

Sharing on experiences in campaign and networking on oil palm plantations

Indigenous Peoples vs. Indonesian Oil Palm Plantations

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Structure of the presentation

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- Sawit Watch
- Palm sector
- Market trends
- Assess main impacts
- Commercial structure
- Consumer pressure
- Legal & policy tendency
- Strategies of engagement
- Campaign and Networking
- Process & Results
- Outstanding problems

Indonesia & facts

- 192.197.000 ha in land size
- 5 big of 17,000 small islands
- 222 million population (2004)
- 30-60 million are forest-dependent peoples
- App. 30 million are indigenous peoples
- 10% per cent of the remaining tropical forests in the world exists in Indonesia;
- This forest hosts vast biodiversity resources with 10% of all the plants species;
- 12% of all the mammal species;
- 16% of all the reptiles;
- and 17% of all birds.
- Sawit Watch is an Indonesian organisation of individuals based membership that aims to counterbalance the uncontrolled expansion of large-scale oil palm plantations.
- Since 1998, the secretariat has built a network of 50 local partners who work directly with around 75 affected communities (approximately 40,000 families) throughout Indonesia.

- The Sawit Watch Association secretariat (15 staff) in Bogor has also built up partnerships with individual representatives in Indonesia as well as in Europe.

Sawit Watch = 'oil palm watch'

Oil palm & palm oil industry

- Oil palm is non-native plant
- Imported from West Africa by the Dutch Colonial in 1848 and 4 seedlings grown in Bogor botanical garden
- First large-scale and commercial plantation established in 1911
- 30 groups and manage/control 600 oil palm plantation subsidiaries
- Control 6.2 million hectares planted oil palm
- Within five years (1999-2004) an annual planting rate to have reached 400,100 hectares

Global market trends

- Global demand for edible oils will double in next 20 years
- Oil palm will expand by 5 - 10 million ha.
- Edible oils market in W. Europe and USA stable but competition for new markets in E. Europe, India and China

Response from producers

- Oil palm areas are increasing rapidly
- Malaysia expanding in Borneo and o/seas
- In Indonesia expansion is massive currently just over 5 million ha. under production
- Over 6 million planted
- Indonesia now number 1 producer
- Further 20 m ha. in regional plans!!

Main impacts

- Massive loss of forests (18 m ha. only 6 m ha. planted)
- Loss of biodiversity
- Theft of indigenous peoples' lands (most plantation land contested)
- Poor conditions of workers
- High pesticides use affecting esp. women
- Smallholder poverty
- Domination by large companies

Commercial structures

- Two countries dominate trade (Malaysia and Indonesia – over 80%)
- Major part of national development strategies
- Western Europe dominates consumption (over 40%)
- Processors and manufacturers dominant
- 100 RSPO members said to represent 30% trade

The top-10 foreign financial institutions

Consumer pressure

- Effective NGO media campaigns target retailers (supermarkets)
- Retailers feel very vulnerable
- Major processors also vulnerable to boycotts as products identifiable
- Consumer awareness actually weak: most concern is about fats not impacts in South

Response of the industry

- Major Palm Oil industries with WWF establish 'Roundtable on Sustainable Palm Oil' - (RSPO)
- Acceptable expansion
- Responsible production
- Multi-stakeholder agreed standard
- Voluntary certification

Legal & policy tendency

- **National constitution** stipulates conditional recognition that weakens and undermines recognition/protections
- **Investment act** provides maximum 165 years land use rights (*Hak Guna Usaha*)
- **Plantation act** (No. 18 year 2004) provides 120 years companies' land use rights (*Hak Guna Usaha*)
- **Biofuel policy** (presidential decree No. 1 year 2006) instructs 12 ministers under Coordinating Minister of Economic Affairs in proliferating procurement and production of biofuel as alternative fuels
- **Plantation operation permit** (Regulation No. 26 year 2007) stipulates special maximum 100,000 ha. of land per company (only oil palm)
- **Bilateral agreement** (Indonesia and Malaysia) allocates 12 million tons of CPO for biodiesel production
- **Counter-trade agreement** (Indonesia and Russia) to buy Shukoi jet-fighters

Strategies of engagement

- Play dual-strategy (insiders and outsiders)
- Develop adaptation and mitigation strategies
- Lobby and awareness raising campaign to stakeholders:
 - **Community and affected peoples**
 - **Local & central governments**
 - **Local parliament & National parliament**
 - **Plantation companies**
 - **Investors**
 - **Palm oil buyers**
 - **NGOs in Local, National & International**
- Be creative and innovative (*dialectic*) – no single perfect strategy exist!!!

Campaign and Networking

- International: participate and attend international fora, conferences, seminars, symposiums, roundtables
 - With AMAN prepared paper for presentation before UNPFii
 - With Oxfam and WWF worked to formulate social and environmental standards (RSPO Principles and Criteria)
 - With FPP-UK shared experiences with Brazil Soy Coalition and the Dutch Soy Coalition (Roundtable on Responsible Soy???)
 - Roundtable on Sustainable Biofuels (RSB)???
- National (with WWF work to promote high social and environmental standards) through National Interpretation and smallholders task force Indonesia, etc.
- Local (campaign and networks at provincial against mega oil palm border project, forest and land fires, etc.)

Process & Results

- RSPO endorse 8 principles and 39 criteria
- UNPFii (6th) Chairperson presented working paper title '*Oil Palm and Other Commercial Tree Plantations, Monocropping: Impacts on Indigenous Peoples' Land Tenure and Resource Management Systems and Livelihoods*'
- File submission to CERD Committee under its ***Urgent Action and Early Warning Procedures*** (send delegate to the 71st Session)
- File complaint to IFC/CAO Field Visits and Observations
- File complaint to the Executive Board of RSPO under '*Grievance Process*'

Outstanding problems – national

- Contradictory laws, which fail to secure indigenous rights while encouraging land expropriation for commercial projects in the ‘national interest’;
- Absence of regulations, as a result of which procedures for the recognition of the collective land rights of customary law communities are unclear;
- Weak institutional capacity, both in the national land agencies and in the district bureaucracies, which makes recognition of customary rights difficult;
- National and regional policies and spatial planning processes which favour the conversion of customary land and forests into oil palm plantations to increase national and district revenues.

Outstanding Problems – int’l market mechanisms

- Mandatory market rules?
- Voluntary RSPO criteria:
 - National Interpretation
 - Certification
 - Complaints
 - Chain of custody
 - Control of claims
- EU Directive Policy (biofuels mandatory targets)
- Uncontrolled market (India and China)
- Renewable energy demands

Concluding remarks

- Oil palm has been planting extensively in monoculture manner; creates monopoly and monopsony of single economic system creates poverty
- Palm oil is the second largest globally traded edible oil widely used in more than 60 market products
- Done right, palm oil should generate wealth and employment for local communities.
- Done wrong, oil palm estates can lead to land alienation, loss of livelihoods, social conflicts, exploitative labour relations and degraded ecosystems.

Concluding remarks on strategy

- Develop and promote rights based approaches in advocacy and campaign works (mandatory instruments vs. voluntary standards)
- Formulate strategic campaign and networks to make use of market leverage through rivalry between countries (Indonesia vs. Malaysia), investors/IFIs, buyers, traders, consumers
- Combination of political space strategy and one-dual advocacy strategy
- Develop strategic adaptation and mitigation approaches to mainstream to large-scale agribusiness

'Development without justice is not development, it is exploitation'

THANKS