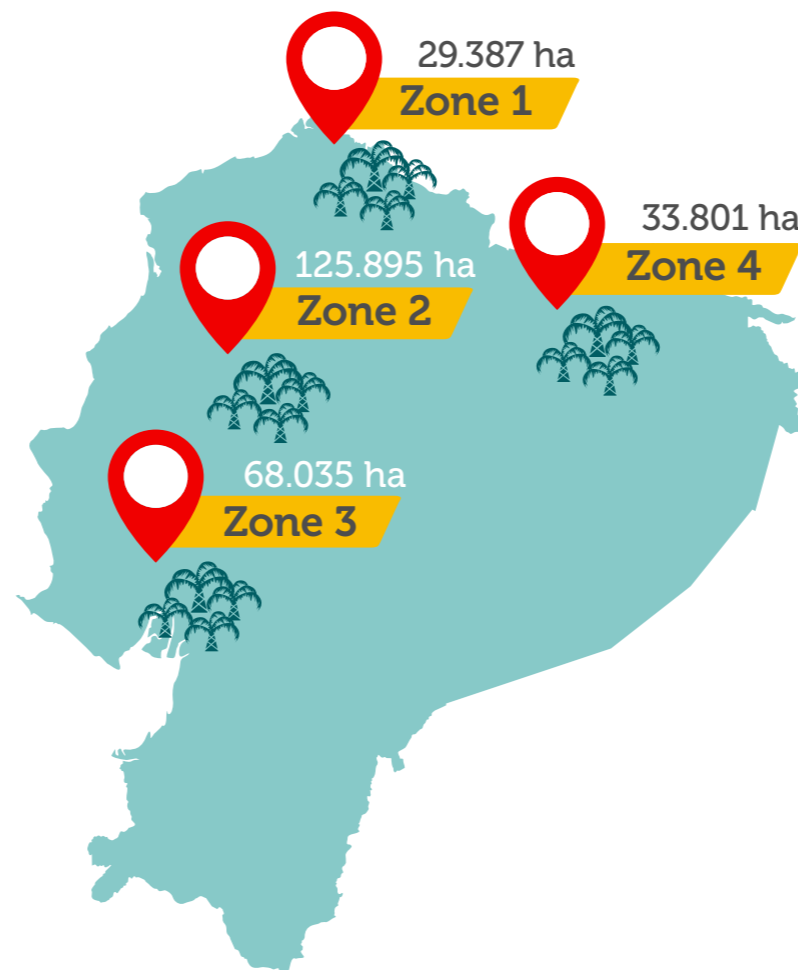
Currently, the palms that produce oil in Ecuador are the result of crossing these palms from Africa with local materials of the *Elaeis oleifera* species. This crossing has resulted in high performance materials with a longer lifespan, greater resistance to pests and diseases and superior oil quality.

In Ecuador, the first oil palm plantations date back to 1953, when Roscoe Scott started a plantation at Km. 37 of the Santo Domingo-Quinindé highway, with seeds that he brought from Honduras.

Oil palm found extraordinary conditions to thrive in Ecuador, areas with abundant sun and rain, generous and fertile soils and farmers who immediately identified the extraordinary environmental, social and economic benefits generated by the cultivation of this oilseed.

In February 1994, Ecuador made its first exports of palm oil, totaling a volume of 6,400 tons exported in that year, marking a milestone in the contribution of the palm oil production chain to the economy of the country.

Driven by the efforts of Ecuadorian oil palm producers, the activity has grown steadily, becoming the second largest perennial crop in Ecuador, with more than 250,000 hectares planted, which belong to approximately 6,500 palm growers.



- Zone 1** ■ San Lorenzo
- Zone 2** ■ Quinindé, La Sexta, La Concordia
- Zone 3** ■ Los Ríos, Guayas
- Zone 4** ■ Amazon Region

Total area 257.120 ha

National inventory of oil palm plantations 2017



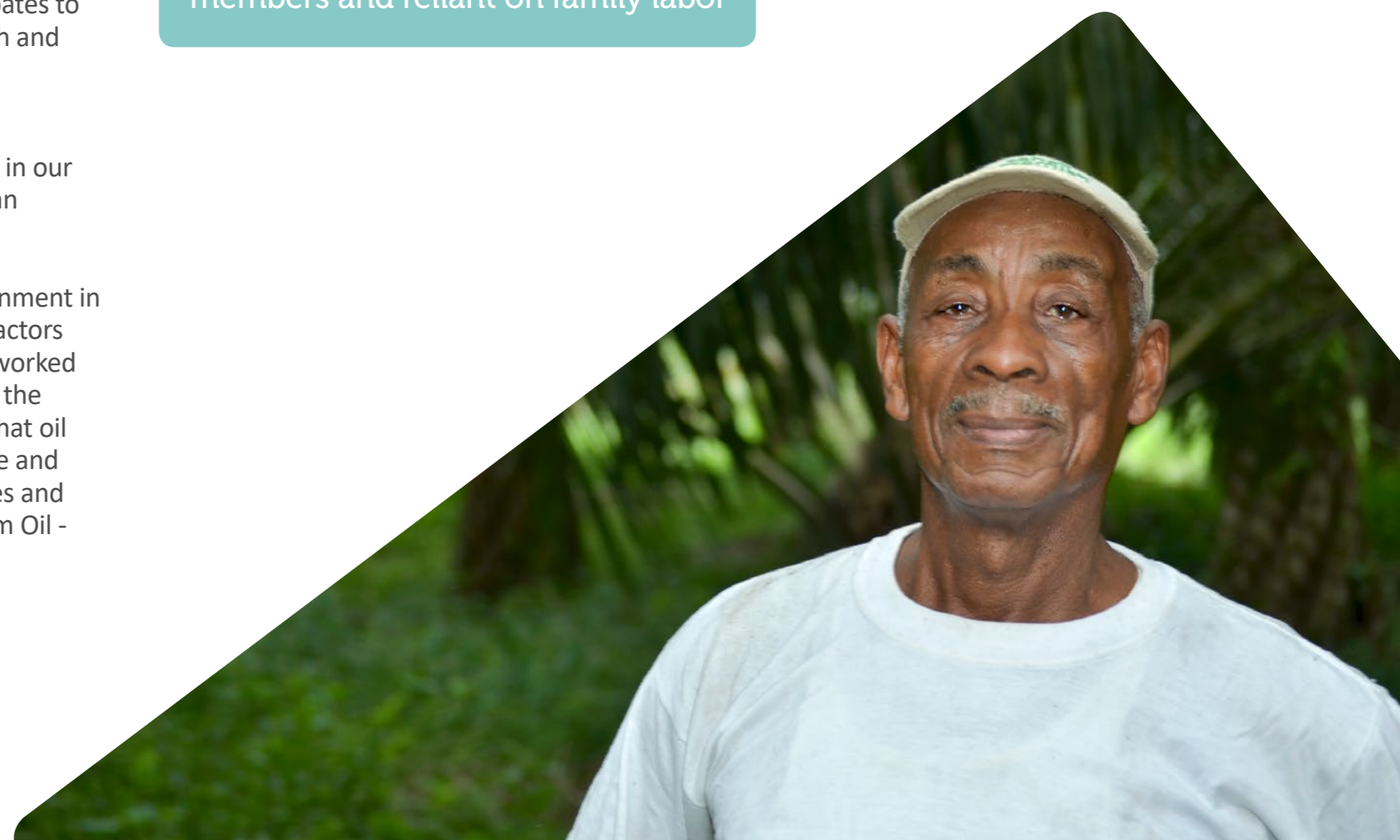
Currently, more than 40,000 people have direct, dignified and stable employment due to the activity, and 60,000 indirect jobs are generated as well, becoming an engine for rural development in the most economically depressed areas of the country.

The hard work of palm oil growers is complemented with the extraction of its oil, likewise, investing in palm oil mills only makes sense if there are palm farmers working the fields. In this symbiosis between palm oil producers and mills, the industry also participates to form a productive chain that generates wealth and work.

The development of the crop and the future expectations of the oil palm production chain in our country allow us to conclude that oil palm is an essential activity for Ecuador.

Due to this, since 2014, the Ecuadorian government in collaboration with oil palm production chain actors and representatives of the civil society, have worked proactively in the design of a public policy for the benefit of the sector. The objective of this is that oil palm production is carried out in a sustainable and efficient way, in compliance with the Principles and Criteria of the Roundtable on Sustainable Palm Oil - RSPO.

91% of oil palm growers in Ecuador are independent smallholders, and about 70% of them develop their activity in family farms of less than 20 hectares, managed, operated by family members and reliant on family labor



2

Sustainability Milestones of Palm Oil in Ecuador



On August 15, 2014, with the purpose of achieving a sustainable, productive, inclusive and environmentally friendly development in the oil palm sector, the ministries responsible for agriculture, environment, foreign trade, industry and investment, together with actors of the oil palm supply chain, signed an Interinstitutional Cooperation Framework Agreement for the implementation of the Competitive Improvement Plan of the Palm Oil Production Chain with a vision towards 2025. This plan, prioritizes the implementation of the Certification of the Roundtable on Sustainable Palm Oil (RSPO) in Ecuador, for which the country decided to start this process gradually, beginning with obtaining an RSPO Jurisdictional certification for the Ecuadorian Amazon.

On August 24, 2015, an Inter-ministerial Agreement was formally published, whose purpose was to update the Agroecological Zoning Map for the Cultivation of Oil Palm. This land use planning document considers the potentialities and limitations for the establishment of the crop and excludes areas covered by natural vegetation.

On August 24, 2016, the ministries of Agriculture and Environment and representatives of the palm oil supply chain, within the framework of the Sixth RSPO Latin America Conference, held in Guatemala, expressed their interest, before the CEO of RSPO – Darrel Webber, to begin the RSPO jurisdictional certification process in Ecuador.

Following this, on March 29th, 2017 actors from the public, private and civil society

sectors signed the Commitment Act for the implementation of the RSPO certification in Ecuador, within the framework of the International Workshop on Jurisdictional Approaches in areas of palm production.

Supporting this initiative, the Ministry of Environment – MAE, within the framework of the REDD+ Action Plan Forests for Good Living (November 7, 2016), with the objective of transforming the palm production towards a sustainable production with high productivity that continues generating the economic and social benefits in the country, presented, in May 2017, two implementation plans of Measures and Actions for Reducing Emissions from Deforestation and Degradation – REDD+ for sustainable and deforestation-free oil palm production. These implementation plans are:



- 1.** Establishment of as RSPO certified sustainable palm oil jurisdiction in the Amazon and capacity building in territories with high conservation values.
- 2.** Establishment of integrated farm management plans with a sustainable palm production approach.

On May 22, 2017, MAE and MAG signed the Inter-ministerial Agreement for the creation of the Integral Amazonian Program of Conservation and Sustainable Production – PROAmazonia. Among other activities, PROAmazonia will support the establishment of four regional platforms for participatory management of sustainable and deforestation free production where the key stakeholders in the supply chains of coffee, cocoa, oil palm and livestock will be able to dialogue and reach agreements to promote deforestation-free supply chains.

For the palm oil supply chain, through Ministerial Agreement No. 145 of the Ministry of Agriculture and Livestock, dated May 23, 2017, a platform for participatory management was established, called the Interinstitutional Steering Committee for Sustainable Oil Palm (CISPS). Among the objectives of the committee are the implementation of the RSPO jurisdictional and national certification scheme.

In June of 2017, the “National Inventory of Oil Palm Plantations 2017” was launched. This project was carried out by the Foundation for the Promotion of the Export of Palm Oil and its Derivatives (Fedapal),

the National Association of Oil Palm Growers (Ancupa), the Ecuadorian Association of Mills of Palm Oil and its Derivates (Aexpalma) and the Association of Producers of Fats and Oils (Aprograsec), in coordination with the Ministry of Agriculture and Livestock (MAG). This work has made it possible to determine the exact location of oil palm plantations and to collect relevant information on how it is produced, serving as a baseline for the implementation of the work in support of the growers.

On March 19, 2018, the Ministry of Environment joined the CISPS, through the issuance of Interministerial Agreement No. 030.

By November 2018, CISPS members carried out strategic planning of their activities. This planning marks a milestone for the sector, which concludes the preparation phase of the national sustainable palm strategy and initiates the execution of the necessary actions to achieve the objectives set.



AUGUST

Framework Agreement for Interinstitutional Cooperation for the Implementation of the Competitive Improvement of the Palm Oil Chain with a Vision towards 2025
• **MILESTONE**
Joint vision 2025



AUGUST

Letter of private/public interest to apply RSPO jurisdictional certification in Ecuador
• **MILESTONE**
Approach with RSPO

NOVEMBER

REDD+ Action Plan Forests for Good Living
• **MILESTONE**
State policy to reduce deforestation



MARCH

Commitment Act for the implementation of the RSPO Jurisdictional Certification in Ecuador, beginning in the Amazon
• **MILESTONE**
Commitment published privately for jurisdictional certification

MAY

Implementation Plans for Measures and Actions to Reduce Emissions from Deforestation and Degradation REDD+ for sustainable and deforestation-free oil palm production
• **MILESTONE**
Linking Palma to REDD+



JUNE

The conformation of CISPS ends
• **MILESTONE**
Equitable participation of members of the government, the palm oil supply chain and civil society

NOVEMBER

Sustainable and Deforestation-free Oil Palm Action Plan
• **MILESTONE**
Initiates implementation of actions to achieve the objectives



AUGUST

Map of Agroecological Zoning for Oil Palm Cultivation
• **MILESTONE**
Protección de Bosques



MAY

Creation of the Amazon Integral Program for Conservation and Sustainable Production – PROAmazonia with support from UNDP and funds from GEF and GCF
• **MILESTONE**
Cooperation funds to support Sustainable Palm Oil

MAY

Creation of the Inter-institutional Steering Committee for Sustainable Palm (CISPS)
• **MILESTONE**
Platform for participatory management

JUNE

National inventory of oil palm plantations 2017
• **MILESTONE**
Baseline information of growers

2019

Implementation of the Action Plan
• **MILESTONE**
• Principles of Sustainability
• Governance and Framework
• Positioning of the sustainable palm oil supply chain
• Involvement of actors
• Financial Sustainability
RSPO Jurisdictional Certification
• Environmental management
• Reduce and eliminate deforestation caused by palm



THE JURISDICTIONAL CERTIFICATION of the Ecuadorian Amazon is planned to be completed by this date



3

Interinstitutional Steering Committee for Sustainable Oil Palm (CISPS)



The Interinstitutional Steering Committee for Sustainable Oil Palm is a public and private, autonomous and independent entity, which is in charge of leading and promoting proposals to strengthen the production of sustainable oil palm in Ecuador. The objective of the CISPS's establishment is that the country's sustainable palm oil can compete in the international market, with high social and environmental standards.

Under the leadership of CISPS, Ecuador is aiming to achieve a sustainable and efficient

oil palm production nationwide. The CISPS first goal is to achieve the RSPO Jurisdictional Certification for the entire Amazon region, with a view of replicating this in the rest of the country. It is important to work in this region because it contains 74% of the country's natural forests. The jurisdictional certification of the Amazon will be the first step to demonstrate that palm production in Ecuador follows international sustainability guidelines, contributing to economic development and respecting the environment and the communities that depend on it.



Public Sector



Oil Palm Production Chain



Civil Society Representatives



Academy





MEMBERS

Currently, the CISPS is conformed by representatives from the following institutions

Public Sector

- Ministry of Agriculture and Livestock – MAG
- Ministry of Environment – MAE
- Ministry of Production, Foreign Trade, Investmentes and Fisheries – MPCEIP
- Consortium of Provincial Autonomous Governments of Ecuador – CONGOPE

Oil Palm Production Chain

- Foundation for the Promotion of the Export of Palm Oil and its Derivatives – FEDAPAL
- National Association of Oil Palm Growers – ANCUPA
- Ecuadorian Association of Mills of Palm Oil and its Derivates – AEXPALMA
- Association of Producers of Fats and Oils – APROGRASEC
- Association of Producers and Marketers of Organic Oilseeds and Fruits – ASOCOFOR

Civil society representatives

- World Wildlife Fund – WWF
- Conservation Internacional – CI
- Earthworm Foundation

Academy

- Universidad de Los Hemisferios

COLLABORATORS

Companies in the Sustainable Palm Oil Jurisdiction

- Palmeras del Ecuador – Grupo Danec
- Oleana

Provincial Autonomous Governments in the Sustainable Palm Oil Jurisdiction

- Orellana Provincial Autonomous Governments
- Sucumbíos Provincial Autonomous Governments

Roundtable on Sustainable Palm Oil – RSPO

Grower associations in the Sustainable Palm Oil Jurisdiction

- Amazonic Association of Oil Palm Growers – AACPA
- Shushufindi Oil Palm Growers Association
- Gold Palm Association
- El Coca Oil Palm Growers Association
- Las Cayanas Oil Palm Growers Association

OBJECTIVES

- 1 Build a governance model for sustainable palm oil production.
- 2 Promote the production of sustainable palm oil as a strategic sector for the development of the country.
- 3 Guarantee the participation and involvement of producers and Autonomous Governments in the activities.
- 4 Provide financial sustainability to the activities related to sustainable palm oil production and governance.
- 5 Obtain the Jurisdictional RSPO Certification for the Amazon region.
- 6 Guarantee an adequate environmental management in the oil palm supply chain.
- 7 Eliminate palm oil related deforestation in the Amazon region by 2020, and nationally by 2025 and ensure compliance with the REDD+ Social and Environmental Safeguards.



SUSTAINABILITY PRINCIPLES

The members of the platform subscribed the CISPS's Sustainability Principles. These principles were made to focus public and private palm oil related policies on securing the needs of the present without compromising the needs of future generations.

The CISPS's Sustainability Principles focus on seeking the full equivalence of the social, economic and environmental aspects of the palm oil supply chain.

The members of the Interinstitutional Steering Committee for Sustainable Oil Palm commit to:

Human Rights

- 1 Support and respect the protection of fundamental human rights within their sphere of influence;
- 2 Ensure that they are not complicit in the violation of human rights.

Labour Rights

- 3 Support labour rights, freedom of affiliation and effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced or compulsory labor;
- 5 Fight for the eradication of child labor;
- 6 The abolition of discriminatory practices in employment and occupation.

Environment

- 7 Maintain a precautionary approach oriented towards environmental protection and its commitment to zero deforestation;
- 8 Adopt initiatives that promote greater environmental responsibility;
- 9 Encourage the development and the diffusion of technologies that respect the environment.

Fight against corruption

- 10 Members must fight corruption in all its forms, including extortion and bribery.



4

Jurisdictional Certification



There are two main obstacles that limit progress towards the sustainable production of palm oil. These are:

1. The inclusion of all growers located in the regions where palm oil is produced.
2. Sustainability requires structural changes that go beyond the capacity and competences of the members of the palm oil supply chain.

Both obstacles require ways of organizing and coordinating sustainable production at a regional level.

The jurisdictional approach of the RSPO certification is proposed as a solution to the barriers mentioned above. This is applied through the organization of all the actors of the palm oil supply chain in a defined region, ensuring the collective compliance of these producers with the local legal framework and the Principles & Criteria of the RSPO.

This in turn, leads to a process of continuous improvement of their performance, supporting compliance and improvement, and addressing structural problems, which, in some cases, are beyond the capabilities of individual growers.

The jurisdictional certification approach requires the creation of a Jurisdictional Entity – JE, made up of representatives of different stakeholders, to coordinate activities in the region, for Ecuador the Interinstitutional Steering Committee for Sustainable Oil Palm – CISPS constitutes this JE. This JE will promote social and environmental responsibility, while focusing on improving the business model of all producers. The JE involves state entities, in order to guarantee the changes in policy required for the regional application of the jurisdiction.

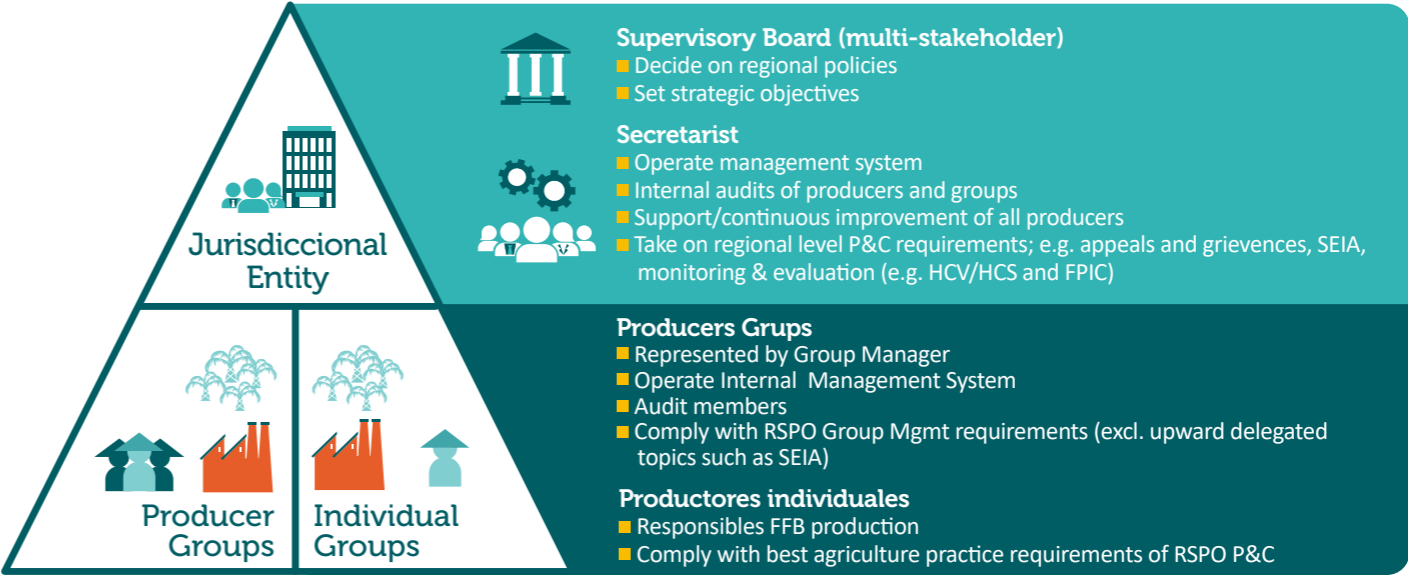




The CISPS will become the certification unit and will undertake actions that address structural problems that limit sustainable production and that are beyond the control of individual producers (for example, HCV studies, infrastructure, policies).

One of the benefits of the jurisdictional approach is to minimize the burden of individual P&C certification, through an upward delegation of managerial and regional tasks centered on the Jurisdictional Entity. This approach manages to increase the efficiency of work through standardization and centralization of tasks, reducing the administrative pressure on individuals, thus allowing growers to concentrate on sustainable production practices.

To ensure that this approach does not result in a complex system or unnecessary burdens, the Jurisdictional Certification system is being designed so that its application results as simple as possible and is based on the existing RSPO systems. The technical document “Requirements and guidance of the RSPO management system for jurisdictional certification” serves as the main reference document for the criteria and requirements.





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