



## SCIENCE & ENVIRONMENT

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# Palm oil deal aims to save forests and carbon

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**By Richard Black**

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**A major palm oil producer is joining forces with environmental campaigners in a bid to ramp up forest protection.**

The giant Indonesian company Golden Agri-Resources (GAR) has agreed to work within new standards aimed at saving forests that store a lot of carbon.

International environment group The Forest Trust (TFT) is partnering the company and will monitor compliance.

The palm oil industry has regularly been accused of destroying old-growth forest as demand rockets.

The new deal expands on existing standards agreed under the Roundtable on Sustainable Palm Oil (RSPO), an international alliance of producers, processors, retailers and environment groups.

Already, RSPO rules forbid clearing old-growth forest or land with high conservation value, and developers are also supposed to obtain informed consent from local people before initiating new plantations.

Under the new deal, GAR will go further, vowing not to plant on peat, and not to clear forest where significant carbon is locked up in trees.

This should mean that large tracts of forest that have been partially logged will now be off-limits to the company.

Initially, the figure of 35 tonnes of carbon stored per hectare will be used as a ceiling; but that could change as research progresses.

"We're not trying to undermine the RSPO - we're saying 'this is something you guys need to look at and maybe move towards,'" said Scott Poynton, TFT's executive director.

"Everyone's talking about taking the lead, but no-one's doing it - this is an example of taking the lead," he told BBC News from Indonesia.

### **Reputational hit**

GAR is the world's second-largest producer of palm oil, a product mainly used in food, fuels and cosmetics.

Like other companies in the field, it has been heavily criticised by environmental groups - a state of affairs that it wants to change.

"As a leading player in the palm oil industry, we are committed to playing our role in conserving Indonesia's forests," said Franky Wijaya, GAR's chairman and CEO.

"Our partnership with TFT allows us to grow palm oil in ways that conserve forests and that also respond to Indonesia's development needs; creating much needed employment while building shareholder value."

Earlier in the year, TFT finalised a deal with Swiss-based food giant Nestle designed to "ensure that its palm oil procurement had no deforestation footprint".

This led to discussions with suppliers such as GAR - and the conclusion that in order to preserve their markets, growers would have to purify their operations.

Greenpeace, which has taken the lead on the issue among international NGOs, sees the deal as a potential step forwards.

"This is really throwing a gauntlet down to the rest of the palm oil sector, and to other players," said campaigner Phil Aikman.

"It's setting a threshold for carbon, and that's pretty good - it'll protect a lot of orangutan habitat and other important areas that have been threatened by palm oil plantations.

"It challenges the rest of the sector to increase its productivity rather than target new areas over and over again, and that's been the main issue."

With RSPO, another issue has been compliance, with a number of companies accused of failing to live up to their promises.

But TFT says it will be working closely with GAR to make sure pledges are delivered.

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