

# Programme Scaling up Sustainable Palm Oil

**For Communities, Smallholders and labourers to participate and benefit**

Worldwide millions of people are affected by palm oil production, while struggling to provide the basic needs for their families. Social issues in the palm oil sector are diverse, complex and extensive and include land right conflicts, the bargaining position of smallholders and labour issues.

Palm oil, when produced in a sustainable manner, will be able to bring benefits to millions of people in rural communities, to small producers and to plantation labourers. In the case of unsustainable practices, palm oil hinders rather than enhances social development.

Sawit Watch and Oxfam Novib developed a programme to protect and improve the standard of living, economically and socially of local communities, smallholders and male and female labourers in the palm oil sector globally.

We do this by promoting and improving social developments within the Roundtable on Sustainable Palm Oil. Going further, we aim to strengthen the capacity of men and women in local communities to defend and improve their livelihoods, labour situation and rights to their lands.



## Social issues in palm oil

The continuous expansion of the palm oil sector impacts on local communities' land, especially indigenous peoples. These communities relinquish land ownership or land use rights and traditional livelihoods, often in return for a small plot of oil palm in a smallholder scheme, or get employment as labourer on the plantation. These land transformations generally happen with limited consultation, and often on the basis of false expectations and promises made by government and developers. In worst cases, it is effectively 'land grabbing'. In Indonesia alone, Sawit Watch has recorded over 630 disputes over land rights. In addition, concerns about the position of smallholder producers and plantation labour need serious attention.

## Multi-stakeholder approach in the Roundtable on Sustainable Palm Oil

In response to growing concerns on unsustainable practices, the industry together with NGOs in 2004 established the Roundtable on Sustainable Palm Oil (RSPO). Representing 50% of global production volumes, the RSPO is now the leading global multi-stakeholder initiative for promoting production and use of sustainable palm oil. The RSPO certification system for sustainable production became operational in 2008 and the first producers have been certified. Oxfam International and Sawit Watch joined the RSPO in 2004, and have since played a forefront role. We believe that part of the social concerns can be addressed through extending and improving the implementation of the RSPO certification system. However, there is a common understanding amongst stakeholders in the palm oil sector that certification systems alone will not address all concerns, let alone provide development opportunities. In other words: significant additional efforts both inside and outside RSPO are required.

## The programme

The four year programme (2010-2014) consists of 13 projects, of which seven are ready to start implementation. The programme is aimed at improving the position of each of the three main target groups (respectively communities, smallholders and labourers). Some of these activities will largely take place within the framework of the RSPO, others merely outside the RSPO.

Key activities inside the RSPO include the implementation and operation of 'Flying Teams' of experts to support increasing numbers of local communities in building their capacity in dialogue, consultation processes and complaints procedures, as well as the establishment of a Dispute Settlement Facility. The remaining programme elements relate to promoting markets for Certified Sustainable Palm Oil (notably EU and China) and sustainable investment policies in the palm oil sector. Finally, links will be established to exchange lessons learnt between the RSPO and other multi-stakeholder initiatives about cross-sector challenges.



Outside the RSPO, Oxfam Novib and Sawit Watch will execute pilot projects on sustainable land use planning at district and provincial level, to set examples how sustainable land use planning can protect and improve livelihoods and food security of local communities. With respect to the more than 3 million palm oil smallholders worldwide, the envisaged activities focus on improving smallholder yields and implementing fair contract conditions, such as to improve their bargaining power and income security. The work concerning over 3,5 million workers will focus on ensuring better positioning of labourers to negotiate their rights, through capacity building and promoting best practices.

### Roundtable on Sustainable Palm Oil

Communities

Smallholders

Labour

Markets

Investors

Link & Learn

## The near future

The focus of the work is on Indonesia, which is the largest palm oil producing country with significant expansion plans, while some activities will specifically be addressed at other countries or to the industry in general. Oxfam Novib and Sawit Watch execute the work in partnership, involving other partners from civil society, private sector and research institutes. The estimated costs of the seven projects are around 1,5 million Euros per year for a period from 2010 to 2014. Overall programme management will be done by Oxfam Novib, while much of the work in Indonesia will be carried out by Sawit Watch. Parts of the programme are currently reaching the implementation phase with funds from several donors. Funding is sought for further implementation of the seven projects as well as for the development of the remaining six projects.