Agriculture, palm oil and the maintenance of tropical forests – The role of sustainability standards

Workshop on Forest Governance and Sustainability Standards in the Congo Basin

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Aims of this presentation

- Palm oil production – overview and challenges
- Response of the industry – RSPO
- Towards sustainable palm oil?
- Role of certification systems – what they can and cannot do
- Linkages through the High Conservation Value concept
Palm oil – a rapidly growing business

- 85% of global production in 2 rainforest nations:
  - 7.3 Million Ha, 22M T in Indonesia (2009)
  - 4.5 Million Ha, 18M in Malaysia (2008)
...a ‘miraculous’ crop

Average oil yield Tonnes/Ha

Data from Johnston et al (2009)
In favour of palm industry

- Perennial, productive, low input crop
- Resistant to disease and pests
- Jobs and rural development
- Prosperity for (some) smallholders
- Importance for GDP e.g. for Malaysia:
  - 6% of total GDP
  - 31Bn $ export value
  - 58% of commodity exports
Palm oil in Congo Basin

- Historically industry much more important (esp. in DRC)
- Smallholder production is widespread, low-intensity
- Big plans in the air…
  - Gabon: 200,000 Ha, 1000 km of roads ...announced 2010
  - Cameroon: 2.3 Bn FCFA expansion project 2010
  - DRC: Chinese investments…?
However…

- Oil Palm has been a major driver of deforestation
- Business model using harvested timber to pay for plantation establishment
- At least ½ of recent expansion has been at expense of forest*
- Major social impacts are well documented:
  - Communities displaced, migrant worker problems
  - Traditional cultures undermined
  - Pollution and health issues

(Source: Koh and Wilcove ‘09)
THE LAST STAND OF THE ORANGUTAN
STATE OF EMERGENCY: ILLEGAL LOGGING, FIRE AND PALM OIL IN INDONESIA'S NATIONAL PARKS
Response of the Palm Oil industry

- Migros: 1st sustainability standard for Palm Oil (2002)
- Creation in 2004 of Roundtable for Sustainable Palm Oil (RSPO)
  - Multistakeholder organisation and certification scheme
- RSPO Standard V1 launched Oct 2008
RSPO standard – P&C

- P1: Transparency
- P2: Compliance with laws and regulations
- P3: Economic and financial viability
- P4: Use of best practices by growers and millers
- P5: Environmental responsibility and conservation of natural resources and biodiversity
  - EIA (P5.1), consideration of rare species and HCVs (P5.2)
- P6: Employees, individuals and communities affected by growers
- P7: Responsible development of new plantings
  - Primary forest and HCVs (P7.3)
- P8: Commitment to continuous improvement
HCV within RSPO P&C

• Existing plantations:
  – P 5.2: **Rare/threatened spp. and HCVs** within plantations or affected by plantations/mills must be taken into account in management.

• Plantation expansion:
  – P 7.3: New plantings (Nov 2005) do not replace primary forest or areas required to maintain or enhance one or more **High Conservation Values**.
    - Development should actively seek to utilise previously cleared and/or degraded land.
Progress in RSPO scheme

- 19 certified producers, 71 PO mills
- Production area = 600,000 Ha
- Production volumes 3,7MT PO and PKO
- 44 supply chain organisations
- WWF “scorecard” has driven up RSPO uptake
A sustainable vision for palm?
Sustainable agriculture zoning requirements

• Macro-scale
  – Biodiversity and ecosystem services included in zoning criteria, balanced with development needs
  – Trade-offs made explicit, space is made for consultation and participation in decisions
  – Responsible regional zoning takes account of priorities and threats
  – No conversion of HCVs

• Micro scale:
  – Site level assessments (biodiversity, social values)
  – Participation of local communities in decisions
  – Site scale planning - HCV areas are managed according to a holistic plan
  – Good management practice
What voluntary schemes can and cannot do

• **CAN:**
  - **Encourage** industry to form effective partnerships with NGOs, communities, Govt agencies
  - **Promote** credible EIAs, good site level planning, good management practice, participatory decision making
  - **Discourage** expansion of good companies into inappropriate areas

• **CANNOT:**
  - Provide **long-term guarantees**
  - Substitute for government role in **land use planning**
  - Create an effective governance structure without **supportive legal framework**
Main challenges to be met for environmentally sustainable Palm Oil

- Scale of implementation is usually much smaller than required for effective conservation (cooperation needed between producers, sectors)
- Capacity for implementing good conservation practice is limited (poor information, poor assessments and audits)
- How to deal with 1000’s of smallholders?
- Companies are not changing fast enough (greenwashing)
- Legal framework not always helpful to voluntary biodiversity efforts (permits, taxes etc)
- Concessions are granted in inappropriate areas including deep peat and valuable forest (poor zoning)
- ‘Good’ companies are only one part of one land use sector!
Using HCV as part of certification to improve outcomes
Many processes use HCV

- **Active commodity certification schemes**
  - **Forestry**: Forest Stewardship Council **FSC**
  - **Palm oil**: Round Table for Sustainable Palm Oil, **RSPO**
  - **Carbon**: Climate Carbon and Biodiversity Alliance, **CCBA**
  - **Biomass and bioenergy**: Int’l Sustainability & Carbon Certification, **ISCC**

- **Natural resource sustainability standards**
  - **Soy**: Round Table on Responsible Soy, **RTRS** (+ Basel Criteria)
  - **Sugar cane**: Better Sugar Cane Initiative, **BSI**
  - **Biofuels**: RTFO, RSB (guidance only), Cramer Principles

- **Purchasing and investment policies**
  - Many banks incl. World Bank, many manufacturers and retailers

- **National /regional land use planning**
  - National/regional guidelines (Russia, China, Bulgaria, Romania… Indonesia*)
  - NGO national conservation priority mapping (e.g. WWF, TNC)
The six High Conservation Values (I)

**Biodiversity**

**HCV 1** - Significant *concentrations of biodiversity* values (protected areas and RTE, endemic, migratory species).

**Landscapes**

**HCV 2** – Large, *landscape level forests/areas* where most species exist in *natural patterns of distribution and abundance*.

**Ecosystems**

**HCV 3** - *Rare, threatened or endangered* ecosystems.
The six High Conservation Values (II)

Ecosystem services
HCV 4 - Basic ecosystem services in critical situations.

Livelihoods
HCV 5 – Basic needs of local populations in critical circumstances

Cultural identity
HCV 6 – Local communities’ cultural identity.
The HCV Resource Network

- A voluntary association of people and organisations using the HCV approach, bound by a Charter and its Guiding Principles:
  - Definition of 6 HCVs
  - HCV assessment processes
  - “Safeguards framework”

- Made up of:
  - Steering Group (16 orgs.)
  - Technical Panel (25 experts)
  - Secretariat (ProForest)
  - Participants
Network Steering Group
The HCV Resource Network

4 Key Strategic Aims:

• Provide a credible central point of reference
• Support development and implementation of the HCV concept
• Provide a governance and quality control function
• Promote the use of HCV in emerging and potential applications
www.hcvnetwork.org

Thank you

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