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Palm oil

Time to stop fuelling deforestation and land-grabbing, to help victims of corporate abuses and to apply agroforestry

Today the environment and food safety committee of the European Parliament adopted a strong report tackling the issue of palm-oil related deforestation and its human and environmental consequences. The Greens/EFA group is an active change driver in the EU and had taken the responsibility of drafting the opinions from the development and agricultural committees.

Palm oil is used for both food and biofuels production in the EU. While 20% of total deforestation was caused by palm oil cultivation in the past two decades, growing demand for this commodity continues to put pressure on land use and has significant effects on local communities, health and climate change.

The main producers globally are by far Malaysia and Indonesia. Recently, Indonesia has become the third highest polluter of CO_2 in the world. The concrete local effects range from massive forest fires, drying up of rivers, soil erosion, loss of groundwater, pollution of waterways, to destruction of rare natural habitats threatening the survival of a large number of species and destruction of rain forest and of livelihood of those subsistence communities dependent on it.

Palm oil is also sadly known for the detrimental impacts of its production on the human rights of indigenous peoples and small farmers. Many land deals breach the principle of local communities' free, prior and informed consent and companies trading in palm oil are generally unable to prove with certainty that the palm oil in their supply chain is not linked to deforestation.

The European Union carries a huge global responsibility in this ecological and social disaster as it imports products resulting from illegal deforestation: around half of the area of illegally cleared forests is used for palm oil production for the EU market, and 18 % of all illegally produced palm oil enters the EU market.

But the EU can also be an important part of the solution, by immediately stopping EU subsidies for biofuels produced from food crops, phasing-out such fuels and increasing taxation on unsustainably produced palm oil. The European Union also has the power to increase its financial and technical assistance to producer countries and their local authorities with a view to combating corruption.

The European Commission and the Member States have the possibility to strengthen controls, prevent

imports from unsustainably produced palm oil and apply dissuasive sanctions for non-compliance. European financial institutions, through the investments and loans that they provide, can also play a significant role in the protection of forests, forests peoples and biodiversity.

Palm oil can be cultivated responsibly, provided that no deforestation occurs, that no plantations are established on peat lands, that plantations use agroecological techniques and that land and workers rights are respected. For this to be achieved, we need binding regulations on agricultural commodity importers' supply chains, in order to ensure a fully sustainable palm oil supply chain by 2020, in line with the Amsterdam Palm Oil Declaration.

Consumers should be able to be sure they don't contribute to deforestation and land-grabbing. One important tool is the use of binding traceability labelling and enforced certification schemes for companies trading palm oil.

Furthermore, while the Commission should put forward an EU action plan on deforestation and forest degradation, the establishment of grievance mechanism should ensure access to remedy for victims of corporate abuses. In order to combat landgrabbing, EU-based investors should adhere fully to international standards on responsible and sustainable investment in agriculture, notably the FAO voluntary guidelines on land tenure and the Guiding Principles on Business and Human Rights.

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