



**OIL PALM AGRIBUSINESS  
WORKS TOWARDS  
SUSTAINABLE  
DEVELOPMENT**



# SOCIAL SUSTAINABILITY



Fedepalma seeks to exert a positive impact on the sector's competitiveness and sustainability through a labor, ownership, environmental, economic and financial framework designed to create greater wellbeing for producers and for the workers and their families alike



Productive partnerships have shown their ability to integrate small, medium and large producers working under **sustainable social and economic schemes**



Over the past decade, more than 4,200 small oil palm producers have come together in nearly **133 strategic productive partnerships**





A leading source of formal quality jobs, the Colombian oil palm sector creates close to **150,000 jobs, both direct and indirect**

According to Fedesarrollo, 60% of the jobs created by oil palm cultivation in Colombia are formal and pay 20% more than other agricultural sectors

A recent study by the Colombian government shows that the incomes in conflict municipalities with oil palm exceed by **30%** those in which oil palm is not present. This difference is cataloged as the social dividend of the oil palm sector



By bringing work opportunities to vulnerable areas, oil palm has made a contribution to peace in Colombia

Up to now, the **National Training Service (SENA, for its acronym in Spanish) has certified 12,426 workers** in skills pertaining to oil palm agribusiness

# ENVIRONMENTAL SUSTAINABILITY

## Environmental Potential of Oil Palm Agribusiness



In Colombia, oil palm crops have NOT been developed in forest areas because of their similarity with planted forest, they are more favorable to biodiversity than most other crops

The oil palm sector works to preserve biodiversity by implementing good environmental practices in established crops, and adequate planning for new investments

From the environmental perspective, a well designed and managed oil palm crop



Contributes to soil formation and prevents erosion and soil degradation



Is good for local biodiversity because of its forest-like structure

CO<sub>2</sub>

Acts as a carbon sink, creating a positive carbon footprint when compared to other agricultural and livestock uses

## Environmental Potential of Oil Palm Agribusiness



Oil palm agribusiness contributes to climate change mitigation. It offers a clean energy alternative through palm biodiesel and palm biomass

Great potential for power generation, and Colombia is already using that potential

Liquid biomass		Solid biomass		Total generation potential Biogas: 100 MW Solid biomass 240 MV
Capacity (IFFB/h)	Biogas potential (mW/h)	Capacity (IFFB/h)	Biogas potential (mW/h)	
60	3,9	60	9,3	
40	2,6	40	6,2	
20	1,3	20	3,1	



## Fedepalma environmental sustainability framework



Fedepalma is promoting that oil palm companies adopt a strategic approach to environmental management, focused on the generation of economic value for the business and differentiation on domestic and international markets

### Phases to achieve strategic environmental management

**STRATEGIC:** Differentiation in the market  
Value added to the business

- Value added use of biomass
- Adoption of international sustainability standards
- Identification, management and monitoring of High Conservation Value areas (HCVs)
- Crop design involving landscape elements favorable for biodiversity

**PROACTIVE:** Process Optimization Prevention of environmental impacts

- Efficient use of natural resources
- Pollution prevention
- Minimal use of toxic substances and agrochemicals

**REACTIVE:** Compliance Impact mitigation

- Compliance with environmental legal requirements

## Fedepalma environmental sustainability framework



### Key moments for incorporating environmental considerations in the development of oil palm projects

#### 1. Feasibility analysis

Better decisions on land acquisition or destination for oil palm cultivation

#### 2. Project planning and site design

Better layout designs in harmony with the natural environment

#### 3. Land preparation and establishment

Minimum environmental impact resulting from land use changes and infrastructure development

#### 4. Operation and management

Adequate management of crops and mills, mitigating environmental impact

Through the incorporation of environmental information and considerations during these four key moments, environmental impacts of an oil palm project will be mitigated and greater harmony with the natural environment will be achieved. In this way, palm agribusiness compatible with biodiversity and the natural heritage of Colombia is assured

## Fedepalma environmental sustainability framework



The GEF "Biodiverse Oil Palm Landscapes" project offers a roadmap to incorporate environmental considerations in these four key moments of oil palm project development:

1

Developing a geographic information tool to help decision makers reduce the environmental impacts and risks of their existing and proposed oil palm projects

2

Offering training and delivering guidelines to facilitate the incorporation of landscape management tools (LMT), identification of High Conservation Values (HCV), the use of good agricultural practices (GAP), and RSPO certification during the operation phase

3

Designing and promoting the implementation of 161 specific farm management plans for smallholders, focused on better management practices and environmental protection and restoration

Funding:



Operating partners:



# ECONOMIC SUSTAINABILITY



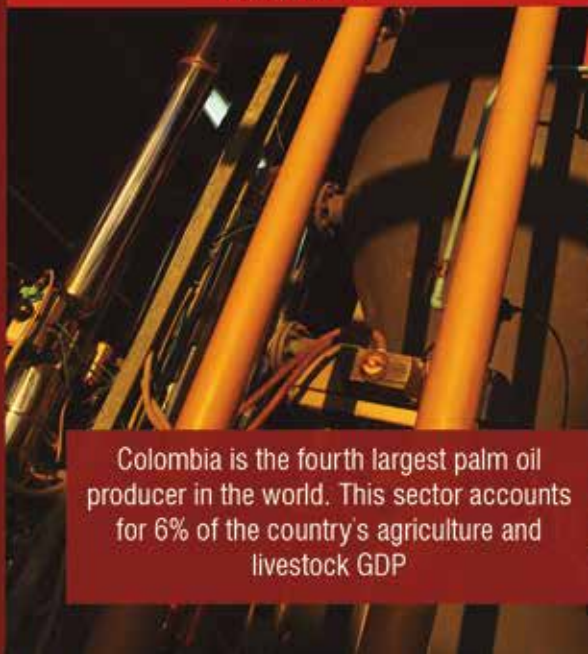
Oil palm is the most productive oil bearing plant in the world, the ability to garner that potential depends on the adoption of best agricultural, business, environmental and social practices



Oil palm is a legal crop that acts as an economic and social driving force in depressed areas



Colombian's agricultural frontier comprises 44 million hectares, but only 7 million hectares are currently being cultivated. It has a great potential to supply the world with agricultural commodities

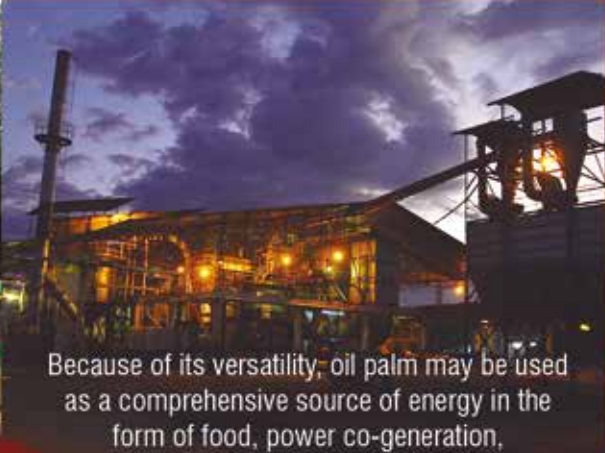


Colombia is the fourth largest palm oil producer in the world. This sector accounts for 6% of the country's agriculture and livestock GDP



Incorporation of small growers requires associative approaches with leadership from the anchor companies or from the integrators





The Colombian oil palm sector stands out for its high level of organization which facilitates the exploration of scale of economies, purchasing of agricultural inputs in production and processing

Because of its versatility, oil palm may be used as a comprehensive source of energy in the form of food, power co-generation, oleochemicals and biofuels



One out of every 4 hectares planted over the past decade has been operating under the **inclusive business model**



The oil palm sector has the potential to **generate more than 340 megawatts of power**, a figure that is very close to what a hydroelectric power plant may generate



Oil palm agribusiness is comprised at present by close to **6,000 producers and 65 oil palm nucleus in production**



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**Cra. 10A No. 69A-44  
Phone: 313 86 00  
[www.fedepalma.org](http://www.fedepalma.org)  
Bogota D.C., Colombia**