




New Plantings, Biodiversity and Social Aspects

PANELIST



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Introduction

Miguel Ángel Mazorra
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This panel aims to analyze the development of new plantations from both a social and an environmental perspective. At the same time, it seeks to refresh some specific facts and messages from the various presentations, so that conference participants –who have been on their best behavior over the course of the two days– can comment on how they see the process of the National Interpretation of the RSPO Principles and Criteria and the beginning of the certification of companies.

The key issues are those particularly concerning aspects of palm oil production which, if we do not address them diligently today, will inevitably cause us serious difficulties tomorrow. We must make an inventory of what is being done, how it's being done and how it should be continued, as well as what must be changed going forward and how processes should be updated to direct business efforts in new plantings.

Under the framework established by the Conpes¹ policy document 3477 and the RSPO Principles and Criteria (with particular reference to Principle 7 about the development of new plantings), it is important to know what should be taken into account when thinking about developing oil palm-related projects. This

1. Colombia's National Council of Economic and Social Policy.

refers in particular to questions of planning and organization, land use, the ecosystem and resources which would be affected, and so on. Of course, it does not mean, for example, that new plantings should be immediately ruled out in forested areas. In such cases, it needs to be seen whether or not the land use can be changed. Hence issues such as the compatibility with planning regulations and the processes before the relevant environmental authority need to be studied. The environmental guide edited by Fedepalma clearly outlines the steps which need to be taken in order to allow use of forested land. At the same time, we know that we have a legal duty to protect rivers, channels, and wetlands. We can't intervene in ecosystems with such features.

Juan Carlos Espinosa

WWF

I would just like to highlight some points related with the environment, which arose in some of the presentations that we have heard today and yesterday and in particular in relation to the RSPO Principles and Criteria, especially Principles 5 and 7.

It must be emphasized that, in general, environmental management in the palm oil sector in Colombia has advanced a great deal in the last 5, 10 and 15 years. In the first presentations yesterday, Miguel Ángel Mazorra y Jens Mesa, Executive President of Fedepalma, referred to the multiple exercises that the sector has carried out, including the environmental guide and the evaluation of the sector's environmental performance. If one looks at the different issues contained in Principles 5 and 7, such as solid waste management, waste water management and emission control, it is obvious that there has been important progress, not just in the plantations but also in the processing plants. These are areas in which the Colombian palm oil sector has an enormous amount to show to other agricultural producers across the world.

So, these are important questions which must be considered before production activities are launched. I shall now give way to the other panelists. Juan Carlos Espinosa will refer, fundamentally, to protected areas and biodiversity. He will also talk about the work that we are undertaking to value these natural resources and for which we are applying to the UN and the Global Environmental Facility for funding. Andrés Castro, Fedepalma's director of Sustainable Development, whose work focuses on issues related to corporate social responsibility, will refer to the results achieved working with companies and producers. He will also sketch a picture of what is expected of the oil palm sector in relation to social issues. Johan Verburg, of Oxfam International, will refer to the key role of consent in the expansion of oil palm. Finally, the discussion will be opened up to the audience.

From the Control Union's presentation this morning, I would stress that there is still one aspect in which there is much work to be done: the identification, management, monitoring and improvement of areas of high conservation value. This is still presented as an area of opportunity for the sector in relation to environmental issues and it is also explicitly relevant for RSPO Principles 5 and 7. It should be clear that it doesn't just refer to carrying out of inventories of species and ecosystems, but rather that the idea is to go beyond this on several fronts, of which I want to pick out two:

1. Environmental services. Between 10% and 15% of Colombia's oil palm ecosystems, or agro-ecosystems, are protected areas. This means not only that, if inventories were done, they could give numbers very similar to those shown by the representative from Agropalma in her presentation. It means also that these areas are providing important environmental services to the palm plantations, in terms of biological controls, water supply, and so forth, as well as to other users in the plantations' zones of influence.



2. The areas of high conservation value are not limited just to those of the plantations. Part of what we want to promote through our partnership with Fedepalma and the Alexander von Humboldt Institute is a series of tools in the integrated management of the countryside, tools which the Institute has spent years developing for the country's different agricultural sectors. The idea is to look for connections and articulation between natural areas within the oil palm agro-ecosystems and the natural areas which form part of the plantations' zones of influence. This should all occur within a scheme of land-planning at the regional level, not at the level of individual property-owners, with reference to water basins, ecosystems, natural eco-regions and so on. The issue of areas of high conservation value isn't just about looking how a plantation relates to species and ecosystems, but also how it relates to the surrounding region.

We have wanted to incorporate this same philosophy of high conservation value at a landscape level and a regional level, and even at a national level, into the map of zones suitable for oil palm.

The presentation from Agropalma was interesting because, in what it showed about the areas suitable for oil palm, one could partly see what we want to do in Colombia. The idea is always to bear in mind existing protected natural areas, national parks, private reserves belonging to civil society actors, national park buffer zones, collective indigenous and Afro-descendant territories, areas of natural forest and other high value areas such as wetlands and some natural savanna ecosystems. From there, an analysis of edafoclimatic suitability can be developed. This is the logic that we want to follow on the oil palm map: ask what are the areas whose legal status prevents the development of productive activities by any agro-industrial sector, in order to exclude them from consideration. That is how the country should decide which areas to develop for oil palm cultivation, with the idea of obtaining higher levels of productivity.

Then, there is the issue of biodiversity. Environmental issues are intimately related with tools for land use planning, at the local, regional and national levels.

The GEF project which Miguel Ángel Mazorra mentioned is a joint initiative of Fedepalma, the von Humboldt Institute, WWF and, in a preliminary manner, the Ministry of Environment, Housing and Territorial Development. At this moment, the initiative is in the formulation stage. The idea is to develop a project similar to the one approved for the livestock sector in Colombia with a specific emphasis on silvopastoral production systems and with biodiversity and environmental variables incorporated. This means including in the discussion and implementation phases of the project not just oil palm companies, but also the regional environmental authorities, municipal governments and other actors.

The project, which will be led by Fedepalma, has three lines of work:

1. The valuation of the environmental goods and services associated with oil palm agro-ecosystems. Once this has been done, a valuation will also be done of the environmental services that these areas provide and could provide for the palm sector itself and for the surrounding areas.
2. Best practices linked with the issue of cleaner production. Miguel Ángel Mazorra mentioned that last year was the tenth anniversary of the Cleaner Production Agreement between the sector and the Ministry of Environment, Housing and Territorial Development, an agreement which is currently in a reformulation phase. Hence, through this project, we want to promote and give significant technical assistance to the sector in the implementation of these practices and also with respect to certification in palm regions related to the RSPO Principles and Criteria.
3. Management of landscape tools at the property-owner and regional levels.

It is hoped that the GEF project, which is planned to take place over five years, will be approved at the beginning of next year.

Andrés Castro

Director of Sustainable Development
Fedepalma

In this context, I would like to present some elements related with the development of the Social Responsibility Program in the palm sector, which is led by Fedepalma and which is new to the organization of the association. It aims to address, proactively rather than reactively, the views of different sectors, among them environmental and human rights non-governmental organizations and political figures who have tried to stigmatize palm oil in one way or another.

As precursors to this program, which was launched this year, above all we can mention the 2005 sustainability report, which presented an inventory of the sector's actions, activities and projects, including the social programs which companies run directly in their zones of influence.

It was found that there were housing programs that included not just company staff, but also the communities living alongside the plantations. Similarly, there were health and nutrition programs, related to basic, secondary and higher education programs, to staff training programs and to community work programs.

This work with the community refers to productive activities in small businesses, which complement the work and employment offered by palm oil companies.

In addition, the report also shows the commitment of the palm community in the four oil-producing regions of the country from the point of view of citizen oversight: that is, involvement in the management and spending of investments, whether public or private.

What the 2005 sustainability report shows is that, to some extent, these actions are disconnected, lacking an overall direction and a sector-wide perspective on a given issue. This undoubtedly represents a cost, an investment, for the companies concerned, which are distracted from their main aim, the sustainable production of palm oil.

Thinking about this has focused the program on creating consciousness about the need to work with com-

munities and the surroundings, bearing in mind that, if a business isn't responsible from an environmental or a social perspective, it's not sustainable. This commitment on Fedepalma's part is the aim of the program and it is where we tend to focus our efforts.

We are committed to taking on the problems of the oil palm sector on three fronts:

- The ownership of lands, arising from the possibility of developing production projects in certain regions where there are conditioning legal factors regarding property rights.
- Employment and work opportunities in the sector.
- Development of productive schemes through strategic alliances with small producers.

Regarding land ownership, different types of difficulties can be identified. Under Colombian law, there are delimitations to land rights, built into the Constitution, in the case of Afro-descendant and indigenous communities. The concept of collective lands was further developed for Afro-descendant communities by the Law 70 of 1993. This Law creates some type of ownership reservation over the Pacific water-basin, which stretches from Antioquian Urabá to Tumacó, including parts of the departments of Chocó, Valle de Cauca, Cauca, and Nariño. Throughout this zone, there are collective land titles which are held by organizations known as Community Councils, which exercise collective ownership and determine the use of the lands.

Hence all types of difficulties arise in the development of production projects not just in oil palm but any other agricultural area. This is precisely the origin of difficulties such as the dispute in the Chocóan Urabá, a region in which oil palm plantations emerged on collectively-held lands. Social organizations and the Catholic Church have denounced such developments, arguing that black communities have been displaced and their human rights violated.

Fedepalma has intervened in this case, seeking to clarify those irregular situations that may have arisen.



We have observed that, for some time now, the government has been engaged in the finding a definitive solution to the problem.

Finally, the authorities did manage to establish collective land rights over the parts of Curavaradó and Jiguanmiandó in question. There are four thousand hectares of oil palm development on these lands, whose fate will be decided by the Community Councils. Of course, it is here that the stigmatization of oil palm cultivation appears. The crops had been planted illegally; they may have to be destroyed and the lands dedicated to other products like basic foodstuffs.

However, efforts have been made to make productive oil palm projects viable, thereby maintaining the current crops, which are in many cases already in production. This obviously depends on the prior consent of the communities concerned, which must express their desire to enter into the oil palm business.

The same type of situation could be occurring in the case of the oil palm project promoted by the national government in the municipality of Guapi. Similarly, in the case of Tumaco, prior to the disease which affected that productive region of the country, plans were being made to incorporate the municipality's collective lands into agriculture.

Hence there is a need to look for legal rules which would allow such projects and which would be designed in agreement with local communities. That means that there could be no opposition between productive projects and collective lands. Agreements have to be reached that allow these zones to have the possibility of developing productive projects, as Chapter 7 of Law 70 itself suggests when it speaks of zones of economic and business development.

These particular cases refer to the black communities in the Pacific basin. If the issue of property rights is considered across the country, other types of problems can be seen. These relate with the issues of the Land Reform and the Rural Development Law. Such legislation should facilitate the titling of collective lands and also the development of oil palm plantations on lands currently in litigation, through the appropriation of lands using processes like the Justice and Peace Law.

In these cases, Fedepalma has again made some alternative proposals, because, when the possibility of planning 3.5 million hectares is suggested, it needs to be seen how much of this land is currently involved in legal disputes which are not easily resolved. We consider that this is a juridical foundation which would allow the development of oil palm in the country. This could even be through mechanisms which do not grant property rights, but instead provide for agreements such rent, concessions, and indeed any arrangement, including ones in which the state keeps ownership of the lands.

I now turn to the issue of employment in the oil palm sector. Although Fedepalma has some statistics about the sector job generation, this information needs to be made much more comprehensive. It is estimated that the sector directly generates around 35,000 jobs, which consist fundamentally of contractors and service contracts with Associated Work Cooperatives.

Similarly, it has been estimated –and some statistics have been presented on this issue –that, for each direct job, three indirect jobs are created in those economic activities which are complementary to palm oil production. Using this, we have established that the oil palm sector indirectly generates an estimated 100,000 jobs. However, we still need to establish what type of jobs these are and under which labor regime they fall (fixed term, indefinite term, waged, etc).

In cases where cooperatives are contracted, these may be service cooperatives, commercial cooperatives, or work cooperatives. That is, there are many ways of contracting such labor and we need to investigate further in order to have greater clarity and certainty about how it is done in the oil palm sector. This is needed, for example, to be able to rebut some accusations, which argue that the development of single-crop farming not just destroys biodiversity but also communities. Such an argument would seem a little illogical from the point of view of the sector's growth, which is in turn generating jobs and improving well-being in many parts of the country.

We have noted that these commercial relations with the Associated Work Cooperatives have been the subject of serious questions. So we need to evaluate and audit their development, and see if in reality the figure of cooperatives could be being abused in the palm oil

sector, as happens in the sugar and flower sectors. With independent audits, Fedepalma should establish the reality of the contracts with these Associated Work Cooperatives, and should check that we are not falling into the practice of labor intermediation or of using cooperatives like temporary work agencies. Fedepalma should be able to make suggestions in this respect, always under the understanding that the law, labor commitments, and the guidelines of the International Labor Organization must be strictly upheld.

These are the elements which it seems essential to address and to investigate, and Fedepalma is determined to do just that.

Finally, it is worth mentioning the issue of the Strategic Productive Alliances, a category under which Fedepalma has identified more than 5,000 small producers. Such links between small producers and businesses are formed to develop production projects which currently total 60,000 hectares. This accounts for a quarter of the sector's growth in the last six years, providing a model for other areas, as the cases of Midas, Indupalma and the Daabon Group, all of which have been presented here, show.

We know that this model should continue to demonstrate its viability and its sustainability over time. So, in 2005 the first characterization study was carried out, with the aim of identifying what types of alliances existed. Going forward, it is suggested that an evaluation of the alliances' performances should be carried out, using a SWOT analysis to establish a balance sheet of the development and management of these alliances with small producers. Such alliances may present some difficulties in the development of their operations. However, from my point of view, these can be quickly overcome so long as there is comprehensive information available to small producers about how the supply chain operates and how international prices translate to the local level, and so long as the small producers are fully aware of the commercial risks which exist.

In this way, we believe that Fedepalma is addressing a very important social dimension in the sector, which involves commitment from businesses. It is crucial to begin to implement the RSPO Principles and Criteria, given that such efforts, from a social perspective, allow us to obtain certification following the audit process.

Johan Verburg

Oxfam International

There is no doubt that consent is a key element for the responsible expansion of oil palm. And such agreement must be reached with local communities, whether they be Afro-Colombian, indigenous or of any other type. The truth is that the different groups of actors have to sit down together, including those who are going to do the hard work in the field, women, governments, and indeed all those who, in one way or another, are going to participate in the development of oil palm production. It must also be born in mind that consent means that discussions may lead to agreement, but also to a lack of agreement, about whether or not to develop in a different way to that which had been initially conceived or suggested.

If you fly over Colombia, you see rectangular plantations, a developed landscape with patches of oil palm, but also other crops, for export and to ensure food security.

People must be given a real choice. That means free and informed consent. People must have an idea of what exactly they are signing: with the plantings' cycle and oil palm's twenty five-year life-cycle, decisions cannot be taken lightly. I think it's here that the most important challenges lie.

I want to tell you an anecdote. Today at lunch I shared a table with several people and opposite me were two people who were talking amongst themselves. It seemed to me that they knew each other and that they



were talking from their own perspective, one from that of civil society and one from that of the private sector. Only later did I find out that both of them had grown up in the same town, but this was the first time that

they had spoken. That's pleasing to see and enriching in this environment of international stake-holders. I hope that we are so successful at a national level and even more so locally.

Session to comments and questions

Miguel Ángel Mazorra opens up the session.

Myriam Villegas

I work with the Program for Development and Peace in the Magdalena Medio, and I'm involved in smallholder oil palm production in the region. We have managed to group together, bit by bit, some 6,500 hectares of oil palm with social organizations. For me –as I have said to those who participated in the discussion group on sustainable responsibility criteria– this event is going to help a great deal in ending the stigmatization of palm oil, as Andrés Castro said.

I think that oil palm is a very good business and it has been distorted by the model that has been used. The model in which palm is planted can be what brings problems: this morning, we heard the representative from Oxfam mention all those problems which are common in our zone. I think that Andrés Castro summed them up well. However, I want to ask him how Fedepalma is working on these land control problems, because the problem of land is not just that of the lands of Afro-Colombian and indigenous communities, but it has become a conflict, a life-long conflict. This country's rural struggles have been for land. I think that the problem is not just about access to land, but about land reorganization and legalization. From many points of view, this requires political will on behalf of the government. Hopefully the vice-minister is listening to us and knows the trouble that exists, for example in forested zones of the country where land can't be titled. This scenario affects the availability of credit, any legal claim, housing, and countless factors that are out of the control of small farmers.

Response: Andrés Castro

In my address, I emphasized the conflicts that are occurring on collectively-held lands, because that has been how the media have approached the palm oil sector. However, in effect, the large developments of oil palm in the Magdalena Medio and in the Eastern Plains have to resolve problems which, as was pointed out, require reorganization, clear definitions and government involvement.

What we have done is basically present proposals for regulating some laws like the Rural Development Statute and Law 160, which facilitate, from an environmental perspective, the delimitation of those territories. This is done in a generalized, abstract way, without entering into the details of particular cases, with the idea that the land planning regulations are upheld from an environmental point of view. Yet there are opportunities for agro-industrial projects, like oil palm. That's crucial, because it is difficult for palm oil businesspeople to invest today with the legal insecurity to which such territories give rise. This is the perspective from which we're looking at it. However, we're doing so aware of the fullness of the issues related with food security, which is one of the components which today have been suggested in the face of the development of evergreen crops like oil palm. Hence I think the whole issue needs to be reviewed. We are looking to join up our efforts with the government, which ultimately is the authority in this area and the actor that must make the necessary definitions.

Unidentified member of the audience

I don't know whether, within the guidelines and national review of the Principles and Criteria and the creation of guides, it has been considered that ILO Convention 169 on the rights of indigenous and tribal peoples is included within Colombian legislation. Indeed, the Convention has constitutional character and is contained in Law 151. It establishes the necessary prior and informed consent for ethnic minority groups. This is an element which, for example, Law 1152 and the Rural Development Statute have left unresolved. I think that it's important to consider the existence of this legal principle, which obviously creates a restrictive framework for ongoing work. I agree that there is an enormous problem with the informality of land ownership, and there are around 40% of rural lands in private areas which have problems associated with the character of their occupants, tenants, or owners. This constitutes an enormous challenge for the state, but also, of course, for the private sector in terms of facilitating the rapid reorganization of land titles, titling where it exists and the restoration of property rights and legal security. Thank you.

Andrés Castro's response to question of the unidentified member of the audience

I didn't fully understand the questioner's perspective. Fedepalma is a private, non-profit organization, which includes two links in the palm oil supply chain: the growers and the processing plants. There are minimum conditions for entry into the association; they are related, first of all, to being an operating grower or processing plant, having some references from already affiliated producers, and so on. We perform an internal review of the documents which are submitted for affiliation and ultimately the Board takes a decision whether or not to approve the application.

Environmental and social considerations are not included in the affiliation criteria. However, to some extent, the databases that we review, fundamentally those of the financial and money-laundering systems, give us an idea of the identity of those, whether individual or companies, requesting affiliation.

Some requests are denied. However, as part of the democratization of the oil palm sector through the Strategic Productive Alliances, what we have sought is precisely that associated and independent producers join Fedepalma. This gives strength, legitimacy and representation to the sector. We encourage the affiliation of these small producers who are new to the sector, because we consider that it is very important for us to have them within Fedepalma.

Jens Mesa Dishington Executive President Fedepalma

I would like to add to Andrés Castro's comments that Fedepalma, since its beginnings, has ensured that its affiliates are responsible producers and companies. That means that, in practice, when someone who many palm oil producers don't know wants to affiliate, all possible material is collected to try to determine if his or her affiliation is desirable or not for Fedepalma.

During the time that I have worked with Fedepalma, some people have been denied affiliation – to put it one way, for bad behavior. We are in a country where drug-trafficking is a complicated issue. It has permeated all economic activity and from it derive many of the problems of some projects in the Chocó and Urabá and of those projects mentioned by Andrés. At a certain time, these projects requested membership of Fedepalma and they were denied. Only later were the issues related with them made public.

In other zones of the country, we have also had difficulties, because people who have been denied affiliation haven't taken the situation well. They want explanations and overwhelming evidence. However, in reality, local communities and neighbors know more about such producers than the authorities. The truth is that it's not an easy process for Fedepalma to undertake. Yet in general Fedepalma has ensured that its members are respectable people, people who are trying to act responsibly and who, although they may make mistakes, are committed to improving their performance in any areas of concern that may arise.