

Palm oil - Sustainable 21st Century oil? SCI presentation

March 2009

The Problem



Concession area owned by RSPO member Sinar Mas, February 2009
Location – Near Sentarum National Park, West Kalimantan

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Summary:

- Greenpeace's priority campaign is to reduce Greenhouse Gas (GHG) emissions from energy production, transportation, and deforestation.
- Industry and government approach should reflect climate science – emissions need to peak and stabilise globally well within ten years to avoid catastrophic climate change
- This means tackling deforestation globally and specifically forest and peatland destruction in Indonesia. Estimate of Indonesia as 3rd largest source of GHGs
- Palm oil continues to be key driver deforestation – whether for use in food, cosmetics or biofuels
- A moratorium on further conversion would allow government and industry time to develop better solutions
- Greenpeace is not against palm oil use – we want to work with companies to develop workable alternatives to deforestation for this industry

Forests and Climate Change

- Forest destruction is responsible for nearly 20% of global GHG emissions.
- Protecting forests is a massive opportunity to slow down the rate of climate change and has major biodiversity benefits.
- Many Governments have recognised this. Successful businesses has to adapt to the reality of a carbon constrained world.
- Sir Nicholas Stern, 2008:
“Reducing emissions from deforestation is one of the quickest, cheapest and easiest ways of tackling climate change”
- Prince Charles, March 2009:
“We have less than 100 months to alter our behaviour before we risk catastrophic climate change”

Palm oil and deforestation

- Estimates suggest 4% of global GHG emissions come from Indonesia's peatlands alone#
- Deforestation has devastating climate, biodiversity and social impacts
- Development of RSPO to tackle sustainability, but change in this sector has been too slow and much of industry remains outside RSPO
- Worse, RSPO not yet complete solution - existing rules have not been kept to and standards need to be strengthened
- Main expansion – Indonesia's forests – driven by both Indonesian and Malaysian companies.
- The reputation of this entire industry is being damaged by companies who continue to destroy rainforests.
- Greenpeace will work with companies that genuinely seek to change but will continue to expose the actions of producers contributing to the problem



Bio-fuelling rainforest destruction

- Increasing use of palm oil for biofuels
- Expanding palm oil production into rainforests to meet demand for supposedly climate friendly biofuels is madness
- Recent science tells us that palm oil biodiesel can be many times more damaging to the climate than conventional diesel.
- Biofuel has to represent a genuinely significant GHG saving to be viable – evidence suggests palm oil along with many other ‘first generation’ crops, does not provide that
- Policy of UK and European governments now beginning to reflect this – slowing down of biofuels targets, introducing sustainability standards.
- Food vs Fuel at the heart of this debate. Limited space available for expansion should be allocated to food production.

Keeping forests off limits



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Long term solutions – where we are trying to get to

- Tropical forests are worth more standing than destroyed
- International finance mechanism delivers stable income to forest countries such as Indonesia for forest protection

In Indonesia:

- Government targets to tackle deforestation
- Comprehensive land use planning carried out, defining where expansion can take place without forest destruction
- Real Governance in palm oil sector eg peat issue
- Robust monitoring of deforestation and forest protection
- Full conservation audits prior to plantation development

Political space is required to implement these solutions...

A moratorium on further clearance

- A moratorium would provide “breathing space” while solutions can be found: REDD, yield increases, grassland development
- This does not rule out all new expansion, only destruction of rainforests and peatlands
- Needs backing from all sides of industry – retailers, traders and producers.
- This model has already been used in practise in Brazil. Amazon soya moratorium entering its third year, allowing systems to be developed for monitoring, traceability and development of land use plans.
- Traders and supplier in Brazil accept terms of moratorium and understand the importance of breaking the link between deforestation and soya production

Where are we today: RSPO

- Existing standards are not adhered to – our research found that one of first certified companies, United Plantations, was in breach on partial certification criteria
- Efforts to improve those standards led to a “walkout” at the last roundtable meeting, led by Sinar Mas
- Working group to consider greenhouse gas standard – could and should lead to more forest off limits to conversion
- Motion to introduce a moratorium on forest conversion for palm oil not put forward due to opposition from suppliers
- Forest clearance continues, including by companies who are members of the RSPO.

Coalition for further change in palm oil industry

- Demand from a wide range of companies and NGOs for additional action to prevent deforestation
- Companies involved include major international retailers and brands including Unilever, Sainsburys, Carrefour, Procter&Gamble, Kraft
- Not intended to replace the RSPO. However, the coalition is a response to the need for urgent progress.
- We will be urging coalition members to support better practice through their purchasing decisions – reward companies committing to stop forest clearance
- It needs incentives, but also disincentives – distance from most stubborn producers who are not committed to change

Conclusions



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- Palm oil industry, even after years of attention from the RSPO, NGOs and the international media, is not yet a sustainable industry
- Decisive action required to end deforestation and peatland clearance
- Producers and industry organisations can end the reputational damage being done to this industry by isolating companies which are not implementing sustainability standards
- We agree that companies implementing strong sustainability criteria should be rewarded in the market place
- Greenpeace is targeting major industries contributing to climate change. This is not an anti palm oil campaign
- Action to protect forests is not just a desirable outcome. It is a climate imperative.
- Greenpeace's campaign work for a moratorium will continue during 2009