

Sustainable palm oil production and the World Bank Group Role

German Vegarra, International Finance Corporation

Washington, USA

In 2011 the World Bank Group adopted a new approach to its engagement in the palm oil sector, defining its role in shaping and influencing sustainable palm oil production. The strategy provides a vision for IFC as investors in the palm oil sector, and a blueprint for supporting the sector, prioritizing: support for the development of an enabling policy and regulatory environment; mobilization private sector investment with International Finance Corporation (IFC) financial support; integration and expansion of smallholder presence in the supply chain; and, expanding adoption of sustainability codes of practice (RSPO, Rainforest Alliance). The “future” of sustainable palm oil for IFC is investment opportunities in:

- Producers that are committed to certification
- Traders and processors that are committed to identifying and addressing the risks in their supply chains
- Smallholder (outgrower) programs that are sustainable
- Financial intermediaries with appropriate environmental management systems to identify and mitigate risks.