Do Palm Oil Sustainability Certifications Deliver their Promises? A Review

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Background

- Oil palm cultivation has been spreading in South East Asia, Central and West Africa, and Central America.
- Being high-yielding crops, they provide farmers with good profit margins.
- Environmental problems and human right offenses created public attention.
- Palm oil sustainability certifications aim to address these challenges.

Research approach

Research questions

1. What are the current sustainability challenges (risks, problems) in palm oil production?
2. How successful are palm oil certifications to address these challenges?

Method

Review of scientific and grey literature

Results:

Environmental challenges
- Peat land conversion and deforestation
- Habitat destruction and biodiversity loss
- Fire and emissions
- Pollution

BUT: requires much less land than any other oil crop!

Social challenges
- Land rights and conflicts
- Labour right offenses
- Child labour
- Human right offenses

BUT: delivers socio-economic benefits ➔ more income for smallholders, job creation for landless workers, increased food security

Palm oil certifications

- Varying socio-economic and agro-ecologic production systems, e.g., in West Africa more positive sustainability effects (more small-scale business, less environmental hazards) than in South East Asia.
- Not all sustainability certifications address all challenges (varies between standards, e.g. permission of deforestation, food security, labour rights) ➔ impact varies.
- Positive changes due to standards are found.
- However: only a small share of production is certified ➔ limited market demand.
- Governmental standards, such as in Indonesia and Malaysia, emerge but so far not sufficiently enforced.

Conclusion

- For sustainability, engagement of producer countries is needed through law enforcements.
- Progress of the sustainability criteria in major consumers, i.e. China, is needed.
- Price premiums needed for sustainably certified palm oil.
- Introduction of a “minimum” standard as base for all standards ➔ harmonization needed.

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