


RSPO
Roundtable on Sustainable Palm Oil

DYNAMICS OF PALM PLANTATION DEVELOPMENT IN WEST & CENTRAL AFRICA

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PRESENTATION OUTLINE

- Olam in Africa
- Organised agriculture & its role in the diversification of economies
- Palm development playing a dominant role in transformation of the agri-sector
- Socio-economic concerns in Central and West Africa
- RSPO – an enabling framework for solutions
- Spatial conservation planning in Olam concessions
- FPIC and its role in ensuring social equilibrium

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OLAM IN AFRICA: NEARLY 25 YEARS OF EXPERIENCE IN SUSTAINABLE SUPPLY CHAIN MANAGEMENT

- Olam was established in 1989 to export non-oil products from Nigeria
- Today leading positions in 7 products and 4 new focus areas in Africa:

Leadership

Cotton
Cashew
Cocoa
Coffee
Rice
Sesame
Wood products

New Businesses

Palm
Rubber
Fertiliser
Packaged Foods



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OLAM IN AFRICA: NEARLY 25 YEARS OF EXPERIENCE IN SUSTAINABLE SUPPLY CHAIN MANAGEMENT

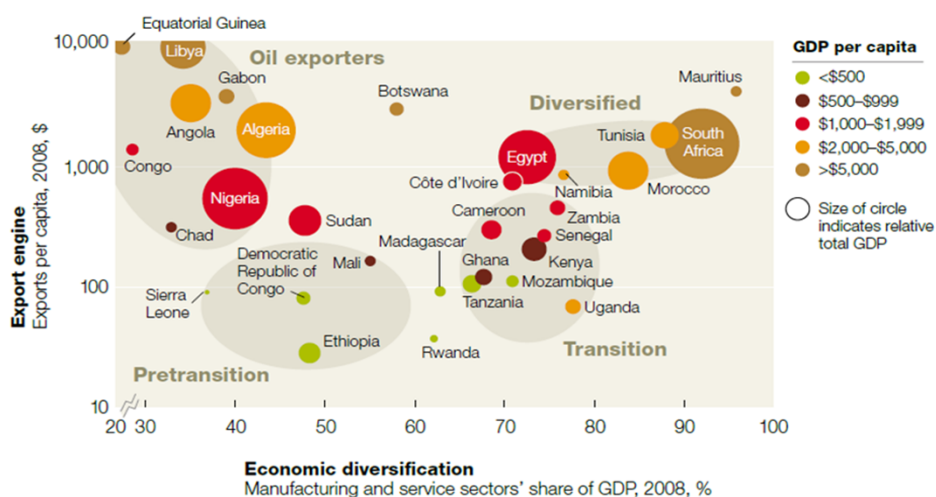
- **1.74 MT** sourced from Africa in 12 months
- **24** African countries operational
- **3.4** million farmers in the network
- **25,000** full-time, contract and seasonal staff
- **US\$604M** committed to initiatives in Africa to date
- **US\$2.2B** earmarked for further investment by 2015



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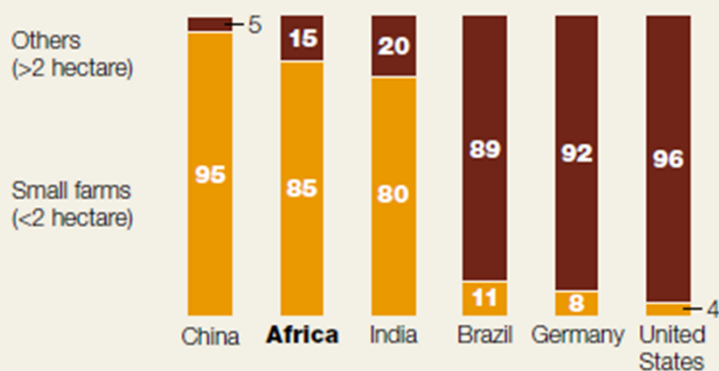
AGRICULTURE IN AFRICA WILL CATALYSE DIVERSIFICATION OF ECONOMIES AND ENHANCE NON-MINERAL OIL REVENUES

Country segments in Africa¹

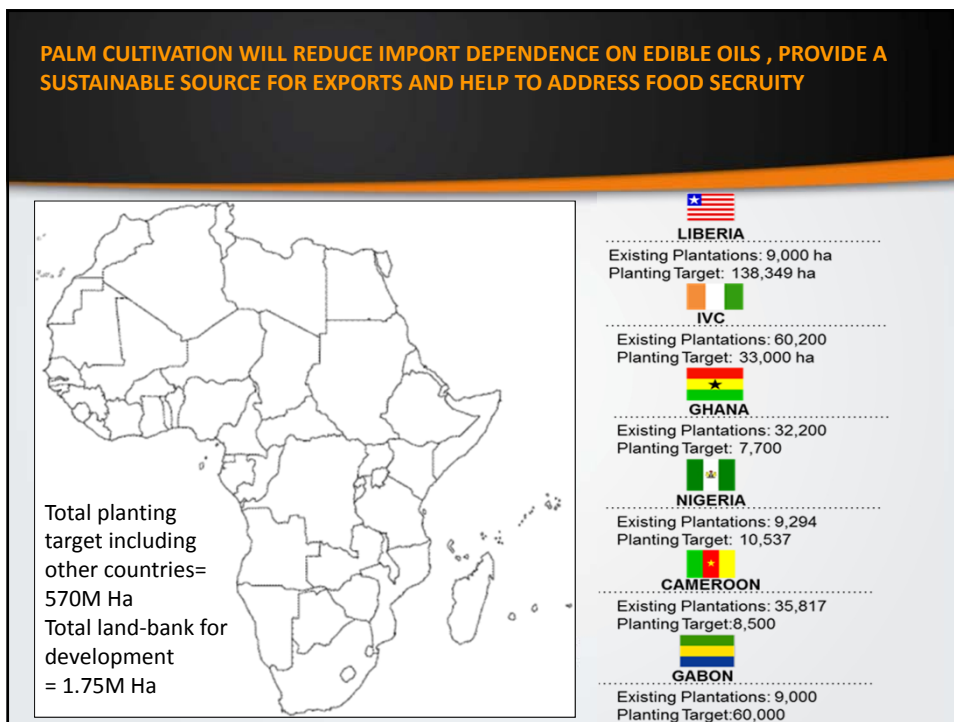
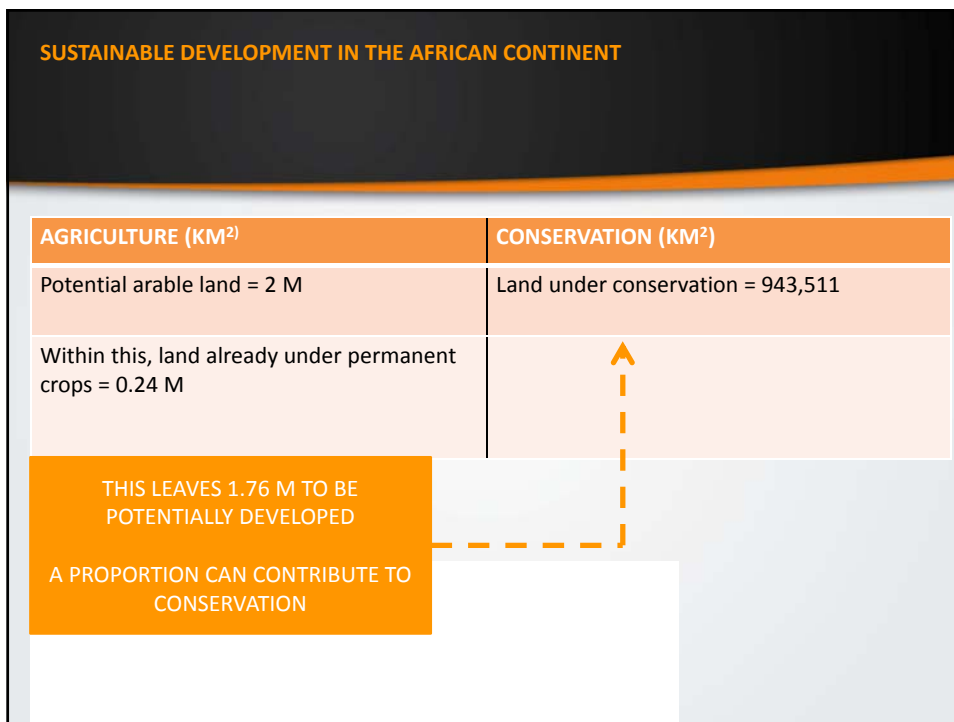


ORGANIZED AGRICULTURE WILL CATALYSE TRANSFORMATION OF THE SECTOR

Distribution of farms by size, % of land holdings



Source: World Census of Agriculture, various years, Food and Agricultural Organization of the United Nations



PALM IN AFRICA-PROVIDING EMPLOYMENT AND SUPPORTING CAPACITY DEVELOPMENT

Palm development will support increase of incomes in Africa
 For Olam Gabon's Awala and Mouila concessions average income projected to increase by ~9% and ~32 % respectively

Capacity building initiatives include:

- 4 training sessions for workers on nursery management, immature oil palm maintenance, HCV monitoring and Health & Safety
- Developing a training centre for formal agronomic training to local people

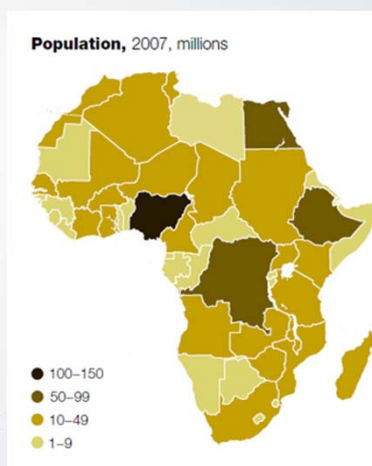
Mckinsey on Africa 2010



PALM PRODUCTION IN WEST AND CENTRAL AFRICA WILL NEED TO PIONEER RESOLUTION OF ASSOCIATED SOCIAL AND ENVIRONMENTAL ISSUES

Social issues are, however, more pertinent to West Africa than Central Africa.

In the former there are several pockets of high population densities and greater dependence on small-holdings



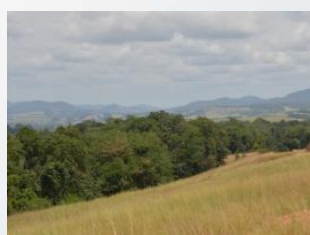
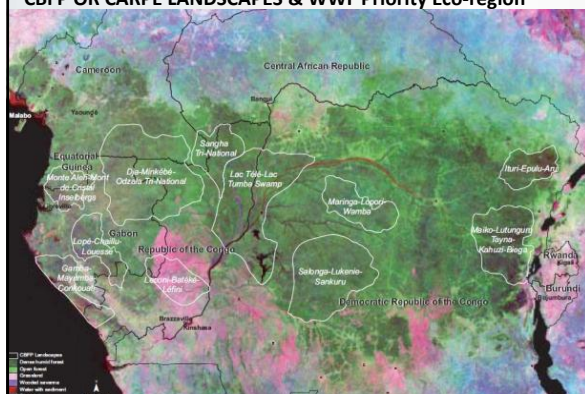
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Mckinsey on Africa 2010

HIGH CONSERVATION AREAS IN CENTRAL AFRICA

Countries such as Gabon are part of the Congo basin and robust HCVF assessments are needed to ensure that palm concessions do not compromise HCV

CBFP OR CARPE LANDSCAPES & WWF Priority Eco-region



RSPO HAS PROVIDED AN ENABLING FRAMEWORK TO RESOLVE SOCIAL AND ENVIRONMENTAL CONCERNS

- Public consultations through the New Planting Procedure (NPP) for HCVF assessments and SEIAs have helped Olam improve present and future due diligence on New Plantations
- The NPP has resulted in partnerships between Olam and stakeholders for improving land use policies and landscape level planning of concessions
- Working groups comprising a multitude of stakeholders - including the two major palm producers, are addressing key areas of the National Interpretation of P and Cs for Gabon
- The RSPO road-show in West and Central Africa has commenced and Olam proactively promotes the framework in other regional conferences such as the Palm Oil Conference in Accra, Ghana

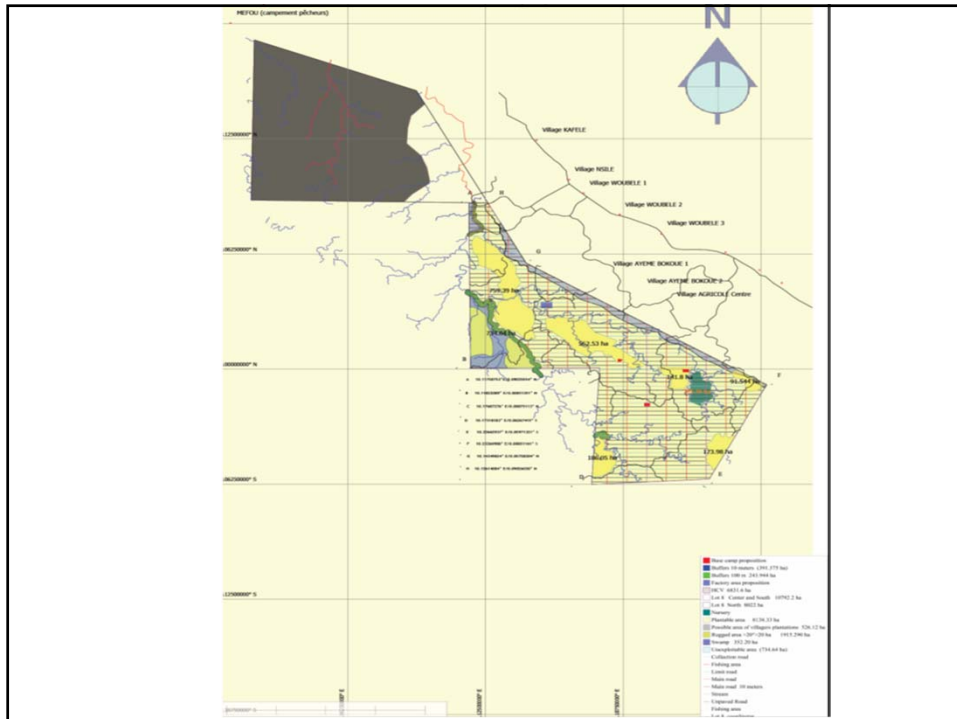


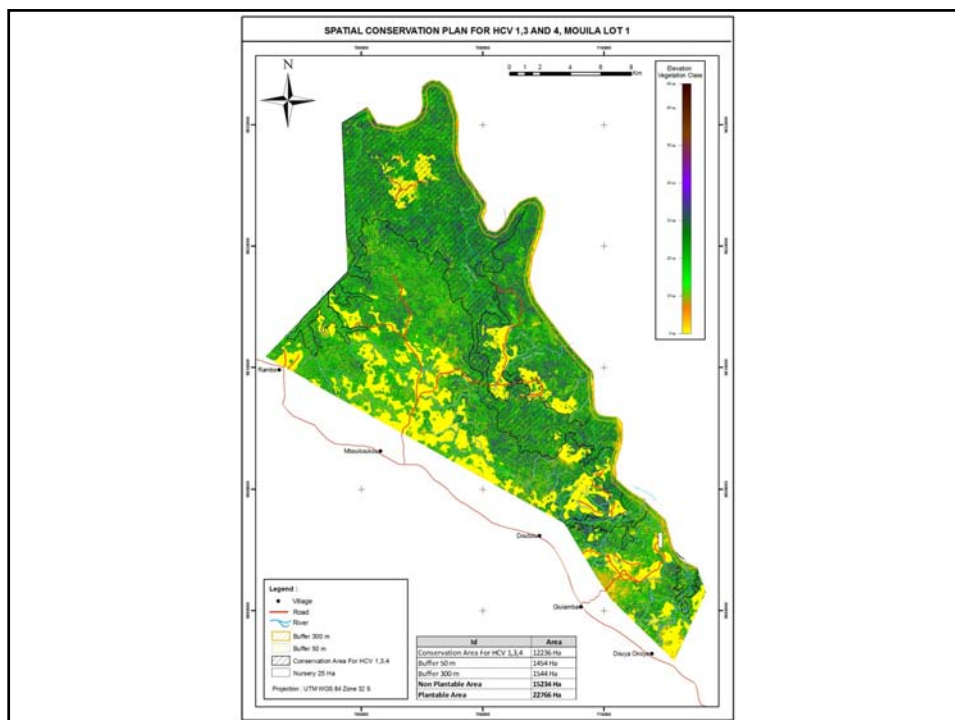
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SPATIAL CONSERVATION PLANNING IN OLAM PALM GABON CONCESSIONS



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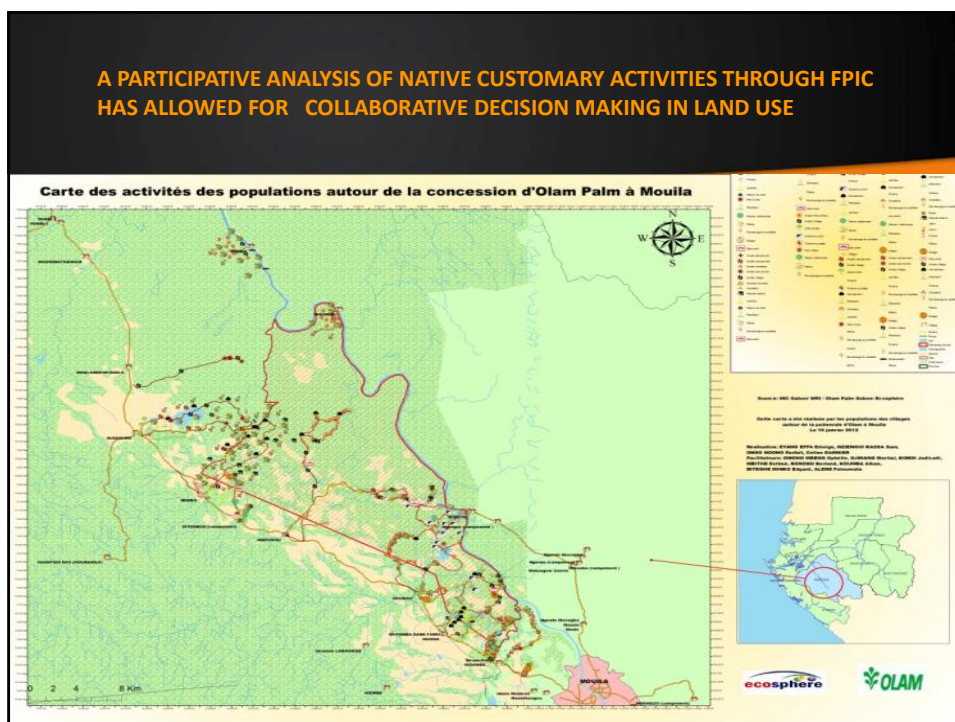
FPIC DRIVEN BY RSPO COMPLIANCE IS PROVIDING SOCIAL EQUILIBRIUM AMONG COMMUNITIES AROUND OLAM CONCESSIONS

1. Participatory mapping of village activities and areas of native customary value
2. Candid explanation of positive and negative impacts of plantation development on livelihoods and environment
3. Setting up of a system of representation for understanding rights, compensation schemes for individuals and negotiation procedures
4. Development and signing of social contract
5. Building on the social contract for economic empowerment

ENSURING SOCIAL EQUILIBRIUM

Stable employment generation and reduced risk of community conflict





CONCLUSION

- Re-establishment of palm in Africa, under the multi-stakeholder paradigm of the RSPO, takes the sector from strength to strength in its quest for benchmarking sustainable palm production
- Several African governments are demonstrating resolve for sustainable development and this needs to be supported with corporate responsibility within and outside the RSPO process
- National interpretations, as carried out in Gabon, are vital for a conducive climate for RSPO compliance

END

MERCI POUR VOTRE ATTENTION



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