DYNAMICS OF PALM PLANTATION DEVELOPMENT IN WEST & CENTRAL AFRICA

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31st OCTOBER, 2012

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
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:

<table>
<thead>
<tr>
<th>Leadership</th>
<th>New Businesses</th>
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<tbody>
<tr>
<td>Cotton</td>
<td>Palm</td>
</tr>
<tr>
<td>Cashew</td>
<td>Rubber</td>
</tr>
<tr>
<td>Cocoa</td>
<td>Fertiliser</td>
</tr>
<tr>
<td>Coffee</td>
<td>Packaged Foods</td>
</tr>
<tr>
<td>Rice</td>
<td></td>
</tr>
<tr>
<td>Sesame</td>
<td></td>
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<td>Wood products</td>
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- 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
AGRICULTURE IN AFRICA WILL CATALYSE DIVERSIFICATION OF ECONOMIES AND ENHANCE NON-MINERAL OIL REVENUES

ORGANIZED AGRICULTURE WILL CATALYZE TRANSFORMATION OF THE SECTOR

Source: World Census of Agriculture, various years, Food and Agricultural Organization of the United Nations
SUSTAINABLE DEVELOPMENT IN THE AFRICAN CONTINENT

<table>
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<tr>
<th>AGRICULTURE (KM²)</th>
<th>CONSERVATION (KM²)</th>
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<tbody>
<tr>
<td>Potential arable land = 2 M</td>
<td>Land under conservation = 943,511</td>
</tr>
<tr>
<td>Within this, land already under permanent crops = 0.24 M</td>
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</tbody>
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This leaves 1.76 M to be potentially developed. A proportion can contribute to conservation.

PALM CULTIVATION WILL REDUCE IMPORT DEPENDENCE ON EDIBLE OILS, PROVIDE A SUSTAINABLE SOURCE FOR EXPORTS AND HELP TO ADDRESS FOOD SECURITY

Total planting target including other countries = 570M Ha
Total land-bank for development = 1.75M Ha
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

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
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.

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.
SPATIAL CONSERVATION PLANNING IN OLAM PALM GABON CONCESSIONS
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
A PARTICIPATIVE ANALYSIS OF NATIVE CUSTOMARY ACTIVITIES THROUGH FPIC HAS ALLOWED FOR COLLABORATIVE DECISION MAKING IN LAND USE

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
MERCI POUR VOTRE ATTENTION

6/11/2012