



SCALE - A meeting of NGOs active in the  
palm oil sector:  
Challenges, emerging priorities, and  
opportunities for greater impact

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**May 10, 2011**

**Summary Report**

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## **Executive Summary**

Palm oil is one of the leading causes of deforestation, biodiversity loss and greenhouse gas emissions in Southeast Asia. Future projections suggest that global demand for the commodity could double by 2050, which is likely to drive expansion into hitherto unaffected regions. Non-governmental organisations (NGOs) have played a key role in raising public awareness of the environmental and social impacts of palm oil, lobbying policy makers, engaging the private sector, and working on the ground to reduce its impacts. However, NGO resources are limited while the palm oil industry continues to grow. With this in mind, Synchronicity Earth convened a meeting of interested NGOs in May 2011 to discuss common challenges, potential solutions, and ways of working together to scale up impact.

### **Challenges**

A number of challenges were identified. Those at the supply-side predominated, as most NGOs present are working in palm oil-producing countries. Challenges include political will and other governance issues, low capacity for land-use planning and enforcement, and a paucity of maps and relevant information. For NGOs trying to reduce demand, or shift consumption from unsustainable to sustainable sources, the two main challenges are EU biofuels policies and the rapid growth in consumption in China and India. A third set of challenges involves other stakeholders. The private sector – especially the palm oil industry itself – is seen as a roadblock to progress, often seen as more willing to greenwash than change practices. The Roundtable on Sustainable Palm Oil (RSPO), an industry-led initiative to certify palm oil grown in accordance with social and environmental criteria, faces a number of challenges, and is a controversial topic among the NGO community. Finally, for NGOs themselves the challenge is to develop a more collaborative and longer-term approach to working on palm oil, which could be stimulated by funders.

### **Solutions**

Potential solutions to some of the challenges raised were grouped under five themes: avoiding future impacts; conservation in oil palm landscapes; socioeconomic issues; addressing unsustainable demand; and improving the effectiveness of the RSPO. Issues that attracted the most discussion and debate included the implications of using degraded land to grow oil palm in the future, how to reduce global demand for palm oil, whether the RSPO will be an effective tool in Africa, and the potential deforestation impacts of efforts to increase smallholder yields. It is clear from discussions that no single solution will be enough, and that there is still much debate within and between NGOs as to the best strategies for addressing palm oil's growing impacts. This is further hampered by a lack of evidence about which strategies are most effective. The report ends with a set of emerging priorities and a preliminary list of knowledge gaps. NGOs and funders should work together to address these gaps and to begin building the partnerships that are needed to stop palm oil's continued devastation of the environment.

## Introduction

On 10th May 2011 Synchronicity Earth hosted a one-day workshop at the Zoological Society of London (ZSL) for non-governmental organisations (NGOs) working to address environmental and social issues related to the palm oil industry.

The purpose of the meeting was to bring together NGOs working on a single issue to identify common challenges and priorities, and explore how it could be possible to scale up impact by working in a more strategic or collaborative way.

Taking part were representatives from 20 organisations covering a wide spectrum of approaches and activities including human rights, natural resources, wildlife conservation, legal advocacy, social and political campaigning, and corporate disclosure.<sup>1</sup> The workshop aimed to build on the momentum created by the previous week's two day ZSL symposium, "Sustainable palm oil: challenges, a common vision and the way forward".

This report is intended as a summary of the discussions that took place during the meeting. It is split into three sections:

- Challenges and barriers for NGOs working to address palm oil's impacts
- A summary of working group discussions on important themes that emerged during the meeting
- Emerging priorities and knowledge gaps

## Palm oil: the bottom line

Uncontrolled oil palm expansion in Southeast Asia has resulted in the loss of forests and peatlands, leading to greenhouse gas emissions, social conflict, and accusations that palm oil poses one of the greatest threats to the region's biodiversity and forests.<sup>2</sup> Most of this expansion has been concentrated in Indonesia and Malaysia, who currently produce 86% of the world's palm oil.<sup>3</sup> However, there are signs that production is set to shift to other tropical regions, notably West Africa<sup>4</sup> and Brazil,<sup>5</sup> which have large areas of natural forest suitable for oil palm.<sup>6</sup> This is being spurred by constraints on supply in Indonesia and Malaysia – which are forecasted to run out of land for planting in the next decade<sup>7</sup> – and the rapid growth in global demand for palm oil.

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<sup>1</sup> A list of participants and information on the NGOs can be found in Appendices 1 and 2, respectively

<sup>2</sup> Nellemann, C. et al. 2007. The last stand of the orangutan – State of emergency: Illegal logging, fire and palm oil in Indonesia's national parks. UNEP

<sup>3</sup> USDA Foreign Agricultural Service (FAS) 2011

<sup>4</sup> Levitt, T. Palm oil giants target Africa in 'land grab' following Indonesia deforestation ban. The Ecologist. 25 March 2011

<sup>5</sup> Butler, R.A. and Laurance, W.F. 2009. Is oil palm the next emerging threat to the Amazon? Tropical Conservation Science.2: 1-10

<sup>6</sup> Stickler, C. et al. 2007. Readiness for REDD: A preliminary global assessment of tropical forested land suitability for agriculture. Woods Hole Research Centre

<sup>7</sup> Brown, K. Asian palm oil: limited supply. Financial Times. April 18 2011

Global palm oil production is predicted to grow 8.5% in 2011 to nearly 50 million tonnes annually.<sup>8</sup> By 2050, a world population of 9 billion combined with changing diets and increased affluence could mean that another 70 to 100 million tonnes of palm oil is needed in addition to this.<sup>9</sup> Such forecasts are inherently uncertain, but tend to err on the side of caution. For example, the 2050 scenario above assumes that per capita consumption of palm oil in developing countries peaks at a significantly lower level than current Western consumption, and does not consider the impacts of biofuels.

NGOs have an important role to play in mitigating the impacts of palm oil on wildlife and people. Through a wide range of approaches they have been successful at exposing the worst practices of the industry, stopping forest destruction, engaging with companies to improve their operations and corporate policies, and ensuring that critical biodiversity habitat at risk from palm oil expansion is protected. Recent successes have come amidst a continuing picture of ongoing environmental damage, however. The scale and pace of the oil palm expansion being seen is now such that a different approach is needed, one in which NGOs and civil society work strategically and collaboratively to maximize their impact.

Synchronicity Earth hopes to catalyse such a response through a new initiative: SCALE. This is a process of identifying strategic priorities, co-opting relevant partners from different fields, changing donor practice, and convening forums where ideas and expertise can be shared. This report summarises the first SCALE event, a forum for NGOs to highlight barriers that need to be overcome to tackle the threat from palm oil, and thematic priorities where greater focus is needed. We hope to follow this meeting with others in order to move forward under a collaborative framework to address some of the major conservation issues associated with palm oil.

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<sup>8</sup> Dreibus, T. Vegetable Oil Output May Climb on Palm Yields, Oil World Says. Bloomberg. July 19 2011

<sup>9</sup> Corley, R.H.V. 2009. How much palm oil do we need? *Environmental Science & Policy*. 12: 134-139

## Section 1: Barriers to greater NGO impact

In the first workshop session participants were asked to outline and briefly discuss three barriers that were holding back the NGO sector in tackling palm oil and its environmental impacts. We have grouped a fairly disparate set of challenges into three broad areas: **supply-side**, **demand-side**, and **stakeholder challenges** (the latter referring to corporate, government and other relevant actors). The challenges highlighted are not necessarily indicative of the positions of the NGOs, or representative of the views of all participants; instead they should be seen as a snapshot of current opinion from a diverse range of experiences and attitudes.<sup>10</sup>

### 1.1 Supply-side challenges

Challenges at the supply end predominated. This was unsurprising given that many of those present are involved in fieldwork in palm oil producer countries. Many of those present highlighted the lack of rational land use planning systems that take into account environmental and social factors when allocating land for development. This is often a result of poor capacity and communication in relevant government ministries, a lack of political will, and unclear or non-existent legal frameworks. This can lead to loss of biodiversity and the exclusion of local communities.

Participants also raised the issue of ‘degraded lands’, which have been seen as both an opportunity and a risk by environmental groups. Redirecting oil palm plantations into areas that were formerly used for agriculture but have since become ‘degraded’ (in terms of their biodiversity content and productivity) could offer a way of reducing the pressure on natural forests. However, there currently exists no widely accepted definition of degraded land which includes environmental, social and economic factors, and many different estimates exist as to how much degraded land there actually is. Overcoming these barriers will be necessary for such a strategy to have wide uptake. In countries such as Indonesia there are also legal difficulties with planting on degraded lands, as many such areas are incorrectly zoned as protected forest and cannot be developed.

Challenges for conservation were a lack of knowledge of priority biodiversity habitats under threat from oil palm, and issues related to conservation within oil palm landscapes. These can be summarised as: a limited understanding of the role and value of ecosystem services; a lack of evidence that tools such as High Conservation Value (HCV) areas are effective at protecting biodiversity; and few incentives for plantation owners to implement HCV and other recommended measures such as maintaining forest fragments.

Information gaps in producer countries often make things difficult for NGOs. Few developing countries, particularly in Sub-Saharan Africa, have up-to-date, accurate and freely available land use maps upon which decisions can be made. Lack of transparency is also a common problem, with information on where concessions are being allocated sometimes impossible to come by. This inevitably leads to risks of corruption.

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<sup>10</sup> A table containing a full list of challenges can be found in Appendix 4

## 1.2 Demand-side challenges

Fewer demand challenges were raised because, as noted above, there were fewer organisations represented at the meeting working on the demand-side. Two main areas were highlighted here.

First, biofuels policies such as the EU's Renewable Energy Directive create artificial demand for palm oil through the use of subsidies and targets. Although small (currently around 10% of palm oil production is for biofuels), such policies in effect create unlimited demand for palm oil and push up prices, which in turn drive unsustainable production. EU policies also fail to take into account greenhouse gas emissions due to indirect land use change (ILUC), which results when existing agricultural land (e.g. rapeseed in Europe) is turned over to biofuel production, displacing expansion elsewhere – potentially oil palm in the tropics. An overarching – and long-term – challenge relating to biofuels is the need to reduce overall energy consumption at the same time as shifting consumption away from fossil fuel use.

Second, growing demand in Asia – about 57% of the global market for palm oil, with China and India accounting for nearly 40% of imports between them<sup>11</sup> – poses new challenges for environmentalists. Much of this demand is for cooking oil, which will prove difficult to reduce. There has been limited uptake amongst consumers and Asian companies of certification schemes such as the Roundtable on Sustainable Palm Oil (RSPO), this limited uptake threatens to derail the RSPO's attempts at producing and marketing sustainable palm oil. Finally, few Western NGOs have much knowledge or understanding of Asian markets, and there are no tried-and-tested strategies to create the needed shift towards sustainability in these countries.

## 1.3 Stakeholder challenges

A final set of challenges did not fit easily into 'supply' or 'demand'. These mainly involved the private sector, the RSPO, and the NGO sector itself.

Several participants mentioned that there is a lack of will among the palm oil industry more widely to implement standards for responsible production (such as those of the RSPO). This is especially true in Asian countries (as mentioned above) where few companies have signed up to the RSPO. Outside the RSPO there was a feeling that companies are unaccountable, and that transparency and a lack of publicly available information (e.g. on good and bad performers) is holding back any progress. A final point is that palm oil supply chains are often wasteful and inefficient, and improving this may help meet the demand gap without the need for further expansion.

The RSPO suffers from a number of issues, which need to be resolved for it to make further headway. These include: almost no engagement in China, India and other Asian economies outside Indonesia and Malaysia; standards fall short in certain areas (notably addressing unsustainable consumption, conversion of secondary forests, and greenhouse gas emissions); implementation of standards is poor in many cases, hindered by a lack of oversight and enforcement; and weak membership across the entire palm oil supply chain.

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<sup>11</sup> USDA Foreign Agricultural Service, 2011

Participants raised a number of NGO-specific challenges. There is a general feeling that the palm oil NGO sector is hindered by a lack of long-term vision and strategy, and that collaboration (e.g. through sharing data and experiences) could be improved. NGOs could also communicate more effectively, according to some participants – particularly with governments and the public, who may not grasp the complexity of some of the issues around palm oil. A final challenge raised was in the dialogue between NGOs and funders, as well as within the NGO community.



## Section 2: Thematic discussions

This section looks at what needs to be done, and by whom, to address some of the key challenges raised during the NGO meeting and in the preceding ZSL symposium. Because of the variety of topics that were discussed and the extent of overlap between some propositions, we have tried to draw out and synthesise the key threads that came up repeatedly.<sup>12</sup> Discussions are drawn together below under five overarching themes:

1. **Avoiding future impacts**
2. **Conservation in oil palm landscapes**
3. **Socioeconomic issues**
4. **Addressing unsustainable demand**
5. **Improving the effectiveness of the RSPO**

For each theme we discuss briefly the main problems, what solutions are proposed, give examples of current activities, and highlight some important debates. We then present some initial priorities and opportunities for future collaboration.

### 2.1 Avoiding future impacts

#### *Problems*

- Most environmental impacts from oil palm development result from where plantations are located. In Malaysia and Indonesia, for example, there is widespread evidence that oil palm expansion has come at the expense of forests and peatland, which has resulted in species loss and greenhouse gas emissions.<sup>13</sup>
- Growing global demand for palm oil and constraints on production in these two countries (currently responsible for 87% of palm oil supply) is driving expansion into Africa and South America.<sup>14</sup> The scale of this expansion is potentially enormous, with around 480 million hectares (40 times the current global planted area) of forested land across the tropics suitable for oil palm cultivation.<sup>15</sup> The Brazilian government has announced its intention to expand its area under palm oil production to 5 million ha by 2020; a 50-fold increase on current planted area.<sup>16</sup>
- In Africa, between 1.5 and 2.6 million ha of land has recently been allocated for large-scale palm oil concessions across at least 13 countries in Sub-Saharan Africa, according to the World Rainforest Movement (WRM).<sup>17</sup> Much of this is land that has been leased to multinational companies: for example, Malaysia's Sime Darby has a 63-year lease for

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<sup>12</sup> A list of the propositions discussed can be found in Appendix 3

<sup>13</sup> Koh, L.P. et al. 2011. Remotely sensed evidence of tropical peatland conversion to oil palm. PNAS 108:5127-5132

<sup>14</sup> Brown, K. Asian palm oil: limited supply. Financial Times. April 18 2011

<sup>15</sup> Stickler, C. et al. 2008. Ready for REDD? A preliminary assessment of global forested land suitability for agriculture. Woods Hole Research Centre, Massachusetts

<sup>16</sup> Butler, R. In Brazil, Palm Oil Plantations Could Help Preserve Amazon. Yale Environment 360. 14 June 2011

<sup>17</sup> <http://oilpalminafrica.wordpress.com/>

220,000 ha of land in Liberia, which it has already begun planting with oil palm. Sime is looking to acquire a further 300,000 ha in Cameroon. Other large companies – including Singapore-based Olam International and Golden Agri Resources (GAR), UK-based Equatorial Palm Oil, and Chinese-based ZTE Agribusiness – are also acquiring large tracts of land in Africa for oil palm development.<sup>18</sup> This 'new wave' of expansion poses a huge threat to tropical biodiversity and forests, particularly in African countries – many of which lack adequate legal frameworks and governance structures to develop oil palm in a sustainable manner.

- Rational land use planning systems – which include spatial mapping, zoning, community consent, habitat protection, and monitoring and enforcement – could be a powerful tool in avoiding the worst social and environmental impacts from future oil palm development. However, it was clear from this NGO meeting and the ZSL symposium that in most palm oil producing countries, weak land use planning systems are a major barrier to progress. They are rarely based on actual land cover data; are biased towards suitability criteria rather than sustainability; and decision-making processes are non-collaborative, lack transparency, and are prone to corruption.
- Other problems include uncertain land tenure, which in many countries is a cause of social conflict between palm oil companies and communities; complications surrounding legal zoning of land (which may be an issue unique to Indonesia); and a lack of capacity in relevant government departments.

### ***Proposed solutions***

- The priority in countries seeking to rapidly expand oil palm production – such as Liberia and others in West Africa – is to improve weak existing land use planning systems. This will require a combination of technical, legal and political changes.
- NGOs can build capacity among government officials in developing technical aspects, such as accurate land use maps and best practice guidelines, as well as identifying legal issues that need to be resolved. They can also work with companies to promote good practices, such as increased transparency, landscape-level planning, and involvement of communities and neighbouring concessions. In many cases decision tools exist to guide spatial planning (for example, the trade-off models developed by Lian Pin Koh and colleagues at ETH Zurich), and NGOs can help to build the case for using such tools in governments and national institutions.<sup>19</sup>
- The political changes required were thought to be more of a challenge. Building the political will, transparent governance structures, and perspectives of decision-makers to promote land use planning systems that are equitable and sustainable is something that cannot come entirely from the outside. External pressure can play a part, but participants were clear that pressure must also come from internal sources (such as businesses and civil society), as there is a sovereignty issue involved for many developing countries.

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<sup>18</sup> Sources: WRM; Financial Times; The Ecologist

<sup>19</sup> Koh and Ghazoul 2010, Spatially explicit scenario analysis for reconciling agricultural expansion, forest protection, and carbon conservation in Indonesia. PNAS 107:11140–11144

- The lack of transparency in land use planning procedures can leave them open to abuse and corruption. To minimise this, an ideal (or perhaps 'idealised') solution would be to split the decision-making process between three independent departments: one responsible for mapping, a second in charge of planning, and a third responsible for licensing and permit allocation. However, it should also be recognised that this solution runs the risk of compounding the communication problems between government ministries.
- One proposed solution that generated much discussion (and a fair amount of controversy) is diverting oil palm development towards 'degraded lands' – i.e. areas with low biodiversity and carbon properties but high suitability for oil palm. Countries such as Indonesia, Brazil and Colombia have large areas of such land that they are planning to identify and develop. However, they face a number of technical, social, legal and financial barriers to such a strategy. For example, there is no commonly accepted definition of degraded lands, and a number of wildly varying estimates exist as to how much there actually is. Maps showing where such areas are located are also needed.
- Any degraded lands strategy also needs to include processes such as free, prior and informed consent (FPIC) and take into account land tenure issues, livelihoods, and community preferences. Conservation and environment NGOs should be working alongside social groups to train companies and governments in FPIC processes, resolve conflicts, and advocate for clearer land tenure policies.
- To overcome such problems NGOs should work with communities, government and industry through a multi-stakeholder process, to develop a methodology that is transparent, equitable, based on sound science (e.g. does not classify logged forest as 'degraded land') and can be replicated in different countries and contexts.
- An important issue constraining attempts to utilise degraded lands in Indonesia is legal zoning. Some degraded areas are currently classified as 'forest estate', and legally protected, while some oil palm concessions are located on natural forest, which is zoned as land for development. This makes it very difficult for companies willing to undertake land swaps to go ahead with this approach. It is not clear whether similar legal loopholes exist in other palm oil producing countries; a useful area of work for NGOs working in Africa would be to review existing legal frameworks, identify such barriers, and propose legal and policy reforms.
- A final issue with the 'degraded land' concept is its negative connotation with industry, and participants suggested that a rebranding exercise might be in order to create traction for this strategy among palm oil companies themselves.
- Efforts to avoid the impacts of oil palm development must also include strong measures for habitat protection. Large areas of contiguous habitat are critically important for maintaining viable populations of many species, particularly large threatened mammals. Recent evidence suggests at least 10,000 ha is needed to conserve genetic diversity, a surrogate for long-term population viability.<sup>20</sup> A priority on this front is enforced protection of existing protected areas, including national parks and community conservation areas.
- However, to ensure forests and peatlands are protected in perpetuity from oil palm (as well as other threats such as logging and pulp and paper plantations) there needs to be

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<sup>20</sup> S. Persey, presentation to ZSL, 05 May 2011

continued political pressure – internal and external – on producer governments to move towards legal protection. At the same time NGOs can deter forest clearance by companies through a mixture of satellite and on-the-ground monitoring.

### **Activities**

- WWF has undertaken economic analyses in Kalimantan, Indonesia to demonstrate that oil palm development on alang-alang (*Imperata*) grassland – which has low carbon and biodiversity values – is economically viable.<sup>21</sup>
- The World Resources Institute (WRI) is working with an Indonesian NGO Sekala to develop a methodology for identifying and mapping degraded lands, piloting land swaps with plantation companies, and addressing legal barriers in West Kalimantan.<sup>22</sup> This project has gained support from the Government of Indonesia – under its moratorium agreement with Norway – which has announced a strategy to utilise degraded lands, and is developing a national database of such areas.

### **Debates**

- Some participants highlighted risks that local communities could be further disenfranchised by pursuing a strategy of targeting degraded lands. This is particularly the case if areas currently under some form of small-scale or pastoral use are incorrectly identified as degraded. There is also a risk that companies will not follow proper procedures for free, prior and informed consent (FPIC) when developing concessions on degraded lands.
- A more fundamental debate is between those who see further expansion as inevitable, and therefore something that must be managed to reduce impacts, and those who oppose all further plantations and insist on reducing demand. Mobilising communities to oppose and prevent plantations being developed can be very effective (e.g. Friends of the Earth worked with communities in Indonesia to prevent the conversion of 50,000 ha of forest)
- There was disagreement on whether the presence of RSPO members (e.g. Sime Darby, Olam, Golden Agri Resources) in Africa represents an opportunity to proceed in a more environmentally friendly way. Some participants felt that these companies are more accountable and will be more likely to work with NGOs and communities to minimise the harm caused by their plantations.

### **Priorities and opportunities for future collaboration**

- Develop a widely-agreed methodology and process for identifying ‘degraded lands’, including processes for land swaps in different countries. This must include strong social and environmental criteria, and not result in the exclusion of local people from customary lands or the conversion of ‘degraded’ (i.e. secondary logged) forest. NGOs can help to pilot this methodology in different regions and scale up through governments.

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<sup>21</sup> Fairhurst, T. and D. McLaughlin, “Sustainable Oil Palm Development on Degraded Land in Kalimantan”, WWF, 2009

<sup>22</sup> C. Hanson et al. FAQ: Saving Indonesia’s Forests by Diverting Palm Oil to Degraded Lands, WRI, 2011, <http://www.wri.org/project/potico/faq>

- Spatial maps are needed to inform land use planning policies, especially in African countries. These should be made freely available, based on reliable information, and regularly updated.
- Work with other NGOs to push governments and other stakeholders towards large-scale, legal, and properly enforced forest protection.
- NGOs can work together to analyse existing legal frameworks and land use planning policies, identify barriers and potential issues, and propose reforms if necessary.
- NGOs can work with scientists and community groups to develop monitoring tools such as satellite monitoring and on the ground investigations, which in combination can increase scrutiny of company operations and deter forest clearance.

## 2.2 Conservation in oil palm landscapes

### *Problems*

- Oil palm plantations are biologically impoverished compared to most other land uses. When forest is converted to a monoculture oil palm plantation, around 85% of the species are lost, with the worst affected groups being forest specialists that are already rare and threatened. Forest conversion also affects community structure, habitat complexity, host-parasitoid interactions and negatively impacts a number of other ecosystem services.<sup>23</sup>
- There are few opportunities to improve biodiversity within monocultures, but opportunities for conservation exist within concessions and at the landscape scale. The High Conservation Value (HCV) approach is a way of identifying areas with important biodiversity, ecosystem, or cultural values within an oil palm concession and protecting these values.
- However, there have been issues with the implementation of HCV areas in Indonesia, most notably with some areas being reallocated to other (non-RSPO) companies after being identified because the permitted preparation period has been exceeded. Although some laws in Indonesia support the protection of certain high conservation values, there is no explicit recognition of the HCV concept under Indonesian law, which puts such areas under long-term risk of conversion.<sup>24</sup>
- There are also a number of other barriers to the implementation of HCV. These include: high cost; need for trained specialists to carry out assessments; perception as a foreign imposition; a lack of capacity and will on behalf of governments and companies; and the risk that HCV alone may not prevent forest conversion.

### *Proposed solutions*

- Practical biodiversity conservation within oil palm landscapes requires collaboration between NGOs, governments, companies and communities, and an approach that works at different scales, from the landscape to the plantation.

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<sup>23</sup> J. Snaddon, presentation to ZSL, 05 May 2011

<sup>24</sup> M. Colchester et al. HCV and the RSPO: report of an independent investigation into the effectiveness of the application of High Conservation Value zoning in palm oil development in Indonesia, Forest Peoples Programme, 2009

- Plantation owners need practical guidance on which areas to maintain (e.g. riparian buffers, corridors to maintain ecological connectivity), what fragment sizes are necessary to maintain ecosystem services, improving habitat diversity, and how to use tools such as HCV to achieve these ends. NGOs can offer training and further develop technical tools to assist with this. They can also work closely with scientists to improve the science and integrate it within practice, and build capacity so that HCV assessments are carried out and implemented effectively.
- Governments must also be engaged to build political will and encourage use of HCV through a mixture of incentives and sanctions, and to systematically include such tools within land use planning frameworks. Where such frameworks are lacking NGOs could work with companies to map and avoid HCV and other important areas.

### ***Activities***

- The HCV Resource Network is planning to evaluate the effectiveness of HCV areas, build capacity in producer countries, and engage governments at different levels to mainstream the concept into land use planning procedures.

### ***Debates***

- There were worries that some important areas, such as peatland or secondary / selectively logged forest, would not be protected under HCV and this might even offer a license to destroy non-HCV areas. Secondary forests are recognized as important habitats for biodiversity and also store significant amounts of carbon, as do peatland areas. It is therefore critical that such areas are properly protected as oil palm continues to expand.

### ***Priorities and opportunities for future collaboration***

- International NGOs and consultancies can build capacity in the use of conservation tools (such as HCV) through training of communities, plantation companies, local governments, and NGOs in producer countries. Experiences and best practices can be shared through roadshows and exchange visits, such as between Indonesia and countries in West Africa.
- Engage governments to incorporate conservation within land use planning frameworks at regional and national levels, build political will to implement and enforce good conservation policies such as maintaining buffer zones and enhancing ecological connectivity.
- Work with researchers and practitioners to develop HCV tools for different regions and countries, improve cost-effectiveness and practicality, and build the business case for industry to use such tools.

## 2.3 Socioeconomic issues

### **Problem**

- Smallholders represent a large component of palm oil production, but their environmental impacts are less well understood than those of large-scale plantation companies. However, they are an aspect that should not be ignored – 'a crucial but complex part of the solution'.<sup>25</sup>
- Smallholder production employs many more people than the industrial monoculture model favoured in Indonesia and Malaysia. The NGO Solidaridad estimates that there are 6 million smallholder oil palm producers globally. Half of these are in Indonesia alone, where they take up 40-50% of the total planted area, but many exist throughout Africa and in countries like Brazil, Thailand and Colombia.
- Smallholders have the potential to improve yields and so make up for the extra supply necessary to meet growing demand. However, they face many barriers to this, particularly access to fertilisers, training in plantation management, poor infrastructure, unclear land tenure, and difficulties accessing mills. There are also potential environmental trade-offs with a strategy that aims to intensify smallholder yields – this could result in further expansion and deforestation without the necessary safeguards (i.e. under broader land use planning frameworks).
- Other socioeconomic issues relating to palm oil include land tenure and access to justice. Land tenure uncertainties have led to conflict between communities and plantation companies, with accusations of human rights abuses and land grabs increasing. As more companies begin producing palm oil in Africa, Papua New Guinea and South America these issues are likely to be exacerbated.

### **Proposed solutions**

- The RSPO could provide a framework for smallholders to shift towards more sustainable production, through its Task Force on Smallholders (TFS). Standards for both tied and independent smallholders now exist. NGOs can support the interests of smallholders in this process, for example promoting cooperatives and collective organisation to increase smallholder buying power with companies. They can also offer training on issues such as negotiating and improving long-term planning and agricultural management.
- The working conditions of smallholders also need to be protected while improving yields, and NGOs can work with companies to ensure their relationships are transparent and equitable, and that plantation landscapes are designed to maximise benefits for smallholders.
- While promoting smallholder interests and yields, NGOs also need to recognise and mitigate for potential negative impacts on biodiversity and forests. Top-down pressure from mills, buyers and retailers could ensure that a large number of smallholders are moved towards sustainable practices.
- Conservation NGOs can partner with social groups to raise concerns about land tenure conflicts, and mediate between affected communities and companies. Many producer

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<sup>25</sup> R. Nussbaum. Presentation to ZSL. May 06 2011 (<http://static.zsl.org/files/session-7-ruth-nussbaum-1480.pdf>)

countries lack regulatory guidelines or have unclear policies on land tenure; NGOs can minimise such conflicts before they arise by working with plantation companies to address free, prior and informed consent (FPIC), undertake community mapping, and recognising customary rights and local uses.

### **Activities**

- Solidaridad is working with the RSPO to promote the interests of smallholders through the POPSI scheme (Palm Oil Producer Support Initiative). POPSI aims to support smallholders worldwide attempting to gain RSPO certification. Solidaridad works throughout the supply chain to provide technical and organisational support to smallholders.

### **Debates**

- There were some unresolved questions at the meeting, for example on the question of promoting yield increases for palm oil small-holders: does this represent a good strategy for forest conservation, and if so under what conditions is it likely to be effective? Could increasing small-holder yields result in further expansion at the expense of forests, and if so what safeguards need to be in place to prevent this?

### **Priorities and areas for future collaboration**

- Conservation and environmental NGOs need to work closely with social/development groups to learn from their experiences, develop mutually beneficial approaches and policies, and make sure that palm oil smallholder development does not come at a cost to the environment.
- Work with social NGOs in producer countries to monitor and raise land tenure issues, resolve conflicts, and advocate for clearer land tenure policies.

## **2.4 Addressing unsustainable demand**

### **Problem**

- The long-term outlook suggests that demand for palm oil will continue to rise, spurred by growth in Asia and biofuels policies in the West. Predictions that global vegetable oil consumption will double by 2050<sup>26</sup> do not seem far fetched when set in the wider context of a projected 300-600% expansion of global industrial activity by the same point.<sup>27</sup>
- Given the historical impacts of palm oil production, it is clearly important that any comprehensive strategy must address this growing demand, in one of two ways: shifting consumption away from unsustainable sources (a short to medium term goal) and reducing overall demand (a longer term goal). Participants at the meeting also recognised that NGOs should differentiate between palm oil used for food (the majority of consumption, particularly in Asia) and for biofuel (increasingly a trend in Europe, Brazil and the US).

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<sup>26</sup> Corley, R.H.V. 2009. How much palm oil do we need? *Environmental Science & Policy*. 12: 134-139

<sup>27</sup> Butler, R. and Laurance, W.F. 2008. New strategies for conserving tropical forests. *TREE* 23: 469-472



Strategies that aim to influence overall demand will need to address these two aspects in different ways, especially in messages to consumers.

- The direct and indirect impacts of biofuels were discussed at length in the meeting. The direct impacts are well known and have been expanded upon above: deforestation, loss of biodiversity, and social impacts. They include not just those associated with palm oil in Southeast Asia but also with other biofuel crops such as soy in South America. Indirect impacts are harder to quantify, but centre around the concept that diversion of a food crop, such as rapeseed in Europe, to fuel use displaces agricultural production elsewhere. This indirect land use change (ILUC) can have significant impacts; a study by the Institute for European Environmental Policy (IEEP) estimated that 41,000–69,000 km<sup>2</sup> of land could be converted by 2020 as a result of the EU Renewable Energy Directive (RED) targets, leading to greenhouse gas emissions equivalent to an extra 12 to 26 million cars on Europe’s roads.<sup>28</sup>
- The NGO community is not so well positioned in China and India. These ‘big two’ consumers already account for 40 percent of global demand: this figure is rising and demographic and economic projections mean that the long-term outlook is continued growth. In addition, this demand is mainly for food uses such as cooking oil, which is likely to be hard to influence. Western NGOs lack the historical presence in these countries, and national civil society – whilst growing fast – almost certainly lacks the kind of influence that, for example, European NGOs have in the EU.
- Participants at the meeting were concerned that increasing awareness of the environmental costs of oil palm expansion in Indonesia and Malaysia are leading to “leakage”: the displacement of oil palm expansion to other parts of the world (such as West and Central Africa) where forest and land use legislation may be more weakly enforced. If this is what is happening (as certainly seems to be the case currently), the quest for sustainability in one part of the world may be driving unsustainable practices elsewhere.

### ***Proposed solutions***

- There was general consensus among participants at the meeting (and at ZSL’s symposium) that biofuels policies at the EU were very likely contributing to environmental degradation in Indonesia and elsewhere. There is a spectrum of views on what to do about this, ranging from amending the RED’s sustainability criteria to properly account for GHG emissions and ILUC impacts, through to outright opposition to the use of bioenergy and calls for a reduction in total energy use. However, most people agree that removing EU subsidies and mandates were a crucial first step.
- There also needs to be awareness-raising among consumers and companies about the risks posed by biofuels. Many people support biofuels because of their perceived benefits (e.g. energy security, reducing climate change), but there seems to be less knowledge about the complex issues surrounding indirect land use change, competition with food, and negative direct impacts.<sup>29</sup> NGOs can play an important role in communicating these issues in a nuanced and effective manner.

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<sup>28</sup> Bowyer, C. Anticipated Indirect Land Use Change Associated with Expanded Use of Biofuels in the EU – An Analysis of Member State Performance. IEEP 2010

<sup>29</sup> Rigaud, N. Biotechnology: Ethical and social debates. OECD February 2008

- Influencing demand in China and India will require a combination of approaches, including:
  - Pressuring multinationals who have operations in Asian consumer countries to bring their global operations up to the standards demanded in the West, and in so doing create the appetite among domestic companies to follow their lead;
  - Working with national NGOs in China and India to gain a better understanding of the nature of palm oil consumption (what products and sectors; where are the points of intervention), and to gauge the general public's awareness and attitude towards sustainability and the impact of their consumption on other parts of the world;
  - and making use of links between governments (such as the Defra/DFID-funded project between the UK, WWF and Chinese Chamber of Commerce) to embed sustainability standards like the RSPO at the policy level.

### **Activities**

- Europe is not the only major consumer of biofuels – Brazil and the US are also big players – but it is the only region that instituted such policies for environmental instead of energy security reasons, and as such is an important target for campaigning NGOs. There is some evidence that European NGOs have been highly influential among EU and national European policy makers on biofuels policies,<sup>30</sup> and this leverage could be used to further environmental goals more broadly within the EU.

### **Debates**

- Demographic and economic projections for India and China, which represent already the biggest demand for palm oil, are such that it is impossible to imagine that there will not be a sustained and increased demand for palm oil. The question is whether this increase in demand can be met without further erosion of the tropical forest boundaries. In the process of reflecting on this reality, the workshop brought out a fundamental debate about the long-term sustainability of palm oil.
- Some felt that until supply and demand of palm oil is somehow capped, any incremental gains in industry performance risk being undone. This is compounded by the presence of multiple large-scale drivers of deforestation in countries like Indonesia, where sustainability in the palm oil sector would not automatically lead to forests being saved. Participants at the meeting recognized that there are debates within the RSPO about reviewing the definition of “sustainable” in the context of palm oil production.

### **Priorities and opportunities for further collaboration**

- Continue lobbying at the EU and national government level to ensure that biofuels policies account for the full climate and biodiversity impacts of their production, including indirect land use change
- Collaborate with scientists and industry experts to develop tools and methodologies for biofuels accounting that can inform policy

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<sup>30</sup> Pilgrim, S. and Harvey, M. 2010. Battles of Biofuels in Europe: NGOs and the Politics of Markets. Sociological Research Online. 15: 4

- Communicate the impacts and complexities surrounding biofuels more effectively to the general public
- Identify key levers in China and India to influence consumption of palm oil, including government and multinationals
- Work with NGO networks in China, India and elsewhere in Asia to build capacity, influence the public, and increase the wider understanding of national patterns of consumption

## 2.5 Improving the effectiveness of the RSPO

### **Problem**

- Since 2008 the RSPO has certified around 1 million ha of oil palm plantations and over 4 million tonnes of crude palm oil production (approximately 8% of the global market). However, uptake of certified sustainable palm oil (CSPO) was only 51% between April 2010 and April 2011.<sup>31</sup> This situation is unlikely to change unless the RSPO can break into Asian markets, where it has currently made little headway. Without a guaranteed market for certified palm oil, growers have little incentive to meet the RSPO standards.
- At the meeting a number of other deficiencies with the RSPO were noted. These include: a lack of transparency in member reporting; the need for improved social standards; environmental standards not strong enough (e.g. don't include anything outside primary forest or HCV areas); no greenhouse gas emissions criteria; and poor engagement of smaller NGOs and community groups, especially those from outside Europe and the US.

### **Solutions**

- NGOs can engage with the RSPO and work from within to improve its effectiveness, such as through working groups, bringing forward grievances and resolutions, and the 2012 review of standards. However, there remain barriers to entry for many smaller organisations (fixed price membership) and this – and other concerns – has kept the NGO representation low. It currently stands at 22 environmental and social NGOs, out of 493 full members (as of July 2011). The RSPO could and should be doing more to reduce barriers to membership and proactively engaging NGOs and other groups, such as small-holder cooperatives.
- The RSPO itself should be making changes to increase transparency. The most significant of these would be to enforce annual reporting (which itself should be more relevant) from its members to increase scrutiny. It should also require companies to disclose the coordinates of their concessions and plantations.
- RSPO can strengthen its own capacity to promote rational land use planning practices and policies among members and at national governments in producer countries, especially by working in partnership at larger scales than concessions
- The RSPO should be using its combined corporate power to begin to lobby for changes, rather than react to external pressure from NGOs and wait for government regulation. RSPO

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<sup>31</sup> D. Webber, presentation to ZSL, May 5 2011

member companies also need to break from the corporate pack and name and shame companies that are tarnishing the industry.

- Other actions NGOs can take include lobbying companies to sign up to the RSPO standards; pressuring companies along the supply chain (e.g. traders and retailers) to increase their uptake of certified palm oil; engaging with companies to implement standards and build capacity in use of tools such as FPIC and HCV; and continuing monitoring and exposure of companies to expose greenwashing.
- An important outcome from the ZSL symposium was the need for campaigning NGOs to shift their focus away from attacking companies who have made commitments (e.g. by joining the RSPO), and begin to target other companies who currently see no benefit in such schemes. Continually targeting progressive companies may scare off other parts of the industry, or push them towards less rigorous standards. This does not mean that RSPO members are not open to scrutiny, and there still needs to be monitoring of actions towards implementation of sustainability standards.

### ***Debates***

- There still exists a feeling among many in the NGO community that the RSPO does not do enough to enforce its own standards, is not transparent enough, and allows companies to sign up with no intention of producing palm oil responsibly. Therefore, they are unwilling to take on faith the proposition that RSPO membership (or government subscription to RSPO standards, such as Liberia) will automatically lead to positive outcomes for forests. Until evidence is presented to suggest that the RSPO has been effective at slowing deforestation, this view is unlikely to change. Some participants at the meeting did not feel that the RSPO is an effective means of engagement, and worried that its presence diverts limited resources away from more important activities.

### ***Priorities and opportunities for further collaboration***

- Work with the RSPO to develop better land use planning tools that make use of spatial planning, HCV, FPIC etc., then promote these with plantation companies and push for inclusion in producer country policies.
- Push for increased transparency within the RSPO on issues such as member reporting and concession location.
- Work within the RSPO to ensure better implementation and enforcement of standards, and better engagement of governments, NGOs and industry in regions where it is lacking reach – especially in Asia.
- Pressure companies along the palm oil supply chain to increase their uptake of certified palm oil and to exclude palm oil from unreliable or non-transparent sources.

## Section 3. Emerging priorities and knowledge gaps

Below are some of points which participants felt might benefit from a collaborative approach. However, this is a tentative list, which might be the starting point to another meeting, maybe involving more NGOs, to see if we can develop common, bigger, stronger work programmes around these themes. By working together to tackle these immensely important issues, it will surely be possible for the combined talents and resources of those NGOs represented to have greater impact.

### 3.1 Emerging priorities

#### **Avoiding future impacts of oil palm development**

- Develop a widely-agreed methodology and process for identifying ‘degraded lands’, including processes for land swaps in different countries. This must include strong social and environmental criteria, and not result in the exclusion of local people from customary lands, or the conversion of ‘degraded’ (i.e. secondary logged) forest. NGOs can help to pilot this methodology in different regions and scale up through governments.
- Spatial maps are needed to inform land use planning policies, especially in African countries. These should be made freely available, based on reliable information, and regularly updated.
- Work with other NGOs to push governments and other stakeholders towards large-scale, legal, and properly enforced protection of forests and peatlands, both in existing protected areas and in unprotected areas.
- NGOs can work together to analyse existing legal frameworks and land use planning policies, identify barriers and potential issues, and propose reforms if necessary.
- NGOs can work with scientists and community groups to develop monitoring tools such as satellite monitoring and on-ground investigations, which in combination can increase scrutiny of company operations and help to deter forest clearance.

#### **Conservation in oil palm landscapes**

- International NGOs and consultancies can build capacity in the use of conservation tools (such as HCV) through training of communities, plantation companies, local governments, and NGOs in producer countries. Experiences and best practices can be shared through roadshows and exchange visits, such as between Indonesia and countries in West Africa.
- Engage governments to incorporate conservation within land use planning frameworks at regional and national levels; work with industry and national civil society to build political will to implement and enforce good conservation policies such as maintaining buffer zones and enhancing ecological connectivity.

- Work with researchers and practitioners to develop HCV tools for different regions and countries, improve cost-effectiveness and practicality, and build the business case for industry to use such tools.

### **Socioeconomic issues**

- Conservation and environmental NGOs need to work closely with social/development groups to learn from their experiences, develop mutually beneficial approaches and policies, and make sure that palm oil smallholder development does not come at a cost to the environment.
- Work with social NGOs in producer countries to monitor and raise land tenure issues, resolve conflicts, and advocate for clearer land tenure policies.

### **Addressing unsustainable demand**

- Continue lobbying at the EU and national government level to ensure that biofuels policies account for the full climate and biodiversity impacts of their production, including indirect land use change
- Collaborate with scientists and industry experts to develop tools and methodologies for biofuels accounting that can inform policy
- Communicate the impacts and complexities surrounding biofuels more effectively to the general public
- Identify key levers in China and India to influence consumption of palm oil, including government and multinationals
- Work with NGO networks in China, India and elsewhere in Asia to build capacity, influence the public, and increase the wider understanding of national patterns of consumption

### **Improving the effectiveness of the RSPO**

- Work with the RSPO to develop better land use planning tools that make use of spatial planning, HCV, FPIC etc., then promote these with plantation companies and push for inclusion in producer country policies.
- Push for increased transparency within the RSPO on issues such as member reporting and concession location, and monitor RSPO members in producer countries in Africa to ensure they do not break commitments.
- Work within the RSPO to ensure better implementation and enforcement of standards, and better engagement of governments, NGOs and industry in regions where it is lacking reach – especially in Asia.
- Pressure companies along the palm oil supply chain to increase their uptake of certified palm oil and to exclude palm oil from unreliable or non-transparent source

### 3.2 Knowledge gaps

Throughout Synchronicity Earth's NGO meeting and the ZSL symposium a number of areas were raised where information is lacking or where further work is needed. We highlight some of the key gaps below.

- **China and India:** Very little is known about the nature or market for palm oil consumption in China and India, but these two countries alone account for a significant proportion of world demand and will play an important role in future trends. Questions about the capacity to continue producing ever-increasing amounts of palm oil also need to be answered. There are also gaps around demand-reduction strategies more generally: how do we reduce consumption of palm oil? Which countries and sectors are the biggest levers of change? Is reducing demand for palm oil desirable, given its relative benefits (higher yields, reduced crop area needed) of palm oil compared to other oil-crops?
- **Impact assessment:** The effectiveness of tools and approaches used to reduce the impacts of palm oil is often taken on assumption and rarely backed up with evidence. The RSPO (and certification schemes more widely), the high conservation value (HCV) approach, Free, Prior and Informed Consent (FPIC), and other proposed solutions need rigorous evaluation to assess if they are leading to reduced deforestation and sustainable conservation and socioeconomic gains, as well as if the benefits outweigh the costs involved.
- **Intensification and land sparing:** Strategies such as improving yields for palm oil smallholders also need careful analysis before they are taken to scale. If done wrong, they could potentially lead to perverse outcomes such as increased deforestation and environmental impacts, especially if adequate safeguards are lacking. Proponents should be able to answer questions such as; under what conditions do such approaches lead to reduced deforestation? How can smallholders be encouraged to develop in a sustainable way? How can forests be protected to guard against negative outcomes in the long term?
- **Palm oil propaganda:** How influential are propaganda campaigns such as those run by companies like Rimbunan Hijau in Papua New Guinea and groups such as the Malaysian Palm Oil Council, and the work of front groups such as World Growth and ITS Global? Should NGOs be addressing these campaigns more proactively?
- **Research gaps:** There are still many gaps in science, most notably around conservation and issues such as fragment size, effectiveness of habitat corridors, and the benefits of maintaining ecosystem services in oil palm landscapes.

## Appendix 1: List of participants

<b>Name</b>	<b>Position</b>	<b>Organisation</b>
Jonathan Baillie	Director, Conservation Programmes	Zoological Society of London
Helen Buckland	UK Director	Sumatran Orangutan Society
Joanna Cary-Elwes	Campaigns Manager,	Elephant Family
Sarah Christie	East and South-east Asia Programme Manager	Zoological Society of London
Stephen Cobb	Director	Environment and Development Group
Helen Crowley	Associate Director, Market-based Conservation Initiatives	Wildlife Conservation Society
Heather Ducharme	Network Manager	HCV Resource Network
Ian Duff	Forest campaigner	Greenpeace UK
Christopher Eves	MSc student	Imperial College London
Adam Harrison	Senior Policy Officer, Food & Agriculture	WWF Scotland
Matthew Hatchwell	Director	Wildlife Conservation Society Europe
Elizabeth Hiester	Biofuels lawyer	ClientEarth
Chloe Hodgkinson	Programme Manager, Liberia	Fauna and Flora International
Chloe Joyeux	Technical Advisor	Environment and Development Group
Ian Lander		Biofuelwatch
Annette Lanjouw	Senior Director, Great Apes Program	Arcus Foundation
Anna Lyons	Programme Manager (agribusiness), Business & Biodiversity Programme	Fauna and Flora International
Katie McCoy		Forest Footprint Disclosure Project
Moray McLeish	Project POTICO Manager	World Resources Institute
Laura Miller	Programme Director	Synchronicity Earth
Sophie Persey	Biodiversity & Oil Palm Project Manager	Zoological Society of London
Tom Picken	Campaign Leader, Forests	Global Witness
Edward Pollard	Independent consultant	N/A
Helga Rainer		Arcus Foundation
Ian Redmond	Chairman	Ape Alliance
Kenneth Richter	Biofuels Campaigner	Friends of the Earth - England, Wales and Northern Ireland
Felix Whitton	Conservation Research Analyst	Synchronicity Earth



## Appendix 2: Summary of NGOs working on palm oil

Name	Size	Based	Main palm oil activities	Region(s) working	RSPO status
<b>Ape Alliance</b>	N/A	UK	EU campaign on palm oil labelling	EU	Not member
<b>Biofuelwatch</b>	N/A	UK & US	Research and campaigns on biofuels, focusing on demand reduction and power stations	UK, US	Not member
<b>ClientEarth</b>	£0.9m (2009)	UK	Legal challenges to EU biofuels policy	UK, EU	Not member
<b>Elephant Family</b>	£5.0m (2010)	UK	Public awareness campaigns   Human-elephant conflict in palm oil plantations	Asia	Not member
<b>Fauna and Flora International</b>	£12.8m (2009)	UK	Partnership with Cargill and other palm oil companies to map HCV forest in Indonesian concessions   Industry engagement through RSPO and BACP   Supporting development of alternative biofuel feedstocks   Strategic land-use planning	Asia (Indonesia), Africa (Liberia)	Member
<b>Forest Footprint Disclosure Project</b>	£0.4m (2010) <sup>32</sup>	UK	Disclosure of business and supply chain 'forest footprints' for investors	UK	Not member
<b>Friends of the Earth - EWN</b>	£10.5m (2010)	UK	Campaigns to stop EU and UK biofuels targets   Lobbies IFC on palm oil investments   Grassroots projects in Indonesia opposing oil palm plantations	UK, EU, Asia (Indonesia)	Not member
<b>Global Witness</b>	£3.8m (2009)	UK	Research and investigations in Colombia and Liberia on oil palm expansion	Africa (Liberia), Latin America (Colombia)	Not member
<b>Greenpeace UK</b>	£11-12m (2009)	UK	Corporate investigations and campaigns   Lobbying Indonesian government   EU biofuels campaign	Asia (Indonesia)	Not member
<b>HCV Resource</b>	N/A	UK	Coordinates network of	Asia, Africa	Not

<sup>32</sup> FFD is a project of the Global Canopy Programme

<b>Network</b>			groups using HCV approach   African 'roadshow' to promote HCV to businesses and governments		member
<b>Sumatran Orangutan Society</b>	£0.1m (2010)	UK	EU palm oil labelling campaign	EU, Asia (Indonesia)	Member
<b>Wildlife Conservation Society</b>	\$230 m (£143m)	USA	Corporate engagement in Gabon to map biodiversity priorities and develop land-use plans	Africa (Gabon), Asia (Indonesia)	Not member
<b>World Resources Institute</b>	\$28m (£17.4m) (2009)	USA	Project POTICO mapping degraded lands and working with private sector and communities to implement land swaps   Policy work in Indonesia	Asia (Indonesia)	Not member
<b>WWF-International</b>	€130.5m (£114.6m) (2010)	Switzerland	Founder of RSPO   Palm oil buyers scorecard rates European companies on responsible palm oil sourcing   Guidelines for palm oil investors	UK, Europe	Member
<b>Zoological Society of London</b>	£40.8m (2009)	UK	Working with palm oil industry through BACP to assess and mitigate biodiversity impacts   Biodiversity research in oil palm plantations	Asia (Indonesia)	Not member

This represents a snapshot of the activities of NGOs present at the workshop, most of whom are UK-based conservation organisations. The information was mainly gathered through conversations and information on websites and annual reports, and there may be additional activities that have not been included. There are also a number of other groups working on this issue which have not been included. Future research by Synchronicity Earth aims to expand this sample to include more information about these groups (for example, NGOs working in palm oil producer countries, and social and development groups who were not at the workshop).

## Appendix 3: Workshop format and propositions discussed

The one-day workshop comprised three sessions. The first session consisted of brief introductory presentations from Sophie Persey (Biodiversity & Oil Palm Project Manager, Zoological Society of London) and Felix Whitton (Conservation Research Analyst, Synchronicity Earth), followed by each participant putting forth their top three challenges or priorities in addressing the impacts of oil palm development.

For session two, participants were split into three working groups to discuss a series of 'propositions' relating to six themes (see below for full propositions):

1. Reducing social and environment impacts
2. New production frontiers
3. Conservation within oil palm landscapes
4. Unsustainable demand
5. Governance and the RSPO
6. Social issues

For each proposition the working group in question was asked to summarise their view of the statement (highlighting any disagreements or amendments), and to answer several questions relating to what needs to be done, who should be doing it, how would it be done, how long would it take, and how NGOs can work together to optimise impact.

Session three brought all the participants together to hear presentations of the discussions and outputs from each working group. The discussion was then opened to the floor, facilitated by Stephen Cobb of The Environment and Development Group (EDG).

Theme	1. Reducing social & environmental impacts	2. New production frontiers	3. Conservation within oil palm landscapes	4. Unsustainable demand	5. Governance	6. Social aspects
<b>Propositions</b>	<p>There is broad agreement on the need to identify and redirect expansion towards “degraded lands”, but we are far from knowing how much exists and where, or how it can be done in practice.</p> <p>Many tools exist to reduce or offset impacts of oil palm plantations (such as HCV, FPIC, and spatial modelling). Political will, poor capacity and training, and a lack of vision are key reasons why these are not implemented.</p>	<p>Large-scale oil palm expansion is projected throughout the tropics. NGOs must take the lessons from Indonesia and Malaysia and become more proactive in their engagement with the industry to ensure mistakes are not repeated.</p> <p>Governments in Latin America and Africa have committed to responsible oil palm development. The RSPO is a key part of this process, but we must not assume that its presence alone will turn rhetoric into reality.</p>	<p>Plantation companies need more practical guidance on biodiversity management from NGOs, especially concerning ecological connectivity, fragment size, and landscape-level planning.</p> <p>Scientific research should be doing more to provide evidence-based knowledge to practitioners, policy makers and the industry on the long-term impacts of biodiversity loss and the degradation of ecosystem services.</p>	<p>India and China account for nearly half the world market in palm oil. NGOs need to work together – from the inside and outside – to influence key points in supply chains to these countries (traders, investors, and global brands) and promote responsible consumption.</p> <p>Politically-motivated biofuels policies in the EU have had unintended and far-reaching consequences for palm oil prices and land-use change. In the longer-term, however, issues of peak oil and energy security could trump the environmental ones associated with biofuel. What is the NGO response to this?</p>	<p>Many producer countries have little in the way of land-use planning policies. NGOs can help develop the tools and bring different actors together, as well as pushing the RSPO towards engaging with these governments.</p> <p>The RSPO is a key factor in transforming the industry. NGOs can play a more active role in pushing for greater transparency, stronger standards, and persuading non-members to sign up.</p>	<p>There are approx.. 6 million oil palm small-holders worldwide. Although they cover 40-50% of land area, they only account for 20-30% of production. What can NGOs do to help increase small-holder productivity and ensure equitable sharing of benefits without negatively impacting biodiversity?</p> <p>Resource rights and land tenure will be one of the most important topics of the next decade. Although issues will vary from region to region, conflicts and land grabs are likely to increase, and NGOs will play a key role in mediating and resolving these.</p>

## Appendix 4: NGO challenges

The table below groups the diverse challenges raised into three themes: supply, demand, and other stakeholders. For each challenge, the key points raised and number of NGO participants who brought it up are shown. These are discussed more fully in the text.

Theme	Challenge	Description and key points	NGOs
Supply-side	Land-use planning (LUP)	<ul style="list-style-type: none"> <li>Rarely takes into account environmental and/or social factors</li> <li>Low capacity in government ministries, especially Africa</li> <li>Lack of broadly agreed or accepted definition of “degraded lands”</li> <li>HCV concept rarely integrated into local / regional / national LUP frameworks</li> <li>Lack of accurate, freely-available land-use maps</li> <li>Corporate and government transparency regarding concession allocation</li> <li>Procedures to facilitate land swaps lacking</li> </ul>	7
	Political will & governance	<ul style="list-style-type: none"> <li>Lack of transparency and communication between relevant government ministries</li> <li>Unclear or non-existent legal frameworks</li> <li>Regulations create perverse incentives to deforest</li> <li>Progressive governments offer (short) windows of opportunity for ‘green’ agenda</li> <li>Lack of government oversight of RSPO compliance</li> </ul>	7
	Land tenure & resource rights	<ul style="list-style-type: none"> <li>Communities excluded from LUP process</li> <li>Lack of legal security against palm oil expansion</li> <li>Limited access to justice</li> <li>Land swaps need social procedures as well as environmental (e.g. for degraded lands)</li> <li>Protected areas need long-term legal security</li> </ul>	4
	Conservation & biodiversity	<ul style="list-style-type: none"> <li>Limited evidence that High Conservation Value (HCV) concept is effective</li> <li>Lack of knowledge of role and benefits of ecosystem service maintenance</li> <li>Lack of knowledge on where critical biodiversity habitats under threat from oil palm are located</li> <li>Forest fragments need to be connected, but currently not cost-effective</li> <li>Little incentive to protect HCV areas</li> <li>REDD+ and bilateral deals (e.g. Norway-Indonesia) need to incorporate biodiversity</li> </ul>	6

<b>Demand-side</b>	Asian demand	<ul style="list-style-type: none"> <li>• Mainly used for cooking oil, which is difficult to reduce</li> <li>• Limited uptake of RSPO certified palm oil (CSPO) in China and India</li> <li>• Lack of market knowledge and understanding in these countries</li> <li>• Replicating early signals and commitments from European governments and private sector</li> </ul>	4
	Biofuels	<ul style="list-style-type: none"> <li>• Targets and subsidies create artificial demand</li> <li>• EU renewable energy directive (RED) targets do not account for GHG emissions and indirect land-use change (ILUC)</li> <li>• Reducing total energy consumption</li> <li>• Globalised side-effects of Western policies – food, forests and land grabs</li> </ul>	3
<b>Stakeholders</b>	Roundtable on Sustainable Palm Oil (RSPO)	<ul style="list-style-type: none"> <li>• Unclear framework on acceptable / unacceptable areas for expansion (including “degraded lands” methodology)</li> <li>• No commitments to total forest protection or “no net loss” of biodiversity</li> <li>• Limited oversight and enforcement of standards</li> <li>• No headway in China and India</li> <li>• Limited engagement with other standards and schemes</li> <li>• Standards fail to include demand</li> <li>• Membership weak across entire palm oil supply chain</li> </ul>	8
	Corporate & supply chain issues	<ul style="list-style-type: none"> <li>• Lack of industry will to implement RSPO standards</li> <li>• Companies beyond RSPO are unaccountable</li> <li>• Little publicly-available information on good and bad corporate performers throughout supply chain</li> <li>• Very little corporate transparency or disclosure in Asia</li> <li>• Inefficient and wasteful supply chains</li> </ul>	7
	NGOs & civil society	<ul style="list-style-type: none"> <li>• Limited sharing of data and experience</li> <li>• Lack of longer-term strategy or vision</li> <li>• Not enough funder-NGO / inter-NGO dialogue</li> <li>• Uncoordinated and sometimes incoherent communication</li> <li>• Ineffective communication with government and industry</li> <li>• Time-consuming and expensive partnerships with developing country NGOs</li> </ul>	7