

Contents

Abbreviations

Executive summary	1
1 Introduction	15
1.1 Why are sustainability standards needed for palm oil production in Indonesia?	15
1.2 Research objective and research tools	17
1.3 Case selection	20
1.4 Structure of the study	21
2 Palm oil in Indonesia – socio-economic and ecological impacts	23
2.1 The Indonesian palm oil sector	23
2.2 Socio-economic impacts	29
2.3 Ecological impacts	34
2.4 Smallholders in the Indonesian palm oil sector	42
3 Sustainability standards and certification	49
3.1 The potential of private and public standards	50
3.2 Standard-setting and certification initiatives in the palm oil sector	54
3.3 Comparing sustainability standards	62
3.4 Challenges in implementing current standard and certification initiatives	64

4	Sustainability standards and smallholder inclusion	76
4.1	Why is smallholder certification important?	77
4.2	Efforts to certify smallholders	80
4.3	Smallholder inclusion challenges	85
5	Empirical findings: case description	89
5.1	Independent smallholders – North Sumatra	90
5.2	Independent smallholders – Jambi	94
5.3	Independent smallholders – Riau	99
5.4	Scheme smallholders – South Sumatra	102
5.5	Limitations of data collection	105
6	Empirical findings: certification benefits	107
6.1	Economic benefits	108
6.2	Ecological benefits	112
6.3	Social benefits	115
7	Empirical findings: challenges and existing gaps for standard compliance	116
7.1	Gaps between requirements and practices	116
7.2	Underlying gaps	121
8	Training, organisation and support as potential solutions	125
8.1	Training	126
8.2	Organisation	130
8.3	Supporting and planning smallholder certification projects	144

9	Conclusion: standards as tools for sustainability?	147
9.1	Strictness of sustainability standards	148
9.2	Implementation and control of sustainability standards	149
9.3	Framework conditions of sustainability standards	150
10	Empirical findings: case description	151
10.1	Training	152
10.2	Organisation	153
10.3	Supporting and planning smallholder certification projects	155
10.4	Increasing the effectiveness of sustainability standards	158
10.5	Facilitating cooperation between standards for increased effectiveness	161
	Bibliography	163
	Annexes	
Annex 1:	Comparing sustainability standards	177
Annex 2:	List of interview partners	188
Annex 3:	Data RSPO baseline study	195