
[Good news from Indonesia on oil palm!!!](#)

The development of the oil palm industry in Indonesia is associated with murder, human rights violations, destruction of local communities and local cultures, and forest loss. Many local communities and NGOs have been struggling against this destructive industrial model for years, both at the local and at the international level. This struggle has recently resulted in a very important success which needs to be shared with all those involved in similar struggles.

In Indonesia, the development of the oil palm sector began in the 1970s. Between 1995 and 1999, the Indonesian government approved domestic and foreign investment projects, which triggered foreign bank loans to this sector. Foreign lenders included --among others-- Dutch banks ABN AMOR, Rabobank and Fortis, which thus became involved in financing oil palm plantation companies responsible for the destruction of tropical rainforest and the livelihoods of local communities dependent on those forests.

During 1997/98, 10 million hectares of forest lands were burned in Indonesia. The haze that covered the region for several months affected the health of some 70 million people in Southeast Asia. Rather than calling for greater fire fighting capacity in Indonesia, environmental NGOs sought a fundamental solution to combat the fires and went after the financial backers of the oil palm industry in Indonesia, the sector that was widely held accountable for causing the forest fires.

As a result of this joint campaign by Sawit Watch, Friends of the Earth/Netherlands and Greenpeace/Netherlands, three of the major Dutch banks (ABN AMOR, Rabobank and Fortis) have decided to stop financing or substantially restrict the financing of the development of oil palm plantations which purposely destroy tropical rainforests.

The NGOs demanded that the banks adopt a sustainability criteria for investments in the oil palm sector. The three banks declared that they subscribed to the investment criteria as put forward by the NGOs. Oil palm companies submitting investment proposals to these banks now need to adhere to the following basic requirements:

- No deforestation
- No forest burning
- Act within the legal framework
- Respect the right and wishes of the local communities.

Sawit Watch, the Indonesian NGO network that is campaigning against large scale expansion of oil palm plantations, has called upon all banks in the world, including Indonesian banks, to follow the steps taken by these Dutch banks. We sincerely hope that positive action in this respect is implemented, not only in Indonesia, but also in the rest of the countries where industrial scale oil palm plantations are being promoted.

