**The oil palm issue in the vote of the Free Trade Agreement between EFTA countries and Indonesia (Switzerland, 7 March 2021)**

The OPAL\* project has been working for the last six years with oil palm smallholders, companies, conservation organisations, district officials, and government ministers of oil palm growing countries. In view of the upcoming vote in Switzerland, we would like to present below our point of view with regards to the production and trade of oil palm. We do not give any voting recommendation, nor do we position ourselves with respect to trade agreements in general. Rather, we present our interpretation of the implications resulting from an approval or a rejection of the agreement.

If the trade agreement between EFTA countries and Indonesia enters into force, we can reasonably suppose that the amount of Indonesian oil palm imported into Switzerland will increase.

If the trade agreement is rejected, then the imports of Indonesian palm oil into Switzerland will most likely stay at the same very low level. Switzerland will continue to source oil palm from other countries.

1. **Impact of other oils**. Oil palm is one of several vegetable oil commodities that have had substantial negative environmental and social impacts. We advocate efforts to improve the sustainability of palm oil production. We emphasise, however, that it is inappropriate to focus only on palm oil without also considering the environmental and social impacts of alternative vegetable oils. Restricting palm oil imports will likely require substitution from other vegetable oil commodities. Some of these commodities also have substantial negative environmental and social impacts that are at least comparable to palm oil (see article from 2018: [Substitutes may make matters worse](https://ethz.ch/en/news-and-events/eth-news/news/2018/10/blog-manoli-palmoel.html) (ETH Blog) / [Die Alternativen zu Palmöl sind noch schlimmer](https://www.tagesanzeiger.ch/ausland/standard/wenn-die-alternativennoch-schlimmer-sind/story/23690382) (Tagesanzeiger)). Blocking oil palm imports might therefore simply shift environmental and social impacts to other tropical localities if palm oil is substituted by soy, coconut, or other such crops. We argue it is important to do a full environmental and social impact that takes account of product substitution prior to any decision.
2. **Less leverage without agreements.** Preventing oil palm imports with oil palm producing countries such as Indonesia will lead to a loss of Swiss leverage and influence through existing collaborations. While we recognise that oil palm production continues to be environmentally and socially damaging in many contexts, we also highlight the many improvements in production, supply chain processes, and certification, in the palm oil industry, which have resulted, in part, through the scientific and political dialogues established between Switzerland and major palm oil producing countries. While a barrier on palm oil imports will send a strong message to producer countries, it could also undermine existing and ongoing efforts to work constructively with those countries to improve the social and environmental sustainability of commodities such as palm oil.
3. **Shift to less discriminatory markets.** A barrier on palm oil imports into Switzerland will likely encourage producers to seek markets elsewhere, and particularly in countries that are less discriminatory in terms of social and environmental standards. Once such markets are developed and established, it will be far more difficult to improve management practices in producer countries and companies.
4. **Our project in Indonesia**. The OPAL project has been working with stakeholders in Indonesia at local and district scale to guide and foster increased consideration and implementation of sustainability concepts at all levels and among various actors. While there is still much to do, the OPAL project has contributed to improvements in sustainability systems and criteria (i.e. independent certification and monitoring), smallholder’ integration into sustainable supply chains, and policy processes that seek to enhance management of landscapes and environment. Engagement of Indonesian governmental and private sectors with NGOs and academia has been an important part of this process. Blocking oil palm imports from Indonesia could undermine and even reverse such successes, built through collaborative Swiss-Indonesian ventures, which could ultimately slow the drive to sustainability.

We recognise that there are strong and passionate arguments on both sides of the palm oil issue, and we do not claim that there is a right or wrong position in this highly complex issue. In recent years there have been improvements towards sustainable palm oil, but there is still much more to do. We believe that continued constructive engagement with producer countries will be more effective in reaching sustainability goals. The OPAL position is to maintain such constructive dialogue through collaboration.

\*The Oil Palm Adaptive Landscapes Project (OPAL) is an SNSF/SDC-funded project led by the Professorship of Ecosystem Management and the Forest Management and Development group at ETH Zurich. The project has been working in producer countries in Asia (Indonesia), Latin America (Colombia) and Africa (Cameroon). The project includes as partners international institutions (CIFOR, CIRAD and WWF), universities (Pontifical Javeriana University, IPB University, and EPFL Lausanne), oil palm advisory service (NES Naturaleza), and several local grower associations. The project has sought to understand the socioecological factors shaping transformations in oil palm landscapes, and to identify and promote levers of change to steer palm oil production systems and supply chains towards sustainability.

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