

Sustainable palm oil: Understandings and practices in the Netherlands and Indonesia



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Abstract

Vegetable oils have an abundance of uses, from biofuels to cosmetics and edibles. With these possible uses, vegetable oils have become one of the most traded commodities globally. Palm oil is the most produced vegetable oil and has been gaining a considerable amount of academic attention in recent years. A large array of academic literature exists about the sustainability challenges that arise from increased palm oil production and consumption. However, research that contributes to insights into the way sustainability is understood by actors within the supply chain and how they aim to deal with these sustainability challenges is limited. In this thesis, the understandings and practices of actors in the palm oil supply chain regarding sustainability are analysed. The empirical data used for this research consists of documents containing discourses about palm oil sustainability and qualitative, semi-structured interviews conducted in the Netherlands and Indonesia, with Dutch and Indonesian actors involved in the palm oil supply chain. It is analysed using Critical Discourse Analysis, which allows for an in-depth analysis of meanings and perceptions of concepts and is used to study practices and experiences from different actors.

In this thesis, several remarkable findings have been made. First, the understandings of sustainability in the palm oil supply chain do not only differ between the Dutch and Indonesian actors but also among these actors several divergent understandings have been found. In the Netherlands, this was not clear at first sight, with almost all actors stating that they think palm oil is sustainable when it is certified according to Roundtable on Sustainable Palm Oil (RSPO) guidelines. After diving deeper into their understanding several differences were found. In Indonesia these differences were more apparent and led to the formation of three categories of understanding; “The RSPO understanding”, “The pillars of sustainability” understanding and “The RSPO is not enough” understanding”. Second, a very buyer-driven approach to practices is found by the Dutch actors. For example, they aim to stimulate demand for palm oil which is produced according to RSPO criteria. The Indonesian practices found are more diverse, for example, tackling issues with markets for conventional palm oil and finding opportunities in the supply chain to pressure these markets to adopt sustainability practices. Also, practices that address the issues in Indonesia have been found, such as tackling the land grabbing issues and challenges in the land allocation process.

Executive summary

Part of the research in this thesis has been done under the supervision of Both ENDS, an organisation that works together with environmental and human rights organisations in the Global South to create a fair and just world in which social equity and environmental sustainability take priority over short-term profit. Understanding how sustainability is perceived by different actors in the palm oil supply chain is part of this mission. Both ENDS was instrumental in the establishment of the Roundtable on Sustainable Palm Oil (RSPO) and has been a member since its beginning. They have been playing an active role in its governance bodies, engaging with other members and supporting local communities and civil society organisations in producing countries to understand the RSPO and access its grievance mechanism. For this research, the question that was answered is: “To what extent is the Dutch understanding of sustainability in the palm oil supply chain supported by Indonesian actors involved in palm oil related activities?” Both ENDS mentioned that the answer of this question can provide valuable insights which can be used to gain a better understanding of the different views of stakeholders within the palm oil supply chain, particularly how Indonesian stakeholders view sustainability initiatives that serve markets in the Global North (like the RSPO). Furthermore, in this thesis, the understandings of the Indonesian side of the supply chain will be extensively researched. This could give insights into why the RSPO seems to reflect the European understanding of sustainability instead of the Indonesian understanding when it is intended to represent the views of all members of the palm oil supply chain. Both ENDS mentioned this type of information would be very helpful for them in their discussion with the government or other actors to show them the importance of sustainability in the palm oil supply chain. Furthermore, the outcomes of this research can be used internally by Both ENDS to better understand the dynamics in play in the palm oil supply chain.

To answer this question interviews have been conducted with different actors along the palm oil supply chain, both in the Netherlands and Indonesia. The interviews with Dutch actors showed that their understanding was quite similar at first glance, almost all stating that they follow RSPO principles and criteria and see RSPO certified palm oil as sustainable. After more in-depth questioning several differences arose, for example, a difference in understanding of the influence of traceability on sustainability and differing views of other certification standards than the RSPO. Then, interviews were conducted with Indonesian actors involved in palm oil related activities. This showed a very diverging set of understandings, which are grouped into three categories: “The RSPO understanding”, which consists of four actors, agrees with the understanding mentioned by Dutch actors. “The pillars of sustainability”, which also consists of four actors, their understandings show some commonalities with the Dutch understanding but is not exactly the same. And “The RSPO is not enough”, this category consists of three actors and they think the Dutch understanding is not a guarantee for sustainability and more needs to be done to realise this. Furthermore, three Indonesian actors were not categorised because their understandings of sustainability differed significantly from the others. This research has shown that most actors in Indonesia have a view on sustainability that is quite different from the Dutch understanding of sustainability. In academics, it is said that aligned priorities are important and that collaborative efforts can have a substantial influence on these understandings and priorities. Therefore, it is recommended that Both ENDS aim to open up the RSPO discourse towards a discussion in which actors throughout the palm oil supply chain, both European and Indonesian all have a voice. This is important to be able to work together in a collaborative manner.

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1. Introduction

Vegetable oils are increasingly being processed in a wide array of food and non-food products. Recently, vegetable oils have been praised as a promising source for the production of biofuels (Teoh, 2010). Due to these recent developments, vegetable oils have become a major global commodity. Palm oil is the most produced vegetable oil globally (McCarthy & Cramb, 2009). It has a 35% weight-based market share of all vegetable oils, this means that palm oil plantations make up 15 million hectares of land (Basiron, 2007), this is more than 3 times the size of the Netherlands. With this large size, the sustainability challenges related to palm oil production have become more and more apparent. Past expansion of oil-rich palm plantations plays a major role in the increased deforestation (Wicke et al., 2011), which leads to losses in biodiversity and an increase in greenhouse gas (GHG) emissions (Danielsen et al., 2009). Besides this, the production and manufacturing of crude palm oil uses large amounts of energy and water and are the cause of large amounts of waste, both solid waste and wastewater, and release pollutants in the air (Chavalparit et al., 2006). Besides these environmental issues, there are also a number of social issues related to palm oil production such as violation of labour rights and sometimes even basic human rights and land grabbing issues which cause loss of land of local, indigenous communities (Manik et al., 2013). These undesirable effects are felt most in Southeast-Asia, especially Malaysia and Indonesia, as this is the leading region for the production of palm oil (Task force Duurzame Palmolie, 2010). However, according to the World Bank Group, palm oil plays an important role in strengthening the economy, ensures a rising living standard and contributes to food security in Indonesia (Teoh, 2010). This indicates a clear trade-off between economic gains for the Indonesian government and companies in the palm oil supply chain, environmental effects related to palm oil, which are felt globally and social concerns, which are mostly felt by Indonesian locals involved in the palm oil production.

Indonesia is one of the largest producers of palm oil and shows no evidence of slowing down their production, the palm oil plantation area in Indonesia is still expanding at the cost of forest area (Hansen et al., 2015). This indicates an emphasis on short-term economic interests over a long-term sustainable supply chain. Because of the environmental issues paired with the production of palm oil, this can lead to large environmental problems which can have a global influence. In Europe, there is an ongoing discussion about the environmental sustainability challenges related to palm oil. This indicates that in Europe there is more focus on environmental sustainability related to palm oil than in Indonesia. The Indonesian emphasis on short-term economic gains and the European demand for sustainability in the palm oil supply chain require opposite actions. This makes the Indonesian palm oil industry and their understanding of sustainability an interesting case to compare with the European understanding of sustainable palm oil.

The Dutch market is an important factor in the European palm oil industry, as over 30% of the palm oil used in Europe enters the European market through Dutch import channels (DASPO, 2016). This means that Dutch palm oil actors can have a large influence on the share of sustainably produced palm oil used in Europe, this makes the practices developed by Dutch actors crucial in achieving 100% sustainably produced palm oil in Europe (Ministry of Foreign Affairs, 2015; DASPO, 2016). From 2010 to 2015, several Dutch actors engaged in palm oil related activities bundled their strengths in the Dutch Task force for Sustainable Palm Oil. This Task force consisted of all elements of the palm oil supply chain based in the Netherlands, from refineries and processors up until retailers and supermarkets (RSPO, 2012). The goal of this task force was to make all palm oil destined for the Dutch market to be sustainably produced by 2015, where they understood sustainable palm oil as: “palm oil certified according to one of the four criteria of the Roundtable on Sustainable Palm Oil (RSPO)” (DASPO, 2016). In 2015 this goal was reached, and the Task force was disbanded but the actors in this task force continued to monitor the sustainability of the Dutch palm oil market in the Dutch Alliance for Sustainable Palm Oil (DASPO). After the creation of this task force, many other national initiatives followed in Europe (DASPO, 2016), this shows that Dutch initiatives have a leading role in making the European palm oil supply chain more sustainable.

Part of this thesis is conducting a research internship at Both ENDS. This is an organisation that aims to create a world in which long-term environmental sustainability and social equity have priority over short-term profits. They collaborate with environmental justice groups from the global south to impact policies and investments that influence social justice. With regards to palm oil sustainability, Both ENDS have, for example, researched the RSPO and the steps they take to influence sustainability in the palm oil sector. Also, they collaborated in the writing of an article about governance in agricultural commodity chains, such as palm oil (Larsen et al., 2018). This thesis can provide valuable insights, which can be used to gain a better understanding of the different views of stakeholders within the palm oil supply chain. Also, this thesis aims to dive deep into the Indonesian side of the palm oil supply chain. Both ENDS mentioned they do not have the capacity to do this type of research themselves, but it would be very valuable for them to know to what extent the European understanding of sustainability is supported by Indonesian actors, as they can use this information in their discussions with, for example, policymakers to persuade them of the importance of making the palm oil supply chain more sustainable. Furthermore, the outcomes of this research can be used internally by Both ENDS, since they mentioned that they lack information on how sustainability understandings deviate among actors.

The exact understanding of sustainability used by an actor shapes the practices they implement to reach this goal. Different understandings can lead to the development and implementations of different practices (Hardy et al., 2000; Reyes, 2011). In turn, this can lead to miscommunications between actors and can influence the effectiveness and outcomes of the practices which are implemented or even lead to practices which address different challenges altogether (Hardy et al., 2000). Boons & Mendoza (2010) state that the understanding of sustainable palm oil is very different between and among actors of the palm oil supply chain. The fact that a difference in understanding or emphasis can have a large impact on practices and actions (Hardy et al., 2000; Reyes, 2011) makes it necessary to analyse the differences in understanding of sustainability by different actors throughout the supply chain in a discursive manner.

Little research has been done on how sustainability is exactly understood by Dutch and Indonesian actors involved in palm oil related activities and what practices emerge from these understandings. To analyse the differing understandings of sustainability and the developed practices by Dutch and Indonesian actors it is of crucial importance to first research how exactly the Dutch actors understand sustainability and how this understanding deviates from the understanding of sustainability by Indonesian actors involved in palm oil related activities. This leads to the first sub-question:

How do the understandings of sustainable palm oil differ between and among Dutch and Indonesian actors involved in palm oil related activities?

The exact understanding of sustainable palm oil of the Dutch and Indonesian actors influences the practices they develop and implement because these practices aim to get closer towards their understanding of sustainable palm oil. Different understandings of sustainable palm oil could lead to different practices (Hardy et al., 2000; Reyes, 2011). The fact that different understandings of sustainable palm oil influence the practices they develop and implement makes it important to study these practices from a discursive point of view. This leads to the second and third sub-questions:

What practices did the Dutch actors in the palm oil supply chain develop to address what they perceive sustainability to be in the context of palm oil?

What practices did the Indonesian actors in the palm supply chain develop to address what they perceive sustainability to be in the context of palm oil?

The answers to the above-mentioned sub-questions form the basis for answering the following research question:

How do Dutch and Indonesian actors in the palm oil supply chain differently understand sustainability in palm oil related activities and what practices have they developed to address what they perceive sustainability to be in the context of palm oil?

The following parts of this thesis are structured as follows. First, a theory section is written, in which an elaborate overview of existing literature is given and discourse analysis and Critical Discourse Analysis are explained. After this, the methodology is explained, in this section, it is explained how the methods and data analysis answer the research question, this is done by elaborating upon the research design, interview process, sampling strategy, coding process, data analysis and research quality indicators. Following on the methodology, a brief overview of the palm oil supply chain is shown, to place the activities of the actors in this research in context. Then, the results will be presented, this will be done by comparing the understandings of sustainability from Dutch and Indonesian actors and by elaborating of what the differences between and among these understandings mean. Also, the practices that are mentioned in the interviews are explained. To conclude a discussion and conclusion section is written, in which the results will be discussed, summarized and related to literature. Besides, recommendations for future research will be given and the relevance of this research will be addressed.

2. Theory

In this section, the theory used for this research is described. First, an elaborate overview of existing literature is given to place this research in a wider academic context and show how this topic is situated in academic literature. Next, discourse analysis and Critical Discourse Analysis are elaborated upon to show the functions and possible influences of language on practice.

2.1 Literature review

The section below entails a review of past literature leading up to this research. First, the sustainability issues related to palm oil will be discussed to give an overview of the types of effects the palm oil supply chain plays a role in. Then, literature regarding sustainability understandings will be highlighted and literature regarding the relation of understandings and practices will be elaborated upon to address the importance of understandings in developing practices. Afterwards, the position of the RSPO in the literature will be addressed. Subsequently, the literature on the Indonesian Sustainable Palm Oil (ISPO) standard will be discussed. This is done to give an image of what these standards do and to create an image of the context in which sustainable palm oil is currently understood in literature. Lastly, a comparison between RSPO and ISPO is made to see how these standards relate to each other and to elaborate upon the social context created by the Indonesian government in which sustainability is addressed.

As touched upon before, there are several sustainability issues related to the large-scale production of palm oil. An important note in this literature is that economic, environmental and social effects cannot be seen independently, but all influence each other (Vermeulen, 2015; Brandi, 2017). Academic literature mentions, among others, the following issues in the palm oil industry: Deforestation and a paired increase in GHG emissions (Wicke et al., 2011; Danielsen et al., 2009), which is felt globally. A high energy and water usage (Chavalparit et al., 2006), which is mostly an issue for firms in milling and refining. Violations of human rights, mainly land ownership issues (Cramer et al., 2006) and poor labour conditions (Teoh, 2010), pricing issues (Teoh, 2010) and unequally distributed social benefits (Obidzinski et al., 2012), which appear mostly among plantation farmers. Issues with subsidies and taxes leading to unfair competition (Boons & Mendoza, 2010), which influences the global economy. With so many sustainability issues at play amongst different actors in the palm oil supply chain there are many different sides of the story, and thus a lot of differences in perspectives and experiences on what palm oil sustainability entails.

When analysing different sustainability understandings from palm oil actors it is important to consider the possible differences in focus these actors have. For example, one actor can have an understanding of sustainability which is purely economic, while another actor can say they only focus on social topics and other focusses only on environmental concerns. This is of importance because, as said before, they all influence each other (Hansen et al., 2015; Vermeulen, 2015). Since understandings shape practices (Hardy et al., 2000; Reyes, 2011) this can lead to practices with unexpected effects in areas outside of the focus area of this actor.

In literature, the RSPO is generally depicted as the most widely recognized and legitimized private certification standard in the sustainable palm oil industry and portrayed as the only viable solution for the sustainability issues regarding palm oil (Wijaya & Glasbergen, 2016). It is stated that engaging in private standards, such as the RSPO, can help to improve your status in the international market (Martinez & Poole, 2004). Besides, academics state that engaging in certification schemes is especially important for developing countries (Vermeulen & Kok, 2012; Bartley, 2011; Wijaya, 2016) because it can lead to the transfer of knowledge, technology and skills and thus improve the agricultural market conditions (Martinez & Poole, 2004; Douma & Van Wijk, 2012). From this literature, the RSPO seems like an organisation which is viewed as very positive. However, in contrast with these points, some criticisms are also brought up in literature. For example, Wijaya (2010) states that the RSPO can make developing countries feel like their autonomy is being threatened. Some even consider it a tool of

developed countries to protect their own markets, because it is very difficult to meet the requirements, which makes accessing the global market harder for them (Gulbrandsen, 2014). Some scholars also highlight the fact that private standards, such as the RSPO, can increase the asymmetric power distribution between developed and developing countries (Hatanaka, 2010; Todaro & Smith, 2009), for example, by not taking smallholders into account. Boons & Mendoza (2010) support this statement by saying that the RSPO understanding of sustainable palm oil is buyer-driven. This means that the RSPO understanding of sustainable palm oil comes from the consuming side of the supply chain and hardly considers the possibilities of reaching this understanding for the producing side. This shows that some academics draw a positive image of the RSPO and state that it is very helpful for developing countries, while not considering the criticism brought up.

The ISPO was set up by the Indonesian government to ensure sustainability in the Indonesian palm oil industry and to show their commitment towards the development of sustainable palm oil (Harsono et al., 2012). It can be viewed as a contra-initiative to the private RSPO standard (Wijaya, 2016). ISPO explicitly aims to be a standard which is not pressured by foreign influences while still being economically interesting for growers and processors (Schouten & Bitzer, 2015). However, ISPO is more a law than a standard. Currently, ISPO is compulsory for firms involved palm oil related activities in Indonesia, by 2022 it will also become compulsory for smallholders (Indonesian Palm Oil Platform, 2015). This means that ISPO wants to certify millions of smallholders which are spread across all Indonesia, hard to reach out to and have diverse organisational and cultural backgrounds (Hidayat et al., 2018). This is very difficult and requires well-organised administrative structures, which most public standards in developing countries lack (Schouten & Bitzer, 2015). In theory, the compulsory nature of the ISPO comes with severe sanctions for non-compliance, such as suspension of a companies' business permit, and could be very effective in ending unsustainable working methods in the palm oil supply chain. However, the ISPO committee, who is responsible for realising the standard, does not have the necessary authority to enforce the standard (Hidayat et al., 2018). This lack of authority is partly due to involved ministries power to keep their own regulations, which can lead to conflicting legislation or procedures (Hidayat et al., 2018). Besides, the ISPO is not accepted in the global market due to their hesitancy to precisely set out their ambitions, unfolding in the absence of deforestation and biodiversity regulations. According to Hidayat et al. (2018), this can be seen as a trade-off between environmental and economic goals.

In literature comparisons have been made between RSPO and ISPO, several differences have been identified. First, the RSPO has clear requirements on transparency and ethical policy in business operations ISPO just mentions this but do not have clear requirements for this topic (Efeca UK, 2016). Besides, RSPO has elaborate and clear principles and criteria. ISPO relies on Indonesian law and the requirements for ISPO are more lenient than RSPO's requirements (Efeca UK, 2016). Also, the ISPO does not mention "Free, Prior and Informed Consent" (FPIC) standards in a land acquisition process. RSPO has clear and in-depth guidelines concerning FPIC standards (Efeca UK, 2016). Furthermore, RSPO has clear labour requirements, for example on health and safety and child labour. ISPO only states that workers must be registered in the government's social security programme and never mention forced labour and the challenges this imposes (Efeca UK, 2016). In general, RSPO has more explicit and elaborate principles and criteria and provide more clear guidance and requirements than ISPO (Yaap & Paoli, 2014). ISPO's requirements are in line with Indonesian legislation and are straightforward and practical to implement. This is in line with the compulsory nature and makes it easily applicable (Yaap & Paoli, 2014). This comparison is shown in this research to put the ISPO and RSPO into perspective and to sketch the social context in which the practices are developed. This is an important part of Critical Discourse Analysis, which will be discussed later in this thesis.

As said before, in the palm oil supply chain, the understandings of sustainability differ among actors (Boons & Mendoza, 2010). Bailis & Baka (2011) state that organised, collaborative efforts, such as the Task force or the RSPO, can have a substantial influence on the global effects of practices because their influence is not bound to country borders, which is the case with governments. Besides, the

understanding of large concepts, such as sustainability, plays a major role in the development and implementation of practices (Hardy et al., 2000). In literature, links have been established between practices and discourse (Hardy et al., 2000; Inkpen & Choudhury, 1995; Reyes, 2011). Hardy et al. (2000) even states that individuals can engage in discursive activities to help influence the meanings of certain concepts to better suit their practices. This research builds on Hardy et al. (2000) by researching the practices developed and implemented by Dutch and Indonesian actors through a discursive lens by diving into the different understandings of sustainability within the palm oil supply chain and to find possible links of these differing understandings to the developed and implemented practices. Also, Reyes (2011) said that there are five different discursive ways to legitimise actions, through emotions, by creating a hypothetical future, by showing rationality, by displaying voices of expertise or by presenting an altruistic nature of these actions. In the palm oil supply chain, the strategy of creating a hypothetical future is apparent, as the sustainability challenges need to be addressed to prevent the hypothetical future in which palm oil issues are not tackled and continue to grow. Besides, showing rationality is done by stating that decisions were made after thoughtful discussions (Reyes, 2011). The fact that understandings shape practices (Hardy et al., 2000; Reyes, 2011) makes it important to consider that both actor groups develop and implement practices to improve sustainability in the palm oil supply chain according to their own understanding of sustainability. The fact that both actor groups legitimize and shape their practices according to their own understanding of sustainability influences the effects and outcomes of these practices (Hardy et al., 2000). This makes practices dependent on an actors' understanding of sustainability, which means that practices are heavily influenced by discourse.

2.2 Discourse analysis

Phenomenology, grounded theory and discourse analysis are three qualitative research theories which are used to answer questions of understanding and meaning in different ways (Starks & Brown Trinidad, 2007). In this research, the differing interpretations and meanings of different actors are of critical importance. This is not considered in phenomenology (Van Manen, 2016), therefore phenomenology is not a suitable theory for this research. This research does not aim to build an explanatory theory, which is the aim of grounded theory (Glaser et al., 1968) but aims to find out the differences in understanding of the word sustainability and the practices that these different understandings have shaped. Discourse analysis is related to the meaning of words, such as certain feelings and the differences in meaning similar words can have when used by different stakeholders (Burck, 2005). In this research, the aim is to analyse the differences in understanding of the word sustainability when used by different actors, discourse analysis suits this aim perfectly. Also, this research aims to dive into practices developed and implemented by Dutch and Indonesian actors. Discourse analysis fits this aim since one of its uses is to find meanings of texts (Burck, 2005), such as experiences and interventions. Furthermore, discourse analysis can be used to link emerging discourses to emerging practices (Fairclough & Wodak, 2013).

Discourse analysis is a theory that arose from literary criticism, linguistic studies and semiotics (Starks & Brown Trinidad, 2007). It revolves around the use of language, for example, it studies how a person reaches professional, social or political goals through the use of language (Starks & Brown Trinidad, 2007). Besides, it is argued that language in itself is only meaningful due to the meaning given to the words. This means that words, as a set of letters, are meaningless by itself and only get meaning when consensus on the meaning of a certain word is reached (Gee, 2004). In order to properly understand the meaning of language Gee (2004) described the seven "building tasks" of language (Table 1). These building tasks can be used to understand the meaning of words, for example by emphasizing different aspects of a definition (Beaulieu & Sarker, 2013). In this research, the building tasks *Significance* and *Practices* are most important. *Significance* is a task of language used to explain the importance of a certain word or concept (Gee, 2004) or to give a certain meaning or value to these concepts (Au, 2009). In this research, *significance* is important since this task can be used to highlight specific aspects of a story and can surface differences in understandings of the concept sustainability or reveal differences

in emphasis when the word sustainability is used by different actors. *Practices* is a task of language used to indicate certain activities that are socially recognised or culturally supported. A practice requires a certain combination of actions (Gee, 2004). Assisting a student is an action, supervising a student writing a thesis and providing guidance throughout this process is a practice. *Practices* is an essential part of this thesis since the aim is to discover several practices which are developed and implemented by actors in the palm oil supply chain.

Table 1: Seven building tasks of language (Gee, 2004)

Building task	Description
Significance	Language can emphasize specific parts of a sentence or story.
Practices	Language can be used to indicate a certain activity or practice
Identities	Language can be used to express a certain identity
Relationships	Language can imply the type of relationship the producer has or wants to have with the consumer
Politics	Language can signal what is correct behaviour
Connections	Language can connect or disconnect certain elements
Sign systems and knowledge	Language can prefer one sign system over another

2.3 Critical Discourse Analysis

Within discourse analysis, there are three different perspectives; discourse theory, Critical Discourse Analysis (CDA) and discursive psychology (Gee, 2004). CDA is discourse analysis where the goal is not only to describe how language works, but also to be involved in what actually happens in the world (Gee, 2004). Furthermore, according to Gee (2004), all discourse analysis is critical since language is always part of how we see the world and thus it is always involved in our culture and social context. According to Oliver et al. (2005), CDA is a useful theory when the researcher aims to address the meanings and perceptions revolving around certain concepts. Also, CDA is used in this paper as its purpose is to study relations between discourse and practices in different domains. This purpose stems from the fact that CDA is characterized by the following five features (Fairclough & Wodak, 2013). These features also influence how this research is conducted, for example, they influence the interview process and how interview data is analysed. The implications this theory has on how this research is conducted is discussed in more detail in the methodology section.

The character of social and cultural processes and structures is partly linguistic-discursive

Discursive activities are activities related to conveying messages (e.g. writing and reading or speaking and listening). These activities are seen as an important social activity, which helps build someone's social relations (Gee, 2004). An important note is that discourse is more than language alone, as it also covers images and how these images relate to the text and body language.

Discourse is both constitutive and constituted

Discourse activities are social activities which both influence and are influenced by their context and surroundings. This means that discourse is not only useful for describing (social) reality, but discourse can also be used to create and shape a certain relationship between actors or a certain social identity (Hardy et al., 2000). This is of crucial importance in this research since the Dutch actors might use discourse to shape their relationship with certain Indonesian actors and vice versa.

Language use should be empirically analysed within its social context

CDA focuses on the analysis of discourse within its social context. CDA engages in systematic, empirical studies of language use. The interviewer needs to consider the differences in social context in which

the interviews are conducted when analysing them. In this research, this done by sketching the position of the interviewed actors in the palm oil supply chain.

Discourse functions ideologically

In CDA, Fairclough (2001) states that discursive activities can strengthen the formation of relations of unequal power between social groups (e.g. social classes or ethnic minorities versus the majority) these effects are known as ideological effects (Gee, 2004). CDA focuses both on these ideological effects and on the function of discursive activities in emphasizing the interests of the oppressed social group. CDA intends to show the role of discursive activities in the formation of these ideological effects. Furthermore, CDA aims to assist in making social changes towards more equal power relations in communication. It is important to keep the possible unequal social status of the different actors into account when interviewing and analysing the data. For example, the fact that Indonesia is a developing country, while the Netherlands is a developed country can influence the understanding of sustainability of the actors.

Critical research

Since CDA takes the side of oppressed social groups and is committed to social change, CDA is not politically neutral (Gee, 2004). In this research both the side of the Indonesian stakeholders in the palm oil industry and the side of the Dutch actors are considered in a symmetrical way. This means that the researcher aims to gather similar data from both sides and analyse this data in the same manner.

3. Methodology

3.1 Research design

This study made use of an exploratory case study research design. This design is used for research in which the subject of the research has no presupposed outcome (Yin, 2003). In this thesis, the Dutch palm oil actors were analysed in the first set of interviews. For the second set of interviews, Indonesian actors involved in the palm oil supply chain were analysed. Afterwards, the outcomes from these interviews were compared among itself and with each other.

3.2 Data Collection

3.2.1 Document analysis

In discourse analysis, it is important to investigate how language is used to describe goals, achieve objectives and to position oneself in relation to others (Stark & Brown Trinidad, 2007). To get an overview of how the Dutch actors understand sustainability and the practices they develop and implement to deal with sustainability issues in palm oil, texts about their missions, aims and goals were collected. This includes yearly reports, certification documents, monitoring reports, RSPO reports and other grey literature written by Dutch actors themselves. Besides these documents, other literature containing discourses about Dutch palm oil actors written by other organisations was examined. This is done to create an interview guide for interviews with Dutch actors which aims to address the different understandings and practices of these actors, this interview guide is shown in Appendix I.

To research how the Indonesian palm oil actors understand sustainability and what practices this understanding has led to, documents containing discourses revolving around the Indonesian Sustainable Palm Oil (ISPO) system were gathered. Furthermore, presentations given at the 14th Indonesian Palm Oil Conference (IPOC), a conference where the latest developments of the Indonesian palm oil industry are presented, were gathered. These presentations were used to gain insight into the understandings of different stakeholders on the ISPO and what practices Indonesian actors have developed and implemented. These documents were used to create the second interview guide for interviews with Indonesian actors, also shown in Appendix I

Besides the documents gathered to create the interviews, Literature about the palm oil supply chain has also been investigated (Boons & Mendoza, 2010; Choo et al., 2011, Alfonso-Lizarazo et al., 2013; Von Geibler, 2013). A simplified version of the palm oil supply chain was constructed, where the different subsystems were set out. This is used in this research to create an overview of what activities the interview subjects focus on, to sketch the social context of their practices and to sample interview subjects in areas which seemed not well represented.

3.2.2 Semi-structured interviews

The literature review has provided the information necessary to create the interview guide. These interviews were used to gain more detailed, inside information about the meaning and understanding of sustainability regarding palm oil by Dutch and Indonesian actors and to find out what practices they have developed and implemented to achieve sustainability, according to their own understanding of sustainable palm oil. It is important to keep in mind that it is not necessarily the case that interviewer and interviewee mean the same thing when using the same words, CDA states that the social context a specific term is used in should also be considered. Due to this, it was sometimes necessary to ask follow-up questions regarding the exact meaning the interviewee aims to transfer with the use of particular terms and concepts. To allow for the asking of follow-up questions and slight deviations from the standard set of questions, a semi-structured interview structure was applied in this research. Besides, discourse in interviews is not only spoken words. Body language and emphasis are also important when trying to find out exact meanings and understandings, this is important as this is one of the features of CDA. Therefore, this is also considered when interviewing and follow-up questions were asked when body language or emphasis indicated importance of a specific topic.

First, interviews were conducted with Dutch actors to find out how they understand sustainability and what practices they develop to achieve this. These interviews consisted of questions regarding the exact meaning of the word sustainability adopted by Dutch actors. Furthermore, these interviews contained questions regarding the actors who make up the palm oil supply chain, the answers from these questions are used to find out what the Dutch actors exactly mean with sustainability and to complement the interview subjects, both in The Netherlands and Indonesia.

Afterwards, interviews were conducted with different types of Indonesian stakeholders of the palm oil supply chain, such as palm oil farmers, palm oil mills and palm oil refineries (Choo et al., 2011) and other actors mentioned in the first set of interviews. The insights from the first set of interviews were used to supplement the interview questions for the Indonesian stakeholders. This is done to be able to gather the most information possible from each interview. As mentioned in the theory section, the social context in which questions are asked and answers are given is important. This was kept in mind during the interviews by leaving room for open discussion about what sustainability means and, when necessary, follow-up questions were asked for clarification on this. The aim of these interviews was to gain insights into the understandings of sustainability by different Indonesian stakeholders and what practices they developed and implemented.

One criticism of discourse-based research is that the textual data can be easily modified in ways which can decrease the quality of the analysis. The most common modifications which lead to this are summarizing the data, taking sides in the analysis and over-quotation or isolated quotation (Antaki et al., 2003). To avoid the issue of summarizing, in this research all interviews will be transcribed. After coding, these transcripts will be consulted again to see whether important information from these transcripts is missing in the coding framework. To address the problem of taking sides the interviewer will avoid asking steering and suggestive questions (Saywitz, 2007). Instead, open questions, which leave room for the opinion of the interviewee, will be asked. The critique on quotations will be addressed by always considering the context of a quote and carefully looking into the transcript from which the quote is taken. Besides this, notes are made during the interview, for example on body language. These notes will be considered during the transcription and analysis of the interviews. This will make sure that only non-verbal communication actually expressed during the interview is considered during the analysis.

3.3 Sampling strategy

A purposive sampling strategy was employed to be able to manually select interviewees who are engaged in palm oil related activities. This strategy is chosen due to the specific nature of interviewees. The interviewees in this study are stakeholders in the palm oil consumption, trade and production. A stakeholder is defined as an actor who adds value to palm oil or is affected by palm oil-related activities. This could be for example refining, packaging or exporting palm oil or working for the Indonesian palm oil association; it could also be a farmer who lost land because of a company acquiring this land for a large plantation. In CDA it is important to sample participants from different groups within the discourse to shed light on the differing views of stakeholders and to determine their impact on the discourse. Next to purposive sampling, snowball sampling was used when more information was needed on a certain perspective of the palm oil supply chain. With snowball sampling, the interviewees are asked for other contacts from their (personal) network. These interviews are of great importance for the research, as they reflect the discursive perceptions of different actors throughout the palm oil supply chain.

To gather information on the meaning of sustainability by Dutch actors in the palm oil supply chain and the practices implemented by them to deal with the sustainability issues revolving around palm oil all members of the Dutch Alliance for Sustainable Palm Oil (DASPO) were contacted for an interview. The DASPO members are chosen as interview subjects because they have a strong commitment towards 100% usage of sustainable palm oil in the Dutch market and stimulate the production and use of sustainable palm oil among their members (DASPO, 2015). Their members represent different Dutch

branch organisations in the palm oil supply chain. Interviews were conducted with DASPO members and partner organisations of the DASPO. Some examples of DASPO members or partners are the Branch organisation for Oils and Fats (MVO), the Sustainable Trade Initiative (IDH), the Association of Dutch Producers of Edible Oils and Fats (VERNOF) and the International Margarine Association of the Countries of Europe (IMACE). The researcher aimed to conduct interviews with all members of the DASPO. While planning the interviews, IMACE said they did not have time to participate in an interview. Besides, CBL stated that they had no sustainability manager employed during the time of the research and therefore had no appropriate employee to conduct the interview with. The rest of the members of the DASPO have all been interviewed. Also, Milieudefensie was contacted for an interview. This was done because Milieudefensie is an actor who has a very unique view on sustainability in the palm oil supply chain, and their point of view on what sustainable palm oil is differs from that of the DASPO and its members (DASPO, 2016; Milieudefensie, 2019). All interview subjects are shown in table 2.

A combination of purposive sampling and snowball sampling was used to reach interviewees in Indonesia. Purposive sampling was used to select the initial interviewees. In order to get a view of different understandings, the researcher started with interviewing employees in a palm oil refinery organisation, an employee from a large palm oil processing company, an employee of the labour union for palm oil farmers and an employee from Gapki, the Indonesian palm oil association. This was done to have all aspects of the palm oil supply chain represented in the interviews. At the end of all interviews, the interviewees were asked whether they can provide the researcher with other interview contacts. The researcher conducted 14 interviews with Indonesian stakeholders in the short time period of fieldwork. These interview subjects are also shown in table 2.

Table 2: Interview subjects.

	Interviewee Function	and Organisation
D u t c h	Karin Koppen Senior Policy Officer	AKSV AKSV is the branch organisation for producers of convenience food, oriental snacks, salads, pizzas and ready meals.
	Imkje Tiesinga Secretary	FNLI FNLI represents both food and non-food organisations in the Dutch market. Their aim is to create trust, space and conditions among several branch organisation through their connecting role
	Nienke Sleurink Program Manager	IDH IDH calls companies, governments and other actors together through public-private partnerships and aims to make international supply chains more sustainable. Their palm oil programme supports the production of traceable and sustainable palm oil at scale through partnerships with companies and governments in Indonesia and by working on the demand side in Europe.
	Miriam Vreman Policy Officer	Milieudefensie Milieudefensie is an organisation which aims for an honest and sustainable Netherlands. They aim to address climate change through five themes: Energy, Food, Traffic, Economy and forests.
	Thijs Pasmans Policymaker Sustainable Sourcing	MVO The MVO is the Dutch branch organisation for oils and fats. 95% of the companies in the Netherlands involved in the processing and trade of vegetable and animal oil and fats are represented in the MVO
	Frank Gort Program Manager	Nevedi Nevedi is the Dutch association for the animal feed industry. They aim to improve the economic development and societal position of their members.

		These members are involved in producing or delivering animal feed products to livestock farms in the Netherlands. Palm oil and palm kernel are used in the production of animal feed.
	Hylke Brunt Secretary-General	VAVI The VAVI represents 95% of the potato processing industry in the Netherlands. Palm oil is used for the production of pre-fried potatoes
	Robin Schwidder Policy Advisor CSR & Health and Nutrition	VBZ VBZ is the association for the Dutch bakery and confectionery industry. Palm oil is mainly used in the manufacturing of biscuit, banquet and chocolate products.
	Coen Blomsma Secretary-General	VERNOF VERNOF is the association of Dutch producers of edible oils and fats. Their members are Dutch companies who produce or refine vegetable and animal oils and fats.
I n d o n e s i a n	Christopher Wiggs Sustainable Sourcing Programme Manager	AidEnvironment AidEnvironment Asia is specialized in corporate sustainability and landscape development. They have extensive in-house expertise and work with companies, NGOs and donor organisations.
	Lim Sian Choo Group Head of CSS & CSR	Bumitama Agri Bumitama Agri is one of the leading producers of palm oil and palm kernel. Their primary business activities are cultivating oil palm trees and harvesting FFB and processing FFB into palm oil and palm kernel, which is sold to refineries.
	Anonymous	Bunge Loders Croklaan Bunge Loders Croklaan is a leading producer of premium quality vegetable oils and fats for the food manufacturing industry. This encompasses a complete seed and tropical oils portfolio.
	Alain Rival Regional Director for South-East Asian Island Countries	CIRAD In South-East Asia, CIRAD focusses on food security, national resource management, biodiversity and the sustainability of tree crop systems. They pay extra attention to the sensitive ecosystems of the islands in South East Asia.
	Togar Sitanggang Vice-Chairman	GAPKI GAPKI is the Indonesian palm oil association for palm oil producers. GAPKI is very keen on sustainable palm oil production. Their members, who are mostly large palm oil plantation companies, cover 4,25 million hectares, which is more than 30% of the total Indonesian palm oil plantation area.
	Anonymous	Golden Agri Resources Golden Agri Resources is one of the largest palm oil plantation companies in the world. They manage 500.000 hectares of palm oil plantation in Indonesia. Their activities range from growing oil palms to producing food and fuel.
	Irfan Bakhtiar Program Director	KEHATI KEHATI positions itself as a catalyst to invent innovative ways to conserve, manage and utilize the Indonesian biodiversity in a sustainable manner. They partner with central and regional governments, business communities, universities, NGOs and local community organizations.
	Rob Nicholls General Manager Programmes & Projects	Musim Mas Musim Mas is involved in every part of the palm oil supply chain, from managing oil palm plantations and producing FFB to manufacturing consumers goods, such as cooking oils and personal care products.

Imam El Marzuq Community Outreach & Engagement Manager	RSPO The RSPO is an organization which unites all sectors from the palm oil industry to develop and implement global standards for sustainable palm oil
Hotler Pasaoran Labour Specialist	Sawit Watch Sawit Watch is an Indonesian NGO which aims to bring about social changes for farmers, local communities and indigenous communities. Also, they aim to improve sustainability in the oil palm plantation system.
Nurbaya Zulhakim Managing Director	Setara Jambi Setara Jambi focuses on helping independent smallholder farmers to change their crop management practices and change their behaviour and way of thinking towards more sustainable practices.
Hans Harmen Smit Project Director	SNV SNV is an international development organisation which aims to make a difference in the lives of people living in poverty by helping them access basic services and raise income.
Mansuetus Darto Secretary-General	SPKS SPKS is an association for small-scale palm oil growers. They aim to sustainably improve the management of palm oil plantations, mostly by empowering smallholders and creating and advocating better policies.
Edi Sutrisno Deputy Director	TuK Indonesia TuK Indonesia is an association of state and non-state actors in the agribusiness and national resource management. They focus on corporate accountability, human rights, social justice, the environment and the financial sector.

3.4 Data Analysis

Burnard (1991) suggests a 14-stage model to analyse semi-structured interviews with open-ended questions. This model aims to link themes occurring in different interviews in a category system. A problem that arises with categorising themes from different interviews is that different stakeholders potentially mean different things when saying the same words (Burnard, 1991). To overcome this issue, the researcher asked follow-up questions when this was possibly the case. An adjusted version of this 14-stage model (Table 3) was used to analyse the interviews conducted in this research. The adjustments made are for example because Burnard (1991) suggest independent coding by different researchers, which is not possible in a study performed by a single researcher. Another change is that a stage involving selective coding is added, this is necessary to find out what categories are emphasised by the interviewed actors.

Table 3: Adjusted version of the 14-stage model of Burnard (1991)

Stage	Activities involved
Transcribing	Interviews are transcribed, including extra notes taken during the interview (these notes can contain information about e.g. body language or emphasised speaking).
Reading transcripts	Transcripts are read through and notes about recurring themes are made while reading.
Open coding	Transcripts are read through again and titles which reflect the content of the interview are written down. These headings should account for all the interview data excluding fillers. In open coding, categories are generated directly from the interview data.
Axial coding	The list of categories is read through and related categories are grouped together. In this stage, the number of categories is reduced by combining similar categories into overarching categories.

Axial coding	The list of categories is slimmed down by combining similar categories.
Confirming final category list	The list of categories is compared with the transcripts to see whether all aspects of the transcripts are represented in the category list. Adjustments are made when necessary.
Selective coding	Selective coding is used to find out what categories are emphasised by the actors. For example, if a theme is mentioned in interviews with all Dutch actors, this might indicate a common understanding or aligned priorities.
Transcript coding	All transcripts are coded according to the final category list. This is done by assigning a colour to all categories and highlighting pieces of text relating to the category with the according colour. This can be done on paper or digitally, for example using NVivo.
Feedback	Some interviewees are asked to check the fit of the created category system. their own quotes and the category it corresponds to are shown to them and they are asked if they meant the same as the interviewer interpreted. Adjustments are made when necessary.

The coding outcomes from this model were sorted alongside two research themes. The first theme is “understandings of sustainability”, in which the understandings of sustainability by Dutch Indonesian actors were analysed. The second theme is “practices to achieve sustainability”, in which the practices developed and implemented by Dutch and Indonesian actors were analysed. Furthermore, conducting interviews and coding was done alongside each other and in an iterative process. This means that when changes to the interview questions are deemed necessary, they were changed during the period of conducting interviews. The selective codes that emerged out of this process are shown in table 4.

Table 4: Coding of the interviews

Understandings of sustainability	Practices to achieve sustainability
RSPO understanding	Creating demand for sustainable palm oil
Sustainability requires systematic change	Creating compacts in producing regions
The pillars of sustainability	Monitoring and managing deforestation
RSPO is not enough	Counteracting the growth of the palm oil sector through dialogue
Deforestation focus	Tackling issues with markets for conventional palm oil
View of certification schemes other than RSPO	Addressing the social issues on the Indonesian side of the supply chain
Relation of traceability and sustainability	Providing incentives to produce in a sustainable manner
	Shift away from large, monoculture plantations
	Addressing the Indonesian perception of European sustainability requirements as a protectionist strategy

3.5 Research quality indicators

Validity in qualitative research is a highly discussed topic (Johnson, 1997). Some researchers even argue that the concepts of reliability and validity are problematic in qualitative research (Smith, 1984). However, other qualitative researchers believe validity is important and have come up with several strategies to increase validity in qualitative research (Johnson, 1997; Kirk & Miller, 1986). For example, triangulation and participant feedback are activities improving the validity of qualitative research. The validity of this research is warranted by the implementation of participant feedback, data and source triangulation and conducting fieldwork. For example, participant feedback was implemented by asking all interviewed actors for feedback on the quotes used in this research. Besides this, the validity is

improved by implementing verification processes in the research (Morse et al., 2002). Verification in this research entails, adjusting quotes, used in this research, after participant feedback.

Reliability is, like validity, also subject of controversy in qualitative research. Stenbacka (2001), argues that reliability is concerned with measurements and therefore has no relevance in qualitative research. Patton (1990) and Lincoln & Guba (1985) state that reliability is an outcome of validity in qualitative research. Therefore, the reliability of this research is guaranteed by its validity described above.

4. Results

In the following section, the results are described and analysed. First, a section in which the palm oil supply chain is elaborated upon is written to show the exact areas where the interviewed actors focus on and to give an image of the different subsystems of the palm oil supply chain. Afterwards, the sustainability understandings of Dutch and Indonesian actors are depicted and compared with and among each other. Lastly, the practices to tackle sustainability issues in the palm oil supply chain that were mentioned in the interviews are analysed.

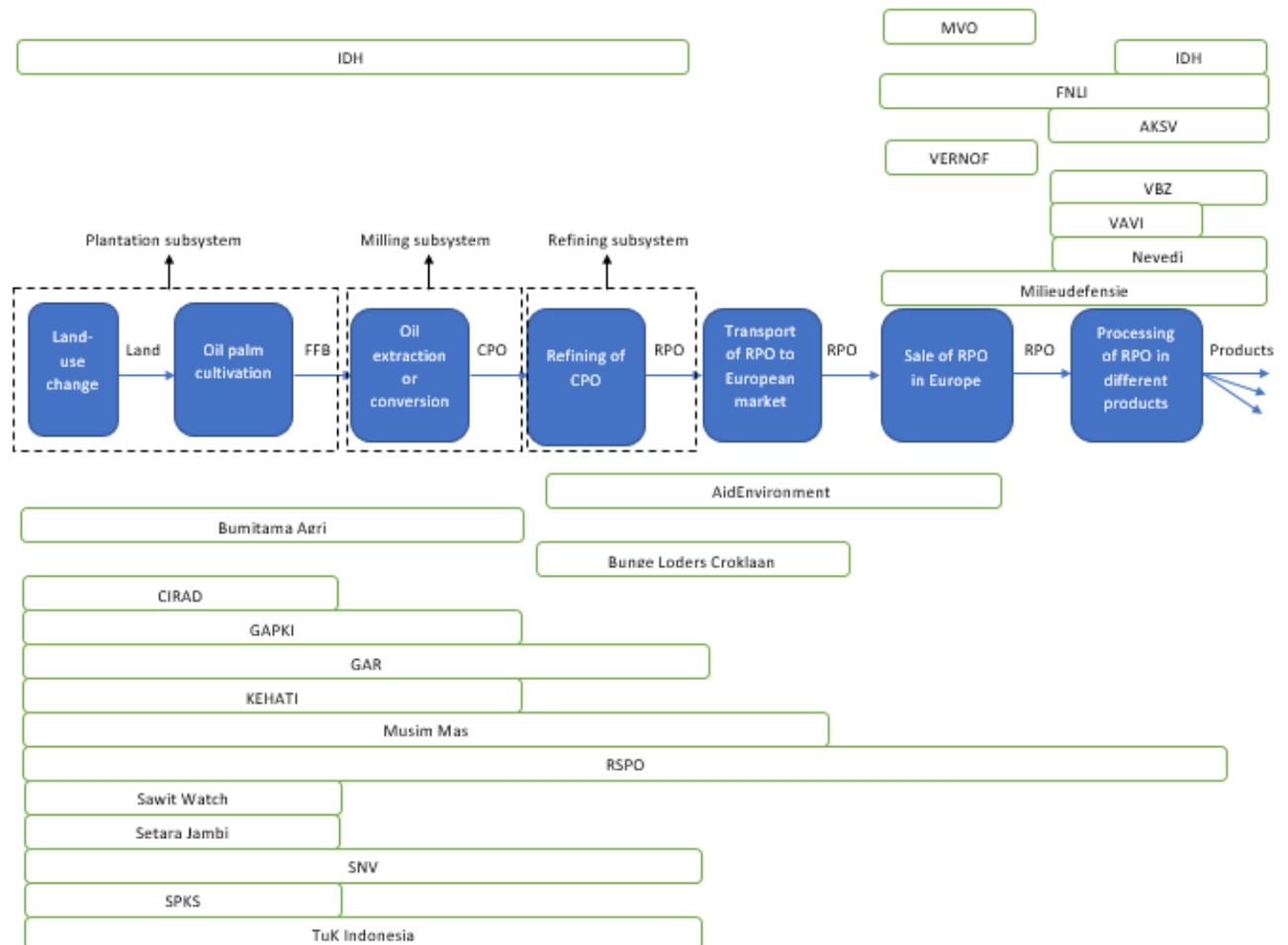


Figure 1: Palm oil supply chain (Combination of elements from Boons & Mendoza, 2010 & Choo et al., 2011) and the position of interview subjects.

4.1 Palm oil supply chain

The position of the interviewed actors in relation to the palm oil supply chain is shown in figure 1. This is done to sketch the social context in which the actors are situated, as described in the Theory section. The palm oil supply chain consists of three subsystems (Boons & Mendoza, 2010). The plantation subsystem, where Fresh Fruit Bunches (FFB), the fruits which grow on a palm tree, are produced. The milling subsystem, where Crude Palm Oil (CPO), an oil high in saturated fats which can be used as cooking oil, is produced from FFB. And the refining subsystem, where Refined Palm Oil (RPO), which is bleached and deodorised for a wide range of uses, is produced from CPO. The plantation and milling subsystems are mostly located in palm oil producing countries, while refining takes place both in producing and consuming countries. The image of the supply chain in figure 1 is a simplified, ideal-type visualisation of the different palm oil supply chains that exist.

4.1.1 Plantation Subsystem

In the plantation subsystem, the aim is to harvest FFB from oil palms. It takes around 3 years for an oil palm to grow its first FFB, after this a new FFB is grown approximately every 15 days. The FFB are then harvested and transported to the edge of the road and picked up by lorries to be transported to a nearby mill within 24 hours (Choo et al., 2011).

In palm oil plantations fertilizers are used, these are transported to the plantations using lorries, tractors are used to transport fertilizer around the plantation. Pesticide use is minimal and very site-specific in oil palm plantations (Choo et al., 2011).

Replanting of oil palms takes place when they are 25-30 years of age. The old palms are chopped down and used as nutrients for replanted oil palms (Choo et al., 2011 & Khalid et al., 2009). Cover crop is used in most palm oil plantations to prevent soil depletion and to fix the Nitrogen levels in the soil (Zulkifli et al., 2010)

4.1.2 Milling subsystem

After the FFB are delivered to the mill they are sterilized to loosen the fruit from the bunch. The fruits are then converted into an oily mash by a mechanical stirring process. This mash is then placed under a screw press to remove most of the CPO. The CPO, at this point, contains oil, water and fruit solids. To filter out the solids, the mixture is then filtered and centrifuged (Choo et al., 2011). Before the CPO is sent to the refinery the moisture is also removed (Santosa, 2008).

4.1.3 Refining subsystem

There are two different types of refining CPO, namely chemical refining and physical refining. In Indonesia, most of the refineries make use of the physical refining process (Santosa, 2008). Refining of CPO consists of three steps, namely neutralization, bleaching and deodorizing (Choo et al., 2011).

In the neutralization stage, the free fatty acids are removed. Bleaching is performed to remove colour and impurities. Deodorizing is done to remove any smell and taste the oil has. After these three steps, the CPO is converted to RPO (Santosa, 2008). This is then shipped from the refinery to all needing regions and used all over the world for different, edible and non-edible, end products.

4.2 Sustainability understanding

In this section the sustainability understandings from both Dutch and Indonesian actors are elaborated upon, these understandings are constructed using the annual reports of the DASPO (DASPO, 2016) supplemented with data gathered through interviews. These understandings are analysed by first exploring the differences among themselves, afterwards they are compared with each other.

4.2.1 Sustainability understanding of Dutch actors

The sustainability understandings of Dutch actors are analysed by elaborating upon the commonalities and differences among them. The understandings from Dutch actors, as mentioned by themselves in the interviews, are shown in table 5.

Commonalities of sustainability understandings of Dutch actors

In the final report of the task force for sustainable palm oil (DASPO, 2016) sustainably produced palm oil is defined as palm oil certified according to the RSPO Principles and Criteria (RSPO, 2018). However, in the interviews with Dutch actors in the palm oil supply chain the understandings mentioned were a bit more divergent. A point that they have in common is that all Dutch actors, besides Milieudefensie, did mention that RSPO certified palm oil is seen as sustainable palm oil. The fact that they see RSPO certified palm oil as sustainable shows that they assume that the RSPO process for verifying and

assuring compliance with its standards is robust and reliable, several formal complaints have shown that this is not necessarily the case (Ruyschaert & Salles, 2014).

“When palm oil is RSPO certified, we consider it sustainable” (VAVI, 2019. Author translation)

“RSPO certified or equivalent is sustainable” (FNLI, 2019. Author translation)

Differences between sustainability understandings of Dutch actors

Besides these commonalities, some contradictions among Dutch actors were found when asked for their understanding of sustainable palm oil. First, the difference in view of certification schemes other than the RSPO is discussed. Afterwards, the difference in how traceability relates to sustainability is addressed. Then, the extra focus on deforestation mentioned by MVO, IDH and VBZ will be elaborated upon. Last, the opposing view of Milieudefensie will be analysed.

In the interviews, contradictory statements were given with regards to other certifications schemes, such as the Indonesian Sustainable Palm Oil (ISPO) certification scheme. Even though the RSPO and ISPO consider the same general topics such as legality, environmental concerns, social concerns and business activities ISPO has far fewer and less strict requirements for these topics (Efeca UK, 2016). IDH, the organisation that aims to realise sustainable growth in sourcing areas, mentioned the following:

“We support ISPO and we help this standard to improve, we also try to work together with ISPO certified farmers to find out what is needed to eventually become RSPO certified.” (IDH, 2019. Author translation)

IDH says: *“Sustainability is a journey”* and they aim to let everyone who wants to be part of that journey join. IDH views other certification schemes, such as the ISPO, as a first step to eventually reach RSPO certification and actively engages in communications with these certification schemes to help them improve.

In interviews with Nevedi and AKSV, these other certification schemes were depicted as inferior and therefore, they were not even regarded in the sustainable palm oil discussion of these organisations. This confirms the image drawn in the literature section that RSPO is seen as the only legitimate actor to achieve palm oil sustainability. Nevedi, the Dutch branch organisation for the animal feed industry, stated the following about the ISPO and MSPO:

“The ISPO and MSPO certification schemes are not yet to be compared to the RSPO certification scheme, therefore so far, we only see RSPO certified palm oil as sustainable” (Nevedi, 2019. Author translation)

AKSV, the Dutch branch organisation for convenience food, even stated:

“We use only RSPO certified palm oil, we do not look at palm oil certified through other certification schemes” (AKSV, 2019. Author translation)

This shows that Nevedi and AKSV do not take other certification schemes into account when talking about sustainable palm oil. The stance Nevedi and AKSV hold towards certification schemes, other than RSPO, differs a lot from the stance IDH holds towards these certification schemes.

This stance regarding ISPO is related to the fact that IDH is the only Dutch actor to collaborate with ISPO and have implemented practices in Indonesia, which will be discussed later. IDH sees sustainability as a step-wise process and considers ISPO certification a valuable step towards reaching RSPO certification, which is sustainable palm oil in their understanding. It is important to keep in mind that ISPO is a government program and that IDH may not be critical of the ISPO because that could

jeopardise their ability to have a formal presence in Indonesia. Nevedi and AKSV are Dutch branch organisation who just want to comply with their understanding of sustainable palm oil, which is RSPO certified palm oil. This difference shows that IDH takes the wishes and needs of producing actors into account and aims to help the producers of palm oil reach RSPO certification status. On the other hand, Nevedi and AKSV are only active in the European side of the supply chain and just want to have palm oil which is RSPO certified and, according to them, sustainable.

Another difference in the understanding of sustainability of palm oil that came to light during the interviews was the difference in how the relation of traceability and transparency with sustainability were seen by MVO and VERNOF. MVO, the Dutch branch organisation for oils and fats, stated the following about transparency when asked what they thought sustainable palm oil exactly entailed:

“Palm oil is sustainable when it is produced according to RSPO standards, some of our members even go beyond that and look for transparency throughout the supply chain” (MVO, 2019. Author translation)

“Some organisations demand transparency through the entire supply chain” (MVO, 2019. Author translation)

These statements indicate that MVO thinks a transparent supply chain is linked to a more sustainable supply chain. They state that some of their members go beyond RSPO standards by asking for transparency. Going beyond RSPO standards indicates that they think a more transparent supply chain eventually leads to more sustainable palm oil. Interesting to see is that VERNOF, the association of Dutch producers of edible oils and fats, stated the following when asked the same question:

“We noticed that traceability is increasing, however, this does not necessarily mean that the supply chain is more sustainable, it only applies pressure to the source of palm oil to become sustainable. Traceability in itself does not always lead to sustainable palm oil” (VERNOF, 2019. Author translation)

They explicitly claim that a higher degree of traceability does not always lead to a more sustainable supply chain, but that it only applies pressure to the source of palm oil to become more sustainable. This difference in perception of the influence of traceability on sustainability can eventually lead to differences in sustainability understanding between Dutch actors. For example, when an organisation only uses palm oil from a fully traceable supply chain, MVO recognises this as more sustainable, while VERNOF might want more in-depth information about the source of the palm oil and might even decide that in the end, this palm oil, while highly traceable, is not sustainably produced. When members of the DASPO make differing statements regarding the relation of traceability and sustainability in palm oil, this can lead to confusion among organisations whether this is sustainable or not. If two members of the same organisation make differing statements about the relation of traceability and sustainability this lowers the credibility of the DASPO as a whole. This shows just how important discourse is in creating a clear understanding of sustainability. This understanding is necessary among DASPO members to be able to have a common goal to work towards and to shape, develop and implement practices with this understanding in mind (Hardy et al., 2000; Reyes, 2011).

Furthermore, in literature, RSPO is seen as a tool to realise transparency (Morley, 2015), which is deemed important to reach sustainability (Ivancic & Koh, 2016). Besides, if the supply chain is fully transparent and the palm oil is traceable this would diminish concerns regarding vested interests of actors in the supply chain, government corruption and the lack of accountability (Ivancic & Koh, 2016). While VERNOF does claim to support the RSPO understanding of sustainable palm oil, on this topic their opinion differs from the RSPO opinion. This difference sheds light on the fact that even though

almost all Dutch actors at first glance seem to have the same sustainability understanding, there are still some differences in how they view certain specific topics.

Furthermore, MVO, IDH and VBZ and explicitly stated to have an extra focus on deforestation when looking at sustainability in palm oil. VBZ stated the following about deforestation:

“Deforestation is one of our key focus points, partly due to its large attention in public debates” (VBZ, 2019. Author translation)

IDH stated the following when asked what risks in palm oil they focus on:

“For us, land-use change and especially deforestation is one of our key categories” (IDH, 2019. Author translation)

MVO stated the following:

“Some of our members demand palm oil produced with even stricter rules regarding deforestation than RSPO guidelines” (MVO, 2019. Author translation)

The fact that three of the interviewed Dutch actors stated to have an extra focus on deforestation indicates that this is an important part of their sustainability understanding. They think that, besides following RSPO guidelines, more should be done to prevent deforestation, the practices they developed to address deforestation will be discussed in section 4.3.1. Furthermore, it can be seen that VBZ focusses on deforestation, partly because it has gotten large attention in public debates. This is an example of how discourse shapes the development and implementation of practices.

While the differences analysed above are all differences from actors who have a very similar understanding of sustainable palm oil, the next difference is the one of fundamental nature. Milieudefensie is the only Dutch actor in this study who has a different, non-RSPO, understanding. They think sustainability in palm oil can only be realised through a change in the larger food system. They mentioned that the current food system, where large quantities of vegetable oils and other food products are imported from around the globe is not sustainable and a change needs to be made towards a system of regional production and circular farming on a smaller scale.

“For palm oil, we think that we need to change to a different food system. More regional production, smaller scale and forms of circular agriculture. In this system questions can be asked whether you should import oils from the other side of the world to Europe” (Milieudefensie, 2019. Author translation)

Milieudefensie stated that they do not see RSPO certified palm oil as sustainable palm oil, they think the criteria are just the bare minimum for the production of palm oil and are not, in any way, progressive or advanced criteria for sustainability. Besides, it is still a voluntary system, even organisations who are members of the RSPO are not necessarily certified. They claim that the same types of wrongdoings are seen in RSPO member organisations and non-RSPO member organisations. Their view on RSPO is the opposite of the view of other Dutch actors interviewed during this research, this is very interesting as this indicates that there are two opposing sides when it comes to sustainable palm oil understandings, even within the Netherlands.

“The RSPO certificate only offers minimum criteria for large scale production of palm oil. We are not pro RSPO, because they stimulate the production of palm oil with just these minimum criteria, also it is still not enforceable. RSPO members do not have to be certified, they just have the intention to become more sustainable. The same bad things happen in RSPO and non-RSPO organisations. The certificate is not a guarantee that the criteria are met.” (Milieudefensie, 2019. Author translation)

Table 5: Sustainability understandings of Dutch organisations.

Organisation	Sustainability understanding
AKSV	RSPO certified palm oil is sustainable
FNLI	RSPO certified or equivalent is sustainable palm oil
IDH	We think RSPO certification is best in class, however sustainability is a journey and we want everyone to be able to join this journey
Milieudedefensie	Sustainable palm oil is an oil palm in its natural environment, used for regional consumption.
MVO	Palm oil produced according to RSPO standards is sustainable
Nevedi	Palm oil produced with People, Planet, Profit in mind. RSPO certified palm oil is the benchmark for sustainable palm oil
VAVI	RSPO certified palm oil is sustainable
VBZ	RSPO certified palm oil is the first step towards sustainability, eventually, this certification will develop towards sustainable palm oil.
VERNOF	RSPO or ISCC certified palm oil is sustainable

4.2.2 Sustainability understanding of Indonesian actors

The sustainability understandings of Indonesian actors are analysed by categorising them and discussing their meanings. Next to this categorisation of sustainability understandings, the understandings of the social issues are separately addressed, since all Indonesian actors mentioned social problems in the palm oil supply chain. The understandings, as mentioned in the interviews with Indonesian actors, are shown in table 6.

Three types of sustainability understandings of Indonesian actors

To allow for analysis of the diverging sustainability understandings mentioned in the interviews by Indonesian actors they are divided into three categories, which emerged from the coding process. The first category is made up of actors who follow the RSPO understanding of sustainable palm oil and thus think that palm oil which is produced in compliance with RSPO principles and criteria is sustainable. This category is called “RSPO understanding”. In this category Bumitama Agri, Bunge Loders Croklaan, AidEnvironment and, of course, the RSPO themselves are placed. They are placed in this category because these actors explicitly mentioned having an RSPO certificate as a requirement for sustainability. They mentioned the following about their understanding of sustainable palm oil:

“We support RSPO and its certification” (Bumitama Agri, 2019)

“We recognize RSPO and ISCC certified palm oil as certified sustainable palm oil.” (Bunge Loders Croklaan, 2019)

“RSPO is the only standard that is recognised internationally. MSPO and ISPO are considered weaker and are not as respected, so the only palm oil considered sustainable would be one that is certified to RSPO standards.” (AidEnvironment, 2019)

The second category is called “The pillars of sustainability”. In this category actors who did not mention that they see RSPO certified palm oil as sustainable palm oil but did mention multiple of the categories listed in the United Nations 2030 Agenda for Sustainable Development are placed. The categories in this agenda are people, planet, prosperity, peace and partnership (UN, 2015). This is done because

these actors all have an understanding that indicates a division of sustainability challenges in separate categories, which together lead to sustainable palm oil. The division made in the United Nations 2030 Agenda for Sustainable Development is used in this research because this agenda is supported by all United Nations member states, including the Netherlands and Indonesia (UN, 2019). The actors in this category are CIRAD, KEHATI, Musim Mas and SPKS. They are placed in this category because these actors either explicitly mentioned a division of sustainability in several categories, such as Musim Mas and SPKS, or they mentioned that they understand sustainability in the palm oil supply chain as addressing several topics, which can be categorised in multiple of the pillars mentioned in the United Nations 2030 Agenda for Sustainable Development, these actors are CIRAD and KEHATI.

For example, Musim Mas mentioned the following when asked about their understanding of sustainable palm oil:

“people, planet and profit, all three elements are taken into account. (...) I think it is respecting the three pillars.” (Musim Mas, 2019)

SPKS mentioned the same when asked about how they understand sustainability in palm oil.

“Our perspective on sustainability is to balance the three main points in the natural resources; economy, ecology and society.” (SPKS, 2019)

CIRAD and KEHATI did not explicitly mention the pillars but did state several focus points which imply a similar understanding.

“Palm oil is sustainable when it is able to provide decent livelihoods to rural population without causing deforestation, pollution or social conflicts.” (CIRAD, 2019)

“Sustainable palm oil is legal, free of conflict, responsible for the ecosystem, responsible for the biodiversity.” (KEHATI, 2019)

The actors in the categories “RSPO understanding” and “The pillars of sustainability” have quite similar ideas, but they phrase it differently. RSPO requirements are also built around the pillars of sustainability (RSPO, 2014), so if an actor thinks the RSPO understanding leads to sustainable palm oil, they also agree with the pillars of sustainability. However, they are still treated as separate categories, because actors who understand sustainability as fulfilling the pillars of sustainability do not necessarily think that these pillars can only be fulfilled by complying with RSPO requirements. The actors grouped in these categories thus have some commonalities in their sustainability understanding, but they are not the same.

The third category consists of actors who think just RSPO certification is not enough to guarantee sustainability, therefore it is called “RSPO is not enough”. The actors in this category are Golden Agri Resources, SNV and TuK Indonesia. They are placed in this category because they all stated an understanding which implied that RSPO needs to implement more strict criteria or enforce their standard better to ensure sustainability. As can be seen in the section above, some actors follow RSPO principles and criteria and thus see RSPO certified palm oil as sustainable. Other actors say that RSPO certification is not a guarantee for sustainability and think that extra steps need to be taken. Golden Agri Resources has implemented their own “GAR Social and Environmental Policy” the requirements in this policy go beyond the requirements in RSPO certification standard. They say the following about this:

“In our definition, it is sustainable if it is produced in compliance with the GAR Social and Environmental Policy.” (Golder Agri Resources, 2019)

“Our policy goes above and beyond the certification standards.” (Golden Agri Resources, 2019)

SNV says RSPO is not doing enough regarding smallholder certification and that the ISCC is a more rigorous system in terms of excluding areas related to deforestation. This means that they think RSPO should at least implement stricter deforestation requirements and give more attention to smallholder certification schemes.

“I think RSPO is not making enough progress with regards to smallholder certification.” (SNV, 2019)

“I would say ISCC is probably the most rigorous system in terms of excluding areas related to deforestation in the palm oil sector” (SNV, 2019)

TuK Indonesia says that RSPO is a first step towards sustainability but that having an RSPO certificate does not make a plantation sustainable. They value the opinions of local communities and say that, besides RSPO requirements, the communities surrounding a plantation should also be consulted and asked if they think the plantation is sustainable and it should be assessed that there are no conflicts between them and the plantation manager. They think the RSPO does not take the rights, wishes and needs of local, indigenous communities into account enough.

“If you comply with RSPO you are a bit sustainable. (...) even if you have RSPO certificate it does not mean you are sustainable. For us, communities are very important actors to justify whether it is sustainable or not.” (TuK Indonesia, 2019).

In these categories, the similar sustainability understandings of Indonesian actors are grouped. However, the remaining actors, Setara Jambi, GAPKI and Sawit Watch, all understand sustainability in a different way and therefore they have not been categorised. Setara Jambi is an NGO which focuses on the rights of independent smallholders. For these smallholders it is very difficult to reach compliance with RSPO requirements, therefore their understanding of sustainability is not related to RSPO, but rather they say the palm oil from a certain plantation is sustainable when the farmer takes the environment, land legality and government policies into account.

“In sustainable palm oil, the farmers now care about the environment, about land legality, about government policies.” (Setara Jambi, 2019)

Sawit Watch mentioned they are a social NGO and that their focus area, therefore, is less on the environmental concerns and more on the social challenges in palm oil. They emphasize the land legality issues, the labour conditions and the rights of local and indigenous communities.

“Sawit Watch is a social NGO, not an environmental NGO, so we work only a little bit related to environmental issues at the plantations.” (Sawit Watch, 2019)

“To make it sustainable the first thing is palm oil plantations cannot open forest or peatland area (...) and in case they open the indigenous people area, they have to make informed consent.” (Sawit Watch, 2019)

This leaves GAPKI, GAPKI has an understanding of sustainability which is very different from all other actors. They say sustainability is created by mankind, specifically western countries, to be able to tell producing countries what to do and even go as far as calling it “modern colonization”. Besides, they say it is very unclear what sustainability is because Europe constantly adds extra requirements to be seen as sustainable.

“We try to fix what they want but they keep on asking more and other things. When we reach the first goal, the goal is changed.” (GAPKI, 2019)

“The worst thing is, it is modern colonization, they only point fingers at us. They are no longer physically here, but with palm oil, we have to listen to them” (GAPKI, 2019)

Social issues in the palm oil supply chain

Besides having divergent understandings of what sustainability entails, all Indonesian actors mentioned having to deal with social challenges in the palm oil supply chain. In the following section the social issues in the palm oil supply chain, as described by the Indonesian actors interviewed in this research, are elaborated upon. These social issues are mentioned in a separate section because (land) legality is the first step towards reaching any certification, RSPO or ISPO (Colchester, 2016; Harsono et al., 2012). Currently, there are a lot of land grabbing issues, conflicts with indigenous communities, issues with land legality and issues regarding labour rights. These types of issues are at the base of sustainability in the palm oil supply chain, therefore it is important that they are addressed. Most of these problems stem from the fact that, according to Bunge Loders Croklaan, there are systematic issues with the governmental process of providing land permits. This process lacks safeguards and is not transparent.

“All land in Indonesia is owned by the government. Companies are given a lease of 50 years. Land acquisition and zoning are done by the government. There is a systematic problem with the governmental process, not transparent and lack necessary safeguards.” (Bunge Loders Croklaan, 2019)

In Indonesia, companies need to get a permit to set up a plantation in a certain area before they can start planting in that area. These areas are supposed to be audited by government auditors to prevent planting in forest area or interfering with indigenous communities. However, according to AidEnvironment, some audits have not been performed properly, which led to permits being given for areas where indigenous communities live. This leads to these indigenous communities being displaced from the land they own and occupy and forced to relocate. This is what is commonly referred to as “land grabbing” and is a violation of human rights.

“Yes, there are also issues with auditors that are not competent. Sometimes, when they do the impact assessment, they say there are no local communities and no issues and then they realize later that there is a community.” (AidEnvironment, 2019)

“In many cases in Indonesia, the villagers need land to live so they expand their plantations into the forest.” (KEHATI, 2019)

Another issue with land allocation, brought up by Golden Agri Resources, is that Indonesia does not have clear land use maps and that the approval process is very unclear, complex and time-consuming because it involves going through several different levels of government.

“The technical portion (of the problems regarding land legality) is mapping, this is a chronic problem of Indonesia where we don't have good land use maps. (...) The second challenge will be regulatory recognition of land rights. That is a complicated approval process, it is a lot of paperwork and you have to go through many levels of government, from village to sub-district to district to province to central government.” (Golden Agri Resources, 2019)

Additionally, GAPKI stated there is also a problem with the currently used satellite imaging technique, which is used to precisely divide forest area and concession area. Plantations that have been existing close to a forest are suddenly classed as illegal because small parts of these plantations suddenly lie in forest area.

“The issue is not land rights, it is the regulation. In the 1980s the land borders were drawn manually, now we have modern ways like satellites, with this modern way they manual borders do not exactly follow the satellite borders, but there have already been planted palm trees in the areas the satellites see as forest, is the plantation inside the forest or the forest inside the plantation?” (GAPKI, 2019)

A lot of issues with land legality are apparent in the Indonesian side of the palm oil supply chain and all Indonesian actors in this research mentioned a type of social challenge which creates difficulties in performing their activities. It is important that these social issues are addressed, the practices implemented by Indonesian actors to deal with these issues will be addressed in section 4.3.2.

Table 6: Sustainability understandings of Indonesian organisations.

Organisation	Sustainability understanding
AidEnvironment	We follow RSPO standards or NDPE policies.
Bumitama Agri	We support the RSPO and its certification.
Bunge Loders Croklaan	We recognize both RSPO and ISCC certified palm oil as sustainable palm oil.
CIRAD	Palm oil is sustainable when it is not causing deforestation, pollution or social conflicts.
GAPKI	Sustainability is about how we manage palm oil. The constant adding of new sustainability criteria makes it difficult to achieve sustainability.
Golden Agri Resources	Palm oil is sustainable if it is produced in compliance with our social and environmental policy. Our policy goes beyond RSPO certification standards.
KEHATI	Palm oil is sustainable when it is legal, free of conflict, responsible for the ecosystem and responsible for the biodiversity.
Musim Mas	Palm oil is sustainable when it respects the three pillars; People, Planet, Profit.
RSPO	The main differences between sustainable and conventional palm oil are in the production process. It is sustainable when this meets RSPO requirements
Sawit Watch	We focus on the social aspect. For us, it is important that plantations do not open forest or peatland area and are not in conflict with local communities.
Setara Jambi	Palm oil is sustainable when the farmer takes into account the environment, land legality and government policies.
SNV	The ISCC certification is the most rigorous system in terms of deforestation, RSPO is not making enough progress.
SPKS	Palm oil is sustainable when it balances the three main points; economy, ecology and society
TuK Indonesia	RSPO is a good first step towards sustainability, but for us, a plantation is sustainable when the affected communities say it is sustainable.

4.2.3 Comparison of the Dutch and Indonesian sustainability understandings

In this section, the Dutch and Indonesian understandings of sustainability are compared with each other. The actors in the category “RSPO understanding” understand sustainability in roughly the same manner as the Dutch actors. However, in this category only four of the fourteen interviewed actors in Indonesia are represented, this means that the other ten Indonesian actors interviewed in this research have a differing understanding of sustainability.

The actors in the category “The pillars of sustainability” have a quite similar understanding of sustainability as the Dutch actors. The slight difference is that they do not mention RSPO certified palm oil as being sustainable. But their sustainability criteria do overlap with RSPO criteria because the pillars are also used in the RSPO criteria. This means that they do not necessarily see RSPO certified palm oil as sustainable palm oil but do have a similar understanding. They are grouped separately because they think that sustainability can be reached through more mechanisms than only RSPO certification.

The category “RSPO is not enough” thinks just having an RSPO certification by itself is not a guarantee for sustainability. In section 4.2.1 a need for stricter deforestation criteria was mentioned. Besides, it was mentioned that the needs of local, indigenous communities need to be considered more in section 4.2.2. These understandings which strive for more strict criteria are in line with what this category thinks of sustainability. However, the general Dutch understanding found in this research is that palm oil is sustainable when it is RSPO certified and the actors in this category thus think that the Dutch understanding is no guarantee for sustainability in the palm oil supply chain.

Setara Jambi and Sawit Watch have different understandings of sustainability. They mentioned in the interviews that they have a very specific focus area and this influences their understanding. However, what we can see is that both Setara Jambi and Sawit Watch are members of the RSPO (RSPO, 2019a). This means that, within their focus area, they aim to comply with RSPO requirements and participate in the RSPO discussion on what sustainability is in their area of expertise. Thus, their understanding of sustainability within their focus area is in line with the understanding of the Dutch actors.

This leaves GAPKI, GAPKI states that western actors use sustainability as a tool to be able to keep control over the production of palm oil. The RSPO principles and criteria are reviewed and revised every five years, which means that the requirements for producers to maintain RSPO certification can also change every five years (RSPO, 2019b). GAPKI says the revision of the RSPO principles and criteria and the introduction of new concepts is done to keep Indonesian actors from ever reaching the goal of sustainability. The adding of new concepts and requirements is mentioned by IDH as the sustainability journey and seen as a positive element since it keeps improving sustainability. GAPKI, in contradiction to this, sees this as a form of modern colonization. Besides, they state that these new concepts and requirements are not communicated properly and that this makes it very unclear what sustainability exactly entails.

Only four of the fourteen interviewed Indonesian actors roughly agree with the Dutch understanding of sustainability that RSPO certified palm oil is sustainable. Other Indonesian actors interviewed for this research all understand sustainability in a different way. Since understandings shapes practices (Hardy et al., 2000; Reyes, 2011), these different understandings lead to the development and implementation of practices which are not aligned and therefore partly inefficient. These practices are discussed in the following section.

4.3 Practices implemented to deal with sustainability issues

In this section, the practices implemented by Dutch and Indonesian actors to deal with sustainability issues revolving around palm oil are elaborated upon. Practices are an important part of discourse because they are partly shaped by understandings (Hardy et al., 2000; Reyes, 2011), and discourse is utilised to legitimise these practices, for example, through sketching a hypothetical future on unsustainability these practices aim to avoid. Also, practices are described by Gee (2004) as one of the seven building tasks of language and thus are seen as an important part of discourse analysis.

4.3.1 Practices implemented by Dutch actors to deal with sustainability issues

The following practices emerged from the interviews with Dutch actors: Increasing demand for sustainable palm oil, counteracting the growth of the palm oil sector through dialogue, the creation of compacts in producing regions and monitoring and managing deforestation, these practices are elaborated upon in this section. Also, misconceptions of members of the DASPO about its influence are analysed, this is relevant because these misconceptions can lead to the development of practices which are outside the scope of the DASPO.

Increasing demand for sustainable palm oil

The first practice mentioned by several Dutch actors to improve sustainability in the palm oil supply chain that is discussed is stimulating demand for sustainable palm oil, in this case, RSPO certified palm oil, in Europe and subsequently stimulating organisations to purchase sustainable palm oil. MVO states that the following about the effects of creating demand for sustainable palm oil:

“When there is a demand for sustainable palm oil, there will be a reward for producers of sustainable palm oil” (MVO, 2019. Author translation)

“If the demand for sustainable palm oil rises, more producers will produce in a sustainable manner” (MVO, 2019. Author translation)

VERNOF states the following:

“We stimulate the procurement of sustainable palm oil through DASPO” (VERNOF, 2019. Author translation)

IDH even states:

“We think the uptake of commodities in Europe is an important driver for its production. If there is no demand for sustainably produced commodities, they will not be produced.” (IDH, 2019. Author translation)

These statements show that Dutch actors think that creating and stimulating demand for RSPO certified sustainable palm oil in Europe will make producers improve their way of producing and eventually will lead to a more sustainable supply chain. Stimulating demand is done through collaborative actions, raising awareness and spreading information paired with a lot of communication, education and discussions. Demand-side interventions could have a large influence on the supply of sustainable palm oil, since palm oil is a buyer-driven commodity (Walker et al., 2013; Boons & Mendoza, 2010), which is a commodity in which the supply chain consists of large retailers and brands with a decentralized production network, typically in the global south (Gereffi, 1999). Furthermore, Dutch actors monitor the use of palm oil in the Dutch market. By doing this they can identify possible opportunities for improvement by convincing the organisation not using RSPO certified palm oil to start the transition towards using this.

Just under half of the Dutch of the interviewees, MVO, IDH, Nevedi and VERNOF, mentioned that creating and stimulating demand for sustainable palm oil was among their priorities. All interviewed Dutch actors, except Milieudedefensie and IDH, are branch organisations which are in the position to inform, educate and instruct their own member companies on the importance of the transition to sustainable palm oil. Besides, MVO mentioned that collaborative action is the key to reach their goal of sustainability in the palm oil supply chain. Important to note is that IDH receives funding from the Dutch government to promote RSPO certified palm oil so IDH has a commercial interest in promoting the uptake of RSPO certified palm oil. Aligning all Dutch actors could lead to a higher demand of

sustainable palm oil (RSPO certified) which will lead to a higher production of sustainable palm oil (Walker et al., 2013) since the supply chain for palm oil is buyer-driven (Boons & Mendoza, 2010). The fact that only four of the Dutch actors interviewed mentioned creating demand for sustainable palm oil as their priority could indicate a difference in commitment between actors. Since collaborative action is deemed important in reaching the goal of sustainability in the palm oil supply chain it is important for Dutch actors to align their practices. Interesting to see is that Milieudefensie said that the stimulation of the demand for RSPO certified palm oil is not helpful in reaching a sustainable palm oil supply chain. This can be related to their contradicting sustainability understanding, which says that RSPO certified palm oil is not sustainable and that a transition to a regional food system needs to happen to reach sustainability in the palm oil supply chain.

Counteracting the growth of the palm oil sector through dialogue

Milieudefensie was the only Dutch actor in this study that had a different understanding of sustainability, the practice they implemented to achieve this is highlighted in this section, this is the second practice mentioned by Dutch actors. As discussed in section 4.2.1, Milieudefensie has an opposing understanding of sustainability in the palm oil supply chain from the other Dutch actors interviewed in this research. The practice they mentioned to achieve this is also directly opposite of the practice of stimulating demand for sustainable palm oil, namely to lower the demand for palm oil as a whole. They aim to do this by addressing governmental drivers which stimulate the demand for palm oil. They talk with Dutch national politicians and even with Dutch members of the European Parliament to convince them that these drivers are not a step towards a sustainable future, and they need to be removed. This practice can be directly linked to their understanding of sustainable palm oil as a crop used in its natural habitat and not being exported globally.

“We address the Dutch government or Dutch members of the European parliament. We focus on biofuels, which are now stimulated. If this stimulant is removed a lot of demand will also disappear.” (Milieudefensie, 2019. Author translation)

Creation of compacts in producing regions

The third practice mentioned by Dutch actors is a practice implemented to improve sustainability in the palm oil supply chain mentioned by IDH; the creation of so-called compacts in palm oil producing regions. A compact is a multi-stakeholder group composed of different actors who are all active in the same jurisdiction, both in palm oil related activities and in other activities. IDH creates compacts consisting of actors with different backgrounds. A compact usually consists of government officials, actors who represent the palm oil industry, indigenous communities, smallholders and other actors active in the specific geographical area of interest, such as fishers or miners. The goal of these compacts is to create a clear and comprehensible roadmap to sustainability by setting goals and targets which all members of the compact strive to reach. IDH is the only Dutch actor that mentioned having implemented practices in Indonesia. This practice was received very positively by the interviewed Indonesian actors; therefore, this practice is elaborated upon even though it is only mentioned by IDH. Furthermore, IDH mentioned the following about these compacts:

“In a compact, projects are set up to educate smallholders in producing in a more effective and more sustainable manner” (IDH, 2019. Author translation)

This shows these compacts aim to have direct effects on smallholders by educating them to use their land more effectively. By teaching smallholders how to use their land in the most sustainable and effective way possible, it may prevent deforestation by smallholders, since they can now produce more FFB on the same land area.

Setting up compacts is a practice developed and implemented by IDH. This is partly due to the difference in nature of the actors. All actors, except Milieudefensie and IDH, are Dutch branch organisations, so, logically, that their focus is not on directly impacting palm oil producing countries. Besides, this practice can be linked to the view of other certification schemes than RSPO, discussed before. IDH is the only Dutch actor to take the ISPO into account as a serious option to reach sustainability and IDH is the only actor to have implemented a practice which has a direct influence on palm oil production in Indonesia. They see sustainability not as a goal, they see it as a process, which is constantly evolving. The first step towards sustainability is, according to IDH, legality, which is an important factor in ISPO. Therefore, they aim to improve this standard to get to the same level as the RSPO and help local farmers getting RSPO certified by first getting them an ISPO certification and then continuing to improve on their sustainability to eventually get to the levels that the RSPO demands for certification. This stance on the ISPO can be linked to the fact that IDH is the only actor to acknowledge the value of ISPO as a step towards reaching RSPO certification and the understanding of “*sustainability as a journey*”.

Monitoring and managing deforestation

The fourth practice mentioned by Dutch actors is monitoring and managing deforestation. In section 4.2.1 the extra focus on deforestation by VBZ, IDH and MVO was discussed. To add to this MVO and VBZ shortly mentioned two actions to monitor and even counteract the large amount of deforestation that is happening.

“Nestlé is monitoring deforestation through satellite imaging” (VBZ, 2019. Author translation)

This statement shows that VBZ members are using satellite imaging to find out where the deforestation is happening. Based on this information they can decide if they still want to purchase palm oil which is produced from plantations in that area.

“The next step is sustainably managing forests or planting new trees in a sustainable manner” (MVO, 2019. Author translation)

This statement shows that MVO aims to go beyond RSPO guidelines and even look for opportunities to improve the sustainability of the palm oil supply chain by taking proactive measures, such as managing the existing forests.

Misconceptions about the influence and scope of the DASPO

Besides these practices, there is a misconception among Dutch actors about the influence of the DASPO in Indonesia. DASPO is the Dutch task force aiming to ensure the demand and use of sustainable palm oil in the Netherlands and the main source of sampling for the Dutch interviews in this research. For example, MVO stated the following:

“Contacts with Indonesia goes via the European Palm Oil Alliance” (MVO, 2019. Author translation)

“The goal of the DASPO is to stimulate companies to purchase sustainable palm oil” (MVO, 2019. Author translation)

These statements indicate that DASPO has no direct relations with palm oil producers but that contact with these areas is maintained through the European Palm Oil Alliance (EPOA) and that DASPO focuses only on creating demand for sustainable palm oil in Europe and the Netherlands. EPOA is an organisation in which actors from European countries and producing regions collaborate to push for the transition to sustainable palm oil. EPOA supports initiatives who have a commitment towards sustainable palm oil, such as DASPO. Other DASPO members contradict these statements by claiming

that DASPO does have direct relations with producing countries. For example, Nevedi states the following:

“We trust in DASPO to make sure that the supply chain before Europe is transparent and correct” (Nevedi, 2019. Author translation)

AKSV also stated that DASPO has direct relations and strategies in palm oil producing countries.

“We do not have strategies as AKSV to improve sustainability in producing countries, this is done by DASPO and RSPO” (AKSV, 2019. Author translation)

These contradictory statements show that not all DASPO members know what DASPO does exactly. While some of the members think DASPO has direct contacts with palm oil producing countries and performs activities in palm oil producing countries to improve sustainability, others say that DASPO focuses only on the Dutch and European markets and stimulates the Dutch demand for sustainable palm oil. The fact that there is a misconception in the exact activities and influence of the DASPO can be problematic when discussing specific expectations or goals since this can lead to the development of practices by actors which then turn out to be outside the scope of the DASPO and thus cannot be implemented.

4.3.2 Practices implemented by Indonesian actors to deal with sustainability issues

From interviews with Indonesian actors, several practices emerged, which will be discussed in this section. The first practice involves tackling issues with markets for conventional palm oil. Then, practices that address the social issues on the Indonesian side of the palm oil supply chain are discussed. Third, providing incentives to produce in a sustainable manner as a practice is discussed. Also, several Indonesian actors said there is a need to shift away from large monoculture plantations, the practices they mentioned to achieve this are discussed. Lastly, practices to address Indonesian perception on European sustainability requirements as a protectionist strategy is elaborated upon.

Tackling issues with markets for conventional palm oil

The first practice, mentioned by the Indonesian actors CIRAD, placed in the “Pillars of sustainability” category, and AidEnvironment, placed in the “RSPO understanding” category, is tackling issues with markets for conventional palm oil. The market share of Europe, USA and Australia combined is lower than 20% (Wilcove & Koh, 2010). Currently, the two biggest export markets for palm oil are China and India, they have shown very little interest in procuring certified palm oil (Wilcove & Koh, 2010). In order to make the palm oil supply chain sustainable this needs to change. AidEnvironment suggests this can be done by finding leverages in the supply chain. They state that a lot of products made from the conventional palm oil in China or India eventually end up in European supply chains. This means that supply chains need to be carefully mapped to find opportunities for European companies to put pressure on the parts of their supply chain who still use conventional palm oil to make the transition to certified palm oil.

“The European market is not huge, but it has a strong influence on practices as it is the only one which requests certified palm oil. If Europe bans palm oil, any incentive to improve the sustainability of practices will disappear and the market will be left open to countries with much less stringent regulations about sustainability.” (CIRAD, 2019)

“We see that those products that go to China in many cases end up in European supply chains through other channels, so there are still leverages to find in the end. It is about mapping the supply chain.” (AidEnvironment, 2019)

CIRAD and AidEnvironment are the only actors to mention a practice that involves addressing markets for conventional palm oil, this can be related to their understanding of sustainable palm oil. AidEnvironment sees sustainable palm oil as RSPO certified palm oil since these other markets care less about sustainability and procure less RSPO certified palm oil (Wilcove & Koh, 2010) this practice flows logically from their sustainability understanding. CIRAD understands sustainable palm oil as: *“Palm oil that is not causing deforestation, pollution of social conflicts”*. These issues are apparent in conventional palm oil, thus a practice that involves addressing markets from conventional palm oil is linked to this understanding of sustainability.

Addressing the social issues on the Indonesian side of the palm oil supply chain

As said in section 4.2.2 all Indonesian actors interviewed in this research mentioned that social issues in the palm oil supply chain are apparent, from land grabbing to basic human rights violations. Even though they all acknowledge that these issues are apparent, only three of the interviewed actors provided practices to deal with these issues, these are TuK Indonesia, Setara Jambi and the RSPO. TuK Indonesia focusses on the land grabbing issues related to large companies, while Setara Jambi and the RSPO focus more on social issues that smallholders have to deal with.

TuK Indonesia states that one of the large problems is that many large companies work without a permit, which is illegal. The practice they mentioned to have implemented to deal with this is researching several of these companies and proving to the Indonesian government that these companies are working in an illegal manner, by planting palm oil without a permit. They aim to bring land grabbing to a halt by doing so. TuK Indonesia stated that palm oil is only sustainable when the voice of the affected communities is considered. This practice can be linked to their understanding as affected communities are likely to be pushed from the land they live on if a company opens a plantation without a permit.

“Land grabbing is a big challenge. We do research on the tycoons, we want to show our government many tycoons have big concessions and many of them are operating without HGU, a permit to cultivate the land. Until now our statement is if a company doesn't have an HGU this company is illegal.” (TuK Indonesia, 2019)

Next to this practice, to address the social issues related to large companies, RSPO and Setara Jambi mentioned practices to deal with the social issues that smallholders have to deal with. The RSPO mentioned they encourage smallholders through their certification process to register their plantation with the government, which is a compulsory process for a smallholder to start cultivating and harvesting oil palms. This encouragement of smallholders to register their plantation cannot be directly linked to their understanding of sustainable palm oil, which is following RSPO guidelines. However, this practice is in line with the RSPO statement that they are working on a revision on the certification system for independent smallholders. However, this revision is still in progress and no details could be given with regards to this process.

“For Indonesia the independent smallholders they do not need a license to start growing palm oil, while the grower companies do need this license from the government. Local governments need to register independent smallholder plantation within their system unfortunately many of them have not been registered. Through the certification process, we encourage the proactive involvement of smallholders to be registered” (RSPO, 2019)

Setara Jambi also mentions the social issues that smallholders have to cope with and state that they aim to help them by mapping the land of the farmers and helping them to make their production

traceable up until the mill. For Setara Jambi this focus on smallholders follows their understanding of sustainable palm oil which is also focussed on smallholder sustainability.

“Activities of Setara include mapping the land area of the farmers and the traceability of the plantation from agent up to the mill.” (Setara Jambi, 2019)

Providing incentives to produce in a sustainable manner

Another issue in the production of sustainable palm oil that is mentioned by AidEnvironment, SPKS, Bumitama Agri, Golden Agri Resources and Musim Mas is the need for incentives to produce in a sustainable manner. Currently, according to Indonesian actors, a lot of pressure is put on growers and refiners by companies to do a lot of work for sustainability, but they do not want to pay extra for sustainable palm oil. There is only a small difference in the price of sustainable and conventional RPO and FFB. This price difference is, according to these actors, by far not enough to cover the costs made by farmers, millers or refiners to comply with RSPO standards. Currently, there is no business case for growers and refiners to join the sustainability journey. Sustainability is increasing the cost of production, while the price is not changed.

“So, the companies are expecting the traders to do all the sustainability work and make sure they are not buying from bad people but are not willing to pay for it.” (AidEnvironment, 2019)

“Some farmers who got RSPO certification complain about the mechanism because there is no difference in the price of Fresh Fruit Bunches. They get the same price as non-certified farmers.” (SPKS, 2019)

However, since palm oil is a commodity its price is mostly determined by the market, this makes it almost impossible to change the price for sustainably produced FFB or RPO compared with conventionally produced FFB or RPO, because the price is mostly determined by market effects. To deal with this, two similar practices have been proposed by Indonesian actors. First, Golden Agri Resources proposes to not give growers or refiners a direct monetary incentive but provide the incentive to become certified as capacity building, better infrastructure, seeds, fertilizer or other resources. Second, Musim Mas proposes a practice where they pay credits to sustainable producers. In this system, the producers get more money for crops produced in a sustainable manner. The fact that only Golden Agri Resources and Musim Mas have implemented a practice that actually gives farmers an incentive to produce sustainably can be related to their understanding of sustainable palm oil, combined with the fact that they are large, multinational companies who have the economic funds available to put such a system in place. Golden Agri Resources understands sustainable palm oil as palm oil produced according to their own “GAR Social and Environmental Policy, which includes providing smallholders with incentives such as *“high yielding seeds, transfer of knowledge and capacity building through training on best agricultural practices”* (GAR, 2015). This is in line with the system they put in place to provide incentives for sustainably produced palm oil. Musim Mas understands sustainable palm oil as palm oil produced with respect to the three pillars, this involves economic sustainability. Paying more money for sustainably produced FFB can be linked to this as producing in a sustainable manner is more costly than producing in a conventional manner.

“CPO is a commodity before it is really used into a product and branded. This means we are subject to the volatility of the market. The risks are not all manageable. For example, currency risks hit us to, risk of oversupply by other competitive oils or even crude palm oil.” (Bumitama, 2019)

“We need to convert this premium into not cash, it has to be something like capacity building, infrastructure, seeds or fertilizer.” (Golden Agri Resources, 2019)

“You can get paid credits, so if they produce sustainable FFB they get x number of Rupiah extra for per ton So, it is a financial incentive.” (Musim Mas, 2019)

One important side note is the fact that no Dutch actors mentioned any practices which involved fair pricing for palm oil producers. This is related to the fact that discourse functions ideologically, as mentioned in the Theory section. The fact that Indonesia is a developing country makes the economic incentive to produce in a sustainable manner more important than it is in the Netherlands.

Shift away from large, monoculture plantations

Furthermore, KEHATI and Golden Agri Resources suggest moving away from large, monoculture palm oil plantations. According to these actors, this is better for soil quality, counteracts land degradation and provides farmers with a more secure and stable income and food supply. Golden Agri Resources promotes “organic intensified farming”, where they teach farmers how to grow more food on the same area of land by linking vegetable crops to husbandry and even fish ponds. This enables them to grow a complete diet on their land. KEHATI set up programs to shift the way of planting from large monoculture to small-scale diversified farming. This gives two main advantages, first the better ecosystem function of the land, second better resilience for the farmer itself. The fact that only KEHATI and Golden Agri Resources mention this practice is related to the fact that they both do not follow the RSPO understanding of sustainable palm oil. The RSPO understanding of sustainable palm oil is focussed on these large monocultures, while this shift towards smaller and more diverse plantations would, according to these actors, reach sustainability in a different way.

“For instance, organic intensified farming, where you grow not just vegetables, but you link it to husbandry and even fish ponds, so you get the full diet in one lot.” (Golden Agri Resources, 2019)

“We think that palm oil could reduce the risk if the palm oil plantation is not always a large-scale monoculture, but also can be small-scale and with diversified crops. (...) Because there will be two benefits of diversifying crops in one land. The first is the better ecosystem function of the land, the second is better resilience for the smallholders himself when the palm oil price is not good in the market they can also rely on other income.” (KEHATI, 2019)

Addressing the Indonesian perception of European sustainability requirements as a protectionist strategy

The last issue to be addressed, mentioned by GAPKI and Golden Agri Resources, is that they see the European decision to not buy conventional palm oil as a protectionist strategy to protect their own domestic market. According to GAPKI, The Indonesian palm oil growers feel like Europeans are only forcing sustainability on palm oil in order to make rapeseed oil more competitive with palm oil. According to these actors, if palm oil is being used more in Europe rapeseed oil will lose market share and the rapeseed farmers will suffer. Golden Agri Resources also states that they feel the boycott and negative attention around palm oil is part of a strategy to protect the domestic markets for rapeseed, sunflower and olive oil. Indonesian actors also mentioned that palm oil is scientifically proven to be the most effective vegetable oil crop, so boycotting palm oil does not help climate change effects. Any switch to other vegetable oils would result in a huge increase in demand for arable land.

“They want sustainability just to drive up our costs so that our oil doesn't look cheap anymore so that rapeseed can compete with palm oil.” (GAPKI, 2019)

“The protection of domestic industries (rapeseed, sunflower and olive oil) cannot be underestimated.” (Golden Agri Resources, 2019)

“It is clearly not possible to avoid using palm oil as it is the most productive oil crop and any switch to any other oil crop would result in a huge increase in demand for arable land, pesticides and fertilisers.” (CIRAD, 2019)

Golden Agri Resources is the only actor to mention a practice to address the perception of European sustainability requirements as a protectionist strategy. They mentioned that they think a broad consumer campaign needs to happen and that they have been lobbying at RSPO to take a leading role in this campaign by making their communication strategy more proactive and show the positive side of the palm oil industry to consumers in Europe. They think RSPO should lead this campaign because of their proximity to European consumers. Golden Agri Resources understands sustainable palm oil as palm oil produced in compliance with their “GAR Social and Environmental Policy”, in this policy nothing is mentioned about the Indonesian perception of European sustainability requirements as a protectionist strategy or about the sharing of the positive stories apparent in the palm oil production. This practice cannot directly be linked to their understanding of sustainable palm oil; however, Golden Agri Resources did mention that they also see the European practices as protectionist measures, this practice is linked to that perception.

“On the consumer side, proximity is important. (...) But a broad consumer engagement campaign needs to happen at the industry level. We have been lobbying at RSPO to take a more proactive communication strategy with consumers in Europe.” (Golden Agri Resources, 2019)

5. Conclusion & Discussion

In the following section, the research question will be answered, and the results will be discussed. This will be done by first elaborating upon the Dutch understandings of sustainability and the practices emerged from these understandings. Afterwards, the Indonesian understandings and practices will be discussed. Then, these results will be interpreted and, where possible, linked to existing literature to give a context of how these results can be used. Also, the wider, societal relevance will be discussed. Then, some limitations and how the researcher dealt with these limitations will be discussed. Last, some recommendations for future research will be given.

The purpose of the study was to answer the question: *“How do Dutch and Indonesian actors in the palm oil supply chain differently understand sustainability in palm oil related activities and what practices have they developed to address what they perceive sustainability to be in the context of palm oil?”*. To do this two sets of interviews were conducted, the first consists of interviews with Dutch actors in the palm oil supply chain, the second consists of interviews with Indonesian actors in the palm oil supply chain. These interviews showed valuable insights in the understandings of sustainability and the practices implemented to tackle sustainability issues in the palm oil supply chain.

First, the sustainability understandings of the Dutch actors will be addressed. All Dutch actors, except Milieudefensie, had a quite similar understanding of sustainability. They all stated that they see RSPO certified palm oil as sustainable palm oil. Even with these similar understandings, several differences surfaced when asking more detailed questions. First, a different view on other certification schemes than RSPO, such as ISPO, is observed. IDH is the only actor to take ISPO seriously into account when aiming to make the palm oil supply chain more sustainable. Second, a contrasting view on traceability has been recognised. Some members of DASPO state that traceability leads to sustainability, while others say that this is not always the case. This shows that all DASPO members claim to have a similar understanding of sustainability, but still they have very divergent views on certain topics, including on what it is that DASPO exactly does. Also, MVO, IDH and VBZ mentioned to having an extra focus on deforestation. Last, Milieudefensie has an understanding of sustainability which is opposite to the understandings of the other Dutch actors, they think palm oil can only be sustainable if it is used in its natural habitat and not exported across the globe. This understanding is part of a larger understanding of regional consumption and circular farming. Milieudefensie states that a systematic change needs to happen from the current food and consumption system towards a system in which less food is being exported and more regional crops are being grown and used for consumption. This is a very interesting stance, as this involves changes in the supply chains of a lot more than only palm oil. It involves a large change in behaviour and way of thinking of consumers and producers globally.

From the interviews with Dutch actors, four practices to make the palm oil supply chain more sustainable emerged. First, the stimulation of the demand for sustainable palm oil, this practice is mentioned by MVO, IDH, Nevedi and VERNOF. An interesting finding is that Milieudefensie stated that the increasing demand for RSPO certified palm oil is not making the palm oil supply chain more sustainable. The opinion of Milieudefensie is opposite of that of the Dutch actors who mentioned this practice. This can be related to how they see RSPO and understand sustainability, which is also directly opposite. Milieudefensie thinks that palm oil can only be sustainable if it is used in its natural habitat and not if it is being exported across the globe. This leads to another practice found in this research: Counteracting the Growth of the palm oil sector through dialogue. This practice is implemented by Milieudefensie and is directly linked to their understanding of sustainable palm oil. Next, the practice that emerged from the interview with IDH, the creation of compacts in palm oil producing regions, is addressed. Indonesian actors stated they are positive about this practice and think this will aid in reaching the goal of a sustainable palm oil supply chain. The fact that only IDH implemented this type

of practice, where there is a direct influence on producing actors stems from the fact that they aim to be active throughout the entire supply chain, while the other Dutch actors are only active in the European part of the supply chain. Also, IDH is the only Dutch actor to see the value of ISPO in reaching a sustainable palm oil supply chain, this shows that they are more active in the Indonesian side of the supply chain and is in line with their understanding of sustainability as a journey. This understanding explains why they are the only Dutch actor to have implemented a practice which directly affects palm oil production in Indonesia. Lastly, VBZ and MVO mentioned two practices to monitor and counteract deforestation, these are satellite imaging and sustainable forest management. These practices are linked to the extra focus on deforestation they mentioned in their sustainability understanding.

To address the sustainability understandings from the interviews with Indonesian actors, they were grouped in three categories. This was considered necessary because of the many diverse understandings mentioned by these actors. These categories are “RSPO understanding”, in which Bumitama, Bunge Loders Croklaan, AidEnvironment and the RSPO are classed. The next category is called “The pillars of sustainability”, in which CIRAD, KEHATI, Musim Mas and SPKS are grouped. The last category is named “RSPO is not enough”, in this category Golden Agri Resources, SNV and TuK Indonesia are placed. After this categorisation three actors were remaining who did not fall under each of these categories and could not be placed in a category together, these are Setara Jambi, Sawit Watch and GAPKI. For Setara Jambi and Sawit Watch this different understanding stems from their specific focus on respectively smallholders and social challenges, the fact that Sawit Watch only focusses on social challenges might prove to be an issue due to the fact that literature states that all pillars of sustainability influence each other and thus cannot be seen separately (Hansen et al., 2015; Vermeulen, 2015; Brandi, 2017). However, Sawit Watch justifies their focus on social challenges by saying that already a lot of NGOs focus on environmental issues and that the social issues are underexposed. For GAPKI the difference in understanding is of fundamental nature, they see sustainability as a mechanism from Europe to be able to keep control over the palm oil production and even call this modern colonization. Besides, they state that the constant changing and adding of requirements to the RSPO principles and guidelines makes it very unclear for Indonesian actors what sustainability exactly is.

Besides the practices mentioned in interviews with Dutch actors, several practices were mentioned in interviews with Indonesian actors. The first practice is tackling issues with markets for conventional palm oil by finding leverages in the supply chains of products that contain palm oil. This practice is mentioned by CIRAD and AidEnvironment. AidEnvironment agrees with the RSPO understanding of sustainable palm oil, while CIRAD has an understanding of sustainability which follows the pillars of sustainability. Tackling issues with markets for conventional palm oil can be linked to these understandings as they both involve tackling issues which are apparent palm oil produced in a conventional manner, destined for these markets.

Second, all Indonesian actors mentioned that the social issues in Indonesia need to be addressed. TuK Indonesia, Setara Jambi and the RSPO are the only actors to mention practices to actually address these issues. TuK Indonesia does this by providing the Indonesian government with proof that certain large companies are working without permits. This can be linked to their understanding of sustainable palm oil, which focusses on local communities, who are most likely to be pushed away from their land if companies set up plantations without a permit. The RSPO and Setara Jambi focus on the social issues that smallholders deal with. RSPO does this through the certification process, in which they encourage smallholders to register their plantation, which is not directly in line with their understanding of sustainable palm oil but is in line with the current process of revising the certification procedure for smallholders. Setara Jambi addresses the social issues by helping smallholders in mapping their land

and helping smallholders with making their production traceable, this is in line with their understanding of sustainable palm oil, which is about making smallholders take the environment, land legality and government policies into account.

Third, according to AidEnvironment, SPKS, Bumitama Agri and Golden Agri Resources, an incentive system needs to be implemented to make sustainability more attractive to engage in. Golden Agri Resources and Musim Mas are the only actors to have actually implemented a practice which provides this incentive. The fact that they are the only actors to have implemented this type of practice can be linked to them being large, multinational companies that have the monetary funds to set up an incentive system like this. Besides these systems can be linked to their understanding of sustainable palm oil. For Golden Agri Resources providing incentives for sustainably produced palm oil is in line with their "GAR Social and Environmental Policy. For Musim Mas it is in line with the understanding of respecting the three pillars, which also involves economic sustainability. With the implementation of these systems, it should be considered that systems like this are still top-down systems designed by the companies themselves that not necessarily maximise financial benefit for small-scale farmers.

Fourth, KEHATI and Golder Agri Resources see a need to move away from the large monoculture farming and plantation structure in palm oil. They suggest smaller scale farming and diversifying the crops on the plantations to reduce the risk for the farmers and improve the quality of the soil. The fact that only KEHATI and Golden Agri Resources mention this practice is linked to them both not directly following the RSPO guidelines, which are only focussed on large monoculture plantations.

Last, GAPKI and Golden Agri Resources see sustainability requirements from Europe as a protectionist strategy to protect the domestic market. They claim that palm oil is the most efficient vegetable oil crop and that boycotting palm oil would only result in an increase in demand for arable land. Only Golden Agri Resources mentions a practice to address this perception, they think the RSPO should take a leading role in initiating a broad, consumer-focussed, campaign. Nothing is mentioned about this in their "GAR Social and Environmental Policy" about this practice, but it is in line with their statement that European practices are set in place to protect the domestic markets.

As stated before in section 2.1, academic literature has already elaborately addressed the sustainability issues associated with the extensive production of palm oil, from increasing GHG emission (Wicke et al., 2009) to violations of human and labour rights (Cramer et al., 2006; Teoh, 2010). This research has added to this by highlighting several other social issues, such as systematic problems with the process of providing land permits, the absence of clear land-use maps in Indonesia and issues with incompetent auditors. Besides, this research also addressed several practices, implemented by Indonesian actors, to deal with these issues, such as helping farmers to map their land and encouraging smallholders to register their plantation with the government. Also, this research has shown that the exact role, position and view of the RSPO in literature and in practice should be reconsidered. In literature, RSPO is mentioned in a lot of ways of making the palm oil supply chain more sustainable. It is depicted as the only feasible solution to the sustainability issues in the palm oil supply chain (Wijaya & Glasbergen, 2016). It is stated that developing countries especially should engage in the RSPO as it can improve the agricultural market by transferring knowledge, skills and technology (Wijaya, 2016; Bartley, 2011) This research has shown that in practice the role of the RSPO might not be as big as academics believe. Several Indonesian actors either did not even mention RSPO when talking about sustainability or did say that RSPO was not doing enough to reach a sustainable palm oil supply chain. This research has shown several very interesting practices from the Indonesian side of the supply chain in which the RSPO does not necessarily have to take a leading role and thus has shown that maybe a more collaborative type of relationship should be constructed between producers and consumers of palm oil, instead of the disparaging relation that is currently in place. Next to this, the fact that sustainability

understandings are not aligned within the palm oil supply chain is touched upon by Boons & Mendoza (2010). This thesis elaborated upon this by researching the sustainability understandings in the Dutch and Indonesian side of the supply chains, in these understandings several differences and commonalities have been found.

Besides, this thesis has opened up the discourse about sustainable palm oil and gave actors from all sides of the supply chain an equal opportunity to join in this discourse and give their opinions and understandings. This research has shown that only the Indonesian actors mention the price of sustainability and the markets for conventional palm oil, the Dutch actors do not mention anything about fair pricing or other markets for palm oil besides the European market. This implies that an inherent tension exists between producing and consuming actors in the palm oil supply chain when it comes to pricing, due to everyone wanting to maintain the best possible position in the market. This pricing discussion is a process of negotiation based on market position and commercial power. The risk in this process is that the reluctance of European buyers to pay extra for RSPO certified palm oil will make more producers turn to other markets, where sustainability is less relevant. In this sense, by European actors demanding RSPO certification but not paying a premium for this they are making the palm oil industry less sustainable.

Several limitations should be considered when interpreting the outcomes of this research. First, the researcher did not speak Bahasa Indonesian which sometimes led to misunderstandings between the researcher and the interview subject. This issue was overcome by consulting a translator during several interviews where this issue was apparent. Another point of caution is, because this research is performed by a single researcher, this could lead to a bias in coding. For example, the coding process of the last interview can be influenced by the coding of the earlier interviews. This bias is reduced by following the model of Burnard (1991) shown in table 3, in which the final codes are compared with the transcripts. Also, all interviewees are asked for feedback on their quotes used in this research. This did not lead to the surfacing of different meanings, but these actors did provide some extra background information about their practices and understandings. Besides, it is important to bear in mind that the researcher is from the Netherlands and therefore is accustomed to the Dutch norms and values, which have proven to be quite different from the Indonesian norms and values. Therefore, statements made by Indonesian actors may be interpreted in a different manner than they were meant by the interview subject. Furthermore, the scope of this study was limited in the way that only understandings of sustainability were considered. Several practices could not be fully understood with only the sustainability understandings of the actors or could have possibly been better understood when understandings of other concepts were also considered. The last limitation of this study that will be discussed lies in the use of Critical Discourse Analysis to analyse the results. Some researchers state this theory unscientific because of the personal interest of the researcher affects the outcomes of the study (Gee, 2004). Again, this bias is dealt with by following the model of Burnard (1991) shown in table 3.

In this research, the literature gap concerning the differences in sustainability understandings between and among Dutch and Indonesian actors in the palm oil supply chain has been addressed. Also, this research provided an overview of the practices which are developed by different actors to deal with their sustainability concerns. From this research, several divergent understandings emerged. Besides, several distinct practices to tackle the sustainability challenges apparent in the palm oil supply chain came to light in this research. To develop a full picture of these understandings and practices and the complex issue of sustainability in the palm oil supply chain additional studies will be needed. Research questions that could be asked in future studies can revolve around divergent understandings of sustainability in other palm oil producing and consuming regions. This could surface new concepts and

practices to deal with sustainability concerns. Also, Future studies are required to research the actual effectiveness of the practices mentioned in this research. Furthermore, studies on other concepts than sustainability should be performed. Lastly, follow-up research is required on more effective and equitable solutions to the sustainability challenges in the palm oil supply chain which take the highlighted differences in this research into account.

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Appendix I: Interview Guides

Interview guide for interviews with Dutch actors

Before starting

Explain why they were specifically chosen to be interviewed - Chosen because your organisation is a member of the DASPO

Tell interviewee that they can interrupt whenever they feel they can add information

Ask for permission to record the interview

Tell interviewee that the objective of the thesis is:

To find out how the understandings of sustainability by Dutch and Indonesian actors involved in palm oil related activities differ

Sustainability understanding

1. What is sustainability according to (name of organisation)? What role does palm oil play in (name of organisation)? → To what extent and in what way does your organisation depend on palm oil?
2. What is sustainable palm oil according to (Name of organisation)?
3. What does (name of organisation) define as sustainability criteria?
4. Why did you choose to be member of the DASPO? → What is your role within the DASPO?
5. Are you also part of other organisations which promote sustainable palm oil? → What is your role in those organisations?

Practices to achieve sustainability

1. Does (name of organisation) focus on achieving sustainability in the Palm oil chain in Indonesia? If so, how? → Why do you focus more on these specific sustainability issues? → Can you give specific examples of how you try to achieve sustainability?
2. Does (name of organisation) have relations with Indonesian actors involved in palm oil related activities? → What type of relations? → Do you have contracts with suppliers?
3. Does (name of organisation) also take indirect sustainability risks into account? → Does (name of organisation) also take the effects in Indonesia into account when making decisions?
4. Does DASPO provide a clear-cut explanation of what sustainable palm oil exactly entails?
5. What does (name of organisation) do outside of DASPO related activities to achieve sustainability in the palm oil supply chain?

Interview guide for interviews with Indonesian actors

Before starting

Explain why they were specifically chosen to be interviewed

Tell interviewee that they can interrupt whenever they feel they can add information

Ask for permission to record the interview

Tell interviewee that the objective of the thesis is:

To find out how the understandings of sustainability by Dutch and Indonesian actors involved in palm oil related activities differ and what these differences mean for the practices implemented.

1. What are your activities related to palm oil production?
2. What is your position in the palm oil supply chain? With what actors do you have direct contact?
3. Are you aware of the sustainability risks related to palm oil production? What do you see as the biggest sustainability risks?
4. How do you take into account sustainability when performing your activities? If not, why not?
5. What are the main differences between sustainable palm oil and conventional palm oil? When is palm oil sustainable?
6. What are your reasons for (not) taking sustainability into account when performing your activities?
7. Have you ever been forced to change your way of working to improve sustainability? If so, by who?
8. Have you ever had problems or discussions about land ownership rights with regards to palm oil production?
9. How do you feel about the ongoing promotion of sustainable palm oil in Europe?
10. Did the increase in demand for sustainable palm oil change your way of working?
11. Do you think talking and setting goals with multi-stakeholder groups is a step towards more sustainable palm oil?
12. How do you feel about the European discussion of using sustainable palm oil versus not using palm oil at all?
13. Can you recommend any other interview subjects? Can you provide me with their contact details?

Appendix II: Interview transcripts

Dutch interview transcripts

AKSV

Wat is duurzaamheid volgens AKSV?

Maatregelen nemen met het milieu, de menselijke factor (zoals kinderarbeid), we willen geen grondstoffen importeren uit landen waar kinderarbeid gebruikt wordt, en klimaat in je achterhoofd. Er zijn bijvoorbeeld producenten lid bij ons die zonnepanelen op hun fabriek hebben liggen. Wij hebben het IMVO-convenant getekend, dat betekent dat we goed letten op stromen van grondstoffen, goed opletten op kinderarbeid, onderbetaling en het milieu.

Wat is de rol van palmolie binnen de AKSV? Wat zou het betekenen als palmolie wegvalt?

7 van de 32 leden gebruiken palmolie. Verder is het zo dat als er andere oliën gebruikt worden de productielijnen van deze leden vastlopen. Het is in het verleden geprobeerd met verschillende andere oliën en mengsels van oliën. De palmolie die gebruikt wordt door onze leden is wel van duurzame oorsprong.

Wat is duurzame palmolie volgens AKSV?

RSPO certified.

Kijken jullie ook andere standaarden naast de RSPO?

Nee, wij gebruiken alleen RSPO certified. We kijken niet naar palmolie die gecertificeerd is via andere lokale standaarden.

Waarom hebben jullie ervoor gekozen om lid te worden van de DASPO? Wat is jullie rol binnen de DASPO?

Wij vinden duurzaamheid heel belangrijk. Ook hebben wij veel contact met MVO en zij hebben ons geïntroduceerd in de DASPO. Verder hebben wij een ondersteunende rol binnen de DASPO. We denken ook mee aan wat de volgende stap is die genomen kan worden.

Is de AKSV, naast de DASPO, nog lid van andere organisaties die duurzaamheid stimuleren?

Wij zijn lid van de FNLI, zij doen heel veel op het gebied van duurzaamheid.

Implementeert de AKSV-strategieën om de duurzaamheid in producerende landen te vergroten?

Nee, wij focussen ons op de inkoop van duurzame palmolie. Wij hebben geen initiatieven om duurzaamheid in producerende landen te vergroten. Dit is de taak van de DASPO en de RSPO.

Hebben jullie relaties met actoren buiten Europa?

Nee.

Op welke risico's focust de AKSV zich het meest?

Land use change en het verminderen van biodiversiteit zijn belangrijke factoren. Ook vinden wij watergebruik en watervervuiling belangrijk. Ook zijn in sommige gebieden de werkomstandigheden niet naar behoren.

Welke van deze risico's zou de AKSV meer focus op kunnen leggen?

Het is belangrijk om in producerende landen een bewustwordingsproces op gang te brengen. Er worden hier veel bijeenkomsten gehouden maar de producenten moeten beter geïnformeerd worden. Ook ervaren de producenten de duurzaamheidsinitiatieven uit Europa als bemoeienis van westerlingen, dat leidt tot ergernis.

Onze leden bestellen duurzame palmolie bij een van de raffinadeurs die lid zijn bij de MVO, zo weten ze zeker dat ze duurzame palmolie gebruiken.

Hoe stimuleren jullie het gebruik van duurzame palmolie onder jullie leden?

Wij promoten duurzame palmolie op onze website. Verder hebben wij tot 2015 gemonitord hoeveel duurzame palmolie er gebruikt werd. Wij zijn hiermee gestopt omdat toen bleek dat 100% van de palmolie die gebruikt werd duurzaam is en wij vermoeden niet dat een van onze leden teruggaat naar conventionele palmolie.

Wat was jullie rol binnen de DASPO voordat jullie leden 100% duurzame palmolie gebruikte?

Toen waren wij veel aan het monitoren en kijken hoe ver we waren. We hebben toen veel meegedacht. Alle aangesloten industrieën moeten hieraan werken.

In Nederland zijn we natuurlijk al heel goed bezig met het gebruik van duurzame palmolie, wat zou de volgende stap zijn?

Wat palmolie betreft is dit volgens mij in de voedselindustrie niet meer mogelijk. Wel kan er in de cosmetische industrie nog veel gewonnen worden.

Zouden bedrijven in de cosmetische industrie zich dan moeten aansluiten bij de DASPO of zou daar een ander soort organisatie voor moeten worden opgericht?

DASPO is te veel gericht op voeding, er zou een overkoepelende task force moeten worden opgericht waar de cosmetische industrie zich bij kan aansluiten. Binnen de cosmetische industrie valt nog heel veel te winnen. Ze gebruiken ongelofelijk veel palmolie, en het is onbekend of deze palmolie duurzaam gewonnen is.

Dit wordt nergens bijgehouden?

Nee dit wordt nergens gemonitord en ze worden hier ook niet op aangesproken door de overheid.

Dat is een hele kromme verhouding. De voedingsindustrie wordt hier streng op aangesproken en gecontroleerd, terwijl de cosmetische industrie gewoon door mag gaan hoe ze al jaren doorgaan.

Ja klopt, hetzelfde zie je met additieven. In de voedingsindustrie wordt er streng gehamerd op het verminderen van het gebruik van additieven, terwijl in de cosmetische industrie ook veel additieven gebruikt worden, maar hier wordt niet over gesproken.

In de cosmetische industrie is dus nog een grote stap te maken?

Ja, ik vermoed dat in de cosmetische industrie in totaal nog meer palmolie gebruikt wordt dan in de voedingsindustrie.

Als de cosmetische industrie zich meer wil focussen op het gebruik van duurzame palmolie, zouden jullie er dan voor open staan om hen te ondersteunen met de transitie.

Ja, daar staan wij voor open. Zij zullen wat ondersteuning nodig hebben in hoe dat werkt met segregated, mass balance, book & claim. Die expertise zit bij de MVO, dus zij zullen ze goed kunnen ondersteunen.

Als jullie kijken naar palmolie nemen jullie dan ook de indirecte gevolgen mee bij de transitie naar duurzame palmolie? Bijvoorbeeld bij het stoppen van de inkoop van conventionele palmolie zullen er boeren in Indonesië zijn die geen of minder inkomen hebben.

Wij zijn van mening dat de Indonesische regering ervoor moet zorgen dat de palmolie die verbouwt wordt duurzaam is en de boeren moeten helpen met hun productie verduurzamen.

Hoe denken jullie dat de transitie beter begeleid kan worden?

Ik denk dat hier vanuit Europa steun voor moet komen.

Zijn jullie ook aangesloten bij de initiatieven die hiermee bezig zijn, zoals de EPOA?

Nee.

Naast jullie activiteiten binnen de DASPO, welke activiteiten voeren jullie nog meer uit om duurzaamheid te promoten?

Wij hebben leden die producten importeren uit verschillende Aziatische landen. Via de FNLI hebben wij de vraag gekregen om deze product stromen goed in kaart te brengen. Hier zijn wij momenteel mee bezig. Het is niet voldoende als de leverancier zegt dat het duurzaam is, je moet dit zelf controleren. Wij controleren dit samen met de vereniging van kruiden en specerijen.

Zijn er dan ook leden die de duurzaamheid van de palmolie controleren?

Nee wij gaan ervan uit dat als palmolie RSPO certified is, dat het dan duurzaam is. Het is de taak van de DASPO om dit te controleren.

Wat is de reden dat dit voor palmolie niet gecontroleerd wordt en voor andere producten wel?

Omdat ze ervan uitgaan dat RSPO certified palm oil gecontroleerd en goed is. De RSPO wordt gezien als een sterk en betrouwbaar orgaan.

Wat is duurzame palmolie?

Palmolie afkomstig van plantages waar rekening wordt gehouden met het milieu, de menselijke factor, dus geen kinderarbeid en normale lonen volgens de standaard van dat land en een verantwoord watergebruik.

FNLI

Wat is duurzaamheid volgende de FNLI?

Duurzaamheid wordt vaak gedefinieerd in functie van het onderwerp, dus er zijn verschillende definities bij verschillende onderwerpen. Dit betekent dat duurzaamheid bij palmolie iets zal verschillen van duurzaamheid bij bijvoorbeeld soja. Wij houden de definitie van Bruntland aan, dat is ontwikkeling die de doelen voor het heden haalbaar maakt zonder toekomstige generaties in de weg te zitten om hun doelen te bereiken.

In hoeverre is palmolie belangrijk voor de FNLI? Als palmolie compleet weg zou vallen wat zou dit dan betekenen?

Wij hebben een grote groep bedrijven die palmolie gebruiken, als dit weg zou vallen zouden zij alternatieve oliën moeten gebruiken. Deze alternatieven zijn er wel, maar zijn vaak minder duurzaam of duurder. Ook is het voordeel van palmolie dat het niet vloeibaar is bij kamertemperatuur, dit kan gebruikt worden om smeerbare producten te maken. Als palmolie dus niet gebruikt zou worden zouden hiervoor geharde oliën gebruikt moeten worden, welke duurder zijn.

Wat is duurzame palmolie volgens FNLI?

RSPO certified of equivalent.

Jullie kijken dus niet naar een volgende stap na RSPO?

Nee, wel hebben wij gesprekken met de RSPO waarin wij pleiten om de standaarden steeds te blijven verbeteren, met name op het gebied van arbeidsomstandigheden.

Is er binnen de FNLI een focus op een van de drie pijlers van duurzaamheid of zien jullie deze alle drie als gelijkwaardig?

We zien ze alle drie als gelijkwaardig. Verder kijken we ook naar de sustainable development goals voor onze focus.

Waarom hebben jullie ervoor gekozen om lid te worden van de DASPO? Wat is jullie rol in de DASPO?

Wij zijn lid geworden omdat we het heel belangrijk vinden dat palmolie op een duurzame manier geteeld wordt en dat deze duurzame palmolie ook daadwerkelijk gebruikt wordt. Een hele grote uitdaging is ook het creëren van vraag voor duurzame palmolie in Europa. Onze rol binnen DASPO is dat wij input geven aan DASPO en de informatie van DASPO doorspelen naar onze leden en hen overtuigen dat duurzame palmolie een hele belangrijke stap is.

Krijgen jullie wel eens weerstand van bedrijven bij het promoten van duurzame palmolie?

Er zijn af en toe bedrijven die aangeven dat ze liever geen palmolie willen gebruiken, ook niet als dit duurzaam is. Dit komt vooral doordat deze bedrijven vanuit een hoofdkantoor in het buitenland (Scandinavië) de opdracht krijgen om geen palmolie te gebruiken. Wat wij dan doen is deze bedrijven de informatie over duurzame palmolie aanleveren, het is dan aan het bedrijf zelf om de keuze te maken om dit wel of niet te gebruiken.

Zijn jullie als FNLI nog lid van andere organisaties die duurzaamheid promoten?

Ja, wij zijn lid van de Alliantie verduurzaming voedsel (AVV) en het Internationaal maatschappelijke verantwoord ondernemen (IMVO) akkoord, daarin hebben wij een workshop gehad over hoe palmolie duurzaam geteeld wordt binnenkort hebben wij nog een workshop met de sectoren die palmolie gebruiken om hen te informeren over wat zij kunnen doen om duurzame palmolie te gebruiken. Ook hebben wij het klimaatakkoord medeondertekend.

Heeft FNLI-strategieën die focussen op de productie van duurzame palmolie?

Wij doen dit indirect via DASPO, zij werken samen met EPOA en RSPO. Wij hebben dus geen directe relaties met palmolie producenten. Ook hebben wij leden die wel rechtstreekse relaties hebben met producenten van palmolie.

Denken jullie ook aan de gevolgen in producerende landen van een beslissing om bijvoorbeeld alleen nog duurzame palmolie te gebruiken?

Ja, dit gebeurt via DASPO en EPOA. Als FNLI hebben wij vooral een ondersteunende rol hierin.

Wat zijn strategieën die in Nederland gebruikt worden om duurzame palmolie te stimuleren?

In Nederland wordt al een heel groot aandeel aan duurzame palmolie gebruikt, alles wat in Nederland geproduceerd wordt voor de Nederlandse markt is duurzaam. Het aandeel wat nog niet duurzaam is heeft te maken met het feit dat er bepaalde producten in Nederland geproduceerd worden die niet voor de Nederlandse markt bestemd zijn. We proberen die laatste paar procent ook nog over te halen om duurzame palmolie te gebruiken, dit is soms wel lastig doordat de prijs van duurzame palmolie hoger is dan die van conventionele palmolie.

Hoe is de transitie naar duurzame palmolie gegaan in de tijd dat er nog wel veel conventionele palmolie werd gebruikt?

De FNLI heeft hierbij de rol gespeeld van het creëren van een vraag voor duurzame palmolie en die vraag ook stimuleren bij hun leden. Hierbij hebben grote bedrijven die overstappen op duurzame palmolie ook een belangrijke rol gespeeld.

Is er vanuit de FNLI een focus op bepaalde risico's?

Wij proberen alles mee te nemen, wel zijn arbeidsomstandigheden een extra focusgebied binnen de FNLI.

Is er vanuit de DASPO een duidelijke definitie van duurzame palmolie gecommuniceerd?

RSPO certified palmolie of gelijkwaardig.

Jullie kijken dus niet naar de "minder duurzame" Maleisische of Indonesische standaarden?

Wij gaan uit van RSPO certified palmolie. Wel is het zo dat we met DASPO momenteel bezig zijn met de problematiek dat het voor smallholders vaak lastig is om aan de RSPO-eisen te voldoen. We zijn hier momenteel druk over aan het overleggen binnen DASPO. Een stappenplan voor smallholders om ze te ondersteunen naar RSPO certified is momenteel een onderwerp van gesprek.

Doet FNLI buiten DASPO nog andere activiteiten voor het verduurzamen van de palmolie supply chain?
Nee.

IDH

Wat is duurzaamheid in het algemeen volgens IDH?

People, Planet, Profit principe, dus de traditionele omschrijving van duurzaamheid. Binnen IDH hebben we enkele specifieke aspecten waaraan gewerkt wordt, zoals ontbossing, living wage, hoe worden de mensen behandeld. Ook vinden wij dat iets niet duurzaam is als er geen geld mee verdient kan worden.

Welke rol speelt palmolie binnen IDH? In hoeverre zijn jullie afhankelijk van palmolie?

Ons bestaan is niet afhankelijk van palmolie. We werken op basis van thema's zoals ontbossing, living wage, pesticiden, gender. Aan deze thema's zijn verschillende landschappen en commodities aan gelinkt zijn. We zijn begonnen als organisatie gericht op deze commodities, we hadden een soja, palmolie, cacao, thee, koffie programma etc. We werken binnen deze commodities zowel aan duurzame productie als het creëren van een vraag voor deze commodities in Europa. We zien ook de uptake van commodities in Europa als een belangrijke drijfveer voor productie. Als er geen vraag is naar duurzaam geproduceerde commodities wordt dit ook niet geproduceerd. Dus gingen we werken aan certificering. We begonnen met investeren in RSPO om het aanbod van duurzame palmolie te stimuleren en zette in op front-running bedrijven die duurzaamheid als een grote meerwaarde zien. Door deze focus op front runners zagen wij dat de organisaties waar wij mee samen werken goed bezig waren, maar de andere boeren nog steeds ontbossen. Doordat we zagen dat deze focus op front running boeren niet op grote schaal invloed hadden hebben wij het landschapsprogramma opgezet. In dit programma werk je met alle stakeholders in een bepaald gebied. Voor ons is het belangrijk om niet alleen in gebieden te werken waar het al redelijk goed gaat, maar ook juist te kijken naar de "dirty areas", waar de boeren een groot gebrek hebben aan kennis, toegang tot finance en waar de bedrijven die daar zitten echt hun practices moeten verbeteren. Palmolie is voor ons, wat ontbossing betreft bijvoorbeeld, wel belangrijk, maar soja en beef spelen hier bijvoorbeeld ook een grote rol in. Toch staan landen als Indonesië en Maleisië in de top 3 landen waar het meest ontbost wordt. Palmolie is dus zeker belangrijk als we de ontbossing willen verminderen.

Wat is duurzame palmolie volgens IDH?

Wij zien RSPO als best-in-class, je kan dit niet direct van lokale boeren eisen. Wij zien sustainability als een journey, je moet iedereen aan deze reis mee kunnen laten doen. Daarom zien wij legality als een eerste stap, daarom ondersteunen wij de ISPO en helpen wij deze standaard ook beter te worden. Een eerste stap is dus ISPO certified en dan gaan wij samen met de ISPO certified boeren kijken wat er gedaan moet worden om RSPO certified te worden. Dit blijkt voor een kleine boer vaak lastig. Voor alle partijen zien wij sustainability als continuous improvement.

Wat is de rol van IDH binnen de DASPO?

DASPO is een van de initiatieven waar wij bij betrokken zijn. DASPO is één van de 14 nationale initiatieven op duurzame palmolie. DASPO vertegenwoordigd 99% van de Nederlandse palmoliesector. De andere initiatieven zitten nog een stuk lager. Deze initiatieven zijn heel belangrijk in het vergroten van de vraag naar duurzame palmolie in Europa. Wij financieren deze initiatieven samen met de EPOA.

Is de IDH ook nog lid van andere initiatieven naast de DASPO?

Wij financieren en helpen veel van deze nationale initiatieven samen met de EPOA, wij hebben bijvoorbeeld ook samenwerkingen met de RSPO.

Wat is de reden dat jullie ervoor hebben gekozen om ook samen te werken met de DASPO?

IDH financiert de European Sustainable Palm Oil Product samen met EPOA, hieronder vallen de nationale initiatieven. Wij financieren alleen de initiatieven die dat nodig hebben. IDH heeft ervoor gekozen om DASPO niet te financieren, omdat DASPO het heel goed doet zonder onze financiering en omdat er in Nederland al een heel hoog percentage aan duurzame palmolie is. Onze resources kunnen dus beter ingezet worden op andere plekken, bijvoorbeeld Spanje en Frankrijk.

Wat is dan de specifieke rol van IDH binnen de DASPO?

Wij treden op als supporting party. Verder hebben wij geen directe rol binnen de DASPO.

Wat zijn de strategieën van IDH om duurzaamheid over de supply chain van palmolie te vergroten?

We kijken altijd naar twee kanten van het verhaal. De markt kant en de productie kant. De markt kant kijkt naar het vergroten van de vraag naar duurzame commodities in Europa. Dit is een hele belangrijke driver voor de productie. IDH doet dat door middel van drie pijlers. Data, we brengen elk jaar een rapport uit over waar we staan in Europa. Hierdoor weten we bijvoorbeeld dat we meer moeten focussen op Spanje dan op Nederland. De tweede is het werk van de national initiatives, bij palmolie wordt hier al heel goed aan gewerkt door deze 14 national initiatives. De derde is de link leggen tussen producenten en eindkopers, dit doen we via ons concept dat heet "werven uit sourcing areas". Het idee hierachter is dat veel bedrijven hier wel een sustainability commitment hebben maar niet goed weten wat ze hier precies mee moeten of bijvoorbeeld al weten dat ze hun targets voor 2020 niet gaan halen. Hoe kun je er nou echt voor zorgen dat bedrijven echt de meeste impact maken in producerende landen en dat we gericht op de gebieden waar de meeste problemen zijn werken. Aan de productiekant werken we via een landschaps benadering. We werken in verschillende gebieden, dit kan zijn op gemeente of provincie niveau. We stellen in een jurisdictie een multi stakeholder group samen die in overleg targets ontwikkelen en er ook naar streven deze targets te halen. Zo'n groep noemen wij een Compact, wij vinden het belangrijk om in zo'n compact ook de lokale regering erbij te betrekken en zij ondersteunen de doelen van de compacts. Dit element zie je bijvoorbeeld niet terug in certificering, terwijl zij er vaak wel bij betrokken willen zijn, omdat palmolie voor hun ook belangrijk is. We zitten dus samen met vertegenwoordigers van de regering, bedrijfsleven, smallholders, inheemse gemeenschappen etc. In een bepaald gebied kan het bijvoorbeeld zijn dat in een bepaalde gebied palmolie het meest geteelde gewas is, maar dat er ook andere activiteiten plaatsvinden, zoals viskweek. In zo'n compact worden deze sectoren ook vertegenwoordigd. Dit leidt tot een duidelijk plan en een duidelijke roadmap om de opgestelde doelen ook daadwerkelijk te halen. Dit plan wordt door alle partijen ondertekend. Vaak worden in zo'n compact ook projecten opgezet om bijvoorbeeld smallholders te helpen meer, efficiënter en duurzamer te leren produceren op hetzelfde stuk land.

Heeft IDH dan dus ook directe relaties met Indonesische producenten? Wat is een concreet voorbeeld van een project wat door IDH is opgezet?

Wij hebben in West-Kalimantan samen met het bedrijf Bumitama een project opgezet wat nu door heel Indonesië wordt geïmplementeerd. Dit project heet Orang-Oetan corridor, dit is om te zorgen dat deze dieren veilig konden rond bewegen zonder schade aan te richten aan de gewassen. Een ander voorbeeld is smallholder-certificering een van de grootste project om smallholders RSPO gecertificeerd te krijgen is ook een project van IDH.

Op welke van de risks focust IDH zich het meest?

Voor ons is land use change en dan met name ontbossing een van de belangrijkste categorieën. Om ons werk te kunnen doen moeten we wel kijken wat de lokale bevolking belangrijk vindt. Als wij alleen maar hameren op het stoppen van ontbossing maar geen alternatief aanbieden zal er niks gebeuren. Ontbossing komt vaak vanuit smallholders die simpelweg meer land nodig hebben om

rond te kunnen komen, omdat ze bijvoorbeeld op hun eigen grond niet optimaal en efficiënt omgaan met de productie doordat ze hier niet de kennis en resources voor hebben. Verder worden deze risks grotendeels gedekt door RSPO-standaarden. Wij ondersteunen de RSPO certification en daarmee ondersteunen wij dus ook deze risico's.

De definitie van duurzame palmolie is daarmee dus ook afgeleid van de RSPO certification?

Klopt, wij zien RSPO certified palmolie als duurzaam. In zo'n compact nemen we bijvoorbeeld ook mee dat er genoeg ruimte moet zijn voor lokale voedselproductie. Verder nemen wij in Indonesië de rol van tussenpersoon aan. Wij proberen verschillende partijen bij elkaar te brengen en met elkaar te laten overleggen. Ook hebben wij contact met de producentenorganisatie GAPKI, waardoor we veel producenten tegelijk kunnen bereiken.

Nog terugkomend op jullie rol in de DASPO, jullie zijn wel lid van de DASPO. Wat is jullie precieze rol?

Wij zijn supporter, wij wonen bijvoorbeeld vergaderingen bij.

Wat doen jullie precies in Indonesië?

Wij hebben werknemers die zich bezighouden met verschillende regio's. Zij kijken per regio wat de problemen zijn in hun regio, met wie ze moeten samenwerken in de regio, waar moeten we zijn etc. Dit is een bottom-up aanpak en zo zetten wij daar projecten op. DASPO is dus echt bedoeld om de uptake en awareness van duurzame palmolie in Nederland te vergroten. Wij zorgen in Indonesië voor plekken waar stakeholders samen kunnen komen en praten over de issues die er zijn.

Wat is duurzame palmolie volgens IDH?

Een gewas waar mensen een goed en eerlijk loon mee kunnen verdienen, waar ze hun kinderen mee naar school kunnen sturen dat wordt geteeld op een manier die geen schade toebrengt aan de aarde.

Milieudefensie

Wat is duurzaamheid volgens milieudefensie?

Voor palmolie denken wij dat we naar een ander type voedselsysteem moeten. Veel meer regionaal geproduceerd, kleinere schaal, vormen van kringloop landbouw. In die visie van regionale landbouw moet je dus ook vragen stellen of je oliën uit de andere kant van de wereld naar Europa wilt halen, ook zeker oliën die op industriële schaal geproduceerd zijn. Dat is eigenlijk ons startpunt waarin we zowel een noordelijke/ Europese campagne hebben en een internationale/zuidelijke campagne, waarin we ook veel met palmolie werken. Onze visie van duurzaamheid is veel meer regionaal, agro-ecologische landbouw, kortere kringloop, meer zicht op waar producten vandaan komen.

Welke rol speelt palmolie in deze discussie?

Palmolie is de monocrop geworden welke op tig manieren gebruikt kan worden. Van biodiesel tot pizza tot shampoo en dergelijke. Het is op gigantische schaal wordt het geproduceerd, het is goedkoop en veelzijdig. Het is het voorbeeld van een crop die door zijn populariteit zo groot is geworden dat heel veel industrieën hierop leunen en het is zo groot omdat er ergens geen eerlijke prijs voor wordt betaald. Van oudsher waren het toegang krijgen tot land makkelijk en goedkoop maar niet legaal. Inmiddels zijn we sinds de jaren 70, dus al bijna 50 jaar, bezig en er zijn weinig mensen op zoek naar alternatieven. Het is voorhanden het breidt uit, het is het voorbeeld van de makkelijke grondstof die in groten getale naar andere werelddelen wordt verscheept, terwijl het niet de meest duurzame crop is en ook niet de meeste meerwaarde voor lokale bevolking biedt.

Denken jullie dat duurzame palmolie mogelijk is? Wanneer is palmolie duurzaam?

Ja, maar op een andere manier dan het nu geframed wordt. Wij zijn niet tegen palmolie als product, wel tegen de manier waarop het nu geproduceerd wordt en gebruikt wordt voor Europese consumptie terwijl palmolie van oudsher uit Afrika komt en gebruikt werd als cooking oil. Palmolie zoals het nu geproduceerd wordt, monoculturen, grote schaal, door oerbos te kappen, gebruik van pesticiden, met weinig economische meerwaarde voor de regionale bevolking dat is geen duurzame palmolie. Dus dit label van duurzaamheid... Palmolie kan duurzaam zijn als het 1 van je crops is op een kleinere schaal of kleiner landbouwbedrijf. En ook verder in de regio gebruikt wordt.

Dus palmolie is niet duurzaam als deze vanuit de andere kant van de wereld komt?

Klopt, en de manier waarop het geproduceerd wordt is belangrijk. Als het in Indonesië zou blijven en op deze schaal, monoculturen, gebruik van pesticiden, kappen van oerwoud, op deze manier is het niet duurzaam. Dat is wel de dominante manier waarop het nu verbouwd wordt, en waarop het certificaat duurzaam geplakt wordt.

Wat vinden jullie van het groeien van palmolie door een boer als onderdeel van zijn landbouwproductie, waar ook voeding en andere crops gegroeid worden?

Dit zorgt ervoor dat de boer weerbaarder is. Eventueel kan je dan ook gewassen roteren zodat de grond vruchtbaarder blijft.

Wat vinden jullie van de RSPO en wat zei duurzaam vinden?

Ik maak een onderscheid tussen RSPO als duurzaamheidscertificaat en RSPO als klachtenmechanisme. RSPO als duurzaamheidscertificaat biedt criteria die een minimumvereiste zijn voor grootschalige productie van palmolie. Wij zijn niet voor de RSPO, omdat het deze industriële productie van palmolie stimuleert door er alleen minimum criteria aan te plakken. Ook is het nog steeds niet afdwingbaar is. Je ziet ook bij RSPO leden dat ze niet gecertificeerd bent. Je hebt alleen de intentie om duurzamer te worden. Nog steeds komen bij de bedrijven die lid zijn dezelfde type misstanden voor als bij niet RSPO leden. Het certificaat is geen enkele garantie dat die criteria gehaald worden. Dan zet je daar tegenover dat wij naar een compleet ander voedselsysteem willen,

dit is niet het type systeem dat de RSPO stimuleert, integendeel, het is industrie gedomineerd mechanisme. In Nederland de DASPO, RSPO en EPOA zitten in hetzelfde gebouw, dezelfde actoren zijn daarbij betrokken, die ook daadwerkelijk een belang hebben bij het groeien van de sector en het certificaat zonder daar onderaan de vraag te stellen: is het wel wenselijk dat we nog meer palmolie importeren? Dat is het, het is dus ook kwalijk welke dynamiek dit veroorzaakt. Aan de andere kant heb je het klachtenmechanisme, binnen een context dat er wel veel gemeenschappen zijn die bezwaar willen maken tegen de groei van deze sector. Hierin is de RSPO een van de weinige manieren op bepaalde bedrijven aan te spreken. Het is niet het meest effectieve mechanisme, maar het helpt soms wel omdat het de bedrijven die RSPO lid zijn en serieus zijn het een vinger aan de pols houdt. In een ideaal geval zou dit via de overheid gaan.

Wat zien jullie als de issues met de grootste impact in de palmolie supply chain?

In Indonesië zien we veel landroof, ontbossing is een groot probleem. Op dit moment zijn het vaak de bedrijven waar men nauwelijks zicht op heeft. Veel corruptie bij het verkrijgen van vergunningen. Wat steeds zichtbaarder wordt zijn de labour issues. Het zijn dezelfde verhalen als 20 jaar geleden, dat is het schrijnende. Er zijn geen structurele veranderingen doorgevoerd. Er worden geen vragen gesteld op structureel niveau waardoor de problemen steeds blijven voorkomen.

Stel het voedselsysteem verandert radicaal, Europa importeert geen palmolie meer. Veel boeren zijn afhankelijk van palmolie voor hun inkomen. Hoe zien jullie dit?

Ook daar zou je op regionale landbouw in kunnen zetten. Er zijn inderdaad veel smallholders in de palmoliesector. Maar ook veel bedrijven en multinationals. Als je kijkt naar de smallholders, de vraag in Indonesië is ook al groot, hier zouden de smallholders in kunnen voorzien. Ik pleit voor een diverser palet aan grondstoffen, ook daar is het argument regionale landbouw, zelf ownership hebben... Veel smallholders zijn geïntegreerd in de supply chain, zij zijn afhankelijke en ontvangen vaak niet de beste prijs. Daar zit ook, als je het over wat is eerlijk, is dit systeem ook niet eerlijk. Er moet een vorm van regionale landbouw daar ook gestimuleerd worden.

Palmolie gaat natuurlijk niet alleen naar Europa, maar ook naar andere markten, waar ze nog minder om duurzaamheid geven. Stel Europa importeert geen palmolie meer, dan krijgen deze markten meer voor het zeggen. Hoe kijken jullie hiernaar?

Wij zijn naast China en India de grootste afzetmarkt en de vraag is überhaupt groot, moeten wij deze überhaupt stimuleren? Moeten wij de verdere vraag aanjagen als Europa? Het tweede punt is dat je al Europa een voortrekkende rol kan nemen, je kan dit in internationale fora uitdragen. Dit gebeurt ook op andere thema's. Daarnaast hebben we nu ook weinig controle omdat RSPO niet afdwingbaar is en er is samenwerking met de lokale overheid nodig om erop toe te zien dat het echt gebeurt.

In Indonesië bestaat nu ook de ISPO, zou zo'n soort systeem eventueel kunnen helpen?

De criteria van ISPO zijn zwakker dan die van RSPO, dat maakt ISPO op dit moment geen... minder sterk. Je begint weer bij het punt: stimuleert ISPO het juiste ontwikkelingsmodel waar de meeste mensen iets aan hebben. Het voordeel van iets wat overheid gestimuleerd is dat het afdwingbaar als er betere controle op zit. Ik denk niet dat ISPO een alternatief is voor RSPO omdat het nog steeds dezelfde dynamiek stimuleert.

Wat voor methodes gebruiken jullie om jullie visie op duurzaamheid te promoten?

Wij werken nauw samen met groepen in het zuiden. We hebben een meerjarenproject waarin we aan uitwisseling doen met Friends of the Earth. In dit project doen we demand-driven campagnes. Wat hebben zij nodig en waar lopen zij tegenaan, hoe kunnen we hier de vraag doen verminderen. Hoe kunnen we hier het effect van onze consumptie zichtbaar maken. Wij spreken hiervoor de Nederlandse overheid aan of de Nederlandse Europarlementariërs. Hierin focussen wij ons op

biobrandstoffen, wat nu gestimuleerd wordt. Als deze stimulans wegvalt zal er veel vraag wegvallen. We werken nauw samen en doen ook capacity development, ze zijn spreken hun nationale overheid aan. We hebben een andere lijn: de Nederlandse banken en pensioenfondsen aanspreken over hun rol in het stimuleren in de expansie van deze sector en te laten zien dat de misstanden structureel zijn. Zodat mensen beginnen te denken in alternatieven en na gaan denken over: is duurzame palmolie wel echt duurzaam?

DASPO leden zijn voor het stimuleren van de vraag naar duurzame palmolie. Zij geven hiervoor als argument dat veel mensen afhankelijk zijn van palmolie voor hun levensonderhoud. Hoe kijken jullie hier tegenaan?

De meerwaarde van de RSPO-palmolie tegenover niet RSPO-palmolie wordt hier neergezet en het argument er zijn veel mensen afhankelijk van palmolie. Wat ik zei is dat palmolie vs RSPO-palmolie niet per se het juiste stimuleert qua voedselsysteem. Ja er worden criteria op de productie van palmolie geplakt maar er gebeuren nog steeds veel dingen die niet voldoen aan die criteria en je stimuleert een systeem wat je niet moet willen, dit is voor beide kanten niet het meest duurzaam en eerlijk. Ten tweede: profiteren die boeren daar wel echt van deze industrie. Het merendeel zijn multinationals, er ligt meer land bij de bedrijven dan bij de smallholders.

Palmolie is een van de meest effectieve gewassen, stel Europa stopt met het gebruik van palmolie. Dit zou dus resulteren in een grote vraag naar land. Hoe zien jullie dit?

Palmolie is inderdaad per hectare de meest efficiënte olie. Dit argument houdt stand binnen hetzelfde voedselsysteem, als je de hoeveelheid olie gaat vervangen met andere olie dan heb je inderdaad meer land nodig. Dan kijk je niet naar wat als ik een diverser palet aan gewassen bij elkaar zet en meer focus op kringlooplandbouw. Is dit niet voldoende voor consumptie. Als je kijkt naar: hebben we een deel van het wereldvoedselprobleem... is ten dele een verdeelvraagstuk.

Eigenlijk is het dus onderdeel van een veel grotere discussie over consumptie en voedselpatronen?

Ja dat is wat milieudefensie ook uitdraagt en dat is wat ons onderscheidt van andere organisaties. Je kunt dit niet los zien van andere processen, als je binnen het huidige systeem denkt ga je met certificaten werken om de grootschalige productie aan criteria te laten voldoen. Wij kijken naar: Waar moeten we heen op lange termijn, zowel voor ons als de mensen in het zuiden.

Hebben jullie strategieën om hen ervan te overtuigen om te stoppen met het kweken van palmolie voor de export?

Wij hebben deze zelf niet, onze partner in Indonesië hebben een groot netwerk en veel contacten met de community's en hebben daar discussie tussen voor en tegenstanders in de palmolie industrie. Wat is duurzame palmolie?

Duurzame palmolie is een oliepalm in zijn natuurlijke habitat, gebruikt voor regionale consumptie, waarin een boer of een bedrijf palmolie afwisselt met andere crops. Op die manier is palmolie gewoon een grondstof voor regionale consumptie

MVO

Wat is duurzaamheid in het algemeen volgens de MVO?

Duurzaamheid is een heel breed begrip, in het algemeen is duurzaamheid steeds kijken naar hoe het beter kan. Altijd kritisch zijn op jezelf; dit doe ik nu, wat kan ik nu hieraan verbeteren. Continu zoeken naar verbetering.

In hoeverre is de MVO afhankelijk van palmolie?

Voor de olie- en vetten- sector zou dit grote gevolgen hebben voor bijvoorbeeld werkgelegenheid. Het is de meest geïmporteerde olie in Nederland en in Europa. Voor de MVO is het ook van belang, stel er wordt geen palmolie meer gebruikt, dan heb je ook geen instrument meer om te verduurzamen.

Stel palmolie zou wegvallen, zouden MVO leden kunnen blijven bestaan met andere bio oliën?

Als palmolie zou wegvallen zouden bepaalde producten duurder worden, minder lang houdbaar zijn, andere textuur et cetera. Dat zou wel gevolgen hebben.

Wat is duurzame palmolie volgens MVO?

Palmolie die volgens RSPO-standaarden wordt geproduceerd. Sommige bedrijven kijken verder naar transparantie in de keten. Soms extra eisen rondom ontbossing en kleine boeren. Dit bouwt wel voort op de RSPO.

De duurzaamheidsdefinitie komt dus voort uit de RSPO?

Ja

Waarom hebben jullie ervoor gekozen om deel te nemen aan de DASPO?

De DASPO is ontstaan vanuit een discussie dat palmolie slecht is en dat er iets aan gedaan moet worden. De RSPO was opgezet, maar niemand kocht duurzame palmolie, de DASPO heeft als doel bedrijven te stimuleren om ook daadwerkelijk duurzame palmolie te kopen en vraag te creëren voor duurzame palmolie. Dit doen we door middel van veel communicatie, voorlichting en discussie.

DASPO is dus eigenlijk een tussenpersoon tussen verkopers en kopers van duurzame palmolie?

DASPO kijkt naar de hele keten. Van retail tot olie importeur. DASPO zorgt ervoor dat de hele keten duurzame palmolie gaat gebruiken. Een losse schakel kan geen groot verschil maken, maar als je met de gehele keten samenwerkt kan dit wel. Ook probeert DASPO de vraag en het aanbod van duurzame palmolie op elkaar af te stemmen.

Wat is de rol van de MVO binnen de DASPO?

MVO begon met het creëren van vraag naar duurzame palmolie bij haar leden en deze vraag faciliteren. In Nederland wordt bijna 90% duurzame palmolie gebruikt, dus tegenwoordig focussen we meer op landen buiten Nederland.

Is de MVO nog lid van andere organisaties die zich bezighouden met verduurzaming?

Nee, in Nederland is de MVO vanuit de olie- en vetten- industrie de centrale kracht.

Heeft MVO nog strategieën om buiten Europa verduurzaming te bewerkstelligen?

In Europa zijn we bezig met twee stromingen. Ten eerste de bedrijven die nog niet-duurzame palmolie gebruiken moeten overstappen naar duurzame palmolie. Ten tweede is er een risico dat bedrijven volledig afstappen van palmolie, vooral in Italië, Frankrijk en Noorwegen is een sterke anti-palmolie lobby naar consumenten. Enerzijds willen we dus het volume van duurzame palmolie uitbreiden. Maar ook moeten we de organisaties die nu duurzame palmolie gebruiken behouden. Onze insteek is ook in andere landen allianties oprichten met lokale industrieën om zo een stem voor duurzame palmolie te creëren. Een van de problemen is dat niet echt duidelijk is wat nou precies

duurzame palmolie is. Door het oprichten van verschillende allianties door heel Europa proberen wij hier meer duidelijkheid in te creëren. We proberen te ernaar te streven dat bedrijven niet van palmolie afstappen, maar overstappen naar duurzame palmolie.

Dus de focus ligt niet op het verminderen van palmolie gebruik, maar het gebruik van duurzame palmolie, omdat dat ook sociale problemen veroorzaakt in de producerende landen. Heeft de MVO nog strategieën om de duurzaamheid in Indonesië aan te pakken?

Nee, wij focussen op de Europese Unie. Wel hebben wij contact met Indonesië, dit gaat via de European Palm Oil Alliance, dit een project binnen de MVO wat zich volledig focust op palmolie. Hier zijn ook de industrieën uit de producerende landen bij aangesloten. Het contact met de producerende landen is vooral het aanjagen van duurzame productie. We zitten eigenlijk tussen de Indonesische overheid en Greenpeace in.

Zou je een concreet voorbeeld kunnen geven die gebruikt wordt om in Indonesië de productie te verduurzamen?

Dat doen we door vraag te creëren voor duurzame palmolie in Europa. Als deze vraag er is, dan is er ook beloning voor producenten. We hebben geen strategieën die in de producerende landen zelf veranderingen brengen, maar we gebruiken de markt, als de vraag groter is, zullen meer producenten duurzaam gaan produceren.

Waar wordt binnen de MVO het meest aandacht aan besteed?

Ontbossing is al heel ver. Momenteel zijn bedrijven hard bezig met het verminderen van afvalstoffen in het water. Ook wordt er veel aandacht besteed aan GHG emissions. Methaan wordt tegenwoordig ook afgevangen. Ook besteden we tegenwoordig steeds meer aandacht land eigendomsrechten, labour conditions en kleine boeren.

Is voor de DASPO een van de drie hoofdcategorieën (Environmental, social, economic) belangrijker dan andere?

Nee, wij volgen de sustainability definition van de RSPO. Sommige leden van de MVO hebben nog strengere standaarden, vooral in de vorm van traceerbaarheid en NDPE policies.

In hoeverre nemen jullie de gevolgen in Indonesië mee bij het nemen van een beslissing?

Het voornaamste is dat we RSPO certified palmolie kopen, de RSPO zorgt dan voor de productie kant. Sommige bedrijven doen ook zelf projecten met kleine boeren of vragen om transparantie door de gehele keten. Wij denken zelf meer vanuit de markt.

Er worden door de MVO dus geen directe activiteiten in Indonesië uitgevoerd?

Nee. We proberen wel verhalen vanuit Indonesië te krijgen, om zo ook de emoties en meningen van lokale bevolking te kunnen peilen.

Doet de MVO buiten de DASPO gerelateerde activiteiten nog andere dingen om de duurzaamheid in de palmolie keten te verbeteren?

Ja, de EPOA kijkt op Europees niveau naar palmolie.

Heeft de DASPO een duidelijke definitie van duurzame palmolie?

RSPO certified palmolie is volgens ons duurzame palmolie. Om lid te worden van de DASPO moet je al 100% duurzame palmolie gebruiken. Het gaat dus vooral om de commitment. Als een organisatie lid wordt van de DASPO is dat dus vooral om aan te geven dat zij echt bezig zijn met duurzame palmolie.

Wat is de reden dat de MVO en de DASPO geen directe relaties hebben met Indonesische palmolie producenten?

Afbakening, MVO werkt voor de bedrijven die in Nederland gevestigd zijn. Wij behartigen dus de Nederlandse belangen.

Wordt er door de MVO ook gecontroleerd of de palmolie ook daadwerkelijk duurzaam is?

Dit wordt door de RSPO gedaan. Wel laten onze leden wel vaak zien waar hun palmolie vandaan komt. Ze zijn steeds meer bezig met transparantie en openheid.

DASPO zegt, we willen niet het palmolie gebruik verminderen, maar verduurzamen.

Ja, Als je bio-olie gebruikt doe het dan op een duurzame manier. Ga niet weg uit palmolie omdat het niet duurzaam is, maar kies voor de duurzame optie.

DASPO heeft dus ook als doel om een weerwoord te bieden tegen de negatieve media-aandacht rondom palmolie?

Ja, de DASPO probeert een meer realistisch beeld te creëren. Er wordt nu gezegd dat palmolie altijd slecht is, DASPO probeert dit beeld om te vormen tot een positief beeld waarin gezegd wordt dat het ook duurzaam kan. Sinds kort hebben we ook een platform waarop we verhalen delen over duurzame palmolie productie.

Wanneer is palmolie duurzaam?

Duurzaamheid is nooit af. Als een bedrijf altijd kritisch is op zichzelf en nooit tevreden is, dan ben je duurzaam bezig. Je kunt altijd the next step nemen. We zijn van ontbossing overgestapt naar planten op andere gebieden waarvoor geen bos gekapt hoeft te worden. De volgende stap is kijken naar hoe kunnen we het bos beter gaan beheren, hoe kunnen we duurzaam nieuwe bomen bij planten. Niet alleen reactief, maar ook proactief duurzaamheid verbeteren.

Nevedi

Hoe wordt duurzaamheid begrepen binnen Nevedi? Welke rol speelt palmolie binnen Nevedi, in hoeverre is Nevedi afhankelijk van palmolie?

Duurzaamheid heeft meerdere aspecten, waaronder het duurzaam sourcen van grondstoffen waaronder palmolie, soja en andere grondstoffen. Ook gaat het over zo min mogelijk gebruik van antibiotica en aanverwanten. Een duurzaam, economisch leefbaar verdienmodel voor onze leden en onze boeren. Op het moment dat niemand er een boterham aan kan verdienen is het systeem niet duurzaam en heeft het geen lange termijnvisie. Minimale Carbon Footprint, duurzaam heeft te maken met het behoud van biodiversiteit. Wat betreft sourcing van palmolie speelt primair het verhaal van ontbossing en verlies van biodiversiteit een rol. Verder heeft palmolie ook een heel groot sociaal element, er wordt veel geïnvesteerd in arbeidsveiligheid, eerlijke beloning, gelijkwaardigheid tussen man en vrouw, zaken die veel breder gaan dan alleen ontbossing en bestrijdingsmiddelen gebruik. Wel kom je vaak terug op het feit dat er geen ontbossing moet zijn en daardoor ook een lagere carbon footprint. Een lage Carbon Footprint is iets wat de vervolg schakels in de keten heel blij mee zijn en wat een hele sterke link heeft met het klimaatakkoord van het kabinet en waar gevraagd wordt dat de dierlijke sectoren ook een bijdrage aan moeten leveren aan reductie van carbon footprint. Verder zijn wij niet afhankelijk van palmolie specifiek, voor een aantal producten kunnen we ook andere plantaardige oliën gebruiken, dan wordt het misschien duurder. Verder gebruiken wij palmpitschilfers in andere producten. Hier zouden wij opzich wel zonder kunnen, maar dit zijn wel waardevolle ingrediënten bij het maken van diervoeding.

Stel Nevedi zou geen palmolie meer mogen gebruiken, wat zouden de gevolgen zijn voor Nevedi?

Als je kijkt naar palmpitschilfers, dit wordt best veel gebruikt in de melkvee voeding, als dit wegvalt betekent dit dat je een ander, duurder product moet gaan gebruiken. Als er namelijk een ander, goedkoper product was werd dat wel gebruikt. Dat betekent dat als je palmpitschilfers wilt gaan vervangen de kosten zullen stijgen.

Wat is duurzame palmolie volgens Nevedi?

Palmolie die is geproduceerd met aandacht voor mens, dier en milieu. Daar zit dus een sociaal deel bij en een deel over biodiversiteit, ontbossing en pesticiden. Eigenlijk is op dit moment de RSPO certified palmolie de benchmark voor duurzame palmolie. Indonesië en Maleisië hebben zelf ook schema's, de ISPO en de MSPO, deze zijn niet te vergelijken met de RSPO, dus RSPO certified is gewoon de benchmark voor duurzame palmolie.

Waarom heeft Nevedi ervoor gekozen lid te worden van de DASPO? Wat is jullie rol binnen de DASPO? Wij vertegenwoordigen de markt vraag vanuit de dierlijke sector. Palmolie heeft veel verschillende bestemmingen, zoals cosmetica, brood, bakkerijen, banket etc. in heel producten zit palmolie. Wij vertegenwoordigen de vraag van palmolie producten in de dierlijke keten, via ons richting melk, zuivel en eieren.

Waarom hebben jullie ervoor gekozen lid te worden van de DASPO?

Omdat wij voorstander zijn van aanpakken van problemen of knelpunten in ketens. De Nederlandse bioproducten sector kenmerkt zich door het altijd werken in ketens. Wij zijn een schakel na de boer en voor handelshuizen van grondstoffen. Dit vertaalt zich in producten waarmee de boer zijn dieren kan voeden. Hiervoor is weer een schakel die naar een zuivel of vleesverwerker loopt. In Nederland wordt er veel in ketens gedacht. Als je als 1 schakel in een keten iets wilt is het lastig dit te bereiken, je zult als hele keten de knelpunten moeten aanpakken. Daarom hebben wij een lange tijd geleden ervoor gekozen ons aan te sluiten bij DASPO.

Is Nevedi nog lid van andere gelijksoortige organisaties?

Ja, Nevedi is nog lid van de sustainable soy initiative. Dit zijn onze twee grootste grondstoffen. Ook hebben wij een duurzame zuivelketen en de coalitie vitale varkenshouderij, wij kijken dus zowel naar grondstoffen als naar producten. Van de primaire producent tot de supermarkten. Verder zijn we lid van bijvoorbeeld het WNF en andere NGO's.

Focust Nevedi zich daarnaast ook nog op duurzaamheid van palmolie in Indonesië?

Wij volgen wel wat er gebeurt in Indonesië, wij vertrouwen erop dat de DASPO er zorg voor draagt dat het deel voor Nederlandse ketens transparant en in orde is. Het is aan ons om aan onze klanten inzichtelijk te maken dat wij deel uitmaken van die duurzame palmolie keten.

Heeft Nevedi relaties met Indonesische actoren of andere buitenlandse actoren?

Via DASPO zitten wij in de Europese palmolie club, we proberen verder zoveel mogelijk in internationale fora onze stem te laten horen. Zo proberen bij invloed uit te oefenen op een European deforestation plan. Verder zijn wij aangesloten bij de IDH, die wat breder kijken naar sourcing in het algemeen. Wij proberen hiermee zoveel mogelijk de boodschap uit te dragen dat verduurzaming ondersteund moet worden, maar dat er rekening mee gehouden moet worden dat het heel moeilijk is om dit als organisatie in de markt te forceren. Er moet dus gewerkt worden aan het creëren van een markt vraag.

Nevedi heeft dus geen directe relaties met palmolieleveranciers?

Nee wij hebben geen directe relaties met palmolie handelshuizen.

Hoe komt Nevedi dan aan de palmolie?

Dit wordt door handelshuizen in Nederland verkocht op de markt. Leden van Nevedi kopen hun palmolie bij importeurs.

Wordt er binnen Nevedi naar alle categorieën, environmental, social en economic, van sustainability gekeken?

Binnen Nevedi ligt de focus vooral op GHG emissions. Dit is natuurlijk direct gekoppeld aan ontbossing en aan biodiversiteit. Er is wel aandacht voor de andere zaken. Uiteindelijk wil je natuurlijk ook geen vraag stimuleren waarbij er uitbuiting plaatsvindt in het land van herkomst.

Wordt er binnen Nevedi ook nog gekeken naar de indirecte sustainability risks?

Ja, een van de belangrijkste dingen voor ons is de land use change en de bijdrage aan de carbon footprint hiervan.

Wordt er binnen Nevedi ook gekeken naar de gevolgen in Indonesië van beslissingen die gemaakt worden?

Een van onze rollen is, als een van onze leden een duurzaamheidsvraag heeft, zoals meer regionale sourcing van producten, duurzame sourcing van grondstoffen etc. Wat wij belangrijk vinden is de trade-off aangeven van deze vraag. Deze trade-off kan liggen op het gebied van biodiversiteit, zowel hier als elders. Als wij bijvoorbeeld zeggen dat we geen palmolie producten meer gaan gebruiken dit een hele grote impact zal hebben om de lokale economie, aangezien 46% van de palmolieplantages in handen zijn van kleine boeren. Dit betekent dus als je ervoor zorgt dat de vraag afneemt je het inkomen van Indonesische boeren nog verder omlaag brengt. Wij wijzen onze leden er altijd op dat als bij een bepaalde keuze voor één aspect van duurzaamheid er altijd ook impliciet keuzes gemaakt worden voor andere aspecten van duurzaamheid.

Wat vindt Nevedi ervan dat duurzame palmolie duurder wordt om de lokale boeren een eerlijkere prijs te geven voor hun producten?

Uiteindelijk is het nodig om een model te creëren waarin alle schakels een inkomen kunnen genereren. Toename van prijzen is een optie, als de consument uiteindelijk bereid is te betalen voor

duurzaamheid, of als dit op andere vlakken weer een winst op zou leveren. Een andere optie hiervoor is "true pricing".

Is er vanuit de DASPO één duidelijke definitie van duurzaamheid?

Duurzaamheid voor DASPO is het grote plaatje, mensenrechten, bescherming van bossen & dieren, best practice, reductie van pesticiden gebruik, minimalisatie van watergebruik en ook aandacht voor de ontwikkeling van local communities. DASPO speelt bijvoorbeeld ook een belangrijke rol om het negatieve verhaal rondom palmolie om te vormen tot een meer realistisch verhaal waarin ook de voordelen van duurzame palmolie genoemd worden, bijvoorbeeld inkomen voor lokale boeren. Palmolie is het meest efficiënte gewas voor plantaardige olie. Plantaardige olie zal altijd gebruikt blijven worden.

Vanuit DASPO wordt er dus meer gestuurd om het palmoliegebruik verduurzamen en niet op het verminderen van het gebruik van palmolie?

Vermindering van het gebruik van palmolie is geen onderwerp in de DASPO, er wordt gefocust op het gebruik van duurzame palmolie. Verder heeft Europa ook een voorbeeldfunctie voor andere markten, zoals de Chinese markt. Wanneer je als Europa dus besluit om palmoliegebruik drastisch te verminderen geef je aan deze andere markten ook het signaal dat duurzame palmolie niet de juiste weg is. In mijn ogen kun je beter streven naar het verduurzamen van de ketens dan het niet meer toepassen van de ketens.

Wat doet Nevedi, buiten activiteiten gerelateerd aan de DASPO, aan de verduurzaming van de gehele keten?

Als Nevedi kijken wij ook naar onze rol die wij, als diervoeder sector, hebben in de verduurzaming. We willen dit uiteraard wel doen op een manier zodat onze leden hier nog wel geld mee kunnen verdienen. Als Nevedi streven wij ook naar een duurzamere keten ipv een kleinere keten.

Worden er vanuit de DASPO-doelen opgelegd aan Nevedi?

Er worden geen harde doelstelling opgelegd, wel streven wij ernaar om DASPO te ondersteunen in het sturen op het gebruik van zoveel mogelijk duurzame palmolie producten.

Worden er vanuit DASPO-restricties opgelegd binnen de markt voor palmolie?

Nee, onze leden bepalen zelf van wie ze kopen binnen de duurzame palmolie markt. Wat wij willen is dat de palmolie die wij kopen van een plantage komt waar op een duurzame manier palmolie geteeld wordt. We willen dus zoveel mogelijk palmolie kopen die Mass-balance en segregated gecertificeerd is. Uiteindelijk is de certificering van de RSPO dus ook gecontroleerd.

VAVI

Wat is duurzaamheid volgens VAVI? Wat is de rol van Palmolie binnen de VAVI?

Steeds meer aardappelverwerkers stappen over op andere type oliën, dus het belang van palm oil neemt af. Het aandeel palm oil dat nog wel wordt gebruikt door de aardappelverwerking in NL is 100% RSPO certified.

Wat is het gevolg van deze overstap naar andere oliën?

Alternatieve oliën zijn duurder dan palmolie.

Wat is duurzame palmolie volgens de VAVI?

Als Palmolie RSPO certified is zien wij het als duurzaam. Wij volgen de criteria van de RSPO.

Waarom hebben jullie ervoor gekozen om lid te worden van DASPO?

Om naar buiten uit te dragen dat wij duurzame palmolie erg belangrijk vinden.

Zijn jullie als VAVI ook nog lid van andere organisaties die duurzame palmolie promoten?

Nee

Heeft de VAVI ook relaties met actoren in palmolie producerende landen?

Nee, Wij laten dat over aan onze leden zelf, maar ik weet niet of wij leden hebben die dit hebben.

Dus VAVI focust zelf niet op de producerende kant van de palmolie supply chain?

Nee.

Hebben jullie vanuit de DASPO een duidelijke definitie gekregen van duurzame palmolie?

Geen idee.

Doet de VAVI buiten DASPO nog mee in activiteiten om duurzaamheid in de palmolie supply chain te vergroten?

Nee.

VBZ

Wat is duurzaamheid volgens VBZ?

Wij houden de klassieke Brundtland definitie aan. Zonder schade aan te brengen aan mens en natuur produceren, met de focus op de lange termijn.

In hoeverre is VBZ afhankelijk van palmolie, wat zou het betekenen als palmolie weg zou vallen?

Palmolie is voor onze leden een belangrijke grondstof. Palmolie is een ingrediënt wat goed te bewerken is waardoor je er veel verschillende dingen mee kunt. Dit maakt palmolie een essentieel onderdeel om snacks, zoals koekjes te maken. Wij horen ook wel vanuit de leden dat overstappen een lastig proces is aangezien dit het gehele productieproces aangaat. Je kan palmolie niet direct vervangen met een andere olie, dit heeft gevolgen door het gehele proces. Door deze eigenschappen is palmolie een vrij belangrijk ingrediënt. Het zou wel mogelijk zijn om onze producten zonder palmolie te maken, maar dit zal wel enkele gevolgen met zich meebrengen, zoals prijsstijging, en veranderingen in smaak. Wel zal dit dus geld en tijd kosten. Je ziet dit ook nu al gebeuren met producten die overstappen van palmolie naar een ander ingrediënt.

Wat is duurzame palmolie volgens VBZ?

RSPO certified palmolie zien wij als de eerste stap naar duurzaamheid. Uiteindelijk zal deze certificering zich verder gaan ontwikkelen en andere aspecten meenemen. De laatste jaren in ontbossing een steeds belangrijkere rol gaan spelen bij RSPO-certificering.

Kijkt VBZ nog naar andere standaarden naast RSPO?

We weten van het bestaan af van deze andere standaarden, Wij kijken alleen naar RSPO certified palmolie, mede omdat verschillende standaarden ook voor veel verwarring kan zorgen. Binnen palmolie is de RSPO de meest bekende en gerespecteerde standaard, vandaar dat wij alleen RSPO certified palmolie zien als duurzaam. Ook heeft RSPO steun van het WNF en Solidaridad, dit geeft aan dat deze standaard niet alleen vanuit de industrie wordt gesteund, maar ook vanuit andere hoeken.

Waarom heeft VBZ ervoor gekozen lid te worden van de DASPO?

Wij steunen het idee van de DASPO. Wij vinden 100% duurzame palmolie en eventuele verdere stappen een belangrijk doel. Als Nederland zijn wij als een van de eerste landen die een dergelijke structuur hebben gehanteerd. Binnen DASPO zitten we ook bijvoorbeeld met de retail aan tafel, dit is voor onze leden belangrijk. Binnen DASPO zitten we met leveranciers, producenten, diervoeders en de retail aan tafel, dit is een hele mooie setting waarin je van "begin tot eind" beslissingen kunt maken. Wij als VBZ ondersteunen dit en willen graag laten zien dat wij dit belangrijk vinden.

Wat is jullie rol binnen de DASPO?

Wij komen een aantal keer per jaar samen met andere leden. We bespreken hier issues, het publieke debat, wat wij zelf tegenkomen, waar onze leden tegenaan lopen etc. Wij proberen zo veel mogelijk te bespreken wat er in het huidige debat speelt en hier oplossingen voor te vinden met andere leden. MVO zorgt voor rapportage e.d. wij geven hier dan feedback op. Momenteel zitten we aan een mediacampagne te denken. Ook denken we na over welke vervolgstappen er gezet moeten worden. Nederland heeft een belangrijke rol in duurzame palmolie en VBZ vindt het belangrijk om te laten zien dat wij hier goed mee bezig zijn.

Jullie lidmaatschap van de DASPO is dus deels ook om naar buiten uit te dragen dat jullie duurzame palmolie een belangrijk issue vinden en hieraan werken?

Zeker, ook om een voorbeeld te stellen voor andere landen en industrieën. In Nederland zijn we al heel ver, zeker in de voedingsindustrie. Het zou mooi zijn als andere landen en industrieën ons voorbeeld volgen en ook overstappen op duurzame palmolie.

Zijn jullie als VBZ nog lid van andere organisaties die duurzaamheid stimuleren?

Niet op het gebied van palmolie specifiek, wel zijn wij, via FNLI, lid van het IMVO-convenant. Dit gaat over internationaal maatschappelijk verantwoord ondernemen, hierin speelt palmolie ook een rol. Wij zijn ook binnen de cacao bezig om een groot Nederlands initiatief uit te rollen. Ook hebben wij wat kleinere grondstoffen in onze branche zitten, zoals kaneel, vanille, zoethout en andere specerijen. Wij voelen ons ook voor deze kleinere specerijen verantwoordelijk dat binnen deze grondstoffen stappen worden gezet naar een duurzame supply chain. IMVO is een belangrijke pijler binnen onze branche.

Heeft VBZ-strategieën die zich focussen op producerende landen?

Wij zijn een Nederlandse brancheorganisatie, dus wij zetten zelf geen programma's op in het buitenland. Wel hebben wij leden die hier mee bezig zijn, zoals Nestlé. Zij hebben hier de resources voor. Zij monitoren bijvoorbeeld met satellieten of er ontbossing plaatsvindt in producerende landen. Wij als VBZ zijn daar niet direct mee bezig.

Is er vanuit VBZ een focus op bepaalde risico's?

Ontbossing is een van onze grote focuspunten. Dit komt mede doordat dit speelt in de publieke opinie. Verder focussen wij op de sociale factoren, bijvoorbeeld leefbaar loon.

Hebben jullie leden die directe relaties hebben met producenten van palmolie?

Ja, wij hebben verschillende multinationals binnen onze leden, zij zijn wel bezig met directe relaties opbouwen met producenten. Bijvoorbeeld Nestlé is met satellieten bezig met het monitoren van ontbossing.

Nemen jullie de indirecte gevolgen van de transitie naar duurzame palmolie mee? Kijken jullie ook naar de kleine stakeholders?

Als VBZ doen we dat zelf niet, wel is dit momenteel binnen de RSPO een onderwerp van gesprek, maar ik ben daar zelf niet goed genoeg in thuis om iets over te zeggen. Wel zien we soms wel dat smallholders helemaal niet blij zijn met certificering, omdat zij dan hun business kwijt zijn als ze niet aan de eisen kunnen voldoen.

Is er vanuit DASPO een duidelijke definitie van definitie van duurzame palmolie?

RSPO certified.

Wat zou in Nederland de volgende stap zijn naar een nog duurzamere palmolie industrie?

In de voedingsindustrie is het percentage duurzame palmolie al bijna 100%, het zou een goede stap zijn om ook bij non-food artikelen dit hoger op de agenda te zetten. Hiervoor zouden sustainable procurement eisen vanuit de overheid een goede maatregel zijn. Ook kunnen wij nog wat winst behalen binnen de veevoer industrie.

Hoe probeert DASPO de duurzaamheid in producerende landen te verbeteren en te stimuleren?

Dit wordt gedaan door middel van overleg met lokale actoren, bijvoorbeeld over de definitie van duurzaamheid.

Hoe zou je duurzame palmolie in een zin omschrijven?

Palmolie die geteeld is zonder negatieve consequenties voor mens en natuur.

Verder wil ik nog iets kwijt over de publieke opinie. Er is veel negatieve media-aandacht rondom palmolie, hierdoor zie je dat sommige bedrijven overstappen op alternatieven, zoals kokosolie. Voor kokosolie is maar heel weinig duurzame kokosolie beschikbaar. Dit is dus ook geen duurzame oplossing, maar dit wordt puur voor de uitstraling gedaan. In de industrie worden heel veel discussies gevoerd op basis van emoties en niet op basis van feiten. Experts geven inderdaad toe dat er veel misstanden zijn binnen palmolie maar het is daardoor juist belangrijk om de overstap te maken naar

duurzame palmolie ipv weg te lopen van palmolie. Het is belangrijk om in je achterhoofd te houden dat alternatieve oliën niet beter zijn qua duurzaamheid.

VERNOF

Wat is duurzaamheid volgens VERNOF?

VERNOF vertegenwoordigd de bedrijven de oliezaden persen en raffineren in Nederland. Ook werken wij nauw samen met de MVO. Wij definiëren duurzaamheid volgens de definitie van onze Europese federatie, VEDIOL, Zowel Economische aspecten, ecologische aspecten als sociale aspecten zijn belangrijk. Waarbij het zo is dat mensen zich meer om het milieu bekommeren als ze genoeg welvaart hebben. Waarbij er rekening gehouden moet worden met het feit dat het niet verwacht kan worden van personen die in armoede leven dat zij zich om het milieu bekommeren. Welvaart zal betere milieubescherming brengen. Betere milieubescherming zal volgen als er meer welvaart is.

Welke rol speelt palmolie binnen VERNOF? Stel palmolie zou wegvallen wat zouden de gevolgen zijn?

Palmolie is een grote grondstof voor onze vereniging, ongeveer de helft. Vroeger had je in Nederland palmolie bedrijven en bedrijven die meer met vloeibare oliën werkten. Palmolie en andere tropische oliën zijn vast op kamertemperatuur. Er was toen een onderscheiding tussen bedrijven die oliezaden crushten en raffineerde en palmoliebedrijven. Tegenwoordig zijn deze bedrijven geïntegreerd. Als palmolie weg zou vallen moet dit worden vervangen door andere oliën. Palmolie is qua opbrengst een zeer efficiënt gewas, als dit vervangen moet worden zal er meer land nodig zijn. Dit geeft andere bijproducten, dus wat dit met de markt zal doen is lastig te zeggen. Wel zullen veel producten duurder worden. Ook zal het dan nodig zijn om deze oliën chemisch te behandelen om de vaste structuur van het vet te creëren. Dit gaat gepaard met transvetzuren, welke zeer schadelijk zijn voor de gezondheid. Palmolie heeft eraan bijgedragen dat we meer vaste oliën hebben zonder het gehalte aan transvetzuren omhoog te brengen. Als je palmolie gaat vervangen moet hier ook rekening mee worden gehouden. Als palmolie vervangen moet worden zullen dus de prijzen stijgen en zal er meer land nodig zijn voor de productie van deze oliën.

Wat is duurzame palmolie volgens VERNOF?

Duurzame palmolie is voor ons RSPO Certified palmolie of palmolie gecertificeerd voor gebruik in biodiesel, ISCC certified. Ook zien we steeds meer dat het gehalte aan traceerbaarheid toeneemt, dit is niet per se duurzaam. Het voordeel van traceerbaarheid is dat er meer druk op ligt om de bron van de palmolie duurzaam te krijgen. Traceerbaarheid leidt dus niet per definitie tot duurzame palmolie, maar het zal wel het aanbod van duurzame palmolie ten goede komen. Uiteindelijk zien wij gecertificeerde palmolie als duurzaam.

Maken jullie nog onderscheid in verschillende certificatieschema's?

Wij kijken naar wat de markt wil. Wij laten het over aan de klant. Bijvoorbeeld bedrijven die lid zijn van de VERNOF willen RSPO certified palm oil. Ook zullen wij bedrijfsgebonden certificatieschema's duurzaam vinden. Bij soja stelt de wet eisen aan de mate waarin je land mag ontwikkelen en hoe hoger de natuurwaarde, hoe beter je een deel moet beschermen als boer. De discussie is dan vinden we dit wel goed genoeg of willen we de ontbossing compleet tegengaan. Hier speelt dus de discussie of wat wettelijk duurzaam is wel goed genoeg is of wil je verder gaan dan wat de wetgeving vraagt en hoe moeten we de boeren hier dan voor compenseren. De markt moet volgens ons bepalen wat duurzaam is en wat niet, maar als je verder gaat dan wat de wetgeving zegt over duurzaamheid, dan moet je boeren hiervoor compenseren.

Hoe doet VERNOF dit?

Wij leggen onze leden niet op dat ze alleen gecertificeerde palmolie mogen gebruiken, we laten dit afhangen van de markt. De compensatie van de boeren zou vanuit de gehele keten moeten komen. Waarom hebben jullie ervoor gekozen om lid te worden van de DASPO? Wat is jullie rol binnen de DASPO?

Alle bedrijven die lid zijn van de VERNOF zijn ook lid bij de MVO. We hebben een aantal onderwerpen waarin wij de MVO volgen, duurzaamheid is er daar een van. Wij zijn lid van de DASPO, om onze steun uit te spreken en de MVO te ondersteunen waar nodig op het gebied van duurzame palmolie. Is VERNOF ook nog lid van andere organisaties?

Nee

Hoe bepalen jullie welke palmolie wel en niet duurzaam is?

Daar laten we ons in leiden door MVO en door VEDIOL. Verder hebben de individuele bedrijven zelf vaak wel standaarden die minimaal RSPO certified eisen.

Heeft VEDIOL ook strategieën om de situatie in producerende landen te verbeteren?

Er zijn bedrijven die een 'end of pipe' principe aanhouden. Dat betekent dat de duurzaamheid van palmolie in Europa geregeld wordt. Wij vinden het belangrijk om deze duurzaamheid bij de bron te regelen. Dit doet VEDIOL bijvoorbeeld door in het handelsakkoord met Indonesië ook aandacht te besteden aan duurzaamheid en duurzame palmolie. Zo proberen wij Indonesië te helpen om die standaarden te verbeteren. Daar hoort ook de discussie bij over de eventuele krimp van economische groei die hiermee gepaard gaat.

Heeft VEDIOL dan ook activiteiten in Indonesië om de duurzaamheid van palmolie te verbeteren?

Nee, wij zijn een organisatie die zich richt op de Europese markt, dus wij hebben geen activiteiten in producerende landen. Wel roepen wij de EU op om samen met producerende landen aan de duurzaamheid van palmolie te werken.

Dus VERNOF probeert via de EU wel invloed uit te oefenen om de situatie in producerende landen te verbeteren?

Ja, klopt. Via DASPO stimuleren wij de inkoop van gecertificeerde palmolie. Verder stimuleren wij de EU om met producerende landen in gesprek te gaan en de omstandigheden te verbeteren.

Wordt er vanuit de DASPO een duidelijke definitie van duurzame palmolie genoemd?

DASPO zegt RSPO certified palmolie is duurzame palmolie. Verder hebben ze hier zelf niet een duidelijk standpunt over, aangezien DASPO vooral gaat om vraag creëren in Nederland voor duurzame palmolie.

Worden er vanuit VERNOF nog andere activiteiten buiten de DASPO gedaan om duurzame palmolie te promoten?

VEDIOL doet bijvoorbeeld ook monitoring, ze kijken hoeveel er binnenkomt in Europa.

Wat is duurzame palmolie in een zin?

Duurzame palmolie is palmolie geproduceerd met respect voor natuur en werkers.

AidEnvironment

What are your activities related to palm oil?

We are a non-profit organization. We work... we have a corporate sustainability programme and a landscape programme. Our landscape programme is mainly working with palm oil growers to help them implement conservation activities on their plantations. There is a big debate about landscape conservation, and it is helping companies implement policies around their concessions, they usually need to get the support of the government. We do that. The part I work on is corporate sustainability, we work mainly with palm oil traders, sometimes with consumer goods companies, manufacturers, mainly with traders to help them implement sustainability policies. Making sure they are not buying from people who are clearing forest. If they are buying, trying to help them use their buying power to end the deforestation. Investigating company structures. Basically, it is helping companies implementing sustainability policies and clean up their supply chains.

Where in the supply chain would you place AidEnvironment?

We work mainly with refiners, even though more recently we are also working with the brands, so we also focus on the sale to Europe. Our landscape team are working on the plantations and mills, so we cover most parts of the supply chain. If we find non-compliance, like deforestation, we also report to those that buy CPO from them and the landscape team is really on this to try and solve these issues. They work with local communities. We are pretty much covering the whole process.

What do you see as the biggest sustainability risks?

For me, it would be the leakage market. You have got the NDPE policies, that are brought in by traders, growers and consumer goods companies. They cover about 75% of the trading industry and become quite successful with traders implementing them and working to get deforestation out of the supply chain and making growers stop deforestation. A key part of that is suspending growers who are not following policy. That is quite hard because there are a lot of companies who are not covered by NDPE policy or are not covered by policies at all. The moment the big traders are suspending growers, in theory, it gets palm oil out of the supply chain and should hurt the grower because the lost a big buyer. In reality, there are a lot of other buyers that you can sell to, that is something we face. How to deal with these companies that don't have a policy, because it sometimes feels like, yes, the big companies may be getting rid of the bad suppliers, but ultimately you want that bad supplier to stop deforestation and become a good supplier. If there is a trader in other countries that is willing to buy their palm oil there is no real reason for them to change their behaviour and it feels like you are reaching to a wall, where you can't really do much more. Also, we see at the moment deforestation as the biggest issue, but it is slowing down and indeed those that continue deforesting are more the shadow companies and not transparent and are supplying the domestic market or markets that do not care about sustainability. But I would say in the future there will be less and less deforestation. There is something that will really remain, that is social conflicts, especially in Indonesia, there is a growing population that needs land. Unfortunately, during the time of Suharto in Indonesia, they gave huge lands to companies, so there are a lot of land grabbing issues, so I think land grabbing and social issues will stay. This is hard to solve. Deforestation is easy, you either do it or you don't, and you can see it through satellite imaging. Social issues are never black or white, that will be a challenge. You also need the government to help, because land rights cannot be solved by companies.

So, there is also an issue because there is still a demand for conventional palm oil?

Yes, we see that the European Union represents only 17% of the total purchase of palm oil. So, what we see as a risk and this movement of boycotting palm oil we see this... It's going to make the problem worse, because in Europe at least they care about sustainability it creates some kind of standard. If they totally boycott palm oil the whole market will go to some country that doesn't care and you can be sure that the remaining forest will be gone. We have seen that with the EU directive on biofuel, the response has been a bit nationalist, their pride is been hurt and they invest more in domestic use, this will not cause deforestation to go down. With the trade war between the US and China, China has just announced they will reduce the import tax on palm oil. This trade war is actually creating more opportunities for the market in Southeast Asia. I don't think we should lose hope though, we start seeing by working with end-users, we see that those products that go to China in many cases end up in European supply chains through other channels, so there are still levers to find in the end. It is about mapping the supply chain. That is also why we focus on refiners, there are not so many in comparison to growers. If we target the small number of refiners, they have large buyer power. You just target them, and you can target the whole industry through them. The difference between India and China is that China imports RPO, while India has lots of refineries and importing directly from the mills. That is a lot harder to target and find out. But the good thing about India is they are open about their import data, you can easily see where they get their products from. It is just like a big puzzle.

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

RSPO is the only standard that is recognised internationally. MSPO and ISPO are considered weaker and are not as respected, so the only palm oil considered sustainable would be one that is certified to RSPO standards or if it's grown on a plantation that follows NDPE policies. The easiest would be to follow RSPO standards. From a European perspective, it would be RSPO certified. What we see is that company's sustainability policies are going beyond RSPO standards, they have influenced a lot. Last November the new P&C were adopted, this finally said there should be no development of HCS forest before it was just about primary forest. a secondary forest can be HCS as well. This has been influenced by all the companies that already had strong standards. I understand it is easy for consumers to see RSPO certified, NDPE is not a stamp on paper. The RSPO standard is the most globally recognized. I went to the RSPO European and they are talking with banks etc. this shows they are really recognized. I don't know if the wider industry understands the complexity of NDPE. They sometimes say they only buy from companies who are RSPO members, which doesn't really mean anything, but it is something they recognize, and the people know. It is very important that all RSPO stakeholders keep increasing the standards. Every year during the discussion with the members where they can propose resolutions. I think it is a matter of improving the standard and keep improving.

What are your initial reasons for taking sustainability into account?

Our boss has been working in forestry since the '90s and worked with the director there. They started doing NGO work like finding out who was clearing forests and writing NGO reports. Then they pushed these companies and trying to raise awareness about deforestation and working with different mechanisms around at the time. Then it became apparent that if you want to stop deforestation you have to work with the companies, then the companies started adopting policies but didn't know how to implement them, so they wanted help. AidEnvironment started helping these companies, traders, growers, manufacturers, I think there was an understanding that the only way to stop deforestation is to work with the companies. I think Erik first worked on illegal logging there was a lot of import

from timber. In 97 there was a huge fire, then he realized this was due to palm oil companies and started investigating those. Just NGO pressure is not enough, you really need the buyer leverage, that is the only way people are willing to change, if the potentially lose their revenue, since 2013 we started to work with companies.

What are your strategies to make changes in the way of working?

The key is about one of the main elements is the way we work with companies: as partners. It is not just we write a report and give it to them, we really try to engage daily. First, we inform them about an issue in their supply chain, but we want them to report to us what they have done and what is the progress, has this company stopped or not. This is the key to create trust and partnership models with companies. I think we have a methodology and we have tried to make our companies understand and adopt this. One example is, the companies have various commitment, they are businesses they want to buy from who they want and don't want to be stopped. They will often try to get away with doing the least effort. When these policies are coming in some companies only wanted to apply their policies at mill level, so the individual mill they bought from. So, we would find deforestation caused by a mill owned by a company, and we would say you buy from a mill owned by that company. They say we don't buy from that specific mill. Some companies still say this. We take the group level approach if you are buying from a mill owned by the company and that company causes deforestation you are liable as well and you have to apply your policies to that. That was quite a new thing and we have pushed that with our partners. It has now become accepted in the industry. It is about the business association, not about your traceability. We realize that this approach worked well... Let's say you only engage with the mill, then you end up talking to a mill manager who do not have decision making power, while if you engage at a higher level and identify the decision-maker then you can convince them to adopt sustainability for a lot of land. we realize that this is more efficient than talking with separate mills.

What are the issues you come across with land ownership?

It is very hard; a lot of the times growers are complying with Indonesian law and policy and NDPE policies contradict laws. We say you cannot cut forest because it contradicts NDPE policy, but they have the legal right to clear land. You also have this with community issues, the community or companies has got this land from the state, legally they have the right to that land, but usually, there are already indigenous people on that land. That causes conflicts. The company has to then sort this out or traders should not be buying from companies who have community issues, but because the land is given to them by the government the company says they are not doing anything wrong. These issues are long-standing. The state gives out permits for land where indigenous people live. The companies are then also lost in what they should do. Almost every company has issues with indigenous people, just because of the way the demographics are. What I see in term of legality, I don't know of any company illegally developing land, this is more about... In Indonesia, you have different levels of government and under the ministry of forestry, you have forest land which you need a permit to develop. In some cases, the local government gave away permits in those areas. Recently there has been an analysis by a tax office saying there are many companies operating in illegal areas, but this was because they were given permits. They need to solve these issues first. Inconsistencies between central and local governments.

So, the companies get a permit and are legal on that land, but then there are indigenous people living on that land as well?

Yes, there are also issues with auditors that are not competent. Sometimes when they do the impact assessment, they say there are no local communities and no issues and then they realize later that

there is a community. In West Kalimantan, it is also common that the developer of the plantation brings in staff from Java because there is a perception that people from Java work harder. This causes conflict as well because they don't employ local people.

What do you think about the promotion and increasing demand for sustainable palm oil in Europe?

Something I noticed talking to traders is there is a demand for sustainable palm oil, but not a willingness to pay extra for it. When people mean sustainable palm oil, they mean palm oil they can trace back to the plantation, this means segregated. They want to be able to track the palm oil from plantation to mill to trader. That is much more expensive because you are basically asking for it to be segregated along the entire supply chain. Dealing with traders they often talk about their frustration about consumer goods companies who say we don't you to buy from this company etc. then the traders ask are you going to pay more so we can segregate your oil throughout the whole supply chain, but they won't. So, the companies are expecting the traders to do all the sustainability work and make sure they are not buying from bad people but are not willing to pay for it. I imagine they are not willing to pay because consumers are not. I think you generally see that you see it a lot with livestock. People get really upset when there is an exposure about a chicken farm but when you ask them if they are willing to pay for better conditions, they don't want that. It is the same with palm oil. No one wants to buy from companies that are clearing orangutan habitat, but when you ask them to pay extra for it, they don't want to. We see the one that has the highest voice about sustainability is usually European or western companies but what we see is that in reality, they don't do much. They just take the hard work from the companies here and then indeed we have these things where they cannot offer higher prices. We see that European companies are thus not doing enough, while they have a big role in the leakage market. One company buys from like 300 suppliers, some of them are implementing NDPE policies but the majority of them are Indian traders or Chinese traders or going via somewhere else. We really need European companies to increase their engagement. They are just demanding and not willing to pay.

Is there a price difference for RSPO certified FFB for smallholders?

I'm not sure of that. I think there is in refined oil, it is more expensive to get certified oil. What you often see is that the NGO campaigns about palm oil come from the west. They often don't really reflect reality. When I worked in Kalimantan, I worked on orangutan conservation, so we dealt with NGOs a lot. You often see a big campaign based around declining population of orangutans and they blame the palm oil companies, they are sometimes to blame but often hunting by local people is a big issue, bigger than palm oil, but they don't want to discuss that. So, they only target palm oil. You see the Greenpeace campaigns which don't reflect the complexity of the industry, they just want the headlines in Europe. They target a company that has problems but is at least trying, while there are other companies who are much worse, but they are a harder target or less famous. You will see a lot of the campaigns and we see that they are not really true. Also, the Indonesians see them, and they get annoyed because it is damaging the country and making them look bad. They don't reflect the complexity of these issues. There are millions of people benefiting directly or indirectly from the palm oil industry, jobs, economy. It is known that now there are a lot of palm oil-free labels, but the replacements are likely worse. for the same amount of oil, soy needs 6 times more ground. The way I see Europe is I think it is pretty funny to see this movement against palm oil while the people don't really care about eating beef or other harmful products. For me it is a matter of changing lifestyles, eating local and organic. I think there is a perception here that it is a trade war, that Europeans want to protect their vegetable oils, like rapeseed oil. In Europe, they also use insecticides and pesticides for the growing of rapeseed oil. It would be impossible to talk to companies directly in Europe, here

it is way more accessible. If we see a company clearing forest, we can access them and discuss and create a change, in Europe that would be impossible. Something that needs to change in Europe is that the import and export data are not accessible. We don't know what is entering. So many countries have it publicly available but not Europe. It is a big contradiction they say they want sustainability and transparency, but they don't do it themselves.

There is also a discussion in Europe about not using palm oil at all, how do you feel about this?

It is ridiculous because the alternatives are usually worse. Oil palm is an environmentally friendly crop, it is just the way some companies have developed it. If you get rid of oil palm, vegetable oil is still necessary. So, the alternatives are oils that are worse. If it is part of a wider discussion about general eating habits then it is useful, but if these habits are not changing vegetable oils are going to be necessary. We rather have the retailers saying they only want sustainable, transparent palm oil that would help far more. It is possible to produce palm oil sustainably. In Indonesia, there are a lot of areas where palm oil could be planted without clearing forests. Companies are really helping, some have a big plantation area and they develop part of it to a forest and use half of their area as conservation areas and work with local communities. We need those companies. Frustration is that the complexities of the debate are not discussed, it is always made too simplistic. If you try to discuss these, they don't want to hear. It is very difficult. Some say the palm oil companies are causing fires, while usually, it is not them, it is much more complicated. People just want to be able to blame the bad companies. Something else that is important to know is that recently, companies that are trying to implement a recovery plan. All the suppliers that have been clearing forest after 2016 have to restore or find ways to work with local people to compensate, maybe replanting. There is now the idea of recover to undo past harm.

In Europe, there is also a negative media campaign going on around palm oil, this is partly the reason for this bad image of palm oil, do you try to share positive stories?

I would say a big majority of the palm oil companies have a positive story, but the few bad guys are harming the whole industry. The problem with the government is that they try to hide that instead of saying yes, there are some problems they try to hide these problems. That is nationalistic pride, this doesn't help. The NGOs see them as defensive and as having something to hide. Something else is that a lot of pressure is put on growers, they have to protect the growers, they have to pay for corporate responsibility programmes and the big consumer goods companies don't spend anything. What we would like to see if the whole supply chain invests in recovery programmes, sustainable landscapes. Now the pressure is on refiners and growers, they have to do everything and still give the lowest price possible.

IDH set up multi-stakeholder groups in a jurisdictional approach, where they try to come up with a pathway towards sustainability, do you think this is a good way to engage in sustainability?

The first landscape programme that we have is launched by IDH. I think a jurisdictional approach is interesting, you have to look at a lot of these issues in a local context. IDH needs to use local NGOs and communities to implement these policies on a day-to-day basis. The way I see the jurisdictional approach is that should not just be looking at one jurisdiction. Let's say, it could be that one plantation from a certain company in that area is doing good but meanwhile, other plantations from them are doing bad things, we need to still look at the higher level. Companies need to have a high-level commitment.

How do you see the scale-up of this approach?

We need to get the support of the federal government first and then work our way down to the local government. I think the jurisdictional approach really works, but you need to focus on different levels of government at the same time. Also, strong data is necessary and knowing the actors in the area.
Bumitama Agri

What are your activities in the palm oil supply chain?

Our industry is purely upstream, we got land or permits for this land that is given to us by the local government. Our company then does an assessment... Initially, when RSPO was not around the study would be focussed on Indonesian laws and regulation, and in what ways they comply with these regulations. Way back there was a need to comply with a certain social and environmental impact study. Once this study is conducted the government would give out different stages of permits. Indonesia has always been under the Netherlands for a long time, therefore the laws are similar and follow the Dutch system. So, a permit is given to you, but you do not have the rights of the land until you have completed various stages of the requirements. The right to harvest on your land will only be given after the assessment of these requirements is done by the government. After that, you have to release the land from various parties if it belongs to other parties. Thus, there are several stages of land clearance. Also, you need to meet several environmental standards. There is no very clear HCV definition, like in RSPO, in the Indonesian law. As more and more eyes turn into the palm oil industry, more and more methodology develops and is incorporated in this process. From 2010 there has become a heightened interest and allegations by NGO's about the sustainability of palm oil. They say a lot of plantations are deforesting and releasing huge amounts of carbon into the atmosphere. During this time there are external actors that created awareness that there must be done more. In 2005 RSPO came into the picture through the interest shown by various parties, such as the industry. Of course, RSPO took the very phased approach of implementing sustainability into the ground, there are allegations that the members of RSPO have not been complying to the standard. For us, we are RSPO members. During the initial start of the RSPO certification, there was not enough communication, not enough training, not enough understanding. Things are moving very fast, every year there is something new and the members find it very hard to catch up. Of course, then come to the dramatic stance where some players and RSPO and NGO's themselves to stop planting and stop land clearing and look at what they need to do and implement systems and methodology on the ground. This happens very aggressively in 2013, 2014, 2015. The same counts for us, we are purely focussed upstream. We only process our fruit up to the mills, not to the refineries. We acquire the land, comply with assessments and with what RSPO wants us to do. Only after that, we start planting, we harvest the fruit and it goes into the mill and then we sell the product. We don't process palm kernel either, we sell that as it is. We are very upstream. There was when we went into the listing procedure, there were concerns about how we operate because we are very Indonesian based, we operate strongly based on Indonesian regulation and laws, but people will always say it is not enough and we have to do more. From 2013 we tried some methodologies and started making internal changes. In 2015 we relaunched our sustainability policy to be more in line with industry requirements and aligned to global requirements. In 2015 we implemented NDPE policies. Since then we have been active on various platforms and in the RSPO. We joined alliances and are working with NGO's to ensure that whatever we do there is no deforestation and we keep our carbon footprint as low as possible. We aim for neutral or even negative emissions on our plantations.

In the supply chain, you mentioned your work is up to the mills?

Yes

What do you see as the biggest sustainability risk in palm oil production?

The first thing would be when we go out and communicate with various stakeholders there seems to be a lack of alignment. For example, when we talk about deforestation many stakeholders interpret this differently. We aim to follow the HCV and HCS definitions. This definition is accepted by the general market. Of course, there are many other stakeholders who are not familiar with this definition. Also, there is a lack of understanding of sustainability. Does this mean that you are a member of the RSPO or does this mean that you have got your mills already certified or does it go even beyond that? There is a lot of misunderstanding about what we call "Big words". Another thing is that we say we want to be sustainable, we do not want to deforest, or we do not want to plant on peat. Then there is the view of the government and other countries. Different countries ask for different things, there is no alignment between the countries. Even when we talk about the Paris summit, not every country is aligned in there. The government can pledge they will abide for certain things but when they come home, they are faced with reality and the pledge changes. This creates a lot of difficulty for us here. Our first concern would be how do I economically exist with all these regulations, certifications and governmental actors involved. Even the banks here, some are only concerned about the rate of return, how well can you take care of the balance sheet, when can you pay me back. Some banks are concerned about the environment, but they still care more about their financial status. This sometimes creates big misalignments. Now we have areas where we have land permits given to us where big chunks of the land have not been planted because they now all of a sudden fall under HCV or HCS areas. These are very sizeable hectareage of lands. The government now says they want to take back the permit because we have not complied with their requirements of planting the land, for which they gave us the permit. Now we try to explain to them we can't plant there due to changes in regulations. The world sees us as the bad guy when the government gives our permit to someone else who does clear these HCV/HCS areas, while these permits should not even have been given to us. When we come into a state when they already do a lot of things and the land is fragmented, the government does not see it as conservation area or a forest. This is partly because the government has a huge responsibility to feed Indonesia's large population of 216 million. They are concerned with improving economic well-being. The first thing what will happen when there are a lot of poor people the government is concerned about riots and strikes. Over the years many contradicting regulations have been set-up and we do not know to which one we should listen. This is because no effort has been put in to make it simplistic and clear. This makes our industry very challenging. Also, CPO is a commodity, before it is really used into a product and branded. This means we are subject to the volatility of the market. The risks are not all manageable. For example, currency risks hit us to, risk of oversupply by other competitive oils or even crude palm oil.

How do you deal with all the differences in perceptions of the so-called "Big words"?

That is partly why we are interested to work with RSPO. The government will take us more seriously if we speak through RSPO. We do also speak with governments as Bumitama and enjoy conferences and forums and share about our experiences. We see that we have a more impactful voice though a collective such as RSPO. In RSPO they are working on how to share responsibility and allow the industry as a whole to grow. Also, they work on jurisdictions; how to get a jurisdiction as a whole to be certified and sustainable. If we can do more and more of this there would be a higher level of understanding by the public and other actors about palm oil and certifications and sustainability. This will lead to understanding what these words mean. In our sites, we have got corridors within our plantations, which we conserve to make sure forests stay connected. It is difficult to do this. It is more difficult than we thought, we face so many unexpected challenges, getting the community to

speaking with us is a challenge, getting the government to see the value of this is a challenge, even our own internal people need to be educated and prepared to change their mindset. Also, sometimes our permits get overwritten by other permits. We see these challenges as opportunities to become better in every step and we find solutions for every challenge. We do not give up. These corridors are the last links keeping the forest together. We are also sharing this as much as we can so more actors will come in and more stakeholders will join us and help us to go forward. In this project, we work together with IDH and AidEnvironment. Also, we have recently added more land to the corridor. Now HCV areas are added to the corridor. This gives us a better chance of success. We show that a palm oil company can also be concerned about the environment and social issues. We work together with the community and work to reach also the community's needs. Also, we are creating awareness for these kinds of initiatives to gain acceptance. We show that we can wear different hats at the same time.

When would you say palm oil is sustainable? What are the main differences between conventional and sustainable palm oil?

We support RSPO and its certification, but on a higher level I think there will come a day where we do not need certification anymore. When this tipping point is reached that people know that on their land, they need to do conservation, plantation and exist with the community in harmony and they embrace this. Once this is reached the world will see that we have been doing our best and we are trying to do good. Of course, this is a process and it never ends, there is always the next step and do better and better. For example, in the past, we saw drones and satellite imaging as a form of spying, now we see it as a blessing. It helps us economically and to detect fires and see the state of the land and helps me to monitor the forest and the health of my trees. We can see what the people are doing. Technology changes us and can be incorporated into our way of working. This makes changes to how we run the plantations. It changes to include environmentally friendly and socially acceptable methods.

When this tipping point is reached, would you think that then people have intrinsic motivation to be sustainable?

Yes, I do see this is a very optimistic view, but we have to be that to keep pushing forward. We want to leave something for the next generations. We want the next generation to see the same forests we have now. Of course, we need development, but let's do it in a way that we get the best yield of where we plant and still be able to leave the forest as it is. We need a co-existence. That we have clean water and we don't damage rivers.

How do you make sure that people you work with want sustainability themselves?

I think forcing is not long-lasting, it will leave a lot of reluctance. What we do is when we work with independent smallholders, we trace the external fruits that come into our plantation to make sure we know where they come from and who these farmers are. We then engage with these farmers and ask if they need help with their plantation. maybe about permits our increasing yield. Sometimes they tell us they cannot buy fertilizer or why their leaves are yellow. We help them and educate them with these and other issues they have. The administration is the most difficult part for smallholders, so we teach them also about that. When we have managed this, we find that they are interested to be certified, which is the goal eventually. We want to be their hotline if they have a problem, they can call us. Anything they are not sure off they can ask us, and we can check their problems. In Indonesia, smallholders are a big group, over 40%, so we have to help them, and we want to move forward with them. Recently, we took four persons to learn integrated farming, now they become the teachers of their communities and these four people communicate organizing sessions within

their communities for others to teach about integrated farming. This way we empower them to spread the knowledge. It takes a lot of effort to convince our management to release funds to just teach four farmers but then they see the impact goes beyond these four farmers they are happy.

In Europe they only want sustainable palm oil, how do smallholders feel about this?

There are also negative feelings on the ground when Europe makes the stance that they don't want biofuel from palm oil for example. This seemed like a very biased decision for us. There are other types of oils which are even worse than palm oil, but we are the only one who got left out. We have since the last three years been promoting aggressively, and the farmers come to us and they feel like they are being punished because the CPO price is low. We hope that if we make the effort, we also get returns for this. But now we try to make the effort and we only get punished. We keep saying this is just temporary and the price will rise eventually. We need to keep pushing forward. When more and more hear what we are doing and join us we hope this will eventually happen.

IDH set up a jurisdictional approach and compacts. How do smallholders feel about this strategy?

We got some trials already in which we work with IDH. They are getting a lot of traction and it goes very well. What we didn't prepare for is the duration and the effort it took. To make someone change is a difficult process. It is not just doing training and seminars, it takes personal commitment and efforts. Sometimes we also meet smallholders and they say they are willing to change because of these projects. This makes us very happy. That tipping point must happen with more smallholders; therefore, we need more of these strategies.

In Europe, there has been a lot of negative media attention and this led to several countries not wanting to use palm oil at all. How do you feel about this?

I think this is also partly a lack of awareness and the palm oil industry not sharing enough. We think everyone understands we are better in terms of efficiency. Also, palm oil is very versatile. The oil is very robust and very healthy. It is not the best but is also not the worst. We think it is a lack of awareness and the way they give negative media attention around palm oil. The NGO's have run their campaigns very well. We need to step up our game and promote palm oil and show the positive sides. Of course, we have issues and imperfections. We have problems with sharing our positive news. In the beginning, we as Bumitama didn't want to share with media and wanted to keep a low profile. A lot of plantations have this attitude. This is also because plantation people are farmers and they just worry about their crop and their land. This ethic is not good for us and gave us a bad name in the media. We need to communicate better.

Bunge Loders Croklaan

What are your activities related to palm oil production?

Processing of palm oil for near finish products and commodity trading

What is your position in the palm oil supply chain? With what actors do you have direct contact?

Mid-downstream- our direct contacts are with palm oil mills and palm oil traders

Are you aware of the sustainability risks related to palm oil production? What do you see as the biggest sustainability risks?

Yes. Loders Croklaan had high-level sustainable palm oil sourcing commitment since 2014 and has been revised in 2017.

Biggest sustainability risk within the supply chain is group-level NDPE compliance- Land Use Change and ethical recruitment.

How do you take into account sustainability when performing your activities? If not, why not?

We only source from company groups which have similar NDPE commitments or sign onto our policy commitment.

What are the main differences between sustainable palm oil and conventional palm oil? When is palm oil sustainable?

Certification is the distinguishing factor. We recognize RSPO and ISCC certified palm oil as certified sustainable palm oil.

Have you ever been forced to change your way of working to improve sustainability? If so, by who?

Non-RSPO certified palm oil growers and millers are oftentimes resistant to improve or align with NDPE commitments. They will serve regional markets with lesser requirements.

Having no real incentive to provide conventional palm oil producers presents a challenge, there is no business case for them to come along the sustainability journey. Currently, only 50% of RSPO certified palm oil is purchased as CPSO.

Have you ever had problems or discussions about land ownership rights with regards to palm oil production?

All land in Indonesia is owned by the government. Companies are given a lease of 50 years. Land acquisition and zoning are done by the government. There is a systematic problem with the governmental process, not transparent and lack necessary safeguards.

How do you feel about the ongoing promotion of sustainable palm oil in Europe?

Lacking. European companies should commit to 100% CSPO across all their operations, not just limited to Europe. Phasing out all palm by 2030 in biofuels in Europe is a step backwards and highly regressive.

Did the increase in demand for sustainable palm oil change your way of working?

There has not been an increased demand for CSPO.

Do you think talking and setting goals with multi-stakeholder groups is a step towards more sustainable palm oil?

Enough of talking, more concrete actions to source CSPO.

How do you feel about the European discussion of using sustainable palm oil versus not using palm oil at all?

Not using palm oil does not make a dent in climate change effects. Palm oil is factually and scientifically proven to be the world's most effective vegetable oil crop.

RSPO certification is still the best assurance for sustainable palm oil.

CIRAD

What are your activities related to palm oil production?

I am The Contact Point for Oil Palm Research at CIRAD, the French Center for Cooperation in Agricultural Research for Development.

I am also CIRAD Regional Director for Southeast Asian Island Countries, based in Jakarta, Indonesia.

What is your position in the palm oil supply chain?

CIRAD undertakes Research and Development in partnership with producing countries in Asia, Africa and Latin America.

With what actors do you have direct contact?

Research centres, NGOs, plantation companies, Smallholders associations...

Are you aware of the sustainability risks related to palm oil production?

Yes, this is our core job.

What do you see as the biggest sustainability risks?

Both social and environmental risks

How do you take into account sustainability when performing your activities? If not, why not?

Sustainability is the essence of our R&D activities, whatever the scientific field: Agronomy, Breeding, Social sciences or Agroforestry...

What are the main differences between sustainable palm oil and conventional palm oil? When is palm oil sustainable?

Major differences reside in practices developed in production systems (estates and smallholders)

Palm oil is sustainable when it is able to provide decent livelihoods to rural population without causing deforestation, pollution or social conflicts.

What are your reasons for (not) taking sustainability into account when performing your activities?

Any R&D in Plant Sciences is now related to sustainability.

As we work in close partnership with public and private sectors in producing countries, international agreements as SDGs or Paris Agreement on Climate Change govern our activity.

Have you ever been forced to change your way of working to improve sustainability? If so, by who?

Not really forced, but our R&D activities are requested to directly take into account sustainability questions through their 3 dimensions (People/Prosperity/Planet) and this is shaping the way research projects are developed on the ground.

Public opinions, government, funders, are looking for solutions to global and complex problems such as poverty eradication or deforestation. Those complex questions now require a multidisciplinary approach, and this has changed the way researchers are tackling scientific questions.

Have you ever had problems or discussions about land ownership rights with regards to palm oil production?

In countries like Indonesia, this is a key topic, as it governs many other subsequent questions such as certification. If land tenure is not transparently established and certified, there is no way of certifying smallholders' sustainable practices (RSPO, MSPO, ISPO) through a credible process.

How do you feel about the ongoing promotion of sustainable palm oil in Europe?

The European market is not huge, but it has a strong influence on practices as it is the only one which requests certified palm oil.

If Europe bans palm oil, any incentive to improve the sustainability of practices will disappear and the market will be left open to countries with much less stringent regulations about sustainability.

Did the increase in demand for sustainable palm oil change your way of working?

The demand is not increasing, and it is even slowing down because public opinions in Europe strongly prefer “No Palm Oil” than “Sustainable Palm Oil”, and this will not change.

It is very politically rewarding to ban palm oil from Europe as this policy pleases both the “green” part of the society and the oil crops, farmers.

The emergence of platforms and roundtables such as RSPO has greatly facilitated dialogue among stakeholders and enabled significant progress in sustainable practices on the ground. Access to the European market was pushing this trend until recent times.

Do you think talking and setting goals with multi-stakeholder groups is a step towards more sustainable palm oil?

Yes. Our role as researchers is to provide stakeholders with results and evidence-based conclusions.

How do you feel about the European discussion of using sustainable palm oil versus not using palm oil at all?

Already answered.

It is clearly not possible to avoid using palm oil as it is the most productive oil crop and any switch to any other oil crop would result in a huge increase in demand for arable land, pesticides and fertilisers. The key topic is to continuously improve agricultural practices such as the use of selected seeds for yield and resistance, the recycling of organic waste through composting, and the development of inclusive certification for smallholders.

GAPKI

What are your activities related to palm oil?

I am with an association of palm oil producers; my area of responsibility is on sustainability. Apart from that, I work with palm oil companies who have plantations. I have been working in this area for 25 years now. I know about all aspects of palm oil.

Where would you position yourself in the supply chain?

We work on plantations, mills and land-use change. We do not work in refineries.

What do you see as the biggest sustainability risks?

Sustainability is especially an issue in the plantation side, not on the milling side. Milling is mechanical, it is a factory, so there is no issue on sustainability there, maybe on working conditions.

What are the biggest risks in the plantation side?

In my 20 years' time in palm oil, sustainability keeps changing. Every time there is an opportunity to add more and more. It is a never-ending story. Now sustainability includes traceability, after traceability, I don't know what. I see that it will not stop, the question of sustainability will never stop. It raises the question with us about what the European wants about sustainability from us.

So, do you think constantly taking the next step makes unclear what sustainability actually is?

Yes, we never heard about traceability in the past three years, now they are talking about it. It is like the Europeans are always changing the goal. We try to fix what they want but they keep on asking more and other things. When we reach the first goal, the goal is changed. They are constantly adding new things for us to do. This is how I feel about sustainability. Now they are talking about indirect land-use change, we have never heard of that and don't know what that is. We have no indicators on that and don't know what it is.

So, you would say the communication should be done earlier?

Yes, they never communicate with us. They don't want to do that. It seems like they always want to have palm oil on the bad side. With other oils, they never say they are unsustainable. There is no sustainability certification for other oils, why does rapeseed or olive oil don't need a certification.

What do you see as the main differences between sustainable and conventional palm oil?

Sustainability is created by mankind, the palm itself is in nature. It is about how we manage it. Even managing it they add more things that need to be considered every time. We only know about HCV since 2007. Palm oil has been there since the 1980s, we only know about HCV since 2007. Those that don't have HCV is being pointed as non-sustainable while they were already there. It is the creation of things that make it difficult for us. They want sustainability just to drive up our costs so that our oil doesn't look cheap anymore so that rapeseed can compete with palm oil. Without sustainability, the cost would be about 400 USD, with sustainability it is 500 USD, a 100 dollar increase. Rapeseed is 775 USD, so the spread is being less by sustainability.

How do you feel about the Europeans wanting only sustainable palm oil?

For me, this is bullshit because they still buy non-sustainable palm oil!

Is there a difference in price between sustainable and conventional palm oil?

Not really, in the beginning, there was a difference, but now there is no more. The question for us why the Europeans asks for sustainability. If you look at RSPO numbers, there are 12 million tonnes RSPO certified oil, Europeans only buy 8 or 9 million tonnes and only 5 tonnes of sustainable palm oil.

So, you see the European discussion is just making it harder for the production side?

Yes, they make us comply with a lot of rules. What money did the Europeans throw into Indonesia for sustainability, nothing!

So, you said there is no difference in price for sustainable and non-sustainable palm oil?

Maybe, 15-20 USD it used to be, now it's only 5 USD, this is not an incentive.

IDH set up compacts in a jurisdictional approach, what do you think about this approach?

That's good, any approach or any efforts to make sustainability is okay. I welcome that very much. The one I don't welcome at all if they want to change. It makes us look like we never achieve anything. It makes us always on the bad side of the situation. Is there ever Europeans have said to Indonesia that we have achieved sustainability? Never! The worst thing is it is modern colonialization, they only point fingers at us. They are no longer physically here, but with palm oil, we have to listen to them.

And what happens if u do not comply with these European rules?

Then we cannot sell. They say they will not buy it, so we try to comply. That's why we achieved 12 million tonnes of CPO. At the end of the day, they only buy 6.

So, they tell you to go into the direction of sustainability, and then they don't buy it?

Yes, that is sustainability!

How do you feel about the efforts RSPO is making?

RSPO now have a lot of criticism that they don't do enough on sustainability. I don't care much personally. I care that Europe needs to buy more, whether it is RSPO or NGO. There are no NGO's forcing Europeans to buy sustainable palm oil, they only say palm oil is bad. They don't recognize the 6 million tonnes the industry has produced. I don't think they will buy all our sustainable palm oil if we reach 100% sustainability.

So, you feel like you are feeling like you are being forced to change your way of working?

The sustainable way of managing plantations actually is good. It makes us know how to manage the plantation and gives us knowledge of good agricultural practices and work in a proper way. That is sustainability for some companies. With that, you can also get a better yield, because you are properly doing it. Again, we all do this for what? Some plantation says and then what? If I have sustainability if I have certification then what? Will they give me 15 USD more for my oil? They don't! It is very different from ISCC, which is used for biodiesel programme in Europe. There is a clear incentive there.

So, you feel that there should be a clearer incentive for certification?

Yes, for RSPO certified.

So, if there is an incentive, you think it is more likely that producers comply?

Yes, then they will put the effort into sustainability. In the early days, people go in sustainability because there was an incentive. Nowadays there is not much incentive. Then if you talk about smallholders, the smallholders just care about selling their FFB, they don't care about sustainability. European ask them to be sustainable, why? Show us sustainable rapeseed!

In Europe there is a lot of negative attention around palm oil, this causes some countries to not use palm oil at all, how do you feel about this?

If they are rich enough that is okay. Rich enough to only use rapeseed, which is 150-200 USD more than palm oil. As Indonesia, we see this is discrimination. What is wrong with palm oil. It is not that other oils are sustainable. Palm oil is the only oil in the world that has a certification. I have been speaking in front of audiences many times. Sometimes people say that they have soybean sustainability. I say do you have a certification scheme like us? You only have traceability. Traceability is not always sustainable. It is only that you know where it is from. Our sustainability you need to not use pesticide and very much requirements. Plant x metre from the river etc.

Would you then say that a lot of producers see sustainability as a burden?

Yes, it is a burden. Like I said, what have the Europeans done in Indonesia for sustainability? Nothing, only IDH. Where is the Norwegian fund? When will the money be here?

Don't you think sustainability is a good thing?

Yes, it makes the plantation do good agricultural practices, but that is only for certain companies, that are really looking forward, beyond the usual business. Not many of these companies in Indonesia. Only big companies can vision over there. We don't have many big companies. We have a lot of companies who only have 5.000 or 10.000 hectares of land, unlike people with hundreds of thousands of hectares. The pool of low area plantation is much larger than the big ones. The big ones in only maybe 10 companies the low one is hundreds and they don't really want sustainability. It is a burden

Don't you think they also should be aware of the sustainability risks that their products bring with it?

Some of the buyers ask them about sustainability. Again, they need to pay more. In the end, they don't pay more but they ask more and more of sustainability which increases the cost of production. Less margin. Sustainability needs to have a clear incentive from European buyers.

So, if there is an economic incentive, it would be done?

Yes, it is not just demanding. What have they done to help us? Nothing! Only IDH helps us with the Dutch government. IDH has done this for many commodities, also for coffee and tea.

So besides monetary incentives, do you think programs like the ones IDH sets up are good efforts?

The help from IDH is great. It is very welcome. If you talk to IDH I am sure he is being asked many times: "what do I get from this?" Maybe there is a small group of farmers now that IDH has convinced. Once IDH can promise the monetary incentive this group will grow very quick.

So, for the producers, money is the most important thing?

Yes, that's why they do it.

So, if RSPO or other buyers would give more money for certified palm oil this would work?

Yes, everybody will jump in. Europeans are only demanding without giving anything. They just make promises. 2020, bullshit.

In Indonesia there are also a lot of issues with land ownership rights and the legality side of palm oil, what can you tell me about that?

Not on the plantation side, the big plantations. The issue is not land rights, it is the regulation. In the 1980s the land borders were drawn manually, now we have modern ways like satellites, with this modern way they manual borders do not exactly follow the satellite borders, but there have already been planted palm trees in the areas the satellites see as forest, is the plantation inside the forest or the forest inside the plantation?

So, because of modern technology, they make it an issue?

Exactly, NGO's love this. But whose fault is this? This is an issue on the company side. With the farmers it is much more complex, they don't care about the boundaries, they just slash and burn. This is the cheapest way. Palm oil, in general, gets blamed for this, while not everyone does this.

How did the increase in demand for sustainability on the palm oil industry change they of working? What are the changes that this demand brings with it?

European companies, a lot of them want to distance themselves from palm oil, sustainable or not. That is the biggest issue. We welcome companies who only buy sustainable palm oil. Palm oil has become a marketing tool for companies. Putting labels about palm oil free on their products. No distinction between sustainable or not. With this, the issue of sustainability is dropped. The Europeans don't want palm oil that's it. So, the European demand for sustainability is simply gone with these companies putting these labels on their products. Why do they do this? Who will solve

this in Europe? Will IDH campaign in Europe to stop labelling? Or to only buy sustainable palm oil? They don't

I have also done interviews with DASPO members and they promote the use of sustainable palm oil instead of not using palm oil.

Yes, I know. But will there be... If you talk about Dutch, we are still okay. Sustainable palm oil is recognized there. But if you look at other countries they don't care.

So, you would say that DASPO has to discuss with other European countries about shifting their vision to sustainable palm oil instead of not using palm oil?

Exactly, what has EPOA done? I am in EPOA, but I am not active anymore. We cannot predict... The NGO has more influence than the national initiative because the NGO goes directly to the people, national initiatives are for the industry. Greenpeace/WWF go to the consumer, a national initiative cannot go directly through the consumer.

So, palm oil has to promote itself more as being sustainable?

Yes, but we are very far behind on this. The media loves bad stories. Italy brought an advertiser to court who said palm oil was bad, and they won the case. We appreciate this.

So, the way of thinking in Europe should change first, and then there is a clearer incentive?

Yes, again the problem the palm oil industry has is that we have no formula to fight the NGO's influence on the costumers. The media says palm oil is bad, so they don't want to use it.

So, the positive side should be shown more?

That is the big thing for the industry to do but in reality, the campaign against palm oil is busy for a long time so we need to catch up. Again, for me, the Amsterdam declaration is bullshit, because again statistically we know that enough certified palm oil is available to be used in whole Europe, why make it 2020, why not now?

So why do they not buy it?

I don't know! That is also a big question for us. Even if there is a small difference in price this should not be the reason for this. I think they just want to keep it a problem. Put out more bad news on palm oil so people will not think about sustainable palm oil.

Why does Europe want to make palm oil look bad?

One thing is competition with rapeseed. If palm oil is being used more in Europe, rapeseed will lose market share and the rapeseed farmers will suffer. They try to stop palm oil altogether, palm oil farmer will suffer, they don't care, or they don't want to know, or they don't know. One positive article about palm oil will make them release 10 bad articles.

Golden Agri Resources

What are your activities related to palm oil production?

We are vertically integrated, we have operations starting at seed development, plantation development food processing all the way up to refineries. Also, a little bit of oleo production, but not as big as our competitors.

So, your activities go up to the refineries and you are not making actual products?

Only in Indonesia, we make food products, which is cooking oil. Not abroad.

What are according to you the biggest sustainability risks in palm oil production?

It used to be environmental risks in our own operation, today the risk is more in sustainability from our supply chain

Which actors in your supply chain carry the biggest risk?

In our supply chain, it's on the suppliers of the Fresh Fruit Bunches (FFB).

So mostly in the plantations?

Yes.

How do you try to manage these risks?

First of all, we do reporting on them. We also have outreach and education programs, also capacity building programs. Our outreach is quite good, we have reached 98% of our suppliers. Some more in-depth than others. I still think 98% is pretty good for three years effort. We are continuing that path.

What type of actors do you work with?

We work with external independent farmers, we also have plasma scheme farmers in our own operations, the plasma farmers own their own land, but it is operated by the company so there our own sustainability policy applies so that is under our own control. The challenge is in the supply chain where we don't have control. This is a very fragmented supply chain. We buy from independent mills who buy from independent plantations and/or independent smallholders. We reach out to all of those.

What does this outreach entail?

Mostly education about sustainability.

What are your strategies for this outreach?

It is a big HR investment because the supply chain is so fragmented. We do events at scale where we invite a bunch of people to the hotel room. Where people are interested or where there is a particularly high risk, we go for a more one on one engagement. This is very resource-intensive for which we have a decent sized team. It is not a matter of approach, we already know how to conserve forest from our own operations. It's more in reaching out to them.

Do you also set certain requirements for these smallholders?

For smallholders, it is trickier than for companies. We cannot smallholders not to cut the forest, because for them it is their livelihood. They don't have alternatives, they cannot relocate quickly. You need to find a balance, we try via a production/protection scheme. We don't work directly with the smallholder, we try to work at the community level where we say: we can support you on livelihood improvement, enhancement and diversification, in return you need to conserve x amount of forest or peatland. All require intensive HR investments.

Those smallholders are mostly non-certified?

Yes, they are independent and uncertified.

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

In our definition, it is sustainable if it is produced in compliance with the GAR social and environmental policy.

Do you also look at RSPO policy or ISPO policy?

Our policy goes above and beyond the certification standards.

What is your reason for taking sustainability into account?

One: our stakeholders... Every two years we do a materiality assessment, part of our sustainability report requirements, our general reporting requirements, there they are asking not just about sustainability in GAR operation, but they are also asking for the sustainability of our supply chain. It is important to our stakeholders. We would like a stronger business case for investing in our supply chain, there we are not there yet. Other than reputation risk there is no strong business case.

How are you trying to improve this?

We are trialling now. In one case where the business case is viable is when you do a joint project with a customer. We have a lot of joint sustainability projects with Nestlé. Nestlé will not buy from you if they think you are not sustainable and if they think you are not implementing, there you can make a business case. This is at the project level, not at the supply chain level or even landscape level. It is the scaling up of the business case that is continuing to be the challenge.

Where exactly lies this challenge?

You require a lot of resources to reach out to not just smallholders, but communities need a lot of resources. Then you know... how do you earn the money back. To be honest the brands that are willing to invest in sustainability projects are just a handful. Only the very big ones mostly.

Do you also have discussions about land ownership or legality with these smallholders?

Yes, of course. Again, this needs a lot of investment in resources. There are two parts, the technical portion and the regulatory portion. The technical portion is mapping, this is a chronic problem of Indonesia where we don't have good land use maps. We as GAR have the mapping expertise, geographic information specialists. We can do the mapping and support smallholders in this. This can be ticked off, while it is a lot of work. The second challenge will be regulatory recognition of land rights. That is a complicated approval process, it is a lot of paperwork and you have to go through many levels of government, from village to sub-district to district to province to central government. That is the biggest bottleneck because we don't control this process.

How do you deal with this process? Do you guide the smallholders in this process?

Yes, we support them in doing, we should not walk away, then you don't solve anything. The critical part is to support them. It can be part of the package where we see at least get village level regulation, to recognize your land we will support you in this, but on the other hand, if you expand do not expand into forest areas. It's all part of the package.

How do you deal with smallholders who slash and burn?

The consequences are more for the government, we are not an enforcing party. We are definitely part of the positive incentive side where we provide capacity building and training. For example, they want to clear land to grow food, we teach them to grow more food on the same land. For instance, organic intensified farming, where you grow not just vegetable, but you link it to husbandry and even fish ponds, so you get the full diet in one lot.

So, you aim at improving productivity through education instead of increasing land size?

Yes, exactly not just productivity in one commodity, it needs to be part of the larger organic diet-oriented package.

How do you deal with farmers who don't listen after your guidance?

At some point, we have to decide whether we want to continue or not. If they don't listen, if they are not willing then we have to disassociate.

Have you had to force people to change?

We have done that, but only at the corporate level. The smallholder approach... The best way to do it at the community level, then it becomes a little bit more peer pressure, which we want to leverage. We have not walked away from a community because they are not willing. Communities are more cautious and have a wait and see approach, they want to hear first if another village was successful then they are more willing to try with us.

How do you feel about the promotion of sustainable palm oil in and RSPO certified palm oil in Europe?

I think Europe is... In biofuel even if it is certified they still don't want to use, in that aspect it's heading in the wrong direction. It's the principal... I will touch on RSPO a little bit later... Just on the biofuel side, you have certified suppliers including GAR, who are willing, but it is the Europeans that say we want to phase it out. Then the starting positions are already off. There is disagree... the unintended consequence is that certified producers will become not certified because there is no point and we will sell conventional oils to other markets. We think that it is very counterproductive. There is a big misconception on the European side. Europe thinks they contribute to deforestation in the last 10 years. The story is this: European demand grew by about 2 million tonnes from 2008 to 2018, while Asian demand grew by 28 million tonnes in this period. The demand increase is thus not from Europe, it's from Asia, China, India, Indonesia, Malaysia. So, to think that Europe is the contributor to deforestation. It is in my opinion insignificant. Their phase-out policy is much more harmful than it is productive. About the RSPO, it is good, many food companies have adopted RSPO as sourcing and criteria. What we don't see is the push for 100% RSPO purchase. At the moment we have 7 million tonnes going to Europe certified. If you don't see more demand you will not see more production.

In my discussion with GAPKI, it was said that there is more sustainable palm oil available than that Europe is buying, while Europe is still buying conventional palm oil. How do you feel about this?

The reason for this is RSPO certified is more expensive. Those who are under the radar of NGOs, there is no pressure to buy certified.

Is there a price difference in certified and non-certified palm oil also for farmers?

This is a very tricky question... Let's say we have a buyer who wants to buy premium, RSPO certified palm oil and we transfer that premium to the farmer. The way the market works is this buyer can switch to competitors any time. Then I have to stop the premium to the smallholder as well, this will create social unrest. We need to convert this premium into not cash, it has to be something like capacity building, infrastructure, seeds or fertilizer something like that. It cannot be cash, this is too obvious when it disappears.

So, for the smallholders, a monetary incentive for RSPO certified product is not the way to go?

We should pay more, just not in the form of cash, it is too easy to see when it disappears. GAR and the smallholder, we want a long-term relationship because we are neighbours. The problem with the buyer is they can switch to a competitor at any time. This is the discrepancy, the inconsistency.

So, if the buyer switches and the premium is gone, what will happen?

There is a lot more on the line for us. Unrest, social conflict, disappointment.

There has been an increase in demand for RSPO certified palm oil from Europe, this increase changes this way of working?

We change along with the requirements of the RSPO. We participate in the development of these standards and once they are approved and updated by the general assembly then we implement and change to meet these requirements.

IDH set up compact groups in a jurisdictional approach where they discuss with a multi-stakeholder group from a certain jurisdiction. Does this improve sustainability?

It is too early to tell. It depends on your goal. If your goal is a sustainable supply chain, then we can do it on our own. If you want to force conservation where you take not only palm oil into account but also forestry and community encouragement to grow carrots and tomatoes and chilli, then you need external parties to get involved. This is the challenge, if you want to show forest protection at scale, you need more involvement of other parties and it becomes increasingly complicated because there are many interests involved. I am really looking for strong leadership from the district head. Without this leadership, it will be very difficult.

Do you also try to talk with stakeholders outside the palm oil supply chain?

Yes, a lot. We try to do this in a realistic way and not waste resources. There is the larger landscape and then there is the mini landscape within. This mini landscape consists of the part where the forest inside our concession is connected to the forest outside our concession, like a little mosaic. In this mini landscape, we can try to make this work, it is small enough. If you go to the bigger landscapes, we really need strong government leadership to make that work.

In Europe, there is a discussion going on about not using palm oil anymore and the negative sides of palm oil are shown more than the positive aspects. This has led to several countries not using palm oil anymore. How do you feel about this?

On the GAR side, we don't have a head office in Europe, only sales offices. We are not big on food, just on biofuel. On biofuel it is more a government direction, it is regulated from the EU. We do go to Brussels and Brussels invites us to attend consultation sessions and we participate in those. We submit feedback. On the Brussels we are quite active, more on the biofuel. For the food side, GAR is not the right party, we are not so big in Europe.

There is also a big discussion about palm oil in biofuel, how do you feel about that?

I think Europe is going in the wrong direction.

You have talks with Brussels, do you try to convince them to use palm oil and make it part of the biofuel mix?

We try that. We also use the terms sustainable versus conventional. We tell them that palm oil feedstock for biofuel in Europe today is already certified, it is already no deforestation. The producers that are certified are also not expanding anymore. The argument of indirect land-use change, which is demand-driven expansion, doesn't count. The demand increase comes from Asia. We tell them this. The bias is already there, unfortunately, so it is a tough battle uphill. We cannot underestimate the protectionist... The protection of domestic industry cannot be underestimated.

What do you exactly mean with this?

Rapeseed, sunflower, olive oil producers.

Do you also try to counteract this bias by sharing positive stories?

The public is more affected on the food side in our opinion. We are encouraging our competitors in the food side to take a more active role. There is EPOA that are more active. It is difficult for us. On the consumer side proximity is important. We are too far away, being headquartered in Singapore and Jakarta. We make the occasional trip to Brussels, this is very targeted. But a broad consumer engagement campaign needs to happen at the industry level. We have been lobbying at RSPO to take a more proactive communication strategy with consumers in Europe. We work via the platforms but not directly. There is no direct engagement on the food. Biofuel is a bit more feasible in the way that I can talk to companies or parliament members.

So, this positive side should be put out more, but we are not the one to do it?

Yes, we are not the primary actors on food in Europe.

In Europe they see RSPO as sustainable and don't consider other certification schemes, what do you think of this?

I think Europe should take ISPO into account. RSPO standards are very high, only big companies with big resources like GAR can implement RSPO at the moment. The palm oil market is very fragmented, there are a lot of mills and palm oil groups. They don't have the resources to implement RSPO. ISPO serves as an important stepping stone because if you ask smaller producers to go from zero to RSPO it is too big of a step, they will not even bother. We should learn from other sectors like forestry, they have a stepping stone approach for smaller actors. RSPO also needs to adopt a stepwise approach. They do it now for smallholders, at some point they need to do it for small companies.

I also had a discussion with RSPO, and they said they are also implementing a phased approach, do you think this is a good step?

For smallholders, ISPO is not required. What is needed is to offer a package to smallholders where you say you help them with productivity and Good Agricultural Practices then you try to align those with ISPO requirements. So ISPO is a bonus on top, you don't put that as the target.

KEHATI

What are your activities in palm oil production?

Our activities now are trying to support the smallholders of palm oil. Actually, our programme supports palm oil sustainability in Indonesia. we have three areas of work, the first is promoting the legality of the smallholders; in this, we have different approaches; the first is the legality of the land, that is why we promote the resolution for the land legality of the smallholders, it is now a big challenge for smallholders. the second is promoting legal compliance of palm oil business, this means that big companies should comply with all legality requirements. The third is the legality of the smallholder palm oil businesses. For the palm oil smallholders, we try to facilitate, to promote the smallholders with legality of the land and of the businesses. The second approach is related to productivity, our activities in this programme are trying to support the institution of palm oil smallholders at the village level to be able to implement good agricultural practices. Also, we try to promote the implementation of ISPO certification system. Promote them to be reformed into the better certification system, more robust system. It is now not finalized yet, but we try to promote that. The third approach is related to support the Indonesian government in communication with international communities, such as buyer countries. In reality, our activities that we have already started from the last two years is trying to support mapping and data collection for smallholders. digitizing the Indonesian palm oil coffer, including the palm oil in forest area. Also, doing some research and dialogue to find the best resolution for the palm oil in forest area. That is what we do.

Where would you position yourself in the supply chain?

Mostly in the plantation side and also up to mills. We did supply chain study and tried to find the best mechanism to... chain of custody mechanism with respect to the ambition.

What do you see as the biggest sustainability risks?

The biggest risk is land allocation. In Indonesia we still have no clear... we have no enforcement for the land allocation. Actually, it can be not that challenging if all of the government regulations are implemented by the government. That is the biggest challenge. The enforcing of the laws. The other side we found a wrong mindset on palm oil plantations. From the business side of the palm oil plantation, it is always considered to be better if the palm oil plantation is a large monoculture plantation. We think that palm oil could reduce the risk if the palm oil plantation is not always a large-scale monoculture, but also can be small-scale and with diversified crops. We are promoting that now. We call it agroforestry, especially for the smallholders. Because there will be two benefits of diversifying crops in one land. The first is the better ecosystem function of the land, the second is better resilience for the smallholders himself when the palm oil price is not good in the market they can also rely on other income.

How do you try to convince people to shift their ways of planting?

If we look at the smallholders of palm oil, the real smallholders, below 10 hectares. They have already implemented a kind of multi-crop practices. Then we have so many proofs that smallholders practising that. Now we try to convince the government, even the ministry of agriculture and the minister of forestry. We promote that this is the best way to resolve the palm oil inside the forest area. Not by cutting them out, because this is costly, very costly and impossible because it will raise conflict. Promoting agroforestry, the multi-crop planting is the best compromise for this situation through policy and by research from university

What are the differences between sustainable and conventional palm oil? When is palm oil sustainable? I would like to use responsible palm oil instead of sustainable. What is the definition of sustainable? Until now I have no scientific reference of sustainable palm oil. My background is in forestry and we

have a clear definition of sustainable forest management, but for sustainable palm oil, it is still debatable, because there is no clear consent on what sustainable palm oil is. That's why I prefer to us responsible palm oil. If the question is the difference between those two, there are some indicators we can use in that. First, it is about legality and rights. Palm oil plantations should, big or small, they should be legal, recognized by the state as a legal entity, legal land occupation and also, legal and minimizing conflict. there should be no conflict between different players in one land. Conflict makes the business not sustainable. It is also not responsible in social terms. The second is responsibility for the environment. It is good for the idea that plantation should Preserve some HCV or HCS, but in my opinion, it is not enough. Only having the small part of HCV or HCS it is an offset. You can do the bad thing there and the good thing here. For me, having diversified crops, agroforestry will be considered more responsible. If we talk about the water, for example, the hydrology. There is research from Jambi University, that actually it not because palm oil takes too much water that the land is dry but having monoculture will make the runoff more than precipitation and infiltration. To have infiltration we should diversify the crops. Let's see legal, free of conflict, responsible for the ecosystem, responsible for the biodiversity.

How do you try to convince others to comply with these standards?

What we are doing now is we are not looking from zero. We look from the current situation that the palm oil plantation is in. There are a lot of palm oil plantations in Indonesia, also inside forest area. It should have ecosystem function, so what we try to do first is identify who is there, that is why we promote data collection of smallholders. In KEHATI our main concern is smallholders. For the corporation, we try to promote they should just obey the regulations and rules. A big player should follow the rules. With smallholders, it is important that they get registered. Once they are registered and it is located in the area that has high ecosystem function, like forest area it should be improved. We try to promote is there should be a regulation that can be implemented. Regulation will become regulation if it is implementable. We have regulation on social forestry for example, accommodate local communities' rights to manage the forest. It becomes unrealistic when in the regulation it is said there is no room for palm oil at all, even if the palm oil exists before the license is given. We are not promoting palm oil planted in forest area. No more plantations in forest area. but for the ones that are existing in forest area they should be improved. There should be a regulation that legalizes the improvement and implementing the improvement. That is what we try to do now. We need realistic regulations. If we want to cut out the palm oil in forest areas, we have calculated the cost, this is 20 million Rupiah per hectare. There are more than 3 million hectares of palm oil inside forest area, so it does not make sense to do that. It should be improved and led by the government. By the forest management needed already exists on the ground.

What are the main issues you come across regarding land rights?

The most common issue is about land use. We have identified in pilots, we found that in many villages the allocated production area in one village is too small. We found out in West-Kalimantan a village which has 16,000 hectares of total area, only 7% of this area can be used legally by the villagers. The structure of land allocation should be reconsidered. The villagers, people who live there have only the opportunity to access 7% of the area, the other area is granted to concessions, big plantations etc. What happens is, in many cases in Indonesia, the villagers need land to live so they expand their plantations into the forest. It is illegal, but we call it extra-legal because they got pushed by other reasons. For us, palm oil is just a commodity it could be palm oil now because it is currently the most valuable, but this can switch to other commodities. The basic thing is how to... these communities, the villagers are now improved. They are now consumption community, they are not

living only for the food, they also need schooling, internet, they want a car. They want a better life as well. That is why we should think broader. Of course, we need balance between the development of the village and the environment. The environment is also needed for a better life for people. For us offset is not an option, if sustainable only means that some areas are not exploited while others are, this is not enough.

What is being done on those big concession areas?

Companies work there, palm oil plantations etc. What we try to promote is providing more space for the community to live in their village.

What do you feel about the ongoing promotion of sustainable palm oil in Europe?

I am not sure if RSPO certified is sustainable. It is probably the most sustainable right now. But really sustainable, I doubt that. For RSPO standard, they need offset. Also, they should provide a fund to support conservation, but it is not sustainable for the plantation itself, they just compensate. I see that the market also needs this product. It is understandable that they want to minimize the risk. There should be common understanding and common platform on what is sustainable and how to achieve this together. Europe can just only set the standard and say they only want RSPO. If that is the only thing they do, the producers can use other strategies. They can sell to other countries. This situation will make the conditions not better. If they want to see more sustainable palm oil, it is not the way. Indonesia sees this a trade war. If Indonesia cannot sell their CPO to Europe but will sell it to China and India there is no guarantee that they sell the end product to Europe.

What do you see as a good way of moving forward?

As I said, try to have common understanding, common definition of what is sustainable and what is the best we can achieve from the current situation. There should be dialogue on looking for the common ground of the way forward. What happens now is not a good strategy for making a better world. We can reflect to the Forest Land-use Agreement and Forest Land-use Agreement for Tourism (FLAg & FLAgT). They have a common understanding of what should be achieved and what could be achieved, from there we can create what standard to use, how to achieve this and there is an obligation from both sides.

What is your opinion on the multi-stakeholder discussion in the jurisdictional approach to create a pathway to sustainability?

When we work in the field, we should focus on certain areas. It is preferred to the decentralization that we have now. We have district, province etc. We should choose... We are now choosing 5 or 6 districts to work in, to work with government, the concessioner, smallholders to try to develop the common objective on what they will achieve in terms of better management of palm oil towards a sustainable goal.

How would you scale-up this approach?

We now work in 6 different areas at the same time, while we also work at the policy level. That is maybe what IDH is missing or do less. We also work with different ministries to work on policies. With the ministry of forestry, we work on a policy to make balance between environment and production. We also work with the ministry of Economic Affairs to reform the ISPO certification. Now we are supporting these different government agencies to have solid data and information about the palm oil data. The data we have now is not good, not detailed etc. We try to promote them to have more valid data, spatial and numeric. We work with them, we support them technically to do that. If the government needs a technical person, we supply them.

What do you think of the decision of some countries to not use palm oil at all?

That is their choice, they can choose that that is okay. If there are some countries that choose not to use palm oil and also the directed products of palm oil if you can live without palm oil products that is okay. Don't provoke others to do that, they have to provide substitutes on palm oil. It is an option just like Indonesia still decides that marihuana is illegal, it is just a choice. When they say palm, oil is bad it is their own choice and I respect their decision. We should respect their decisions and should not... But if they "attack" palm oil products, that is not good. We could also show that rapeseed needs 7 times more land, but we don't do that either.

Musim Mas

What are your activities in the palm oil supply chain?

Musim Mas is both upstream and downstream. We have plantations where we produce our own crop, we process our crop in our mills send it to our refineries, where CPO is refined and then exported overseas to buyers. Also, we produce some consumer goods like soap, cooking oil etc. We also receive crop from smallholders to some of our mills, we process that as well. We also buy CPO from a lot of different companies in Indonesia, about 200 parent group companies we purchase CPO from.

So, you are involved in the entire supply chain, where you get resources from external actors as well?

Yes, we purchase large volumes of CPO from external companies. We buy the majority of the oil that we process in our refineries. The vast majority of the oil we process comes from outside sources.

You also mentioned that you make consumer products, is this for international markets or only for Indonesian markets?

As far as I am aware, these products are for Indonesian markets only.

What do you see as the biggest sustainability risks in palm oil?

It mostly comes down to third party suppliers. Whether they follow all the rules and commitments that Musim Mas set out in the sustainability policy

How does your sustainability policy relates to RSPO guidelines?

Musim Mas is one of the founding members of the RSPO, so our sustainability policies are heavily influenced by RSPO. We are also a member of POIG, the only POIG verified company in Indonesia, one of only two or three in the world. So, the sustainability credentials we have are based firstly around RSPO as well as POIG. They do heavily influence our policies and our guidelines as well as our procedures that we have put into place at our own plantations. Plus, that we try to influence those that we buy oil from as well.

How do you try to influence these external parties?

We have supplier engagement workshops. From time to time some companies' names are raised in terms of NGOs highlighting issues with that particular company, if there is a legitimate case that they have to answer we will engage to find out if there is a problem or what's going on and if they are following the required standards. The engagement is in twofold, some are proactive, and some are reactive. Basically, we are in communication with a lot of the companies that we deal with on a regular basis.

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

Sustainability comes in two... every agricultural product has an impact on the environment. What we are doing is making sure the impact we have is minimalized, it is in accordance with the rules and laws of the country, plus when we put the pillars of RSPO into place: people, planet and profit, all three elements are taken into account. There is no simple answer to this question. I think it is respecting the three pillars.

What are the reasons for taking sustainability into account?

This is a long journey, I am a new employee, I've worked here two years. I think the board of directors are committed to sustainable palm oil. Not only just because it's a business decision, but it's also a commitment, a social commitment, that the company has to the way palm oil should be produced and the effects that it can have on the environment in a positive way on the society. Also, that it is a successful business model as well.

How did this engagement in sustainability change the way of working?

I've worked in the palm oil industry for 20 years. I've been in companies that are RSPO certified. It does put a lot more pressure on the standard operating procedures, it requires a lot more discipline, also in simple things like chemical application, pesticide, herbicide, chemical fertilizer workplace health and safety and a bigger focus on the rights of our labour, of our workers and also Musim Mas in particular is very focussed on good housing water electricity and schooling. If you have a stable workforce you are going to have a lot more successful company, also it's good for the workers who stay here, they know exactly where they are at.

So, you have a big social involvement in your workforce. Why did you start to take these social aspects like housing into account?

Again, that is a part of the company's long-term strategy. We have expanded over the last 10-15 years. But... It's a business proposition as well, we want to keep our workers healthy, we want to keep them in a comfortable condition, so they do the same for us. The board of directors have a commitment to education, they are the children of the future, we focus on providing good quality education within the estates and villages, but also the surrounding communities.

How do you provide this education?

We have schools. We provide primary school, in some location also middle/high school and the senior high schools. The buildings are basically in some of the locations we build these buildings. We ensure that we got the government permits to run the curriculum, we use the government curriculum, we pay the wages and provide housing for teachers. A number of the schools on our plantation are the number one school in that district because we do pay the teachers well and there is a commitment, resources, computers, libraries and all sorts of things. Also, the company has a number of foundations where it sponsors children of the employees to go to university.

So Musim Mas goes way beyond just palm oil?

Yes, socially we do a lot of things as a company. Because we are members of the community there is a lot more done than in our own immediate backyard. Obviously, we have to have a positive impact on the communities around our locations. Musim Mas is recognized for doing a lot of things CSR wise.

Can you elaborate on problems or issues you have had with land ownership or legality in palm oil?

We don't have many issues with our own plantations about this. Land ownership is part of exploitation and NDPE. We are following RSPO and POIG principles. Informed consent is critical to what we do. If we are involved in land acquisition or expansion of plantations that is the first process, we follow

How do you make sure that external parties that you are acquiring resources from also comply with those guidelines?

For example, lastly, I was at one of the external production sites, we had someone from SPKS there, they actually came to site we had Sawit Watch and SPKS come with me. They've had time to speak with the smallholders independently from us and they talked to us to check the information we gave compared to smallholders. Some of the things they saw we have agreements procedure... And it's quite easy to say there is a box on the wall where you put agreements in. What they saw and heard from both the smallholders, our internal workforce, it matched. We do have policies in place where external members... Also, in the modern world, we live in it is very easy for landowners to make complaints on social media. So, there is a number of avenues that are open to people. We have agreements that these are open to surrounding communities as well, it is anonymous and the issues, if they are not resolved on-site, can be brought up and will be taken up at the head office level.

Have you ever had to force changes in the way of working with these external parties?

Force has a bit of a negative tone but obviously, we want to follow the laws of the country and that's a process within itself using the existing systems that are in place. A large part of what we do is building a relationship with the surrounding communities, a lot of that is dialogue, sometimes it's a negative perception and it can take a long time before that changes. Generally, if we prove we say what we mean and we mean what we say, that's when the relationship with local communities clears up. You are always going to have a small element of people who are not happy with us or other oil palm companies. We are transparent and we do believe that consultation and communication are the only way to resolve problems.

So, you always try to make sure that the external parties want to change themselves and see the need to change themselves?

Yes, definitely. An example, there might be a village that has land within our concession which is traditional land. It would be better for us if that land is converted to palm oil, but if they wish to have their village there then the village can say that, and we are not forcing people to go out of their village. Human rights, indigenous landowners can be quite complex. We understand the importance of that and respecting the importance and right of people to choose where they going to live.

In Europe there is an ongoing promotion of sustainable palm oil, how do you feel about this?

I think sustainable palm oil promotion is great. I must say I am negative towards who ban all palm oil, that is causing a bigger problem than it solves. In terms of RSPO certified palm oil, I think this is a very positive move. One thing is, a lot of smallholders, truly independent smallholders, are a long way from getting RSPO certification. We are working with groups to help them become certified. We got a number of independent smallholders... it's a long process, to follow it completely takes a lot of commitment from the smallholders. What we actually see is that a lot of the end-users want RSPO but not all are prepared to pay the extra that is required. There is an attitude of you should be just doing the right thing. As a company, we've taken their commitment on board. For smallholders, for a lot of reasons they may not have the background, have the knowledge, have the experience. It's a big change both in the way they operate as a business as individually. I believe we need to support smallholders more, not just financial, not just give more money, let's pay credits. If they produce sustainable palm oil, they get a premium that covers the extra cost required to implement those standards. Moving forward, smallholders have the key to sustainable production. Currently, they are over 40% of the production of FFB, the prediction is that by 2030 they could be 60%. Unless there is a very clear path forward on the implementation and expansion progress this got a lot of risks. Now the government is working very hard of this, we support and work with them where we can with the government for implementation of smallholder training and development, as well as controlled expansion in line with the government's land-use plans.

In Europe, RSPO is seen as sustainable and they don't buy other certification standards, how do you feel about this?

Again, I am glad they say they want sustainable palm oil. We have to remember that a lot of the smallholders don't understand the bigger picture on some of these issues. I think there needs to be a stepwise approach, to encourage in sustainable palm oil as the norm. ISPO is being implemented and is expanding slowly, it needs to be recognized as well by Europe because some of the legal requirements are quite high. I think it is a genuine effort by the government to address some of the issues that have existed in the industry for some time.

You mentioned a little bit about the incentive for smallholders, what is the incentive for smallholders to become certified?

You can get paid credits, so if they produce sustainable FFB they get x number of Rupiah extra for per ton So, it is a financial incentive. They have to do a lot of work to get it, there is a lot of things that go into this. I think that is one of the main motivating factors and things we need to do. Depending on reports that you read only about 50% of sustainable produced oil palm is being bought in the world market. There is a bit of hypocrisy with people demanding a lot but it's not being taken up after a lot of time and effort is invested in it. In some cases, the supply the market is not taken up that sustainably produced oil.

So, they demand sustainable palm oil, but it's not all being bought?

Yes, I think it's critical that what's being bought should match the production. Some companies are doing that and purchase the credits and support smallholders, we just need more people to do likewise.

So, the demand should increase? If this demand becomes more than the production, more smallholders will go for certification?

Yes, that is the model that we hope will come into place. Once demand grows more people will follow.

How do you feel about the multi-stakeholder compacts and the jurisdictional approach set up by IDH? We are members of the jurisdictional approach working group for RSPO and Musim Mas is part of the group supporting a verified supporting area from IDH. These are both similar approaches. Multi-stakeholder is the only way to go, we want to support government initiatives in place because the government will ultimately lead the way and has the jurisdictional authority to implement and enforce certain regulation. We do believe that multi-stakeholder, working with government working with other producers, buyers, NGOs and importantly the communities themselves is the only way to get a successful outcome. It may be time-consuming and frustrating sometimes, but unless it is inclusive you will not get the maximum output that is required. Musim Mas is definitely supportive of multi-stakeholder approaches and we will continue and currently have some very innovative smallholder programmes. A lot of other companies have programmes, whether they launch them or whoever, it has worked with smallholders. We want to continue doing that, there are a lot of companies doing that we need to see how we can scale it up. If this can be through the jurisdictional approach all the better. This will give some confidence to the market that certain areas implementing as well as regulating the production of oil palm within that region.

So, you say this is a good approach, the question is how to scale it up? How would you see this scaling up?

It has to be stepwise. To be very pragmatic, can you get 100% compliance within a region? No, you cannot, no matter what commodity or region you are not getting 100%. What you have to do is work with the groups and stakeholders to get a target in a stepwise approach. Maybe in the first 2 years 40% then 50% then 60%. Are all standards going to be implementable straight away? No, but we need to have some ways and indicators on the journey towards compliance. Compliance is not a dead-end, it is something that continues to change and evolve. We need to look at it as a journey towards compliance. Some companies or individual smallholders will be further along that journey, others will be just starting. I think the important thing is that we don't exclude immediately. Dialogue is important. Some people believe that we exclude and then engage, but Musim Mas is and has been a strong supporter of engage and then exclude because if you push people out of the market and then you want to engage them a lot of confidence in you has been lost by them. But if we can engage until the end and then they truly don't want to change then we make the decision to exclude them

from our business. If we can influence people to change, we believe that is much better, through communication and engagement right from the beginning.

Do you have specific programmes to also engage and include the external parties?

We have target areas within Indonesia that we are working on, areas that we see as high priority for us for a number of reasons, the key to our sourcing and there may be some environmentally sensitive areas or there may be challenges in that area. We don't believe in putting our heads in the sand and saying that these issues don't exist. We realize that we have to take positive steps toward addressing them. Some of the things we may do is engage with a company who has issues around sustainability or standards where we will assist them to self-assessment. Have a look at what are the things they could do better, where are they at the moment and how can they move forward. We can give them basic guidance and information linking them to government departments or to accreditation processes. We also offer programs where we say we can come in and help you learn where your crops are coming from via traceability, we can also work with some of the smallholders that supply fruit to you. We do that with a couple of companies at the moment and we are expanding that. We go and work with the smallholders who supply the company and give them basic GAP training and talk about the environment and the issues that those farmers need to follow, and we also provide basic financial literacy training to those farmers. We build and try to influence our third-party suppliers through the programmes, and we will support them in their business ventures but also in their social and community interaction.

In Europe, there are also countries who don't want to use palm oil at all. partly due to a lot of negative media attention around palm oil. How do you feel about this?

I am very passionate about that. In the end, I think it's certain racism. Indonesia is a developing country with 280 million people. We all want to see resources that protect the rest of the world especially when it comes to forest, and deforestation protected. We have to remember countries like Australia, where I come from, that the great forests are already gone. Australia remains one of the biggest per capita GHG polluters in the world, so I find it very hypocritical that some countries or individuals can say these things, whose children have opportunities to attend universities good schooling and education, hospitals etc. We are talking about a country going through rapid development and change. Yes, environmental concerns are important, I just would like to see the real reason behind this, is it business is it trade or what are the real reasons behind it? The three P's have to come into this. We have to deal with people, it's a massive issue, there is no quick solution to some of these, but I still think that some of the countries that are promoting this need to look at their own records and the real reason behind this.

Do you have an idea what the reason for not using palm oil could be?

Obviously, their very strong environmental concerns, sea-level rise, melting of snow etc. but also there have been some very sad campaigns anti-oil palm, which we understand but we have to promote the positive side of the oil palm industry. What it does economically, socially and if done properly environmentally. Unfortunately, people say it's negative, but it produces vegetable oil at six times the rate of its nearest competitor, so it uses a lot less land than other crops that produce vegetable oil. I think it is a pity because it influences a lot of other countries. Oil palm is a major product in the world, it is used in so many different ways, it is one of the miracle vegetable oils. As an industry, we need to focus on improving our sustainability credentials and implementation of those. I think that's where we really need to focus. I think if we go in a name-calling argument with other issues it's not going to work. I think we need to promote what we are doing. But not only promote, but also demonstrate and implement the policies to the best that's possible.

In Europe, palm oil has gotten a lot of negative media attention. Do you also focus on putting out the positive side?

We promote wherever possible the positive that is happening that we are involved in, whether it be the stories about the fire-free village, whether it's about the smallholders, whether it's about education. We come from a point where we don't try to totally dominate media but yes, we like the wider community to see the good things we are doing. We understand there is a very negative campaign out there, but I think it will be counterproductive to try and respond to all the negative claims. We need to focus on the positive things and that are working well, and we need as an industry to promote those things in a more unified manner.

RSPO

What are your activities related to palm oil production?

My role in Indonesia is to find partners to promote sustainable palm oil. Because RSPO has planted a lot of various stakeholders. My role is to focus on communities, labour stakeholders and smallholders. The other stakeholders like industry or media we have someone else to deal with them. Basically, my role is to promote the RSPO and try to engage stakeholders who have an interest in sustainable palm oil. We... not only by doing campaigns but also by engagement we find partners who are within the issues, the sustainable palm oil issues and willing to see or move forward on how to make this sustainable palm oil the norm.

What is your position in the palm oil supply chain?

Basically, the nature of the organisation is covering all aspects of the supply chain. starting from the production side all the way to the downstream. Not directly in the supply chain itself. The role of RSPO is to set the standard of sustainable palm oil and also to encourage the stakeholders within the supply chain or outside the supply chain to be involved in promoting and make sure that the operation in the palm oil industry is improving with time by implementing sustainable practices.

What do you see as the biggest sustainability risks in palm oil production?

I think if we look at the profile of the commodities. It is a versatile product, not only used for food but nowadays also start to enter other markets like biofuel. By its potential, it has the same level of risk. The risk will be in the credibility, how they can sustain in the long term. If we talk about the benefits all the players have their own benefits in the supply chain. already for 5 or 10 years, the issues of environmental destruction are there. The issues of social problems are also there. The biggest risk is that if palm oil cannot prove that it is a responsible commodity in the production and consumption side it may lead to business risk in the future. They have to prove that they are doing things responsibly, not only by saying that they are doing responsible business but also by proving that they can be verified to a certain benchmark to show what they are doing on the ground can be held accountable. By having that credibility, in the long run, they can manage the risks. The demand is there, now the issues are how the players can answer to this demand.

What are the main differences between sustainable palm oil and conventional palm oil? When is palm oil sustainable?

If you look at the physical product, the product characteristics are the same. The differences are in the process of producing it. The practices on the ground on how they manage the plantation, how they treat the environment and how they deal with social issues will be the main difference if we compare sustainable and conventional palm oil. There are certain rules that need to be followed by those growers, producers and processors if they want to comply with RSPO. To make it short the main difference is on the process not on the product. This process will be the source of credibility of the commodity itself.

There are also other standards like ISPO, how do they compare to RSPO?

ISPO is a state initiative. The aim is the same, to have sustainable palm oil in the market. From that point of view, we see that it is a good initiative. Also, ISPO is mandatory, so it can reach more farmers compared to RSPO as a voluntary standard. It can also lead the industry in the same direction. Of course, there are some differences, there was research done to find the differences and similarities between RSPO and ISPO, from this research we found out that 75% of the indicators are the same. There are three major differences; the first one is the planting procedure, the second one is the free prior informed consent and third High conservation value. These two schemes cannot be forged to merge together because of these differences. If you look at the differences from RSPO perspective. If

growers already have ISPO standard they need some additional steps to get RSPO certification. So, it is two different certifications with several differences in demands. For the players this is a bit confusing, they feel that there is an additional effort that needs to be done. From that research we came to the idea of joint certification, when the assessment is done, we can do a joint assessment for the two different schemes. Then if this company want to go for both the will get two certificates if they comply with all requirements, it will not be a single certificate for both ISPO and RSPO. That is the position where... I think the report by IUCN is a good reflection of how the schemes compare. Have you ever had any issues with smallholders being forced to change how they work?

Especially when talking about independent smallholders, in Indonesia we have two types of smallholders; scheme smallholders and independent smallholders. Scheme smallholders have a partnership with a company, they get support from that company and are more organised. For the independent smallholders, it is a bit more challenging. They start the palm oil production using their own ways, knowledge and resources. When it comes to the point, they want to enter a different level of palm oil management they are forced to change. In the beginning, they ask what the benefit for me is of doing these things. They have likely never heard of certification before or RSPO. It is very rare to find an independent smallholder who wants to enter the path of certification by themselves usually, they have a supporting agency, like local NGO's or companies who are receiving fruits from them. These actors are playing a role in pushing the smallholders to the next step. It is not necessarily directly to certification, usually, they start with improving the practices and to improve the institutional capacity of this smallholder. Usually, they are not organised and work as individuals. Of course, this will take time but mostly when they see the benefits for them, they have more confidence to go with the journey. It is basically a step wise process. In the beginning, they feel like "what is this?", after some and some training they will start to see what the benefits are for them and start to feel that it will give them something and they start doing it voluntarily. If we talk with independent smallholders in Indonesia who are certified, there are some who have already certified for several years they have certified for themselves. In the beginning, they need a nudge to move forward.

Do you provide this nudge?

Yes, we have several facilities to support smallholders. We have the RSPO smallholder support fund, it is a fund to support independent smallholders to implement sustainable practices and enter certification. We also are finalizing the smallholder academy, this is knowledge platform to provide knowledge on sustainability to smallholders. It is a platform to bring the smallholders together and provide them the knowledge and then the smallholders help to disseminate the knowledge on their communities. We are also working on revising the certification system for independent smallholders. What we have now is that if someone wants to be certified they have to comply with all requirements, if they comply, they get certified. With the new approach this will be a step wise process, to start they need to comply with certain basic requirements of eligibility, the next phase they need to comply with more advanced requirements and so on. That is something we are currently working on in RSPO.

40% of palm oil comes from smallholders globally, in Indonesia, this is 42%. They are big and important actors in the industry. We understand they all have different challenges in different places. We need to establish something that will fit for most of them.

Have you ever had issues with land ownership rights?

Yes, land ownership issues are very common among smallholders in Indonesia. They usually don't have a strong land title. For smallholders growing palm oil they mostly don't have that, while this is the strongest document you can have to prove the ownership of your land. From the RSPO

perspective, we are aware of this situation. They do not necessarily need to have that certificate at the initial certification, they can have a lower level of land ownership document, by the time they will need to improve this document as well. It is not necessarily for the sake of certification, but also by having the land title this will be the most secure for themselves when it comes to disputes. In the certification system, there is also a requirement that asks them to provide a document from the government about their land. For Indonesia the independent smallholders they do not need a license to start growing palm oil, while the grower companies do need this license from the government. Local Government need to register independent smallholder plantation within their system unfortunately many of them have not been registered. Although the registration is the Government domain and is not mandatory for the smallholders. Through the certification process, we encourage the proactive involvement of smallholders to be registered. It will be crucial to have this registration from the government. We try to contribute to this through the certification process.

Do you also work together with ISPO in the stepwise approach to certification?

We try to do that, in the past two years we tried to arrange a project which supports independent smallholders to get ISPO certification. If we look from the perspective of the ISPO it is questionable that RSPO supports ISPO. By having them comply with ISPO first we hope that all the issues regarding legality are settled. By having ISPO certifications we can see that 30% if the issues are settled, then they can start moving forward to meet the other requirements. We are still in the progress of doing this. ISPO is a regulation by the state, we encourage them to get ISPO first and after that, we can deal with the rest. Of course, we cannot say that ISPO is a milestone of RSPO certification, because this will not be received positively. But the legality issues are settled when the smallholders have ISPO status, this is the most time-consuming step most of the time for smallholders. Once they reach this, they can focus their resources to meet other RSPO requirements.

In Europe they only want sustainable palm oil, how do smallholders feel about this strategy?

That is a big issue, most of the stakeholders here feel that will be a huge restriction to their products entering the market. If you talk to smallholders who already have sustainability knowledge, they will usually say that they know the requirements and the question for them is what they can do as a smallholder to get certified. If you talk to other smallholders who do not have knowledge about sustainability they will respond with: "They want to block our income, they want to stop buying from smallholders". I think the policy is already there, it is important that the local actors equip themselves with the relevant values, knowledge and credibility to answer the market demands. From our perspective, at the end of the day, the one who buys the product controls the market. There is a lot of traction about this issue, the question is what you can do to improve yourself as a smallholder.

Are there also smallholders who think of sustainability as a way of Europe to get involved in their work?

For producing countries that is an issue, it is a prime commodity for the country, when this gets hit it will generate various responses, these responses differ per actor. Every actor has something to achieve and have different interests. I think this is part of why palm oil has become such a popular commodity.

IDH set up compacts in jurisdictions where they have them discuss sustainability. How do people feel about these compacts?

IDH tries to promote a landscape-based approach. We as RSPO are busy with working on a similar approach. We call this jurisdictional certification. In the conventional certification, there is one area or plantation which then is certified. The question is what happens with the area outside this certification. If we talk about the impact of sustainable practices this will be bigger if we can certify a wider area. This jurisdictional approach is to encourage the local authorities and stakeholders to

move together to create a more integrated unit of management. In this approach, the local government will play a role and it will be driven by a multi-stakeholder approach, so not only the government but they will need to form a multi-stakeholder engine to move this process. This is still in development. There are some pilots happening currently in Indonesia, IDH is also involved in the area's that are currently going in this direction. From RSPO, the core process is that we are now developing the standard system for jurisdictional certification. Once this is developed the stakeholders will have clearer guidance on how they have to do things in their jurisdiction. The trend of certification 2.0 will be going in the direction of a landscape-based approach.

How do the smallholders feel about this landscape-based approach?

The concept of why this was introduced is to help smallholders. If we use the conventional certification, we have scattered certified units, with the landscape-based approach we have an entire area which is certified, and we make sure that all smallholders in an area are taken care of and get the benefits. In this way, we help the small scattered farmers to be involved in certification.

In Europe there is a discussion going on about not using palm oil at all, how do you feel about this?

For me changing commodity is not solving the problem. If you change commodity to other land-based commodities it will not solve the problems. Palm oil in itself is the most productive agricultural commodity. It will require more land to grow other commodities compared to palm oil. The best option will be to promote the use of sustainable palm oil. We already have an infrastructure to try to reduce the negative risks of palm oil development. By having this we have a better position compared to other commodities. We are not saying that palm oil is perfect, RSPO is still continuing to learn from the industries itself. Sustainable palm oil is the most reasonable option when talking about minimizing negative risks.

In Europe there has been a lot of negative media attention around palm oil, how does this negative image feel in Indonesia?

Recently we have influences of EU policies, the market, global economy going down the CPO price going down. One of the most impacted stakeholders is smallholders. A lot of smallholders' voice concern that they cannot have a good livelihood anymore from producing palm oil, due to the very low costs. The impact is really felt by the smallholders, also the big companies are starting to feel this impact. The European already have a negative view of palm oil, we need to show how palm oil is actually generating livelihood for smallholders and how it brings a different level of economic development for these people. There needs to be a more balanced story shown. The positive aspects need to be shared more.

Is there a difference in price in sustainably produced palm oil or fruit bunches?

There is an economic incentive to produce in a sustainable way. This is not defined by RSPO, but it is defined by the market itself. That is one of the motivations of actors to go to this direction. In the new step-wise approach this will provide them incentives from the first milestone. In the current system, you have to comply with everything then you can sell your product as certified and get the benefit. In the new system, these incentives will also be gained in a step-wise manner. We hope this will motivate the smallholders to get to full certification eventually. This monetary incentive is very crucial for smallholders.

Sawit Watch

What are your activities related to palm oil production?

We focus on palm oil labour issues. Also, on biofuel. Sawit Watch works for labour, indigenous people, also for humans and smallholders.

What is your position in the supply chain?

We focus on the plantations and land-use change. We are also a member of RSPO, sometimes we also make international campaigns, on an international level. For banks or investors.

What are the biggest sustainability risks in palm oil?

I don't know, but if you discuss sustainability in palm oil, maybe we can say there is no sustainability in palm oil plantation.

So, the farmers don't know about sustainability?

Yes, the farmers open the land, maybe this land is forest or peatland area, so they can't open the plantation there. In our community, land conversion from forest or peatland to palm oil plantation is completed sometimes. Also, by indigenous or local people. Sawit Watch thinks sustainability is not only about environmental, but also about social. It must be related to labour. That's why, as I said, there is maybe no sustainability in palm oil plantations in Indonesia.

How do you try to make the people you work with aware of sustainability?

We work together with SPKS to reach smallholders. We taught the smallholders not to open forest or peatland area, now the farmers who are members of SPKS learn how to work with their land. We discuss with SPKS about that.

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

To make it sustainable the first thing is palm oil plantations cannot open forest or peatland area, this is the first thing. And in case they open the indigenous people area, they have to make informed consent, so the local community can say yes. If they don't, they cannot open the plantation. That's also important when we discuss sustainability.

So, if they don't open forest or peatland and they have approval from the indigenous people their land is good. In what way should they manage their crops? Are there differences between sustainable and conventional?

I don't know, but if we compare smallholder's plantation with palm oil plantations there is a big difference. The palm oil plantations use fertilizer, use pesticide in their process, smallholders also use fertilizer, but they only use in small levels. Also, their waste, in some case we found some plantations just throw their waste in the river or local community area. That is a big problem in Central Kalimantan. I got information from local communities and local NGOs in Central Kalimantan, they say some plantations just throw their waste in the river.

What do you do with this information?

It is very sensitive, so we don't go yet to the plantation. Some plantations they throw their waste in the night, so we don't have proof, so it is hard to get proof.

Why are these plantations throwing their waste in the river?

I think because they don't have the technology to recycle or properly treat their waste. Also, even though some plantations have pamphlets that they do not use pesticides etc, but they do use it. They cheat.

What are your reasons to take sustainability into account?

Sawit Watch is a social NGO, not an environmental NGO, so we work only a little bit related to environmental issues at the plantations. If we go to plantations, we work on labour rights with smallholders. We see if the palm oil plantation does not give good things back to local surroundings, to the communities surrounding the plantation about the labour we say it is not sustainable.

Why does Sawit Watch focus on the social aspects?

Because now there are many NGOs on environmental issues.

Have you had issues with smallholders who are forced to change their ways of working?

In my experience with labour, we make some investigations in some palm oil plantations from GAR, Sinar Mas, Wilmar, we found bad practices in the working relations and then our finding... We start with our findings to the plantations, we say you have to make a change related to the labour conditions in your company plantation. Some plantations then do the good things, like Sinar Mas they made a little bit change to make their labour in two plantations in Central Kalimantan better. Wilmar also says they send teams based on our research that we submit to Wilmar. they say we have made a good change related to labour conditions and we see it is okay, but only in two plantations. Not in all their subsidiaries.

What do you do with the ones that don't change?

We ask them for dialogue, if not we send a complaint to RSPO about the situation or we will make an international campaign. Maybe to Europe, because they are very interested in palm oil plantations in Indonesia, different from China or India. When Europe makes resolutions related to the palm oil plantation, I don't know exactly the resolution, but our government is very angry with the resolution also they become angry with NGO. I don't know exactly what resolution, but they stopped to buy CPO from Indonesia, but only for biofuel.

What are the main issues you come across about land ownership rights?

Yes, there are many issues with land legality, not in some cases it is okay. But we have to say it is very difficult. Especially, for indigenous people land, because they have no proof or document to show that it is their land, different with local people, they have a document to prove it is their land. That is the biggest problem.

Do you try to help these indigenous people to get the documentation?

Yes, it is different if they are indigenous people, we walk with Aman to advocate for their case. To say it is their land is very difficult, we have to see the land history from early, from start until now. And palm oil plantations always say we open the land because we have proof, they have a document which is gifted to them by the government, the indigenous people don't have this document. That's why now with other NGOs we advocate to recognize indigenous people and their land.

In Europe they only want sustainable/RSPO certified palm oil, what is your opinion on this?

I think it is important, but the EU has to see the reality, if they say we only care about sustainable CPO then I will ask what you mean with sustainability because we say there is no sustainability. Maybe in environmental issue, but not in social issues, we can say to you there is not one palm oil plantation in Indonesia which comply with surrounding communities. There is always some kind of conflict. Also, we have to see the reality about the labour conditions. We can say there are bad practices related to working condition in palm oil plantations in Indonesia.

Also, in RSPO certified plantations?

Yes, Sinar Mas, Wilmar all have issues even though they are a member of the RSPO, and they got RSPO certified we can see the labour condition is still bad.

What are the issues in their labour conditions?

They just... They don't comply with the RSPO standard or with government regulations, but they still have the certificate. The new RSPO standard says palm oil plantations have to give a decent living wage to their labour, but in fact, this does not happen. Palm oil plantation still give wages based on their target, like in RSPO decent living wage... That is only minimum wage, it's very different. In transparency, RSPO standards say palm oil plantations have to make transparency about their operations, but this does not happen on the ground, some like... Our finding in Sumatra, palm oil plantations just come and give a letter to the head of the village saying that they will have a palm oil plantation there, that's it. There is no participation and transparency.

So, they say they comply, but they don't actually comply?

Yes, they say it, but they don't do it.

What do you do with this information when you find this out?

Based on our findings, sometimes we submit it to the plantation. But in some cases, we send a complaint to RSPO to solve the situation. In some cases, a little bit improvement, but in other cases still dialogue, dialogue and dialogue, but no actual change.

In Europe there is an increasing demand for RSPO certified palm oil, did this change bring any changes to the way of working?

I guess until now not really. When the European Union made the resolution in 2018 until now there is nothing happened, the situation is still the same. We need to know which plantation sell their CPO to the European Union, Wilmar says they are selling but we do not know exactly how much. Sinar Mas also says yes, we sell but we don't know which plantation and how much. The European Union our question is who are the buyers, is this companies or states? If we have data about that maybe we can ask for dialogue, maybe we can start make them show the real situation of palm oil sustainability.

What are the biggest social issues in palm oil?

About land conflict and labour. The labour conditions, we can say that most of the palm oil plantations in Indonesia use migrant labour in all types of jobs, including harvesting etc. according to our regulations it is prohibited to employ people with non-permanent status, but in fact, most plantations use it. The biggest problem is about working relation and about freedom of association, so if you discuss with company management, they say we have a union in our plantation, but it is not independent, because it is facilitated by the company.

How do you feel about the multi-stakeholder groups in the jurisdiction approach set up by IDH?

Before we need to discuss about the regulation. Regulation related to palm oil is also impacted by the regulation in Indonesia. If the regulation is not good, we can say that palm oil regulation is not good. Something like labour regulation, like forest regulation, like land regulation, it is good for the investors but not for the local communities.

So, what is your opinion on the multi-stakeholder groups?

I think this is a good approach, you need to take every actor into account, company, government, local people, labour communities, oil palm plantation, mills. We need is good not only in the meeting but also in the practices, that's the problem. Same with RSPO, it is good, it is very good the new RSPO standard, but it is not the situation. The problem is related to the enforcement.

Do you as Sawit Watch try to make it that it is being enforced?

Yes, now we have continued dialogue with palm oil company about land ownership, so we sat with them about good practices about labour. This is going on for 7 months, there is progress but only a little bit, companies always say they need more time, same with government. even though there is progress the companies now they help with facilities, they give safety equipment to labour.

In Europe there are also countries who do not want to use palm oil at all, how do you feel about that? I think this is no problem for Indonesia because our CPO export is only 15% to the European Union. Most of the export is to China, India, Russia and Pakistan. This is not a big problem I think, but our government always says it is a big problem, that's why when the European Union makes a resolution our government directly went to Italy to meet with the Pope to say palm oil plantations give back to surrounding communities. Also, our forest ministry says there is a big campaign made by NGOs. GAPKI also says these campaigns heavily influenced the palm oil plantations negatively. They always hide on the... they always say it is a big problem if the EU don't buy CPO from Indonesia, but I don't think so, because it is only 15%, it is small.

Setara Jambi

What are your activities related to palm oil production?

Setara focusses to help independent smallholder farmers to change the management of their crops and also change in behaviour of farmers.

What is your position in the palm oil supply chain?

We are an NGO focused on how to guide the smallholders. 40% of the palm oil production of CPO comes from smallholders. We help independent smallholder farmers to increase their productivity in terms of CPO.

What are the biggest sustainability risks related to palm oil production? How do you try to deal with those risks?

Independent smallholders tend to be...

The thing is that for now there are 500 RSPO certified independent smallholders which receive help from Setara in Jambi.

What are the sustainability risks in palm oil production for them?

The biggest risk for Setara is that the smallholders do not gather to fix their problems together, we as Setara try to do this by making them co-operate. We see this more as a challenge than a risk. The independent smallholders do not have knowledge, information and education about Good Agricultural practices and have no knowledge of sustainability.

So, are you also working on educating the smallholders?

Yes, Setara gives training on Good Agricultural Practices, RSPO, ISPO and farmer organisations

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

The difference between sustainable palm oil and not sustainable palm oil are first that the independent smallholders know about sustainability and they know about the environment and with non-sustainable palm oil, the farmer does not know or does not care about sustainability and the environment, they tend to plant the palms with burning of the forest and then plant the oil palm with no certificate. They do not really have the basic knowledge about planting oil palms with good practices. With sustainable plantation, these issues are fixed. After training they know they should not burn the forest and use pesticides. Now, these smallholders have changed their behaviour and their methods of planting palm oil. In sustainable palm oil the farmers now care about the environment, about land legality, about government policies.

What issues have you encountered about land ownership rights?

Activities of Setara include mapping the land area of the farmers and the traceability of the plantation from agent up to the mill.

What are your main reasons to take sustainability into account?

Because 40% of the CPO produced in Indonesia is produced by independent smallholders and they did not know about the sustainability issues. By helping them we can manage the result of the plantation.

How do you feel about the European demand for sustainable palm oil?

Setara supports the independent smallholders, not only to get certification but also for stock expansion in Indonesia.

Europe only wants sustainable, RSPO certified, palm oil, this did change your way of working?

Independent smallholders here have to change their plantation ways to reach RSPO certification...

We already fix the issues of the environment, especially on the plantations. There are a lot of

organisations that help to fix the oil palm plantations environmental issues. We don't judge them, but we have to show them how to fix it and how to manage their plantation.

How do you take into account social issues, like labour or land ownership rights?

Setara focusses on independent smallholders, we teach them also about sustainability outside the plantation. It is good to know for them who lives from the oil palm plantation.

Did the increase in demand for sustainable palm oil change your way of working?

I think the ISPO is one of the ways of the government to increase the production of oil palm plantations.

What do you think of ISPO, comparing to RSPO?

ISPO and RSPO are on the same level.

In Europe the companies only want RSPO certified palm oil, what do you think about this?

I think we can sell only RSPO certified palm oil to Europe, but in Indonesia, we can sell the ISPO certified palm oil as well.

Why do you think Europeans do not think ISPO is the same level as RSPO?

For Indonesian markets, ISPO is used because the important things are not about the certificate but about that the independent smallholders know how to manage their plantations. For international markets we use RSPO.

So, what are the main differences between ISPO and RSPO?

It is not about the certificate but about the practices and the change in behaviour of the smallholders. Setara has a program and a target to help farmers get RSPO at least 5000 farmers in Jambi. We believe that we then can sell our CPO to other countries.

What do you think about setting up multi-stakeholder groups in a community to reach sustainability?

Do you think discussing and setting goals in such groups is useful?

We believe that we need to have mutual connections with the government, especially for the legality of our product and to sell the oil palms to other countries. How to legalise the land for production is through the government.

Would you think that discussing with multiple stakeholders including the government and creating a plan together to become more sustainable is a good step?

Yes, the function of Setara is to create interaction between the plantation, the mill and the government. They all need to know about the conditions that happen. The discussion makes them understand each other.

SNV

What are your activities related to palm oil production?

I am coordinating work on capacity building of palm oil smallholders, improving agronomic practices as well as institutional capacity development including certification (RSPO, ISPO ISCC).

What is your position in the palm oil supply chain?

With what actors do you have direct contact? We are mostly active upstream, but also deal with mills, refineries and derivative buyers, so all across basically.

Are you aware of the sustainability risks related to palm oil production? What do you see as the biggest sustainability risks?

Yes, I think so, biggest risk is the conversion of peat to oil palm

How do you take into account sustainability when performing your activities? If not, why not?

Yes, it is the main objective, the focus is on developing deforestation-free supply chains

What are the main differences between sustainable palm oil and conventional palm oil? When is palm oil sustainable?

complicated, I would say ISCC is probably the most rigorous system in terms of excluding areas related to deforestation in the palm oil sector

What are your reasons for (not) taking sustainability into account when performing your activities?

this is our business model, helping companies comply with sustainability criteria

Have you ever been forced to change your way of working to improve sustainability? If so, by who?

we are always trying to improve our performance and trying to implement more efficiently

Have you ever had problems or discussions about land ownership rights with regards to palm oil production?

Yes, we are working with Meridia on this

How do you feel about the ongoing promotion of sustainable palm oil in Europe?

Seems basically protectionism and using sustainability as a way to get rid of competition for rapeseed and other European produced products

Did the increase in demand for sustainable palm oil change your way of working?

Yes, increased demand for our services

Do you think talking and setting goals with multi-stakeholder groups is a step towards more sustainable palm oil?

I think RSPO is not making enough progress with regards to smallholder certification, multi stakeholder platforms tend to get stuck if it is trying to accommodate all interests, the focus should be sustainability and doesn't 'necessarily need to be democratic, again see ISCC model

How do you feel about the European discussion of using sustainable palm oil versus not using palm oil at all?

Short-sighted, see also earlier, the alternative will require more land, leading to other land-use change elsewhere, and more compared to palm oil as oil palm is a very efficient crop in terms of production of oil per ha per year.

SPKS

What are your activities related to palm oil?

I want to tell you that SPKS started in 2006, we focus on smallholders, especially plasma scheme smallholders and independent farmers. SPKS is active in 14 districts in six provinces, mostly in Sumatra and Kalimantan.

Where is SPKS positioned in the supply chain?

We focus at the plantation level. We focus only on existing plantations. We aim to increase existing farmers to understand about cultivations, market standards, ISPO or RSPO and best management practices. We try to help plantations meet sustainable practices and good agricultural practices, to increase productivity and how to develop sustainable practices at the smallholder's level.

What would you see as the biggest sustainability risks in palm oil?

The challenge of our members to meet sustainability practices is, especially in the legality aspect. We focus on independent farmers, they don't have the legality aspect. Second, farmers if I compare with RSPO standard, farmers must work in a smallholder group. In reality, independent farmers have scattered positions and they are not organised in a smallholder's organisation. One of the requirements of RSPO... to achieve certification smallholders must associate in a smallholder organisation. Third, the market standard didn't have respect for smallholders' characteristics. If people, ask me how many farmers have RSPO certification this is a very small number. In total 7000 hectares of smallholder's farm are RSPO certified, while the total number of hectares is around 5.300.000. Why is this? Because the standard is very exclusive to meet with smallholder characteristics. RSPO talks about sustainability. If I compare this with the local situation, smallholders really respect the forest and they comply with the legality standard, they don't open land in the forest or the peat, but around their land, there is forest which is seen as HCV or HCS. The farmers really respect and protect the forest. In Kalimantan, our member respects 2000 hectares of forest. The standard cannot accommodate these smallholder characteristics. The RSPO standard only looks for farmers in an organisation. In an area of land where farmers are close to the forest, the RSPO does not give certification, while they comply with other requirements. These farmers have already established partnerships with mills or factories in their proximity. RSPO only certifies farms which are not close to forests which are classified as HCV or HCS. In the RSPO standard it says, to achieve certification the farmers cannot open in peat, national parks, in protected forests etc. The question is about what they do with farmers who protect the forest. They do not even look at these farmers.

What do you do to make RSPO look at these farmers?

The challenge is to engage with farmers who are close to forests. They can use sustainability practices. We try to promote this type of farmers to be able to go through the HCS approach. Two months ago, I visited West-Kalimantan with Greenpeace about how to promote this type of farmers. We made a video about them; this video can be shown through media channels to the public.

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

Our perspective on sustainability is to balance the three main points in the natural resources; economy, ecology and society. The smallholders need to be able to get a proper livelihood with palm oil. we don't care about the standards, we care about the productivity, if the productivity is increasing, if they protect the environment, they protect the forest and they actually watch over the forest to prevent forest fires etc. What we saw from RSPO is that they are sustainable, but it is not entirely sustainable. We are trying to promote sustainability in farmers.

Why doesn't the RSPO certify these farmers who are close to the forest?

Probably this is because of the high risk. I am not sure about this. It is very hard to engage with indigenous people rather than the trans migrants. The smallholders are mostly indigenous people, their entire family lives in that area, while RSPO are mostly trans migrants from Java etc. They adopt a lot easier and change easier than indigenous people. Also, they think about what the purpose or end-goals of the standard is. The indigenous people they think more about ethnical value, their livelihood, their food security, their sovereignty. That's what we try to promote. Sustainable is for me no deforestation, respect for social aspects such as human rights, respect for labour rights, respect for farmers rights. We develop a concept called fair partnership; about how companies can partner with smallholders. they must implement accountability, transparency and social requirements.

What were your initial reasons to take sustainability into account?

At the moment we still try to organise our members to achieve RSPO standards in some projects. But in my experience, some farmers who got RSPO certification complain about the mechanism, because there is no difference in the price of Fresh Fruit Bunches. They get the same price as non-certified farmers. Second, the buyers cannot buy all FFB from the farmers who got RSPO certifications. The buyers only bought around 70% of the FFB from the farmers and the price is very low. Third, the farmers depend on how the farmers manage their land, not only palm oil. The situation this year the demand by international markets is low for palm oil, the impact is that the price of FFB is low. The farmers cannot eat FFB. In November and December, our president visited some provinces and the community complained about the price of rubber and palm oil, the president said to them to stop planting palm oil and plant other crops. In some position, the government already established policies focussed on stopping new permits. Second on how to make good governance on the existing plantations and focus on mapping and getting data on the farmers and the organisation of the farmers, ISPO. Second, yesterday the president launched presidential instruction to stop permits which focus on the forest, there is now no permits of forests national parks and conservation areas and protection of the forest. He said to just focus on existing plantations and increasing productivity. Farmer's production is very low, only 12 ton per hectare per year, ideally, this is 26 ton per hectare per year.

These instructions, how do the existing farmers feel about those?

On the regulation the focus on existing farmers. They want more data on farmers, the government is now making something to get this data. There is currently no data on farmers. the existing data says that about 43% is done by independent smallholders, this is just an estimate, there is no data to back this up. After the mapping, the government can start classification; how many farmers open on legal area, how many farmers open on forest area. The government have the following solution: if the farmers open land in an illegal area, they have to do agrarian reform or social foresting. Agrarian reform allows the farmers to manage the land and social foresting they can only manage the land one cyclus. The third is revitalization for smallholder's cooperation's. Currently there is no function by these smallholders' organisations is very bad and there is no role to address their members. The role of governments on how to make these organisations work better.

Have you ever had issues with farmers being forced to change their way of working?

Yes, I think... practically the smallholders work very different... At the first time there is no lesson for them how to manage the plantation. Indonesia came from smallholders working in agriculture and food processing. The plantation is a new thing for them. They just try to copy the companies in their own lands. The main issue is they didn't have the capital the companies had, so they try to learn

about new things, but this already looked like no one cared about how the smallholders manage their own land. The companies are only concerned about their own land and plantation and their plasma. Even smallholders in a plasma scheme are not really smallholders. They are just working on their land for a company, they just get a loan from the companies that run the plasma. So, the plasma companies force to change the way smallholders work in a certain way. We try to give smallholders training and constructive feedback. We do not force our members to change, we just educate them. In a plasma scheme, the definition of a smallholder is changed. In a scheme, the farmers are just working as employees instead of independent. We divide two types of schemes; the schemes where smallholders give their land, including the certificate of the land to the company and they get a loan from the company. They let the company run their land and do not know what is happening themselves. They just work as labour. They are sort of servants in their own land until the debt from the bank loan is repaid, but this is mostly in the time of replanting so then they have to do it all again. So, in plasma schemes, the farmers are forced to change their way of working.

Have you ever had issues with land ownership rights?

Land ownership is the main issue in Indonesia since its independence. Even in Java, only 70% of the people have official land ownership documents. In other areas, this documentation is quite rare. They only have permission from the village. This is not really an official document. The government has issued a national programme on land ownership. Not all landowners have the money to join this program.

And to get RSPO certified it is necessary to have official documents?

Yes, that's why RSPO have so little smallholders certified. Also, the changes in spatial planning in the area. There has been a case where a smallholder got an official permit for a piece of land, but this is in the middle of the forest, this can never be RSPO certified just because it is inside a forest. The RSPO does not trace back if the smallholder actually opened the forest or that the forest grew around the farm.

How do you deal with farmers who don't have permits?

We try to help them in getting official documents for their land, but this is our third priority. Our main priority is to gather scattered smallholders to work in organisations and have a stronger business and work together. If you have more quantities, you have cheaper prices. We try to help them to get smallholders institutes with a business unit so they can get resources cheaper. After that, we try to build their capacity for knowledge of crops. After that is done the cause of legality is not the burden anymore.

How do smallholders feel about European strategies?

We have national consensus in 2018 with all the representatives of our members. Since the Brexit issue and the presidential instruction on halting permits and increasing productivity there are some governmental institutes, like the CPO fund, telling us to... the plan is already old and not productive. The president said to stop planting palm oil and we use this to talk to our members, we say if you have more than two hectares, you replant half your land with palm oil and the rest you use for food crops. We are trying to tell our members oil palm is not the "god of the crops". There is already been work in our members. In Jambi, they already do this. They partly grow coco or coffee crops. We try to liven up the local trade this way. If they depend only on palm oil this is very risky. They really receive this very well.

In Europe there has been a promotion of sustainable palm oil, how do your members feel about that?

Technically speaking our smallholders do not really care about the European decision. They know that palm oil is not only for biofuel or renewable energies, but it can be used in different products.

They still believe there is a market for palm oil. Their main concern is they just stop planting only palm oil.

IDH set up a jurisdictional approach, where they set up multi-stakeholder groups to make the area more sustainable, how do smallholders feel about this?

We think this is a good step, we also try to set this up in another district. The main issue with a district action plan is how to control this plan. Who is monitoring and evaluating this action plan? We think it is a good step, but it comes with other issues. Multi-stakeholder gatherings are very hard to organize in Indonesia. because everyone has different concerns.

How do smallholders feel about the discussion in Europe about now using palm oil anymore?

The industry drive protests against the European Union for this. Our members are only small farmers. I think this is an opportunity for us because on the ground the companies, industries and factories only partner with big farmers. If the European Union put in their policy, they can accept only farmers until two hectares this would really make sense. We hope that European policy... The companies in this country can follow European policy to work directly with independent farmers. The majority of independent farmers who are small sell their FFB to the middle man and not directly to the factory. We see an opportunity here to shorten the supply chain if the industry works directly with small farmers. Third, our request to the European governments is how the European governments can help to address independent small farmers to increase their productivity. The local industry does not empower small farmers, also the governments don't do that, because there is no money.

TuK Indonesia

What are your activities related to palm oil?

We started focussing on palm oil and the financial issues related to this. We want to push financial institutions to have good policies related to human rights etc. Next, we aim for people to have their constitutional and human rights. We do research and case advocacy on communities, policy reform. If you talk about policy, we work from the village until the national level. When we created TUK we started with research. Norman is the first director of TUK, we researched especially in west Kalimantan with Sinar Mas and what they do in one district. They say they implemented good principles, but in our review, they have not done this. They convert forest areas, they grab community land, community forest and they the palm oil operations impacted the big lake there. In general, we do research, case advocacy and company community. Everything we do is to make sure communities have their rights.

Where do you position yourself in the supply chain?

Land-use change and plantations, a little bit on mills and refineries. Now we have research in Central Sulawesi on the supply chain to look at the supply chain in the river area in Central Sulawesi. Also, we look at the market.

What do you see as the biggest sustainability risks?

I think we need to talk about sustainability in Indonesia before we talk about the impact of it. When we do research in ISPO they are not really... The Indonesian government does not really talk about sustainability. Why do they talk about sustainability? only because the market wants it. That is what we found. If we talk about the impact of sustainability now, in our work, related to financial institutions, many people, bankers, do not understand about sustainability, especially the palm oil issues related to community rights. They don't have experience, knowledge. but they have big opportunity to understand this issue, this is a big challenge for us. We talk about palm oil in the field area. They do many violations of the regulations. We can say if financial institutions don't have regulations and a good understanding of sustainability, they just invest and give money to companies. That is why we give much attention to financial institutions. It is like with fuel for cars, even when the car is not good, they can still drive. But good cars who don't have fuel cannot drive. That's the same with companies, and that is why financial institutions are so important. They don't have a good understanding, even the national bank of Indonesia. We have read their sustainability report and we concluded they do not understand. We said... They are the first movers on sustainability in Indonesia and even they don't know.

So how do you try to deal with these challenges?

First, we educated them. A big challenge is how they can recognize what is going in the field area. If they do not know the facts, they cannot change everything. The first step is why we do research is to influence them and ask them to recognize what is going on and then they need to change their policy or create good policy. That is what we hope from financial institutions. But now, as I said, many people in banks don't understand, even in the sustainability department. So, there are trainings for many, 1000 people last year. Our analysis is we must really engage with them for capacity building. That is part of our strategy. Not only bankers but also academics, they are very important because everything... not only bankers not only financial institutions even government, when they want to create new regulation, they call on academic papers and, in the paper, they order to academics. University is a very important institution to change their perspective. That is about the local government.

Do you go to universities and try to influence them?

Yes, we do discussions, focus groups, seminars etc. Tomorrow I have a discussion in the Bogor agricultural university relating about forestry politics. Another thing is we need influencers, many influencers are available but not for this issue. This is part of our strategy, how to engage with many influencers, maybe they can help communities with their popularity to... when they are streaming this issue. About financial responsibility or human rights for communities. We try to engage with influencers to get more people to know about the sustainability issue, but it is not easy to connect and engage with influencers. We know they have their own business as well. In our experience with Sawit Watch, we used green food festival to show how to reduce palm oil in food. We worked with the popular chef, this guy had his own television programme, but after he engages with Sawit Watch he lost his programme because of promoting not using palm oil in food. That makes it difficult to work with them because they risk their own business. Academics are easier to reach. Now, this is a good opportunity because some academics have many followers as well, so they are partly influencer as well.

What are the main differences between sustainable and conventional palm oil? When is palm oil sustainable?

If we talk about the principle... We cannot speak on behalf of the businesses or communities. An ideal situation is when local communities and indigenous people already achieved their constitutional rights from the process, then the community can say it is sustainable palm oil, but we cannot claim whether palm oil is sustainable or not.

So, palm oil is sustainable when the ones affected by it say it is sustainable?

Yes, of course from the company view they will always say in their communications and interactions with the market they will always say it is sustainable. Not from our perspective, this is totally different. For instance, when we talk about ISPO we guarantee if you comply with ISPO you are not sustainable. If you comply with RSPO you are a bit sustainable. We have many experiences with RSPO, TUK moves communities to comply with RSPO, this is part of our statement: even if you have RSPO certificate it does not mean you are sustainable. For us, communities are very important actors to justify whether it is sustainable or not. Before the communities make a statement... If we say it depends on the communities, the company can go to the community and give them money to say it is sustainable. This is not sustainable either. Companies must be already sustainable and give all information about their business. Communities also don't really know the meaning of human rights and transparency, they don't really understand. So, they need to know first before they can make a statement.

What were your initial reasons for looking into sustainability?

This is very important, we talk about Indonesia for a long time ago, not just know. Sustainability is not our core business, but when sustainability involves in the human rights issues, like land grabbing and conflicts, that is where we focus on. More on the social movement and the human rights movement. Issues are then made us engage in sustainability. We got into sustainability through the social aspect. Sustainability crosses path with what we do, labour issues, smallholder issues, indigenous people, local communities, forest, land, water and many more. Our business is how to make sure communities get their right. TUK works in many issues but all to achieve this goal. That is also why we talk about sustainability, that is why we talk to financial institutions because we want to make sure we can achieve our aim. There are many questions, we talk about REDD, we don't talk about this is we don't talk about human rights or community rights. We can talk everything, but it all related to achieving community rights. The standard is constitutional rights before we talk about human rights in general.

How do you try to make actors change their way of working?

I have meetings where we talk a lot about engagement. This is my personal opinion, I don't think companies take sustainability seriously. I ask to company staff at the high level: How big is your budget for sustainable issues, they say it is small. So, my initial conclusion is they are not serious because they do not allocate many resources. Our experience with companies, big companies, they try to be more communicative, but not about content. From the first time, we had discussions with Sime Darby until now there is nothing changed really on what they do, only on communication. They just say they are more sustainable, but they don't actually are.

How do you try to change them to also actually do something different?

To be honest, we need state regulation for the palm oil sustainability issues, not only RSPO. Because in our experience we need global pressure on our government to change the regulation and to enforce regulations. Indonesia not enforcing their regulations is a hiding space for companies. This is a big challenge for us. We say companies use double standards if we talk about sustainability, they use state regulation, when we talk about state regulation they move, they use double standards. For example, in our research on a bank they had good regulation and policy, but they invest in Maybank, who don't have regulation or sustainability policies if they are serious about their policies they don't invest in Maybank. Maybank invests in palm oil companies. This is like hiding behind their supply chain.

What are the main issues you see revolving land ownership?

This is a big challenge. We do research on the tycoon, we want to show our government many tycoons have big concessions and many of them are operating without HGU, a permit to cultivate the land. Until now our statement is if a company doesn't have an HGU this company is illegal. They can use land if they have HGU according to Indonesian law. We tell our government that companies who don't have HGU are illegal and that the government must take this land from them and make it part of the land reform programme. They need to give it back to the real owners. Now many changes about land rights, not only company grabs community land, but also, the government does land grabbing. Their strategy is they put community land under forest area, so this is also land grabbing. communities now shrinking space for communities, that is why we support government programmes on agrarian land reforms. government have big commitment to this programme, but only in the forest area, there is big progress, in the non-forest area there is very slow progress. Especially in company concessions. Companies are also working outside their concessions and outside their HGU. Many companies are harvesting without HGU. The government only enforces this if the companies work in forest area, if they work in the non-forest area but outside their concession, there is very little enforcing. Our government have legalisations, this means give certificates to communities, this is very slow. This is in our government a project, no high priority. They only do it if they get a budget from the national government.

How do you feel about the ongoing promotion of sustainable or RSPO certified palm oil in Europe?

I discuss this with the government. We must respect the regulations in Europe, and they must respect our regulation. If we talk about sustainability I agree with the European Union, but this is my critique on the European government: many financial institutions from Europe invest in Indonesia. Ideally, they can punish the European financial institutions who are investing in bad companies in Indonesia. But until now they don't do that. They say they only want RSPO, but European companies are still investing in bad companies, that is a big challenge. We agree we need sustainable palm oil until now we agreed RSPO is the best standard if we compare with ISPO or other standards RSPO is better. Even with the many critics on RSPO standard. We need European government to not only talk about

certified palm oil, but they must also really punish the investors from Europe. Then I think it is good if the European government support the Indonesian companies to shift the companies and industry. They can do this by supporting sustainable companies. We suggest this because Indonesia always says our people need jobs if you want to create jobs you need to expand. The palm oil companies can expand their land so they can create more jobs, many jobs but not good income for labour. We think if European government support the Indonesian government and companies to shift their business this will create more jobs in the industry for Indonesians.

There is also a strategy called the jurisdictional approach and there are multi-stakeholder groups set up who together come up with a pathway towards sustainability, do think this is a good approach? To be honest, I am not sure about this. We don't work with this approach so I cannot really say something about this.

In Europe, there is also a discussion going on about not using palm oil at all, what do you feel about this?

I think they should support sustainability in palm oil. It is not really fair if we talk about bilateral relations. We do not know what they do to support palm oil sustainability. This is a punishment for the Indonesian government. We must respect that decision. When I met with the government about the decision to not use palm oil for biofuel, we say to our government this is good for them to think about the strategy around palm oil. We need to not only sell CPO, but we must have a good strategy to set up palm oil industry in Indonesia. We must not be dependent of only sale of CPO. We have very big concessions of palm oil in Indonesia, this is not good for Indonesia. Now many standard assets on palm oil concession, it is very bad for us. We need more variation. not only be dependent on palm oil. We agree that palm oil contributes to climate change. But still many expansions of palm oil concessions are happening. This is a challenge for Indonesia. When another state makes a decision about palm oil, it is their decision. Indonesia must really think about the industry. Indonesia diplomacy on the economy is not really good. Indonesia must do more on capacity building. Sustainability is not a new issue, but for the details, this is very new for our diplomats and our government. We need capacity building, not only for bankers but also for governments and activists. In our programme, we have capacity building on sustainability for activists and communities. It is very sensitive for our government because they have no other strategies. When Europe makes decision to not buy palm oil, they get angry, because we don't have another strategy. That is the challenge.

