



CASE STUDY

WWF FUTURE FOOD TOGETHER



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Buy what's Good – Tackling sustainable production through consumption in Indonesia

Indonesia, with a population of 270 million in 2020, is the greatest economy in the South East Asian region. The country, a diverse archipelago of 30 islands across 5000kilometers, has experienced staggering economic growth in recent years, with annual average of 5% between 2015-2019¹, which has greatly transformed parts of the country and cut the poverty rate in half, to just under 10%. Growth was driven by various structural policy reforms, including infrastructure development, improving logistical efficiency, and promoting exports, and has contributed to an unprecedented expansion of the agriculture and food sector, and particularly of palm oil. Palm oil is the world's most produced vegetable oil due to its versatility – used in everything from chocolate, detergent, to diesel fuel – and to its unchallenged high yielding properties when cultivated in tropical latitudes.

Indonesia has the third largest tropical rainforest on the planet (94.1 million hectares), as well as the largest tropical peatlands (14.9 million hectares) and mangrove forests (3.31 million hectares). These natural resources store enormous amounts of carbon².

Challenges and Objectives

Strong market forces, supported by national development strategies, led the unprecedented palm oil expansion across Indonesia, which became the world's largest producer and exporter. The commodity's boom has come at an incredible cost to nature, through the conversion of immense extensions of tropical forest and peatland in one of the world's most unique biodiversity hotspots. Land clearing and burning causes Indonesia's land use and forestry sectors to frequently account for most of the country's greenhouse gas (GHG) emissions - up to 79% in 2015³ – rendering Indonesia the world's 5th GHG emitter.

Social issues have also been associated to palm oil. While economic benefits from palm oil have contributed to rural poverty alleviation, the jobs generated have frequently been characterized by precariousness and exploitation⁴. Land conflicts with local communities and indigenous peoples have been routinely reported. The project aimed to mitigate Indonesia's GHG emissions by intervening not only at production level, but all along the value chain to address challenges at consumption level. Indonesia consumes ca. 30% of the palm oil it produces, and of that, ca. 60% is used as cooking oil⁵. By using palm oil as an 'entry point' issue - given that consumers are prone to relate more to local impacts - the project aimed to raise awareness on the linkages between consumption choices and impacts, stimulating more responsible purchasing. Surveys revealed that the average Indonesian consumer is not aware of the impacts of their consumption choices, and only 16% were aware of sustainable palm oil. Promisingly, demand for sustainable products has been increasing in Indonesia, but supply remains insufficient⁶. Without more supply, prices of sustainable products remain high, a key barrier alleged by consumers for adopting an eco-friendly lifestyle.

Quick Facts

- Location: Indonesia
- Duration: 2017 - 2021
- Organization: WWF Indonesia





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Trade-offs and Synergies

The main trade-off palm oil presents in Indonesia is between economic profit generation - and the jobs generated - and the destruction of uniquely biodiverse natural ecosystems and the services they provide to people. The jobs and livelihoods palm oil contributes to are argued to justify the negative environmental externalities. However, while palm oil generates jobs, these are frequently precarious, tainted by exploitation. Palm oil is considered to be the cheapest vegetable oil because of its high yield properties, but reports suggest that exploitative employment conditions are important in determining price.

The use of Indonesia's vast tracts of degraded land paired with sustainable intensification have been suggested to minimize the "economy vs. environment" trade-off. While government policies do not tackle palm oil's social and environmental impacts, RSPO⁷ certified production can ensure trade-offs are minimized as the standard includes environmental, labour and human rights provisions. Recognition by businesses and consumers of sustainability standards could help drive the demand of sustainable products.



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Strategy

The project promoted the integration of sustainable consumption and production (SCP) principles into business practices, government policies and consumer choices:

- **Business Sector:** Companies were encouraged to commit to incorporating sustainability principles into their strategic plans and operations. Working closely with the Indonesia Business Council for Sustainable Development (IBCSD), the project initiated a process to develop sustainable procurement guidelines for the private sector.
- **Consumers:** The project built upon WWF Indonesia's consumer campaign "[Beli Yang Baik](#)" (Buy what's Good) to convey the concept of sustainable consumption to the Indonesian public. One key strategy was to cooperate with a range of civil society organizations to increase the reach of the campaign, such as the Earth Hour community and the Indonesian Organic community. To raise awareness on the negative consequences of conventional palm oil production, [media trips](#) were conducted to visit production sites in West Kalimantan.
- **Policymakers:** The project provided support to policymakers in advancing the country's climate targets by developing strategies to reduce GHG emissions in the palm oil sector. For instance, an analysis was performed of Indonesia's Nationally Determined Contributions (NDC) and mitigation measures for the agricultural sector were developed with the participation of the government, the private sector, scientific institutions, and civil society organizations. At the provincial level, the project worked primarily in West Java to advance the integration of SCP strategies into government plans.

Tools

- Activities such as movie screenings, eco-markets, workshops, and cooking shows in offices and schools were used to communicate the messages of the "Beli Yang Baik" campaign. The project partnered with Kompas Radio Network and Nova.id to host communication events such as talk shows.
- The project sought to bring together different stakeholders in collaborative spaces, e.g. by facilitating business platform formation and exchange.
- Sustainable sourcing guidelines were developed, with infographics and in video format in order to reach broader audiences.



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Lessons Learned

The project's approach of engaging businesses in high-level meetings facilitated collaboration between retailers and brand owners leading to corporate commitments between SuperIndo and RSPO suppliers that were materialized. Over the project period, it became apparent how leading companies exert influence over other actors, such as smaller private sector businesses in value chains. Experience has shown that it is critical to assess the capacity, commitment, and readiness of community partners up front to ensure that they are capable of implementing project-related activities.

Results

A major achievement of the project was the introduction of sustainable palm oil in cooking oil products in collaboration with one of the largest supermarket chains in Indonesia, SuperIndo. Based on an analysis of sustainable business models and through partnering with the IBCSD, the Green Lifestyle platform was created. Also with IBCSD, the [Sustainable Sourcing Guidelines](#) were published in 2020 and nine companies from a range of sectors (food retailers, hospitality, consumer goods, etc.) pioneered to implement them. Within the government workstream, a Memorandum of Understanding was signed in 2019 between WWF-Indonesia and the Government of West Java Province. The work plan focuses on increasing public awareness on sustainable palm oil by collaborating with community organizations; the reforestation of the Ciliwung watershed area; strategies to decrease plastic waste; energy saving; and environmental education in schools. The project produced an analysis of Indonesia's Nationally Determined Contribution (NDCs) and recommendations on mitigation actions for the agri-food sector that were presented in various workshops and focus group discussions to decision-makers in key organizations.



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Conclusions

Due to the economic benefits palm oil brings to Indonesia - a fast-growing emerging economy still dealing with vast disparities and high levels of poverty - there is still great resistance to align development policies towards climate and SDG targets. The project therefore focused on influencing consumers to stimulate the demand of sustainable products, while working with companies to encourage action that would increase their supply and supporting governments with policy recommendations to address the palm oil sector's sustainability challenges. In doing this, a wide range of stakeholders were continuously brought together to promote the adoption of these recommendations, following a participatory approach, fundamental when aiming to implement holistic solutions for complex challenges. A long path must still be walked for Indonesia's palm oil and agri-food sector, but pilots with domestic products like Superindo's cooking oil are essential to transform local consumer, business and government mindsets.

¹ <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=ID>, last accessed August 9th, 2021.

² <https://www.worldbank.org/en/country/indonesia/overview#1>

³ Implementation of Nationally Determined Contributions Indonesia Country Report. Mersmann, Florian et al. 2019.

⁴ https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2017-10-26_climate-change_24-2017_country-report-indonesia.pdf.

⁵ <https://www.theguardian.com/news/2019/feb/19/palm-oil-ingredient-biscuits-shampoo-environmental>

⁶ <https://www.thejakartapost.com/news/2020/09/17/indonesias-palm-oil-sector-relies-on-domestic-demand-as-exports-drop.html>

⁷ Final Consumer Survey WWF SCP Indonesia, 2021. https://www.wwf-scp.org/wp-content/uploads/2021/10/ID_final-consumer-survey.pdf.

⁸ The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 to promote the production and use of sustainable palm oil.



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