

2009

August

Challenges in Promoting the Production of Sustainable Palm Oil in Indonesia*

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The rapid growth of palm oil production in Indonesia was driven by the need to improve the livelihood of the large population of Indonesia. The expansion of oil palm plantations which covered Sumatra, Kalimantan (Borneo), Sulawesi and Papua resulted in undesired social and environmental impacts. In 1997 and 1998 when El Nino hit the Indonesian archipelago, dry conditions caused widespread wild fire and haze.

Triggered by the concerns over the environmental and social impacts, many stakeholders took an initiative to form RSPO (Roundtable on Sustainable Palm Oil). Indonesian stakeholders lead by Indonesian Palm Oil Association (GAPKI) joined the initiative and made a series of efforts to promote the production of sustainable palm oil.

The first challenge is law enforcement. The law on forestry was promulgated in 1999 but the enforcement was weak resulting in cases of illegal logging and degradation of protected forests. To obtain license and permits is time consuming; leading to the problem.

The principles and criteria of RSPO need to be informed to all growers comprising of large plantation companies, small companies and smallholders. Smallholders or farmers are not well organised and they are difficult to reach. A lot of efforts need to be made to convince companies and smallholders to implement the principles and criteria of RSPO.

However, when finally some companies are certified, certified sustainable palm oil they produced finds no buyer. This discouraging condition is another challenge to be addressed.

Keywords: *Challenges, Indonesia, sustainable palm oil.*