

## **Summary of Evaluation of DOEN Programme for Sustainable Soy and Palm Oil (PSSP)**

In 2009 the DOEN Foundation and its partner, Aidenvironment, initiated an innovative, 3-year Programme for Sustainable Soy and Palm Oil (PSSP) with the aim of promoting sustainable entrepreneurship:

- supporting small-scale producers in environmentally-responsible production,
- certification and marketing of their products,
- combating corruption and illegal practices, and
- encouraging creative financial mechanisms towards achieving these goals.

This programme involved strengthening collaboration with NGOs, the private sector and local communities, thus giving the latter a voice in the local decision-making process as large-scale producers expanded into their areas, affecting their livelihoods. The programme is unique and innovative in targeting difficult, 'untouchable' areas – remote sites where no NGOs were working, thus involving a certain degree of risk. However, it is also innovative in involving local community groups in a 'bottom-up' management approach that allowed people's voices to be heard.

From 2009 to 2012, the PSSP financed 27 projects by supporting so-called front-runners, like members of the Round Table on Sustainable Palm Oil (RSPO<sup>1</sup>), to 'do more good' while putting pressure on those unwilling to change by encouraging them to 'do no harm'. The approach included consultation with all those involved, expanding awareness and exploring creative solutions to issues such as deforestation, environmental conservation, land right disputes, and decent pay and working conditions.

A two-pillar approach was adopted whereby sustainable entrepreneurship among small producers and innovative companies (the first pillar) received about two-thirds of the overall budget. The focus was on organizational strengthening through technical assistance, and improving access to markets and certification. This included a project whereby large companies allowed small-scale farmers to be part of their supply chains.

Certification for either organic, Fairtrade, RTRS or non-gm produce was stimulated. One obstacle was the lack of demand for certified soy. Another obstacle was where lack of experience among RSPO certifiers meant there were sometimes no clear guidelines for small-scale farmers, the focus being more on large-scale operations. RSPO members and others were encouraged to take responsibility for their actions, with NGOs acting as watchdogs. The projects brought about some improvement by promoting credibility, transparency and a more effective handling of disputes, complaints and grievances.

The second pillar, with one-third of the budget, aimed at creating an enabling environment in which sustainable entrepreneurs could flourish. This involved strengthening the local, collaborative role of NGOs, promoting knowledge exchange, and reducing the impact on areas of high ecological and social value, plus initiatives for combating corruption and illegal practices. The PSSP contributed to more constructive dialogue between NGOs and the private sector, helping to create synergies, facilitate learning, encourage more coherent approaches, and reinforce existing partnerships. Constructive and flexible financial mechanisms such as the Payment for Environmental Services (PES)<sup>2</sup> schemes were also utilized.

Projects for tackling corruption and illegal practices included mapping areas of sustainable palm oil production and deforestation with a view to asserting community land claims, negotiating resolutions to

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<sup>1</sup> De RSPO is Roundtable for Sustainable Oil palm.

<sup>2</sup> PES is Payment for ecosystem services are incentives offered to farmers or landowners in exchange for managing their land to provide some sort of ecological service. They have been defined as "a transparent system for the additional provision of environmental services through conditional payments to voluntary providers. These programs promote the conservation of natural resources in the marketplace.

disputes and conflict, and protecting against the rapid expansion of large-scale plantations. These projects also had an important impact on national and international attention for illegal practices, including slave labour.

Based on the information from the evaluation, the expected outcomes of these PSSP projects were mainly positive, with the results of the initiatives being used by decision-makers and governments both nationally and internationally. A sustainable, organic production model for smallholder soy farmers was introduced, which was further disseminated and replicated to neighbouring farms and other areas. Local communities strengthened their organizational processes, establishing district-level producers' associations. Local farmers, trained in certified, sustainable soy production, also diversified to different markets. And better information management tools and internal control systems were developed.

Within the sectors, changes observed included a growing awareness that business involving illegal practices and corruption could not simply be carried on 'as usual'. There was also increasing awareness on the part of stakeholders (decision makers, private actors, civil society) that sustainability has a civil and social impact so that local producers need to be consulted on decisions that may affect them. Furthermore, by establishing networks at local, national and international level, the projects were seen to encourage approaches that respond to international markets. They also encouraged local communities to become players in influencing social and economic change towards sustainability.

As can be expected with innovative projects where considerable risk may be involved, some were remarkably successful, while others had less successful outcomes. For example, not all projects that pursued institutional reforms had positive outcomes, although they succeeded in creating awareness and entering into a dialogue. Achieving policy change requires more time and money than these DOEN projects encompassed but they did, however, enable relevant stakeholders to strengthen their pursuit of policy reform. Furthermore, organic and certified produce can only sell well if there is reliable access to markets that are willing to pay the extra premium that these production processes involve. This is another area where longer-term investment and innovative solutions could yield results.

An unexpected, but welcome outcome of the PSSP programme is its contribution to the prohibition of the endosulfan pesticide in Brazil, where awareness of its health and environmental impact has increased significantly.

Other positive outcomes of the DOEN-funded projects include helping to develop non-gm seed and seed stocks, new high-protein seed varieties, new technology packages and research on mechanical weeding machinery, all of which helped in drastically reducing the labour required in organic farming.

The degree of success and failure of the 27 projects depended partly on the quality of the DOEN partners in introducing sustainable practices, but also on whether there is national and international support for scaling up such practices. The expansion of large-scale gm soy production, for example, and the low demand for non-gm soy makes it difficult for smallholders to remain competitive. On the other hand, the sustainable production models which the DOEN projects stimulate can increase productivity by mechanization, securing non-gm seed, and using biological pest control that avoids contamination, thus attracting market demand. Perhaps the real, long-term impact of the DOEN programme may be its contribution towards creating links between stakeholders focusing on specific, concrete projects. While no-one can claim that current soy and palm oil production are sustainable, the DOEN projects did in a modest way improve sustainability in the sector and have produced some innovative and important outcomes which, if followed up, may have large-scale, future impact.

Two examples are Gebana in Brasil and Sarvision, active in Malaysia.

[Gebana Brasil](#), a trader of products from smallholder farmers, worked with their producers, to develop new technology for organic soy farming. The project reduced the amount of labour in the field, and made organic farming more attractive.

Organic soy farming has many advantages for small farmers: better prices, better health, and a stable market. However, one component of organic soy farming is not so advantageous in the Brazilian context: the tilling of the soil which causes erosion, damages soil structure, and is labour intensive.

Gebana and its partners identified new techniques, such as the use of the right types of soy, in-line weeding with adapted mechanical machinery, and electric weed elimination. This was tested with 46 soy farmers and 282.5 hectares of land. The results of the trials are very promising. The set-up of this system has opened up a real development perspective to Gebana and its farmers. To disseminate and discuss, Gebana has displayed the new technology at local and national events. Interest is high, even from the conventional soy sector.

Also the soy has been fairtrade certified and sold under this certification.

Gebana will continue to use this approach with more farmers.

[Sarvision](#) used satellite data to provide the first land-use change map indicating reliable deforestation trends in Sarawak (Malaysia). Also they were able to demonstrate that illegal deforestation occurred in forests with the Malaysian MTCS certificate. The maps are still available and used by different organizations. This work has received worldwide media attention and influenced the national and international perception of illegal practices.

It is difficult to estimate the impact of this project. The maps and the attention they generated, did not result in the expected progress in the existing court cases on illegal deforestation. However, partly driven by this project, corruption in the allocation of palm oil concessions is nowadays a political issue which is taken seriously in certain localities.