Palm oil is the cheapest vegetable oil in the world, demand for it in food and energy has been rising and is expected to do so in the future. The expansion of the oil palm sector can help lift people out of poverty, but its demand for land is also a major driver of deforestation. As oil palm grows best in the climatic zones harbouring moist tropical rainforests, the impact on forests and biodiversity is a major concern.

The crop has expanded mostly in Asia, but is expected to spread rapidly in tropical Africa and Latin America. SNV has developed a programme to balance the needs for palm oil production with forest conservation, through identifying areas suitable for expansion and promoting increased production in existing plantations and farms. Through this programme we aim to improve the standard of living for palm oil producer families, workers and processors while reducing the impact of the sector on forests. SNV is supporting activities in the palm oil sector in the Democratic Republic of Congo, Honduras and Indonesia.

Diverting expansion from forests using the siting tool

SNV uses a siting tool to identify options for sustainable expansion. For the oil palm sector, RSPO principles and criteria have been translated into spatial indicators and by visualising the areas suitable under this or other sustainability standards, decision
makers are able to assess trade offs and identify areas suitable for expansion.

**Better management practices for smallholder farmers**

To increase production in existing plantations, SNV has developed the better management practices (BMP) training programme for smallholders. The programme is targeting smallholders, as with smallholders the potential for yield increase is high. SNV is aiming for 30% production increase in 2 years. In this programme, trainers are trained on oil palm agronomy, institutional development, reducing environmental impact and using waste for energy production. SNV has developed and tested medium scale biogas digesters that use Palm Oil Mill Effluent (POME) as a feedstock and provide energy to the local communities. This intervention has the potential to reduce GHG emissions from plantations by 80%.

**Traceability and forest monitoring**

Throughout the BMP training programme, together with the local stakeholders and businesses, SNV supports the development and implementation of improved spatial planning. In our selected landscapes, we facilitate stakeholder meetings and agreements on where expansion can and cannot take place. The improved planning and clarification of land rights can reduce the risk for uncontrolled expansion through encroachment, and is a key element to have in place to ensure no-deforestation in the supply chain. With SNV’s traceability and monitoring tools, support for businesses is provided to protect forests and monitor yields and inputs. For the monitoring and traceability satellite imagery, smart phones and drones are used. In addition, efforts are made to create awareness on the value of forests through trainings on ecosystem services and sustainable forest management.

**For more information contact:**

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**What does SNV offer in its sustainable palm oil production programme?**

- **Landscape zoning for sustainable oil palm expansion:** SNV has developed a siting tool; application provides strategic information for investors, companies, governments and other stakeholders on areas most suitable for palm oil development while mitigating the impacts on forests.
- **Best management practices for oil palm smallholders:** SNV is working with Wageningen University and Proforests’ SHARP to develop better management practice training manuals for the palm oil sector to support farmers to increase yields and reduce environmental impacts.
- **Former group organisation and development:** SNV has a training programme and experience organising smallholder oil palm farmers, both so that they can more effectively meet any sustainability requirements and also to facilitate communications along the supply chain to ensure greater capture of benefits for farmers and to raise their awareness on the importance of forest protection.
- **Strengthening relationships between the supply chain and the palm oil industry:** SNV is a pioneer on inclusive business tools, which facilitate the development of transparency and communication mechanisms along the commodity supply chain to ensure fair and efficient productive alliances for all groups.
- **Monitoring and traceability systems:** SNV in partnership with Akvo FLOW has developed a monitoring and traceability system, which enables companies to monitor production and inputs to the farm level. This allows expansion into forest areas to be traced back to the farm and hence will enable companies to monitor deforestation in product supply chains.
- **Waste to Energy:** SNV supports businesses and smallholders in construction of small-scale biogas digesters. By using Palm Oil Mill Effluent (POME) as a feedstock and setting up the systems to source the POME energy-poor communities with no access to the grid will gain access to cheap and clean energy.

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