

A photograph of three men in a palm oil field. In the foreground, an older man with a weathered face and a cap looks upwards with a concerned expression. Behind him, a younger man in a green shirt also looks up. To the left, another young man is shirtless, looking off to the side with a thoughtful or somber expression. They are surrounded by palm oil fruit clusters. The background shows more trees and a blue sky with clouds.

LAND GOVERNANCE AND DOMESTIC INVESTMENTS, 28TH  
JUNE 2017

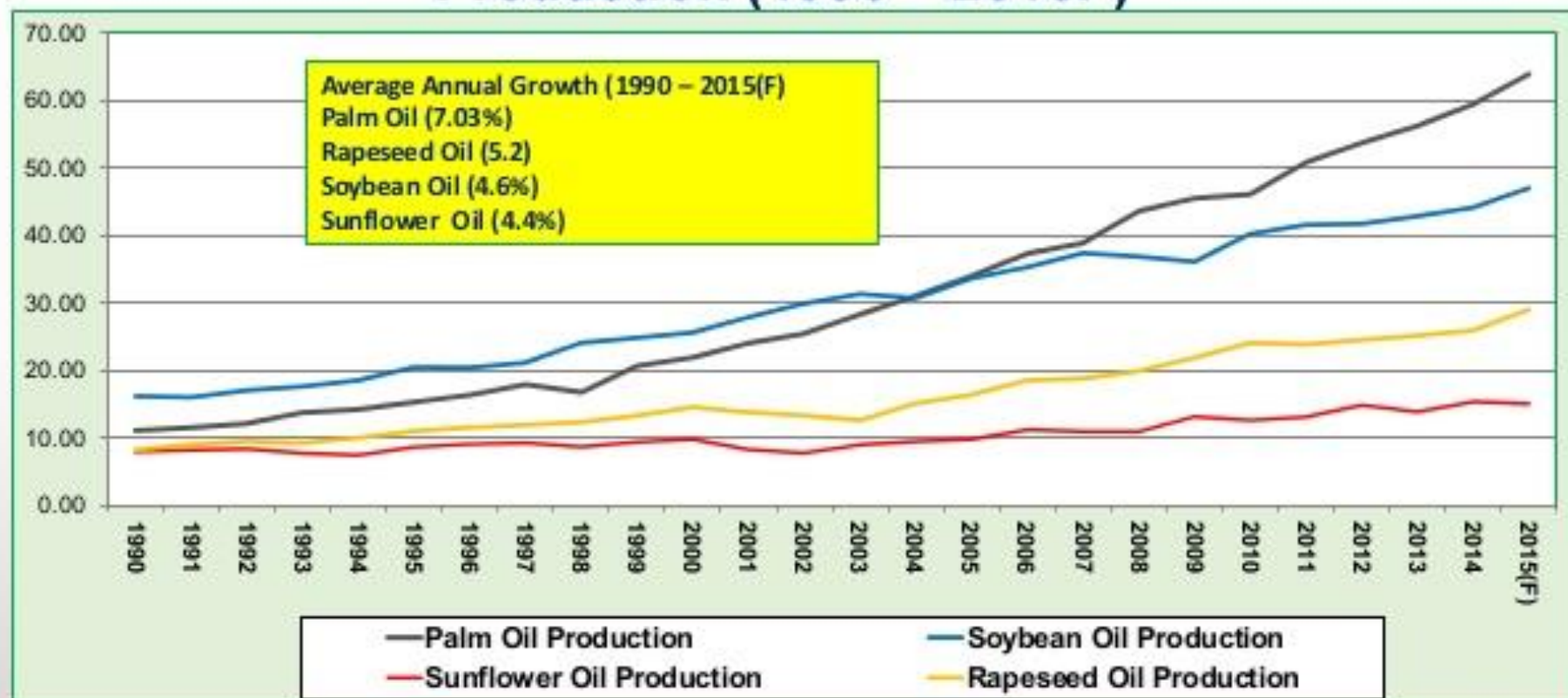
# FAIR COMPANY COMMUNITY PARTNERSHIP

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## Average Annual Growth in World Vegetable Oil Production (1990 – 2015F)



# SOCIAL AND ENVIRONMENTAL ISSUES PALM OIL PRODUCTION

## Social issues

- Human rights violations
- Land grabbing, criminalisation HRDs
- Indigenous peoples
- Women's rights (land, labor)
- Labor rights
- Decreased food security (Kalimantan food importer)
- Not inclusive (communities, smallholders, women)

## Environmental issues

- Deforestation
- Peatland
- Climate change
- Decreased biodiversity

# LAND RIGHTS

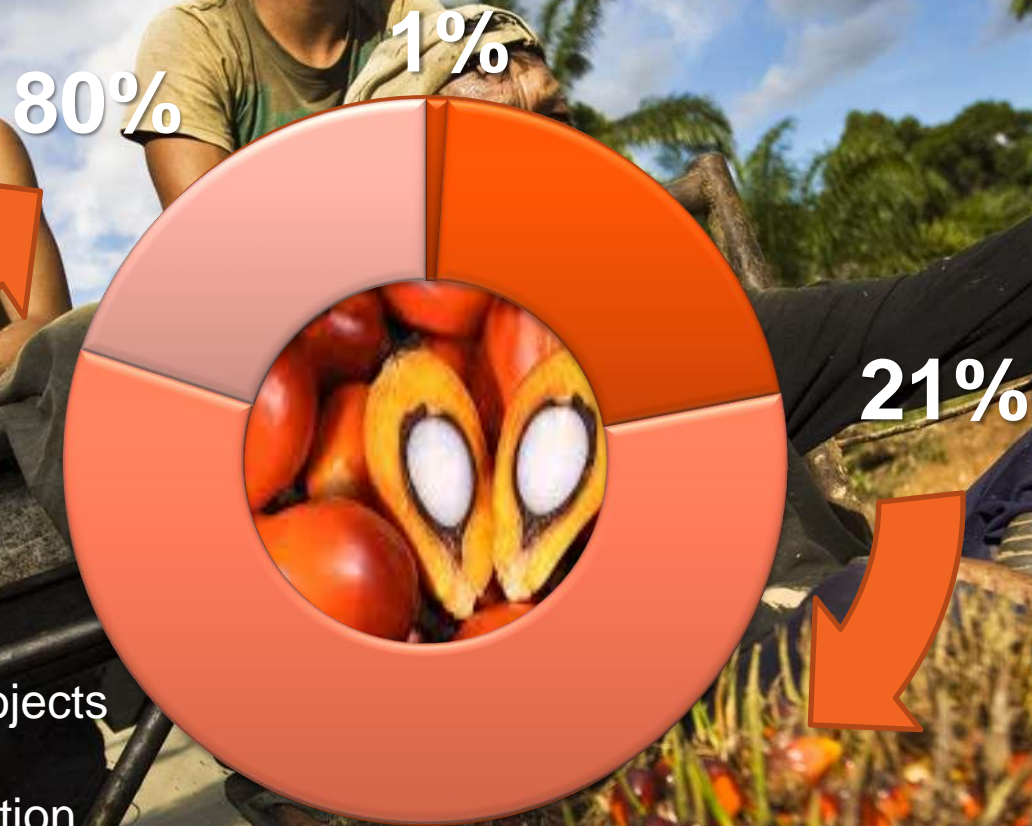
- Indonesia 4,000 registered land conflicts caused by large scale land acquisition for palm oil plantations
- Marginalisation of women:
  - lost their user rights (food crops) during land acquisition, husbands around tables of negotiation
  - Excluded from benefits (training, agricultural inputs, credits, (equal) pay



# DOMESTIC FINANCE OF PALM OIL

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- A nighttime photograph of a city skyline with numerous illuminated skyscrapers and buildings, serving as a background for the text.
- Ownership plantations and finance intertwined
  - 25 corporate business groups (listed) in palm oil controlled by 29 tycoons
  - Tycoons:
    - 31% of planted area (= 3,1 mio ha on total 10 mio ha)
    - 2 mio ha land bank (Kalimantan, Sumatera)
    - Facilitate rapid expansion of plantations and ease of land acquisition
    - Supported by foreign investors (HSBC, OCBC Singapore, Rabobank)

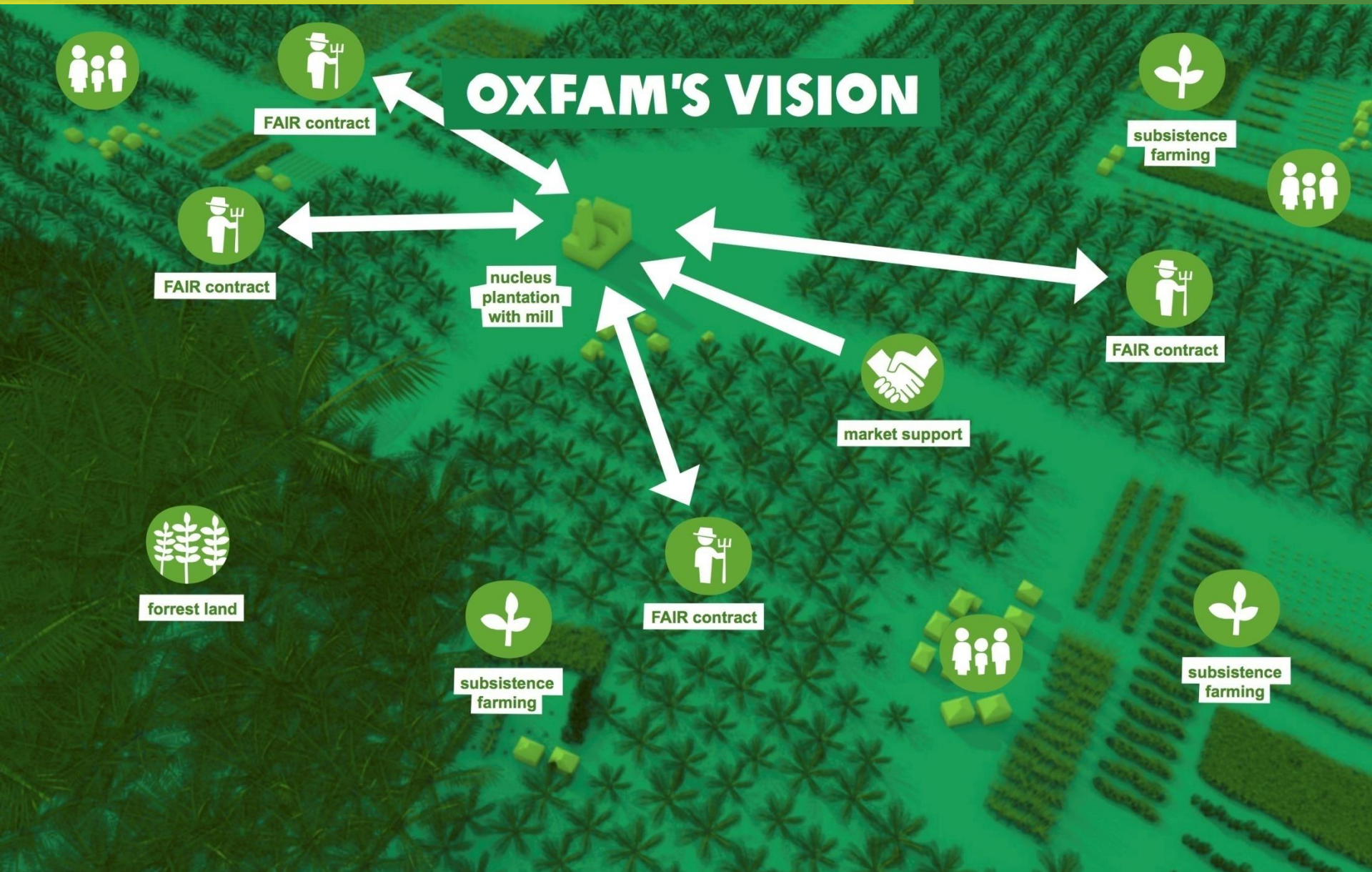




- Orang-utan projects
- RSPO certification
- No deforestation, No peat, No exploitation
- Institutionalisation?



# DREAM: FROM MONOCULTURE TO MOSAIC

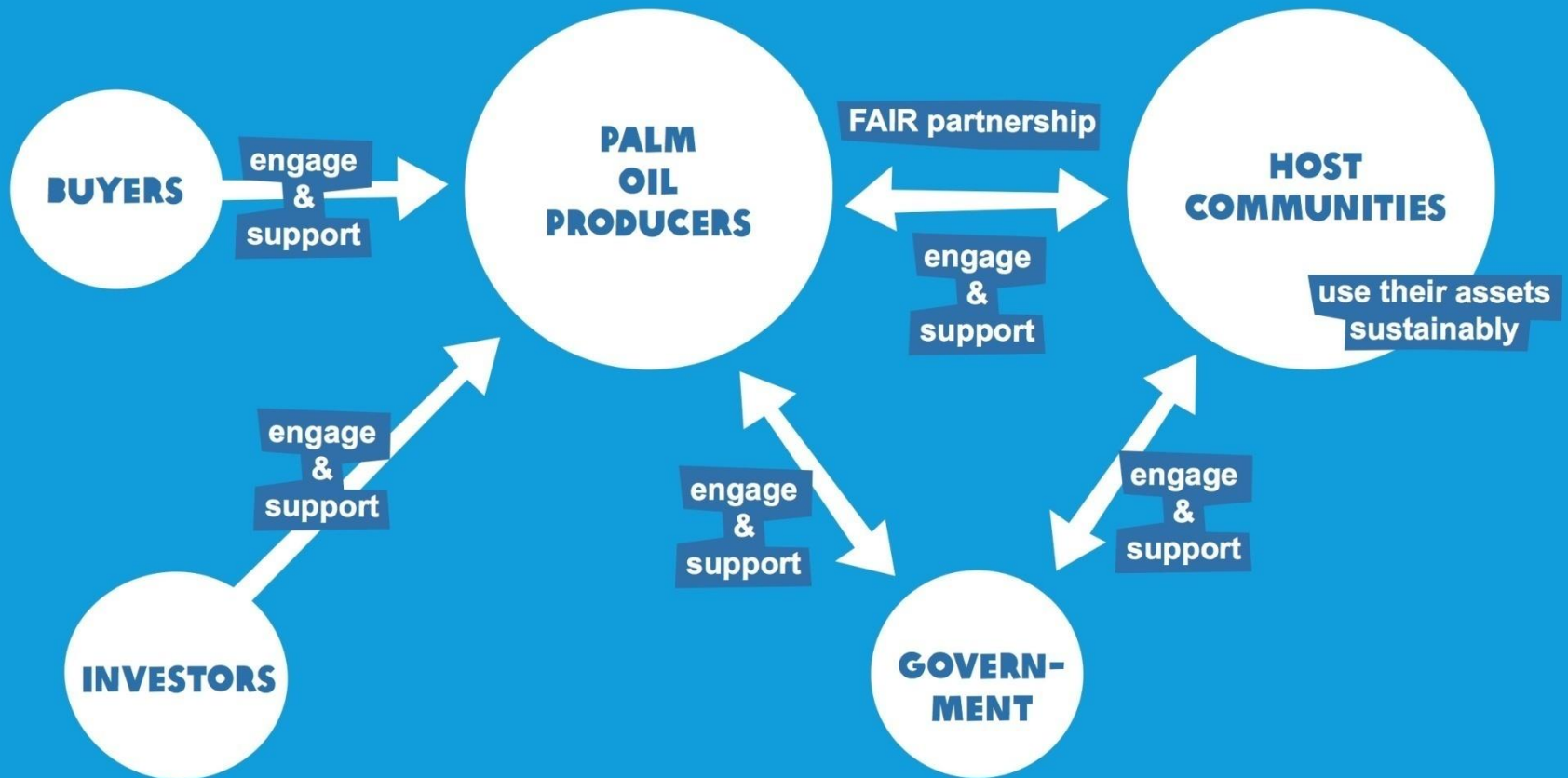


# FAIR MODEL OF CHANGE

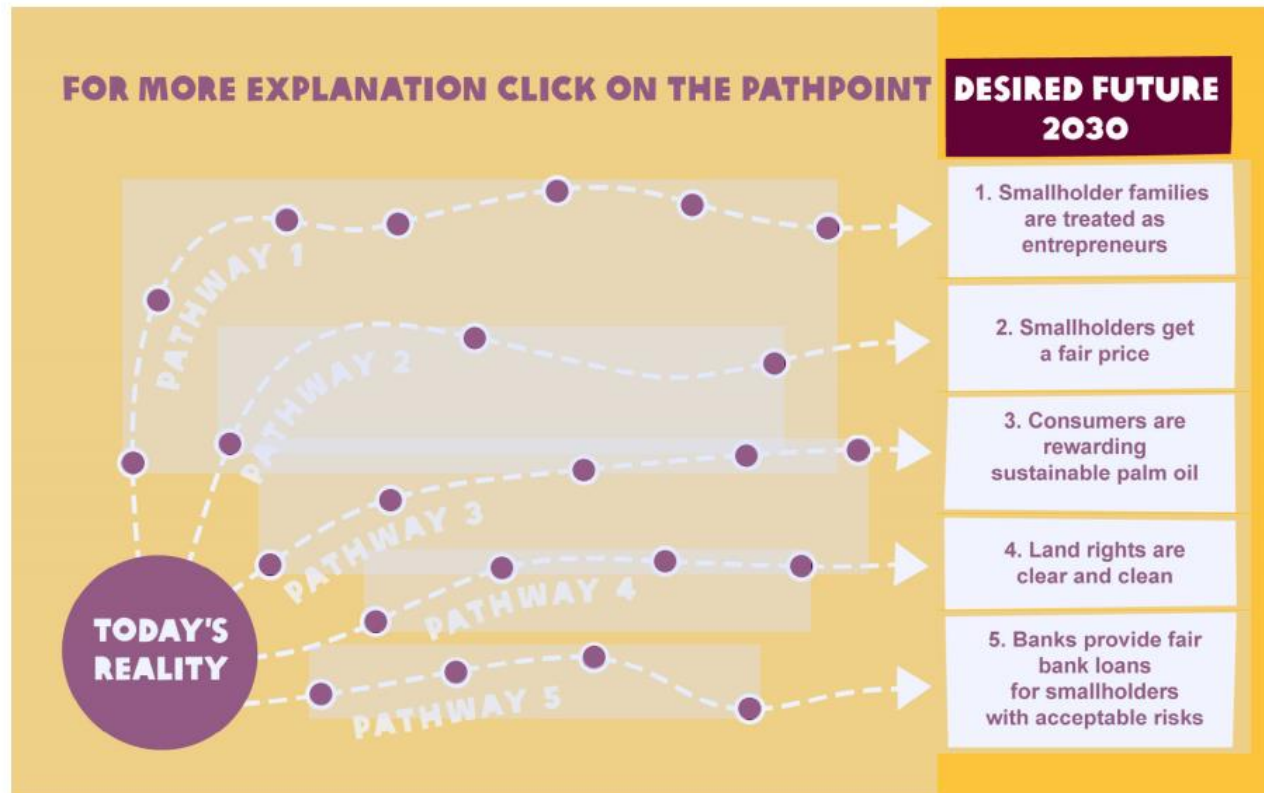
- There is a need for a new “green growth” business model
- Investors, traders and producers of palm oil have adopted policy commitments to protect people and the environment (no deforestation, no peat, no exploitation policies)
- Implementation of multiple goals requires a holistic and balanced landscape approach and inclusive land use planning (yes please implementation scenarios)
- Buyers and investors engage palm oil producers differently...
- ... so that palm oil producers can engage their smallholders, host communities and host governments differently (FAIR company-community partnerships).



# STAKEHOLDERS IN FAIR PARTNERSHIPS



# PATHWAYS FOR SMALLHOLDERS





# SECTOR TRANSITION / PATHWAYS

From:

- Policy change, certification of good
- For smallholders
- NGOs “selling” prospects
- With supply chain leads and grant support
- One size fits all

To:

- ✓ Implementation, innovation
- ✓ Multiple land uses
- ✓ Coalitions co-creating pilots
- ✓ Multi-stakeholder teams and long-term investments
- ✓ Learning by doing

# INCLUSIVE GROWTH FUND

- ✓ Growth in global demand (7%/annum), but need to grow “green” with global market support
- ✓ Constraint in available land, but existing land (45% farmed by small-scale family farmers) with productivity opportunity
- ✓ Rural finance risks can be mitigated by capacity building.
- ✓ Landscape approaches can assist in securing land tenure.
- ✓ Market approaches can guarantee longterm off-take.
- ✓ Social impact measurement systems Oxfam available.
- **Financial vehicle (fund, bond) needed with the special purpose of INCLUSIVE GROWTH**





A photograph of three men working on a large, dark metal machine, likely a palm oil press, in a rural setting. The man in the foreground is older, wearing a dark long-sleeved shirt and a light-colored cap, looking upwards with a focused expression. Behind him, a younger man in a green t-shirt also looks upwards. To the left, another younger man, shirtless, is looking towards the camera with a hand near his mouth. The machine is filled with palm oil fruit. The background shows a clear blue sky with some clouds and green foliage.

# THANK YOU

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**OXFAM**  
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