

## Indonesia palm oil industry defends environmental record

Written by Nancy Natalia on 22 May 2015 in Opinion  
Opinion

Environmental NGO accused of headline grabbing by palm oil industry.



On 17 March 2015, the Parliament Magazine published an article quoting a report by Fern entitled "Stolen goods: The EU's complicity in illegal tropical deforestation".

There were a lot of inaccurate assertions, but Fern are right: managing the world's forest resources is a key part of tackling climate change.

However, the headline-grabbing statistic that "80 per cent of [Indonesian oil palm] developments are illegal" is just plain wrong.

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Digging deeper, the source of this statistic – and claim of "billions of illegal imports" – lies in extrapolation, compounded by the logic that if one hectare of a plantation is "illegal" the entire enterprise is unlawful, even though it may only be that an environmental impact assessment was missing or proof of payment to local government unavailable.

The facts are these. The main drivers of global warming are energy and transport, with 87 per cent of carbon emissions caused by fossil fuels. The EU-28 emitted around 3.7 billion tons of CO<sub>2</sub> in 2013, compared to Indonesia's 0.5 billion tons, according to the EU's own figures.

The average EU citizen produces seven times more CO<sub>2</sub> than their average Indonesian counterpart each year, and the EU has 35 per cent forest cover compared to approximately 48 per cent in Indonesia.

Temperate forests can capture as much carbon as tropical forests (shouldn't the EU be actively replanting too?) and oil palms trap significantly more carbon than the rapeseed, corn and soya oil crops grown in the EU.

In terms of yield, oil palms are far more land efficient than temperate vegetable oils, and with over 40 per cent of Indonesian palm oil grown by smallholders, the industry provides 4 million direct livelihoods and pathways to prosperity for up to 12 million more.

None of this is mentioned by Fern or picked up by the Parliament Magazine's coverage of the issues. Labelling the type of vegetable oil contained in food products has been mandatory in Europe since December 2014.

Of course, mistakes have been made. Indonesia is a country of over 17,000 islands, with multiple layers of governance, practicing 'formal' and customary law.

Yet, the vast majority of the 8-10 million hectares of palm oil grown (equivalent to just five per cent of the country's land) is farmed ethically, with the interests of local people and the environment in mind.

The Indonesia Palm Oil Customer Care was established to promote these objectives and takes the view that in economic terms the solutions to deforestation lie in tackling both supply and demand.

We need better regulation and stronger incentives for good practice in terms of how and where the world's timber, food and biofuel feedstocks are grown.

We also need to reduce 'rich' countries' unsustainably large greenhouse gas emissions by tackling waste and over-consumption (alongside the product certification, labelling and consumer choice solutions favoured by Fern).

At a recent meeting between MEPs and representatives of the Indonesian palm oil industry in Jakarta, one MEP referred to Indonesian forests as "the lungs of the world". There is truth in this statement.

A 2011 presidential moratorium on the cultivation of carbon rich peatlands and forest areas means that 420,000 square kilometres, or 77 per cent of Indonesia's primary forests and peat lands (a land mass the size of Sweden) is protected.

But local landowners (including indigenous peoples) need to be compensated if we want them not to farm their land. This is something the EU can understand, and should, ideally, support, as well.

The Norwegian government is helping through a billion dollar endowment linked to the moratorium, and Indonesia has pledged to increase its emissions reductions from 26 per cent to 41 per cent if sufficient international support is given.

By contributing to the funds required to protect high carbon stock lands, establishing land-set aside schemes in the developed world, developing better biofuels regulations, and offering tariff-free access to certified sustainable palm oil, major carbon emitters like the EU can do much to keep the world breathing too.

## About the author

Nancy Natalia is executive director of the Indonesia Palm Oil Customer Care organisation

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