
A Round Table on Sustainable Palm Oil

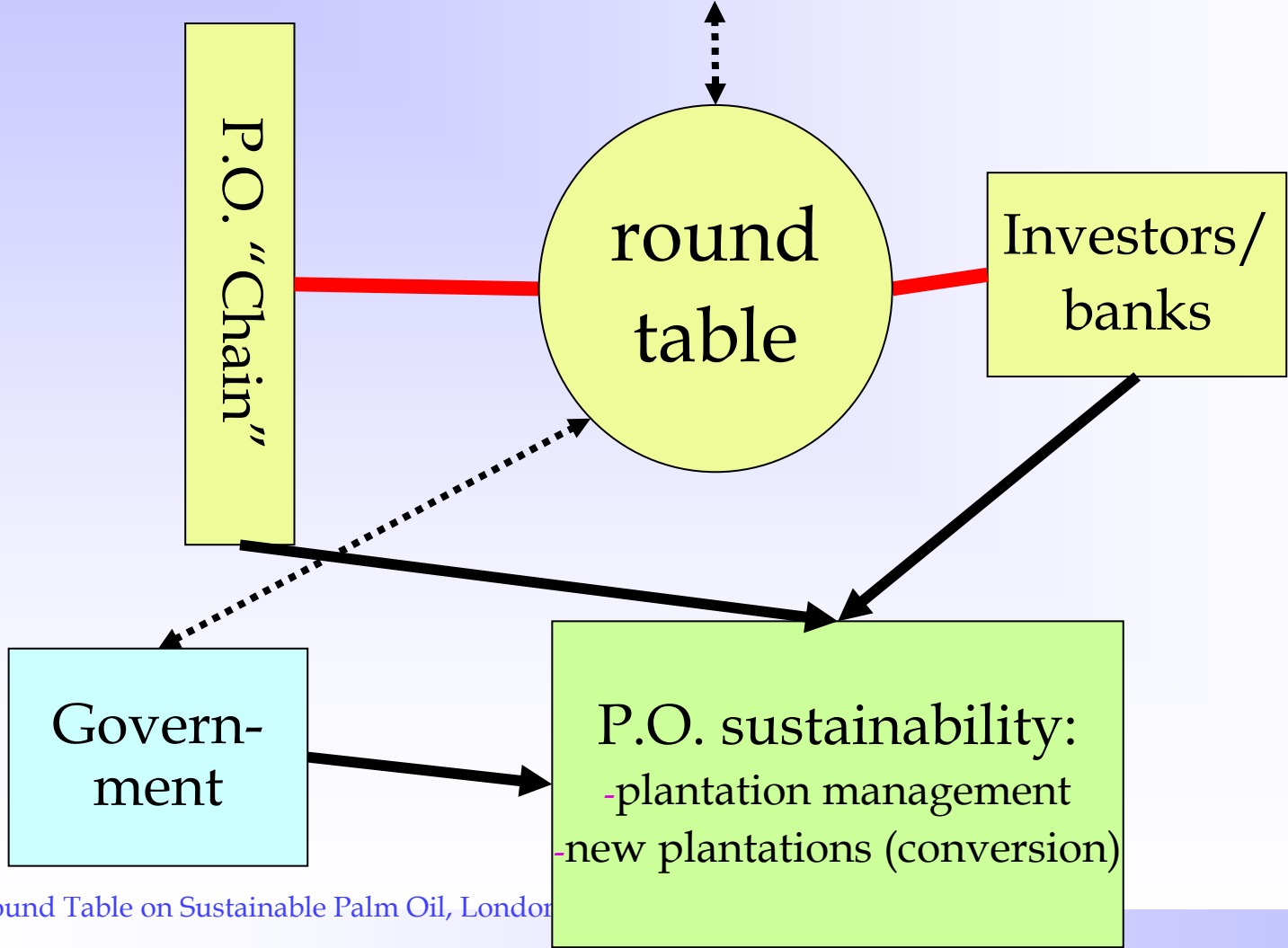
Preparatory Meeting
London, September 20, 2002

Introduction

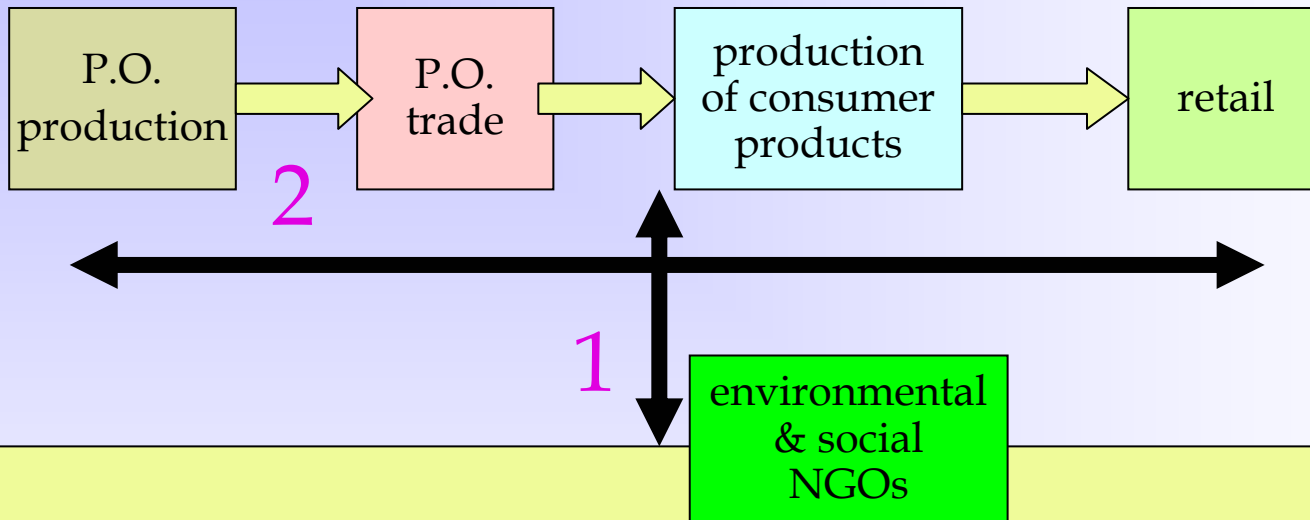
Objectives of this Meeting

The Initiative

- WWF took the initiative in 2001.
- WWF asked me for advice on a business co-operation model.
- We agreed on organising a round table on sustainable palm oil as a business initiative in co-operation with WWF.
- In 2002, I have discussed the idea with potential business partners.



Two Dimensions



1. The round table is a platform between business and NGOs for discussing standards and criteria for sustainable palm oil
2. The round table is a co-ordinator for business who want to produce products from sustainable palm oil and who need clear criteria, transparency and economically feasible ways of sourcing sustainable palm oil.

Goals of the Round Table

- to agree on a strategy that optimally contributes to sustainability of palm oil in all major production countries;
- to agree on (minimum) standards for sustainable palm oil and how to implement them;
- to have a shared understanding on realistic roles of the different players, including financial players, in promoting sustainable palm oil.
- to (help) organise concrete projects for implementing the standards on a wide scale.

This Meeting's Objectives

1. to decide to start the Round Table now;
2. to agree on a working plan;
3. to agree on a first outline of formal structure and budget;
4. to propose members;
5. to plan the first meeting.

Program (until lunch)

PART I: Sustainable Palm Oil – the Role of Business	
10:05	RdM: Introduction to the program
10:15	Introduction round, short statements
10:45	Short presentations by Thomas Vellacott (WWF), Fausta Borsani / Ruth Nussbaum (Migros), Jan-Kees Vis (Unilever)
11:50	RdM: Open questions and need for clarification
12:15	Discussion

Program (after lunch)

Part II: The Round Table	
12:45	lunch
13:15	Goals, Members, Working plan
14:15	Formal structure and budget
15:00	Members to be invited, date for 1 st meeting.
15:30	End of the meeting

Open Questions

need for clarification

Need for clarification

- 1) Oil palm's contribution to forest conversion: the WWF – industry debate;
- 2) Palm oil in comparison to other edible oils: fair treatment of palm versus soy?
- 3) How to deal with biodiversity in P.O. standard?
- 4) Certification and chain of custody issues: how far can we or should we go?
- 5) Division of responsibilities and tasks between the different business players and role of producers.

Oil palm's contribution to forest conversion

Question	What is the real contribution of the establishment of oil palm plantations to the conversion of tropical rain forest?
Discussion	WWF: last 20 years, 300 million ha rainforest have been converted. Next 25 years 250-300 million ha. Palm oil is an important Factor. Others: P.O. only 5 million ha in the last 20 years, not a <u>major</u> contribution.
Action of P.O. Round Table	Have a moderated discussion with WWF and business partners to get the data right (minimum consensus).

Palm oil in comparison to other edible oils

Question	How sustainable is palm oil in comparison to other edible oils (soy, rapeseed, ...)?
Discussion	There is agreement on positive characteristics of palm oil (high productivity, etc.) Still the oil palm industry fears discrimination of palm oil.
Action of P.O. Round Table	Clear statement of Round table to take away suchs fears. Stress both positive characteristics of palm oil and the need for sustainable practices.

Biodiversity in P.O. standard

Question	How should the standard for sustainable palm oil deal with biodiversity?
Discussion	WWF stressed the need for explicitly including criteria dealing with conversion (as in the Migros criteria) and found Unilever's approach incomplete (see formal WWF statement).
Action of P.O. Round Table	Systematic discussion of biodiversity in P.O. standard, including practical questions on implementation (WWF + business partners).

Chain of custody issues

Question	To what extent is it useful and is it practically feasible to separate sustainable from less sustainable palm oil in the chain 'from plantation to margarine tub'
Discussion	Several options are in discussion: from a complete identity preservation (Migros case) until raising minimum standards globally (without any need for identity preservation).
Action of P.O. Round Table	Discuss pro and cons of different models and try to reach a minimum consensus on strategy or alternative strategies.

Division of responsibilities and tasks between the players

Question	What influence on palm plantation sustainability do the different business actors really have and, as a consequence, what responsibility can they reasonably take?
Discussion	<ul style="list-style-type: none">▪ There are doubts about the effectiveness of influence from the consumption end of the chain.▪ The importance of (local) government is being emphasized.▪ Some see a more dominant role to be played by investors/banks. Banks again stress the important role of large palm oil users.
Action of P.O. Round Table	Reach a common understanding of the way the 'palm oil chain' works and realistic roles of the different players.

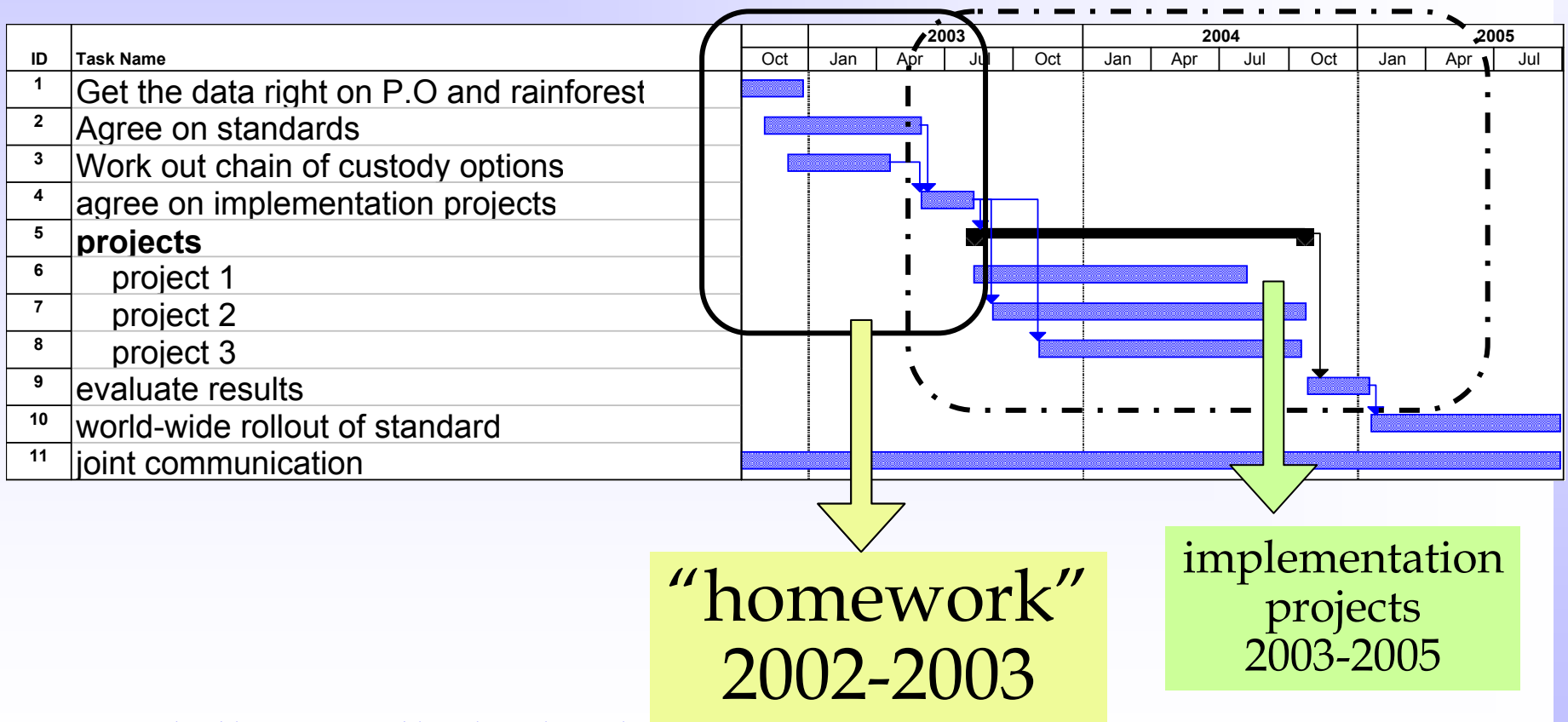
The Round Table

goals, members, working plan,
structure, budget

Goals, members and partners

- goals:
 1. agree on a standard for sustainable palm oil (minimum standard, best practice, continuous improvement, ...)
 2. effectively contribute to the global implementation of this standard on a wide scale.
- members:
 1. the P.O. 'chain': P.O. traders, producers of consumer products, retailers
 2. Financial players: banks, investors
- partners:
 1. NGOs: WWF (and others), international and regional/local
 2. P.O. Producers and their associations
 3. government in producing countries
 4. independent scientists

Working Plan (1st sketch)



“homework” 2002-2003

subject	content	who?
“get the data right” (Oct.-Dec. 2002)	<ul style="list-style-type: none"> ▪ gather data on rainforest and palm oil ▪ idem for comparison palm oil, other oils ▪ have moderated discussion + public report 	(selected) business partners, independent expert(s) WWF
“agree on minimum standards” (Nov. 2002 – March 2003)	<ul style="list-style-type: none"> ▪ discuss existing standards and underlying philosophies (Unilever, WWF/Migros, Bank initiatives) ▪ have moderated discussion + public report 	(selected) business partners (incl. banks), P.O. producers, independent expert(s) WWF
“work out chain of custody options”	<ul style="list-style-type: none"> ▪ discuss existing approaches (Unilever, Migros,) and underlying philosophies ▪ evaluate their economic feasibility ▪ publish results 	(selected) business partners (incl. P.O. traders, man. of consumer products, retailers)

Round Table on Sustainable Palm Oil, London, September 20, 2002

Structure (1st sketch)

- Round Table = registered non-profit organisation
 - e.g. Stichting according to Dutch Law
 - for time period October 2002 – October 2005 only
- Board = 3 elected members of round table
- NGO-representation in Board or advisory council
- Secretariat
 - prepares and organises meetings, including data collection
 - provides facilitation
 - reports on results
 - organises communication
- temporary working groups on specific issues will be set up.

Budget example (1st year)

Activity	days	1000 €
Round table meeting 1	4	
Round table meeting 2	4	
Round table meeting 3	4	
2 meetings on “getting the data right” incl. prep.	10	
3 meetings on standards incl. prep	12	
3 meetings on chain of custody etc.	12	
total	46	57
Costs		13
total		70
If 15 members, per member		5

Business members to be invited

- Group I: palm oil product chain
 - Oil traders & refiners
 - Producers of consumer products
 - Retailers

- Group II: financial players
 - banks
 - others

First meeting of round table

- Official start by November 2002
- Based on the 20 September meeting,
 - we will make a concrete proposal for the round table
 - and come back to you soon.
- Before the start we need:
 - commitment of a minimum number of major players and WWF
 - funding for at least some starting activities.