



The Palawan Oil Palm Geotagged Report 2013

The environmental and social impact of oil palm expansion
on Palawan UNESCO Man & Biosphere Reserve
(The Philippines)

CALG (Coalition against Land Grabbing)
member of



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**“THE PALAWAN OIL PALM GEOTAGGED REPORT 2013”
THE ENVIRONMENTAL AND SOCIAL IMPACT OF OIL PALM EXPANSION ON
PALAWAN UNESCO MAN & BIOSPHERE RESERVE
(THE PHILIPPINES)**

***A case study by CALG (Coalition against Land Grabbing) and
ALDAW (Ancestral Land/Domain Watch)***

with the support of

Rainforest Rescue (Rettet den Regenwald e.V.)

“A shared aspiration of our indigenous communities in Palawan is to nourish culture and traditions in our own ancestral territories through a sustainable management of our natural resources, so to ensure the continuation and transmission of a wealthy culture in a bountiful environment, while confronting and taking advantage of ‘modernity’ in our own terms. The entrance of oil palm corporations into our indigenous territories and community conserved areas is hindering and jeopardizing this basic and legitimate aspiration while impoverishing our people to an unprecedented level”.



A. INTRODUCTION

Between June and August 2009, an ALDAW Mission traveled to the Municipalities of Brooke's Point and Sofronio Española (Province of Palawan) to carry out field reconnaissance and audio-visual documentation on the social and ecological impact of oil palm (*Elaeis guineensis*) plantations. The mission's primary task focused on two major objectives: **1)** gathering data through interviews and ocular inspection; **2)** providing communities with detailed information on the ecological and social impact of oil palm plantations, to allow them to make informed decisions while confronting oil palm companies, state laws and bureaucracy. On this occasion, several videos made by the Indonesia advocacy group "Sawit Watch" were shown to local communities to inform them about the detrimental impact of oil palm plantations in neighboring Southeast Asian Regions.



Successive ALDAW field appraisals in oil palm impacted areas took place in July and August 2010. Audiovisual documentation obtained by ALDAW in 2009 and 2010 was condensed in a 20 minutes video named: "Oil Palm Aggression on Palawan UNESCO Man & Biosphere Reserve" (<http://vimeo.com/16570512>). The video was first shown on August 24 at "the Philippine Meeting on Palm Oil Expansion, Land Rights and Strategies for Change" which was held at the Samdhana Retreat Center in Cagayan de Oro (Mindanao). This initiative was the outcome of a collaborative effort of the Samdhana Institute, the Forest Peoples Programs, the Rights and Resources Initiative (RRI) and other partners.

In 2010 ALDAW also launched an international online petition against mining and oil palm expansion in Palawan (<http://www.petitiononline.com/petitions/PA2010/signatures>) which was signed by about 5700 supporters from all over the world. At the meantime, ALDAW continued to circulate press releases on oil palm expansion in Palawan which were distributed through various international advocacy and research web platforms:

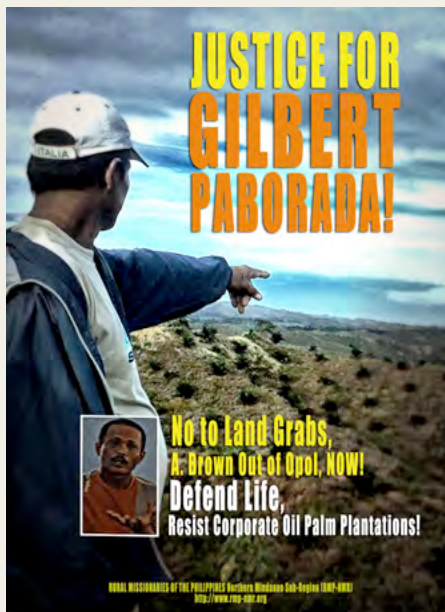
<http://participatorygis.blogspot.com/2010/11/oil-palm-expansion-new-threat-to.html>
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<http://www.plant-talk.org/philippines-expanding-oil-palm-palawan.htm>.

On December 2010, ALDAW in partnership with Rainforest Rescue (*Rettet den Regenwald e.V.*), launched an online petition requesting the Philippine government to stop mining development and oil palm expansion on Palawan Island. A total number of 16,206 signatures were gathered online and forwarded to the concerned government authorities in the Philippines and in Palawan. This action was followed by another joint campaign alert by ALDAW and Rainforest Rescue pressuring the UNESCO to take concrete actions for safeguarding its “Palawan Man & Biosphere Reserve” from environmental plunder. As a result, UNESCO Director General (Dr. Irina Bokowa) forwarded a formal letter of concern on the environmental threats in Palawan to the Secretary of Foreign Affairs, Chairman of the National Commission of the Philippines for UNESCO.

On the same year, thanks to the continuous support of Rainforest Rescue, ALDAW employed a full time community organizer (CO) on oil palm issues. As a result, ALDAW was able to extend its assistance to an additional number of communities impacted by oil palm development, in Southern Palawan.

In July 2011, an ALDAW team visited the Municipality of Quezon, and was able to collect evidences on **a)** the conversion of forest into oil palm plantations, in addition to **b)** the expansion of plantations into an area that local indigenous peoples had officially applied for as their Ancestral Land/Domain.

Additional ALDAW visits to Quezon Municipality took place between November and December 2011. Between 25 and 30 November of the same year, a representative from the well-known advocacy group: World Rainforest Movement (WRM) joined ALDAW during field investigations in oil-palm impacted areas and, on that occasion, valuable discussions took place on how to improve networking between the Palawan-based anti-oil palm struggle and the advocacy carried out on biofuels and monocultures at the international level.



In 2012 ALDAW continued its field investigation in the Municipalities of Rizal and Aborlan where oil palm encroachment on indigenous territories was documented using the same methodological tools (geotagging, video and open-ended interviews).

Towards the end of 2012, the escalation of violence towards the opponents of mining schemes and oil palm plantation in the neighboring Province of Mindanao, led to several extra-judicial killings of indigenous activists such as Gilbert Paborada, an indigenous Higaonon who had led the local struggle against the A. Brown oil palm company.

Gilbert Paborada is said to be the fourth member of the indigenous people's alliance, Kalumbay, to have been murdered by unidentified killers in Northern Mindanao under President Benigno Aquino III administration.

Following these tragic events, ALDAW began considering the possibility of building stronger alliances with the IPs groups of Mindanao in relation to oil palm issues and thus to come up with joint advocacy and campaign strategies against oil palm encroachment. As a result, emails exchanges between ALDAW and local groups in Mindanao began to take place. This preliminary exchange led the Rural Missionaries of the Philippines (RMP) – Northern Mindanao Branch to send one of their representatives to Palawan to meet the ALDAW team. The RMP representative visited Palawan between 22 and 26 October 2012, and was accompanied by the ALDAW staff to oil palm impacted areas. Currently, the Rural Missionaries of the Philippines are strongly supporting local indigenous communities in Northern Mindanao in their opposition against land grabbing and oil palm expansion.

Through the support of Rainforest Rescue which was extended to the years 2012/2013, ALDAW was able to make considerable advances in its advocacy against oil palms such as **1)** assisting local communities in filing their own resolutions against oil palm plantations; **2)** assisting local government authorities of Barangay Ipilan (Brooke's Point Municipality) to draft and submit their own affidavit against oil palm companies; **3)** identifying anti-oil palm contact persons in each community; **4)** collecting geotagging and audio-visual evidences on oil palm expansion; **5)** carrying out awareness building through video-showing and community-based meetings ; **6)** preparing the present study: "Palawan Oil Palm Geotagged Report 2013".

The mission's GPS findings, outlined in Part 2 of this report, consist of selected geo-tagged (or GPS geo-referenced) photos showing the exact location of ecologically fragile areas, agricultural land, forest and indigenous ancestral territories which are being adversely threatened and impacted by oil palm plantations.

Local communities have been lured into believing that oil palm will bring prosperity to their life and a steady income, which traditional agricultural practices could no longer guarantee, especially in view of ongoing climatic changes. Many community members have been made to sign contracts and agreements with the companies without being fully aware of their content. This has led to the leasing and selling of hundreds of hectares of land to oil palm companies.

Currently, there is lack of independent information regarding oil palm development in the Philippines, except for that which is provided by government authorities and oil palm enterprises. Therefore, the aim of this report is to fill this gap, at least partially, thus providing a general overview of the social and environmental impact of oil palm plantations in Palawan. A parallel objective is to give a stronger voice to our indigenous communities affected by oil palm expansion, while assisting them in bringing their concerns and grievances to national and international attention.

Through this report, ALDAW (Ancestral Land/Domain Watch) is making a call for the implementation of more restrictive regulations on oil palm development to halt deforestation, habitat destruction, food scarcity, and violation of indigenous peoples' rights.

B. PALAWAN

b.1 The Province of Palawan and its biocultural diversity

Palawan Province, in the Philippines, has a total land area of 1,489,655 hectares; 690,000 hectares of which are terrestrial forest and 44,500 hectares are mangrove forests. It is located 7°47' and 12°22' north latitude and 117°00' and 119°51' east longitude, bounded by the South China Sea to the northwest and by the Sulu Sea to the east. The main island is nearly 278 miles long (about 435 kilometers) and has a width of forty kilometers at its widest part. It is surrounded by 1,767 islands and islets. Its steep mountainous terrain and the very thin topsoil make the island prone to erosion and landslides.



Palawan had a population of approximately 892,600 in 2007 distributed in its twenty-three municipalities and in the provincial capital city (Puerto Princesa City). Approximately 20 percent of the total population is made of indigenous peoples belonging to three main ethnic groups: Tagbanua, Palawan, Batak (on the main island) and Molbog (on Balabac island).



The primary sources of livelihood and income are: fishing, agriculture, collection of non-timber forest products (NTFPs) and tourism. The southern part of the main island, where most mining and oil palm activities are concentrated, is also inhabited by vulnerable upland communities of the Palawan ethnic group, which are living in partial isolation. Such indigenous communities are the traditional custodians of a unique biodiversity, which also includes 49 animals and 56 plant species, which are globally threatened with extinction, according to IUCN (The International Union for the Conservation of Nature).



It has been estimated that at least 11 of the 25 non-flying mammal species indigenous to the Sundaic region are unique to Palawan, in addition to 14 bird species (Diamond and Gilpin 1983; Heaney 1986). Overall, at least thirty-one animal species found in the province are single-island endemic, and two of them (the Palawan pheasant and two species of swallowtail butterflies) are listed in the International Union for

Conservation of Nature Red Data Book (Collins and Morris 1985). The Philippine crocodile still survives in small numbers along the estuaries of the main rivers.



A botanical survey found 1,672 species of higher plants on the island, discovering an additional 153 species (Hilleshög Forestry A.B., Landskrona 1984). These are distributed within a mosaic of vegetation types, including mangrove forest, beach forest, karts forest, lake margin forest, semi-deciduous lowland forest, forest on ultramafic soil, middle altitude evergreen forest and montane forests (Hunting Technical Services Limited et al. 1985).

Few places in Southeast Asia can match the distinction of the province, home to seven protected areas, a declared “Game Refuge and Bird Sanctuary” since 1967 and a “Mangrove Reserve” since 1981. UNESCO declared the whole Province a Man and Biosphere Reserve in 1990. Included are two World Heritage Sites: the Tubbataha Reef Marine Park and the Puerto-Princesa Subterranean River National Park.



Logging was also once a thriving industry in the province while, today, there is a moratorium on commercial logging. However, illegal logging is still rampant. Palawan is also known for its rich natural gas reserves - the Malampaya gas field located 80km off the coast of Palawan with a capacity of 2,700MW and the Galoc oil field.

Today the areas being threatened by aggressive development include indigenous burial grounds, sacred and worship sites. The local inhabitants perceive the destruction of these historical and natural landmarks as an obliteration of their history and collective memories of the past.

b.2 The Indigenous communities affected by oil palm expansion

In the central part of Palawan and specifically in the Municipality of Aborlan, the Tagbanua are the indigenous communities affected by oil palm expansion. Generally, in this Municipality, indigenous people have been in contact with state authorities and

migrants from several decades and, therefore, are highly acculturated if compared with the indigenous communities living in the hinterlands of the southern municipalities.

Most Tagbanua communities - living along the national road connecting Puerto Princesa City (Palawan capital City) to the Southern Municipalities - have abandoned swidden agriculture and rely on more stable agriculture/agroforestry systems, such as coconuts plantations combined with animal husbandry. Some of them still collect NTFPs for the manufacturing of mats (*banig*) and rolls of woven bamboo for house walling (*sawali*) to be sold in the local markets. Others are the owners of small 'general merchandize' shops.

In the Southern Municipalities, the Palawan are generally divided into two main groupings: the Palawan of the uplands and the Palawan of the lowlands. The first have a more heterogeneous economy based on swidden cultivation, hunting and gathering and collection of NTFPs for sale (see Novellino 2010). The lowland groups (who are the most adversely affected by oil palm development) - aside from subsistence agriculture - also rely for their income on coconut plantations and on the raising of large domestic animals such as buffalos, caws and pigs.



Families are generally composed of two parents and 3-4 children except for young couples. It is difficult to compute the income of these families. Mainly the upland communities only sell and barter certain products such as *almaciga* resin or *copal* from *Agathis philippinensis*, rattan and honey, and their income is minimal.



The lowland groups have a higher income due to the sale of 'copra' (dried coconut to be used for oil extraction). However, lately, oil palm plantations have been accused by locals for spreading several

pests to their coconut plantations. As a result people's income from the sale of

'copra' has experience a reduction up to 50% of the customary production levels. While the upland communities have a better access to forest resources, and thus to wild food, lowland communities often have a less diversified diet, and depend more on food purchased from the outside.

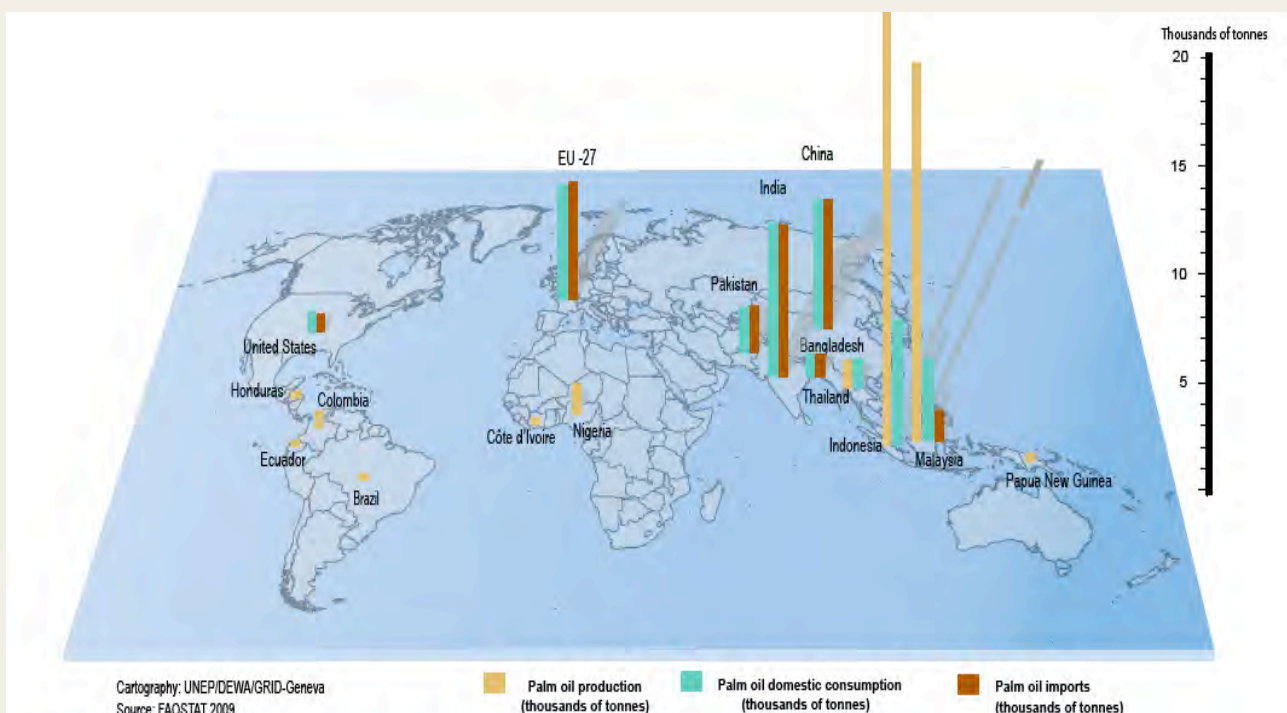


There are gender-based differences in use of, access to, and benefits from natural resources in the area. However, such differences must be understood within the context of an egalitarian society such as that of the Palawan, where the role of men and women are totally complementary to each other.

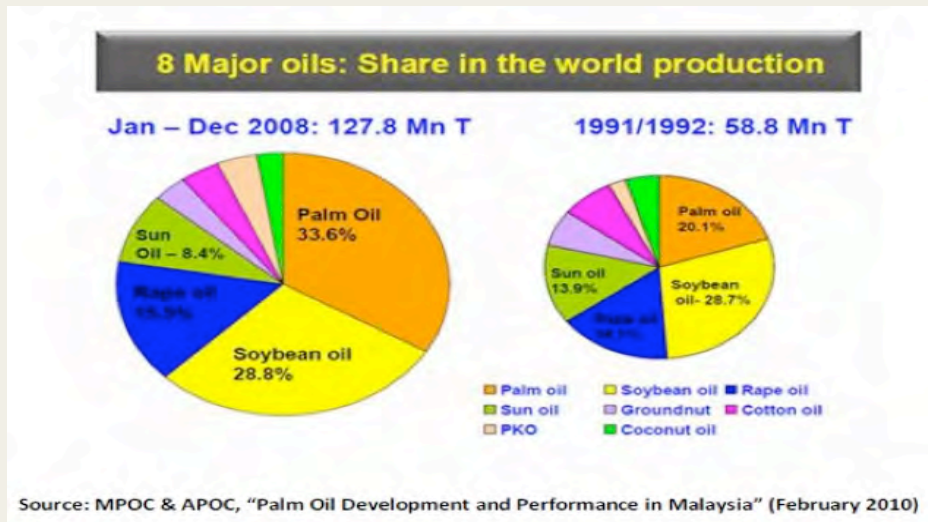
Generally, both men and women work in the fields, and forage for small edible species. However, only men perform certain tasks which require much physical exertion such as the gathering of rattan canes (semi-woody climbers of *Calamus*, *Daemonorops* and *Korthalsia* species) and other commercially valuable NTFPs, climbing coconut palms, hunting large game, etc. This differentiation in the use of resources does not translate in any form of gender discrimination or of prevarication of men towards women.

C. The OIL PALM INDUSTRY: INSTITUTIONAL AND LEGISLATIVE FRAMEWORK

From the time of former dictator Ferdinand Marcos to the actual presidency of President Benigno Aquino III, a rhetorical discourse on the potential benefits of oil palms (e.g. poverty eradication and increased economic independence from imported oil) has set the trend. This discourse has contributed to the depiction of oil palm as the "tree of peace", of "economic growth" and overall the "sunrise industry" (Villanueva 2011: 115).



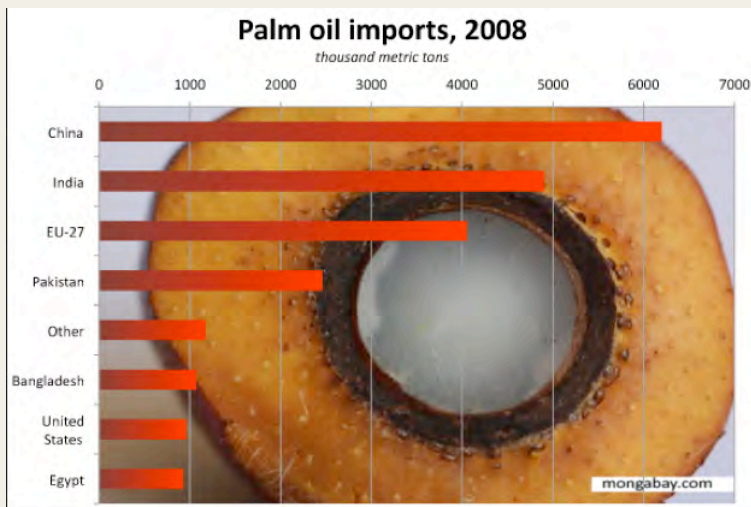
The Department of Agriculture has predicted a possible favorable scenario according to which, in a few years, the Philippine palm oil market will be able to satisfy the domestic demand of edible oil and slowly move into export, thus making the Philippines amongst the key exporters in Asia. According to the same Department the “global demand for palm oil is estimated at 20 million tons per year and it is predicted to double by 2020.” (Villanueva 2011: 115).



In 2008, the Palm Oil price reached a historical highest level of more than US\$1,000 per metric ton. This resulted from the continuous increase in price of petroleum oil and the moves of many countries to go into bio-fuel. However, in the later part of 2008 until the first

quarter of 2009, the palm oil price settled down to its healthy US \$600 level, when the price of petroleum oil had softened. In the same year, although the Philippine crude palm oil production exceeded 50,000 metric tons, it was not enough to meet the local demand. Hence, the country imported about 300,000 metric tons. This volume of crude palm oil import translates to an immediate requirement of 80,000 hectares of mature oil palm plantation to cope with the domestic demand (Proceedings of the National Palm Oil Congress, 2009: 4).





During a meeting between former President Gloria Macapagal Arroyo and oil palm investors, it was established that the Philippines imports around PHP 840 million (about 14 million USD) worth of palm oil. Therefore plans and opportunities were discussed on how to reduce dependency on foreign imports by strengthening the national oil palm industry. Official data indicates that by 2002, the average production of palm oil was of 54,333 metric tons, while

the average consumption requirement was of 94,400 metric tons. The growing demand for palm oil is expected to reach 171,700 tons by 2015 (Department of Agriculture, quoted in Villanueva 2011: 168).

As of June 2009, the total area devoted to oil palm in the country had already reached 46,608 hectares, covering the islands of Mindanao, Bohol and Palawan (Proceedings of the National Palm Oil Congress, 2009: 4).

Estimated Oil Palm Area, 2003, March 2005 & June 2009, Philippines

Regions	2003	As of March 2005	@ June 2009*
I-IV Luzon - Palawan	-	-	3,592
VII- Central Vis.	3,994.15	5,300.00	6,506
IX- Western Min.	0.00	0.00	62
X- Northern Min.	190.00	413.30	1,128
XI- Southern Min.	217.38	244.38	1,217
XII-SOCSARGEN	6,766.81	6,905.81	13,961
XIII- CARAGA	13,461.72	15,404.29	17,252
ARMM	596.89	735.89	2,890
Total	25,226.95	29,003.67	46,608

* Source: Mini-Workshop on Oil Palm Devt in Mindanao, June 18, 2009

Arecaceae

16-Oil Palm



The oil palm, *Elaeis guineensis*, is extensively grown in tropical countries. Two distinct oils come from this plant, one from the fruit pulp and another from the seed. Like the oil found in coconuts, palm oil is high in saturated fats, unusual for a vegetable oil.

A hectare of land may be planted with 120 to 130 oil palms and, according to local experts, a single palm tree can produce up to 45 kg and over. However a poorly managed oil palm will produce much less (e.g. 15 kg. or less). Harvest takes place two to three times a month. The estimated gross income per hectare averages around PHP 9,000 for four to ten year old palms; PHP 72,000 for ten to fourteen year old palms, and PHP 60,000 for fifteen to twenty five year old palms (Villanueva 2011: 173).

Philippine Palm Oil Industry distinguishes three interdependent industry chains that support its operations: upstream, focal and downstream industry. The 'upstream industry' consists of oil palm plantations or those involved in the production of Fresh Fruit Bunches (FFB). The Focal Industry carries out the processing and refining of Crude Palm Oil (CPO) from the FFB after harvesting, handling and transport of the FFB to palm oil mills.

The 'downstream industry' is the secondary and tertiary processing of palm oil products

for the manufacture and production of food, pharmaceuticals, oleo-chemicals and other industrial and household products. CPO refineries produce cooking oils, margarine and other industrial raw materials for tertiary processing. Tertiary processing produces cooking oils, margarine, soaps, cosmetics, bio-diesel, bio-fuel and lubricants among other derivatives from CPO (Villanueva 2011: 122).



As of now, the actual implementation of plantation schemes has never been directly fuelled through state finances but mainly through the initiatives of private investors (owners and heads of palm oil mills/processors and oil palm growers/planters) and with support from other government bodies such as the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of Trade and Industry (DTI), and also of the local government units (LGUs).

Five full operating oil palm mills are already found in Mindanao (Agusan del Sur, Sultan Kudarat, Bukidnon and Maguindanao) and one is found in the Visayas (Bohol province). In Palawan where the Provincial Government has strongly supported oil palm agro-development, an oil palm mill is going through its final construction stages.

Generally, seedlings are imported from Malaysia, Papua New Guinea, Costa Rica and, more recently, from Thailand. Nursery establishment has become a profitable business in itself as the demand for oil palm planting material has grown over the past years. Selling prices offered by oil palm nurseries range from PHP 200 to 280 per seedling. Thus, for one hectare with 136 plants, the cost of planting materials ranges from PHP 27,200 to PHP 38,080 (Villanueva 2011: 127). As a result, the cost of planting materials alone means that smallholders, who do not have financial capital, are dependent on the oil palm companies for financial assistance (ibid)

There are currently five government-accredited oil palm nurseries in Mindanao. These are owned by palm oil mill operators such as AGUMILL, FPPI, ABERDI/Nakeen and KIDI. The Kenram Agrarian Reform Beneficiaries Multi-purpose Cooperative (KARBEMPCO) also owns a nursery, which is located inside their plantation in Sultan Kudarat. Another nursery is run by a private company known as B.H. & Associates in M'lang, Cotabato (Villanueva 2011: 127).

As of now, domestic production of Crude Palm Oil can only supply 25% of what is needed by local industries; the remaining 75% is imported. Based on 2009 industry data of CPO production and consumption, the shortfall in domestic consumption has an estimated worth of importation of palm oil of around PHP 840.03M (USD 14.83 M) (Villanueva 2011: 122). From the 2009 data provided by the Philippine Palm Oil Development Council (PPODC), a total of 46,608 ha have already been planted with oil palm. This is considered a promising prospect since it reflects a 160% increase achieved in a span of only four years. In fact, until March 2005, only around 29,003 ha of oil palm plantation existed (quoted in Villanueva 2011: 123).

In the Philippines, one of the problems that oil palm companies face is the difficulty in acquiring large tracts of lands to be converted into plantations. In fact, as a result of the Comprehensive Agrarian Reform Law (CARL), approved on June 10, 1988, land was distributed to a myriad of farmers for the purpose of enhancing social justice, and access to land sought to promote the quality of life of landless farmers this, in turn, should have boasted agricultural production both on private and public land. As a result, farmer-beneficiaries were given land by the government as evidenced by a Certificate of Land Ownership Award (CLOA).

One of the government requirements to Agrarian Reform Beneficiaries (ARBs) was the forming of cooperatives or associations, in order to enhance solidarity amongst farmers and more coordinated efforts, eventually leading to increased agricultural productivity.

These efforts, in turn, were strongly opposed by landlords, and this led to bloody confrontations between them and the landless farmers.

Today, in those areas where tracts of land are owned individually through CLO awards, oil palm companies are trying to bring fragmented lands and individual farmers together into oil palm cooperatives with which the companies themselves enter into different types of agreements. The nature of these agreements will be discussed further in this report (cf. Villanueva 2011).

By and large, as of now, the production of palm oil in the Philippines is aiming at fulfilling first the requirements of the domestic market and of local food manufacturing industries. As of now, we have no evidence of Philippine palm oil being used to produce biofuel

c.1 The Philippine Coconut Authority (PCA)

The Philippine Coconut Authority (PCA) was created pursuant to Presidential Decree 232 on June 30, 1973. It absorbed and assumed the powers and functions of the then Coconut Coordinating Council (CCC), the Philippine Coconut Administration (PHILCOA) and the Philippine Coconut Research Institute (PHILCORIN). The Philippine Coconut Authority (PCA) was established in the first place as the body mandated to ensure the national development of coconut oil by fostering the direct participation and economic growth of all farmers involved. Subsequently, PCA has extended its mandate also to palm oil and other vegetable oils.

Today, PCA is the sole government agency tasked to develop the industry to its full potential in line with the new vision of a united, globally competitive and efficient coconut industry. Philippine Coconut Authority became an independent public corporation on 14 July, 1976 pursuant to P.D. No. 961, reporting directly and supervised solely by the [Office of the President](#). This Decree was the first codification of the laws dealing with the development of the coconut and other palm oil industry. The Code was revised on 11 June, 1978 by Presidential Degree (PD) No. 1468 ("Revised Coconut Industry Code") which eventually became the charter of PCA as a public corporation.



Finally, on 30 January 1987, pursuant to Executive Order No. 116, the Philippine Coconut Authority was officially declared as an attached Agency of the [Department of Agriculture](#) (DA). The declaration of transfer to DA from the [Office of the President](#) was enacted to provide overall coordination and monitoring of policies and programs of various sectors in agriculture. The attachment was confirmed and incorporated in the Administrative Code of 1987.

Philippine Coconut Authority Chief, Euclides Forbes

It must be noted that above mentioned Presidential Decree 1468 contains important provisions such as the intent of promoting “the development of a globally competitive coconut and other palm oil industry that would contribute to food security, improved income and enhanced participation of stakeholders”. A draft document entitled the “Policy Framework for the Development of Palm Oil Industry” further elaborates on the mandate of the Governing Board of the PCA, and with reference to palm oil, it states that this industry “shall complement the coconut industry” and that “priority in oil palm cultivation shall be given to idle, unproductive and underdeveloped areas”.

By reading this policy document one gain an understanding that oil palm industry can be complementary to coconut palm industry and does not represent therefore a threat to the latter. In addition to this, it is clear that palm oil expansion will mainly take place in areas that are abandoned and on unproductive pieces of land. As this case study clearly shows, oil palm developments in Palawan definitely contradicts some of the basic criteria of this policy framework that, as of now, remains a set of recommendations since the PCA Governing Board has never passed a resolution to approve it (Villanueva 2011: 117). As a result PCA mandate with reference to oil palms is not well articulate and defined.

However in 2003 the PCA Governing Board has established the Philippine Oil Palm Development Council (POPDC) for the purpose of creating a venue for private sectors and different stakeholders to be equally represented on issues dealing with oil palm development. Some of the key tasks of the Council include: **1)** coordinating the planning and implementation of policies and programs to ensure the viability of the oil palm industry, including research and development, **2)** extending technical assistance in farm production and processing, and **3)** promoting trade and market development (Villanueva 2011: 117).

Later, the Philippine Oil Palm Development Council (POPDC) established the Palm Oil Development Office (PODO). The latter, since October 2002, is located at the Coconut Extension Training Centre in Davao City (Mindanao). The PODO, in partnership with the Philippine Palm Oil Industry Council (PPOIC) (a body composed of members of small growers cooperatives and palm oil processors) has been trusted to crafting a six-year Philippine Palm Oil Industry Development Plan (2004-2010) providing indications on the key steps to be taken by the oil palm industry during this period.

It is interesting to note that that the Philippine Oil Palm Development Plan for 2004-2010, crafted in 2003 through the leadership of the Philippine Palm Oil Development Council (PPOIC), emphasizes the value of oil palm as a strategic crop for food security, poverty alleviation and employment generation, complementing coconut. In its mission statement, it also points out that the oil palm industry will be able to generate rural employment while ensuring sustainable development. Again, ALDAW findings, as we shall see, show that oil palm development in Palawan is leading, instead, to the impoverishment of local indigenous communities and to the destruction of biological diverse environments.

The Philippine Oil Palm Development Plan also states that the area potentially available for oil palm development nationwide include about 304,000 ha of idle and underdeveloped lands. However, what the plan fails to consider is that most of the so called ‘idle’ and ‘underdeveloped land’ include areas that are utilized by the rural and

indigenous populations for different purposes (gathering of NTFPs, medicinal plants, swidden cultivation, etc.). These areas also incorporate river sources providing potable water to rural households.

c.2 The Bio-fuels Act

The same official rhetoric on the benefits of oil palm development has been used by the government to uncritically promoting agrofuels development. Again agrofuel plantations have been presented to the public opinion as the solution for reducing energy-dependence, and as a viable tool for lowering greenhouse gas emissions (GGEs) while alleviating rural poverty. On the one hand, the legislation aims at offsetting the use of fossil fuels in the transport sector and curb greenhouse gas emissions. On the other hand, it pushes for an increase in the demand for biofuel crops, resulting in displacement of already strained food crop lands (Boddiger, 2007; Mitchell, 2008; Rosegrant, 2006; see also McMichael, 2010) and standing tropical forests (Danielsen et al., 2008; Fargione, Hill, Tilman, Polasky, & Hawthorne 2008; Koh & Wilcove 2008; see also O'Connor 2008).



The Philippines is the first country in Southeast Asia to have enacted legislation on biofuels, hence it has been recognized as a model for decisive biofuel mandates across Asia and in the developing world (Ho, 2008).

During the 2005 State of the Nation Address, Pres. Macapagal-Arroyo asked Congress to pass legislation on alternative sources to achieve energy independence. Republic Act 9367, also known as the Bio-fuels Act, was ratified by the two Houses of Congress in 2006. R.A. 9367 prescribes a minimum 1% biodiesel blend and 5% bioethanol blend by volume in all diesel and gasoline fuels being distributed and sold in the country (see Villanueva

2011: 214). The primary mandate to implement this new law was given to the Department of Energy (DOE). This, in turn, led to the establishment of a National Bio-fuels Board (NBB) composed of various national government agencies/bodies in charge of overseeing the government's alternative fuels program and to ensure the supply and quality of bio-fuels.

Based on the research on agro-fuels carried out by Alternate Forum for Research in



Mindanao (AFRIM), the Medium Term Philippine Development Plan (MTPDP) for 2004 to 2010 identified two million hectares of land for agri-business purposes. At least 429,000 ha of these lands are considered suitable for bio-fuel cultivation. Some of the crops identified as sources of feedstock for bio-diesel are oil palm, coconut and jatropha (*Jatropha curcas*), whilst sugarcane and cassava are the primary sources of bio-ethanol (quoted in Villanueva 2011: 118).

Overall R.A. 9367 is rather weak in terms of concerns and measures to mitigate forest degradation from land conversion into bio-fuel plantations. Only in section 2 (declaration of policy or objectives) it is mentioned that one of the objectives of the law is to “*ensure the availability of alternative and renewable clean energy without any detriment to the natural ecosystem, biodiversity and food reserves of the country.*”

Compared to other laws dealing with environment and development, the Biofuels Act remains very weak with reference to forest conservation. Even the Philippine Mining Act of 1995 (RA 7942) whose repeal has been invoked by advocacy groups such as Alyansa tigil Mina (ATM), has an entire paragraph in Section 19, which stipulates the biodiverse areas that are closed to mining applications. It also makes reference to the National Integrated Protected Areas System (NIPAS) Act of 1992, which define areas protected from development. These important provisions are nowhere to be found in the Biofuels Act (see Villanueva 2011).

Considering the paucity of R.A. 9367 with reference to issues of environmental protection, it is particularly worrying to note that, by the end of 2007, there were about PHP34.08 billion worth of proposed investments related to agrofuel production with 15 firms from Australia, Japan, United States, China, the United Kingdom, Germany and India as prospectors. Taken together, these projects cover about 725,300 hectares, which may be planted with sugarcane, cassava, jatropha, corn, oil palm and coconut (Dalabajan 2009: 7). Of the total said amount, PHP19.19 billion is set aside for the cultivation of crops while the remaining sum (PHP14.9 billion) is allocated for ethanol distilleries, biodiesel refineries and related facilities (ibid).

Reliable sources indicate that, in August 2008, the Land Bank of the Philippines and the *Philippine National Oil Company Alternative Fuels Corporation (PNOC-AFC)* signed an agreement to invest P5 billion to P10 billion for financing the jatropha development program (ibid). The same source shows that emerging biofuel industry in the Philippines has led to several bilateral agreements with China alone. These are **(a)** Memorandum of Agreements (MOAs) between the Nanning Yongkai Industry Group and B.M. SB Integrated Biofuels Company on joint venture to establish bioethanol plants in the country, **(b)** MOA between China National Constructional and Agricultural Machinery Import and Export Corporation (CAMCE) and Palawan Bio-Energy Development Corp, **(c)** MOA between One Cagayan Resource Development Center Inc. and the Nanning Yongkai Industry Group to develop bio-ethanol plants that would each have a capacity to produce at least 150,000 liters a day, **(d)** Memorandum of Agreement between Negros Southern Integrated Biofuels Company and Nanning Yong Kai Industry Group Co., Ltd. for the supply machineries and equipment to manufacture bioethanol (Dalabajan 2009: 8). As Dante Dalabajan (2009: 8) has observed “the Biofuels Act of 2006 (RA9367) deserves careful scrutiny as it apparently rigs the rules in favor of agrofuel companies. The law, in fact, offers generous incentive packages by way of specific tax, value added tax, water effluents and financial assistance. Moreover, government banks have set aside loan portfolios with very lax requirements for agrofuel projects.

Four months after the enactment of R.A. 9367, the Department of Energy released Department Circular No. 2007-05-0006. This outlines the preliminary implementing rules and regulations (IRR) in pursuant to Section 15 of the Biofuels Act. Later, this was supported by Joint Administrative Order No. 2008-1 (JAO 2008-1), which contains explicit food security provisions and provides the governing guidelines for biofuels and

feedstock production, blending, distribution, and sale. For instance, Section 4.1 of JAO 2008-01 stipulates that 12 cereals (amongst of which corn and wheat) shall not be used for biofuel production. Areas covered by government-funded irrigation facilities, irrigable lands, and irrigated alluvial plains should also be banned from biofuel production. There are other indirect references in JAO 2008-01, such as Section 2 of Chapter 2 on Environmental Compliance Certificates and Section 3 on Free, Prior and Informed Consent for the use of ancestral domains. However, these sections are not explicitly outlined as compared with those related to food security concerns (Montefrio and Sonnenfeld 2011: 16).

Also the most valuable provisions listed in JAO 2008-01 are rendered meaningless by Sec. 2, Chap. 9 of the same law bluntly stating that *“in the event that a conflict arises in the interpretation of the guidelines, it shall be liberally construed by the concerned agencies in favor of the Biofuel Feedstock Producer, and Biofuel and Biofuel Blends Producer, Distributor and Seller.”* (quoted in Dalabajan 2009: 8).

It does not come as a surprise that, in its attempt of ensuring full state support to agrofuels policy, the government engaged most departments in the signing of this law. Signatories of JAO 2008-01, include the Department of Energy (DOE), Department of Agrarian Reform (DAR), Department of Agriculture (DA), Department of Environment and Natural Resources (DENR), Department of Finance (DoF), Department of Labor and Employment (DOLE), Department of Science and Technology (DOST), Department of Trade and Industry (DTI), Department of Transportation and Communication (DOTC), Philippine Coconut Authority (PCA) and Sugar Regulation Administration (SRA) (see Dalabajan 2009: 8.) The National Commission on Indigenous Peoples (NCIP) did also sign JAO 2008-01, with little understanding of how this piece of law represents a potential threat to indigenous communities nationwide.

As a result of negative trends on the global market, and also due to the limited success of biofuel plants abroad, the enthusiasm of corporations and companies to invest in Philippines Biofuels industry has now decreased. The present trend, instead, is towards oil palm development.

D. THE ESTABLISHMENT OF BIOFUELS AND OIL PALM PLANTATIONS IN PALAWAN



In addition to the alarming expansion of nickel mining on Palawan island, indigenous peoples and lowland farmers are now being confronted with the threats posed by oil palm development. Agrofuels in Palawan, as elsewhere in the Philippines, have been portrayed as a key solution to lower greenhouse gas emissions, achieve energy independence, as well as a tool for poverty eradication (Dalabajan 2009).

With these objects in mind, the Provincial Government of Palawan is strongly promoting agrofuels development, without taking into account the socio-ecological impact of such mono-crop plantations, and the concerns of local environmental groups such as the Environmental Legal Assistance Centre (ELAC) and of the Palawan NGOs Network Inc, (PNNI) which were raised during the initial talks and discussion on 2003. At that time, the Provincial Government of Palawan was headed by former Governor Joel Reyes, now fugitive abroad and wanted by ICPO (International Criminal Police Organization) – *INTERPOL*. Joel Reyes, in fact, has been identified as the mandate and organizer of the killing of Gerry Ortega a well-known local environmental journalist murdered in Puerto Princesa City on January 24, 2011.



On 2003, Joel Reyes invited the Agusan Plantations Group (APG) of Companies and the Philippine Palm Oil Development Council (PPODC) to Palawan. Starting on February of the same year, several visits were carried out to conduct assessments on the potential of Palawan for palm oil project. Some of these findings were presented during a forum held at the Palawan State University (PSU), which was attended by government officials, investors and NGOs. Around October 2004, the Agusan Plantations Group of Companies

began intense consultations with local stakeholders at the barangay level, collecting additional information and setting the bases for its future operations. Finally, in barangay Maasin (Municipality of Brooke's Point) the company was able to identify the site for the construction of the oil palm mill, which was donated by the Municipality of Brooke's Point.

On January 2004, the Palawan Palm Oil Industry Development Council (PPOIDC) was established through a provincial legislation (Provincial Ordinance No. 739-04). The Council's mandate is to enhance the economic prosperity of the agricultural industry. Its key tasks include: **1)** the formulation of policies and plans for the development of the palm oil industry in Palawan and for advising the Sangguniang Panlalawigan (Provincial Government) on these policies and plans for appropriate consideration and approval; **2)** advocating the promotion and institutionalization of the palm oil industry development in Palawan; **3)** encouraging investments and promotion of palm oil industry development, particularly the establishment of milling plants/refineries and seed farmers; **4)** monitoring, evaluating and recommending measures in the implementation of the programs of the Provincial Government on palm oil industry development; **5)** determining the areas suitable for palm trees plantations within Palawan, and; **6)** performing such other duties and functions as may be necessary for the effective implementation of the program (quoted in Villanueva 2011: 169). In 2005, oil palm development was included amongst the priorities listed in the Provincial Development Plan. As a result, thousands of hectares of lands in the province have been set aside for palm oil.

Officially, Palawan became a target of Biofuel development in January 2007, when the Palawan Bioenergy Development Corporation a consortium led by a retired congressman, signed a Memorandum of Agreement with China's CAMCE Engineering Co., Ltd. to develop a bioethanol plant for the province. This was followed by a memorandum of understanding (MOU) signed in March 2007, between the provincial government and the Philippine National Oil Corporation - Alternative Fuels Corporation (PNOC-AFC) with the former agreeing to set aside the initial 10,000 hectares of land for jatropha nurseries and declaring in public that an additional 300,000 hectares could have been made available for plantation. In December of the same year, Spain's Bionor Transformacion committed to invest \$200-million in Palawan for jatropha which would have served as agrofuel feedstock (Dalabajan 2009: 11).

On June 25-26, 2009, the 6th National Palm Oil Congress was held in Puerto Princesa City, Palawan. A total of 332 participants and guests composed of various stakeholders, government and private, of the nation's Oil Palm Industry, including some based in Malaysia, attended the activity. Palawan led the number of participants with 120 or 36% of total.

During the congress, the former Governor Joel Reyes made the following statement *"...the palm oil industry in southern Palawan did not involve destroying our forests because the areas chosen and planted were areas long eroded and all of these areas have been idle for many years...Unlike in other places, the oil palm industry in Palawan is environmentally friendly..."*.



Former Governor's statement being challenged by Agumil's forest cutting in Quezon

He also expressed his firm faith that oil palm could indeed lead to sustainable peace and enhanced economic stability because *"... we all know that poverty breeds insurgency. Palm oil is viewed as an economic potential. It will generate foreign exchange and above all help overcome poverty and reduce insurgency."*

During the same congress, Mr. C.K.Chang, of Agumil Phils., Inc. asked the local government to do its part in developing the industry in its province, claiming that what the company really wanted from the Provincial Government was not money but rather the absence of bureaucratic constraints and no 'red tape'.

Four years later from that statement, one may easily come to the conclusion that Mr. Chang's request has been fully fulfilled by the Palawan Provincial Government, but at the expenses of the environment and of traditional livelihoods. In short, the request of "no red tape" and "no bureaucracy" has translated in a massive and uncontrolled conversion of biologically diverse environments into oil palm monocultures, which mostly benefit their proponents rather than the local communities.

d.1 Companies' Profile, Investments and Projects

A study carried out by the Philippine Coconut Authority (PCA) and the Palawan Palm Oil Industry Development Council (PPOIDC) for foreign investors reveals that out of the 454,405 ha of agricultural area in Palawan, almost half (208,997 ha), are suited for oil palm plantations (Villanueva 2011: 166). Similarly, also the Provincial Government has provided excessive estimates for the land available for oil palms in Palawan. Specifically, 80,000 hectares are said to be suitable for oil palm plantations and this estimate is four times higher than the nationally allocated target of 20,000 ha (ibid.). One can easily assume that in its calculation, the Provincial Government has wrongly identified as 'idle and unproductive lands' those areas that, instead, are managed by indigenous communities for different purposes and uses (e.g. traditional farming).

In Palawan, the main oil palm operations are being run by Palawan Palm & Vegetable Oil Mills Inc. and its sister company Agumil Philippines Inc. (API). Most of their resources are being invested in the construction of a milling plant, in planting and expanding oil palm plantations, and in purchasing heavy equipment needed for their operations. At the present, they also rent equipment, such as tractors and bulldozers, from the CAVDEAL construction company.

The two major oil palm companies have been established through a joint venture between Filipino, Singaporean and Malaysian investors, that also engages in the processing of palm oil. As of now, at least 15,000 ha out of the targeted 20,000 ha are being developed by the three companies: the Agusan Plantations Group,

the Palawan Palm and Vegetable Oil Mills Inc. (PPVOMI) and the Agumil Philippines Inc. (AGPI). By December 2005, PPVOMI was organized and registered as a local company and part of the Agusan Plantations Group of Companies. The company began official operation in January 2006. The target area for oil palm development spans over the municipalities of Aborlan, Narra, Quezon, Sofronio Española, Brooke's Point, Rizal and Bataraza, all of which are in Southern-Central Palawan.



Official data on the Palawan oil palm operation project components to be implemented by the Palawan Palm & Vegetable Oil Mills Inc. (PPVOMI) and AGUMIL Philippines, Inc. (AGPI) reveals the following costs' breakdown: Palm Oil Mill - Cost: PHP 390,000,000.00, Oil Palm Nursery – Operation: PHP 49,043,817.08, Oil Palm Plantations – Operation: PHP 84,682,694.2. Total project cost: PHP 523,726,511.33 (Villanueva 2001: 170).

Recent press releases have confirmed that the Palawan Palm & Vegetable Oil Mills Inc., which is 60 percent Singaporean and 40 percent Filipino-owned, will sell 100 percent of its production to its sister company Agumil Philippines Inc. (AGPI), which is establishing and will operate an oil mill in barangay Maasin, Municipality of Brooke's Point, for the processing of crude oil palm and palm kernel. AGPI, which is 75 percent Filipino-owned and 25 percent Malaysian, will also undertake the export of at least 70 percent of its production to Singapore, China and Malaysia. This information, indeed, comes as a surprise, since the Provincial Government of Palawan has always claimed that the proceedings of palm oil manufacturing in Palawan would mainly benefit local Palawanos and, the Philippine domestic market as a whole.

According to the same source, Palawan Palm & Vegetable Oil Mills Inc., and its sister company Agumil Philippines Inc. (AGPI), have registered their respective projects with the Philippine Board of Investments. In terms of land conversion, during the project's first phase, 950 hectares out of the total 3,650 hectares leased farmland in the southern part of Palawan – has been expanded at a cost of PHP217.265 million. AGPI, which will serve as the processor of the crude oil palm and exporter to China, Singapore and Malaysia, will invest PHP431.828 million for the establishment of processing facilities in Palawan. The same press source reveals that

the second project phase will involve 1,300 hectares, with actual planting taking place between 2010 to 2012, while the third phase will further develop 700 hectares (planting period 2011-2013). During the fourth and final phase an additional 700 hectares will be planted.

The ALDAW research team was unable to get precise information on the costs invested in oil palm plantations by other secondary stakeholders such as the Cavite Ideal International Construction and Development Corporation (Cavdeal). This is a constructions firm, now turning into palm oil business and, according to some sources to be further verified, the company has purchased several hundreds hectares in the Municipalities of Brookes' Point and Sofronio Española. Cavdeal is involved in a road-building project in Southern Palawan costing PHP 1.8 billion. The company head office is based in Cavite (Province of Luzon) and it is owned by Mr. Lamberto Lee, Jr. The construction firm became controversial when it was blacklisted by the World Bank for "collusive practices" involving the bidding for the Philippines' National Road Improvement and Management Program (NRIMP) Phase 1 (Villanueva 2011: 172).

Also COH, an enterprise owned by a local Chinese businessman has purchased about 700 hectares in southern Palawan to be developed in oil palm plantations.

d.2 Areas Covered by Oil Palm Plantations and Ongoing Expansion



All plantations are managed and owned by individual self-financing growers, cooperative out-growers and PPVOMI. PPVOMI plantations constitute around 25% of the total area planted, while the remaining 75% are plantations belonging to the contract growers of AGPI, most

of whom are cooperatives with very few individuals (Villanueva 2011: 174).

A triangulation of data from different sources would suggest that, as of now, the overall area converted into oil palm plantations in Palawan exceeds the 4,000 hectares. This however, appear to be an underestimation as it does not take into account the number of hectares that are now being subject to clearing and planting and that cannot be detected in the companies' own records and in the provincial government official reports.

Oil palm expansion is ongoing and it should include also 10,000 ha provided by the Iwahig Prison and Penal Farm of Puerto Princesa Municipality (PPM) and around 1,500 ha offered by the City Government of Puerto Princesa (Villanueva 2011: 174). It is surprising that PPC City government, who is headed by well know environmentalist Hon. Mayor Edward Hagedorn, has opened its Municipality to oil palm expansion.

As of now, data on oil palm expansion in PPM still needs to be validated by field assessment and ocular inspection.

d.3 Companies' infrastructures and assesses

d.3.1 Nurseries

The nursery established and managed by Agumil Philippines Inc. is accredited with the Philippine Coconut Authority (PCA) and it is located within seven of the thirteen ha project site in Bgy. Maasin. It supplies both out-growers and plantations. Specifically, seedlings are provided to growers as part of their loan, for a price of about PHP 117/118 each.



The nursery was first established using around 600,000 pre-germinated seedlings from a supplier company known as New Britain Palm Oil Limited located in Kimbi, Papua New Guinea, the world's fifth top supplier of palm seedlings (Villanueva 2011: 173)

In the 80,s, after the discovery of the new yellow Ringspot Virus Disease and the outbreak of brontispa, the Philippine Government banned the importation of planting materials. The ban, however, was lifted in the middle of 2008.

In principles, strict regulations should govern the activities within the nursery, with particular reference to quarantine requirements and to the guidelines on the importation of oil palm planting materials of the Bureau of Plant Industry (BPI). This entail that seedlings grown and dispersed to growers should be absolutely free from common pests such as Chlorotic Ringspot virus, Lethal Yellowing and *Brontispa longissima* (Villanueva 2011: 173).

In spite of these requirements and prevention measures, members from indigenous communities claim that they only began to experience pest attacks to their coconuts after the establishment of oil palm plantations. The general perception amongst local coconuts farmers is that pests have spread from oil palm plantations to their coconuts, leading to massive decrease in production and to the death of hundreds of previously productive coconuts. This topic will be discussed further in this report.

d.3.2 Oil mill

The mill plant will be able to process 15 tons/hour of oil palm nut to crude palm oil, and its construction is now moving towards the final stage. It is assumed that the mill will be



able to process the Fresh Fruit Bunches (FFB) of the whole 15,000 ha oil palm area. Two plant products will be processed by the mill: Crude Palm Oil (CPO) and Palm Kernel (PK) which will be sold to well-known firms such as the San Miguel Corporation and the Philippine Refining Company (see Villanueva 2011. 175).

Company's security guards forbade the ALDAW team from entering the area of the oil palm mill in barangay Maasin. As a result, the investigation team was not able to determine the actual stage of construction of the mill nor it was able to verify whether part of the fresh fruit bunches, coming from various plantations, are actually being processed in the area

E. COMPANIES' STRATEGIES TO GAIN OFFICIAL PERMITS AND CONTROL OVER LAND

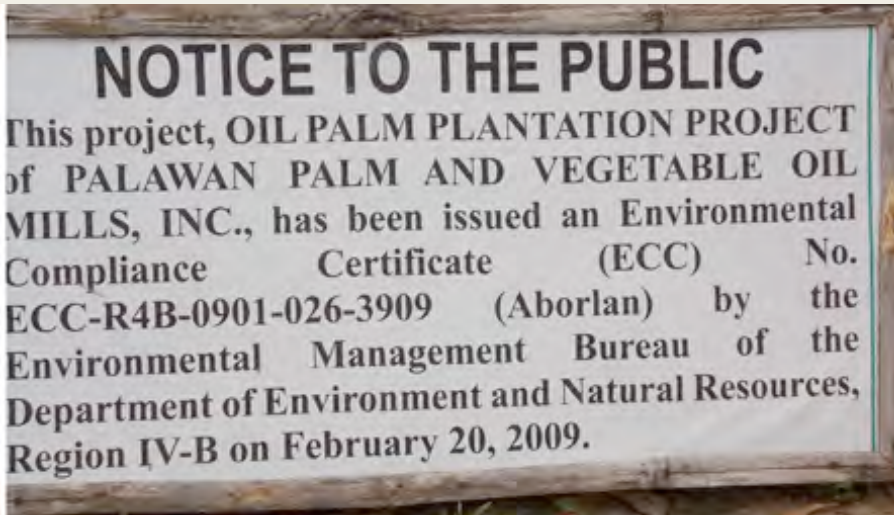
There is a scarcity of public records showing the processes and procedures leading to the issuance of land conversion permits and environmental clearances to palm oil companies in Palawan. The scarcity of information on these procedures suggests that there is a high level of paucity on key information that should be made publically available but that, in fact, are rarely disclosed. As of now, there is no clear evidence that all proper bureaucratic/legal procedures leading to land conversion into oil palm plantations have been duly followed. From a merely bureaucratic point of view one may argue that oil palm companies have secured the needed Environmental Clearance Certificates (ECCs) from the Department of Environment and Natural Resources (DENR) and Strategic Environmental Plan (SEP) clearances from the Palawan Council for Sustainable Development (PCSD). On the other hand, ALDAW field assessment has revealed that land acquisition procedures and land clearing by oil palm companies have disadvantaged and marginalized lowland indigenous communities, while massively contributing to the erosion of biodiversity.

This case study indicates that the majority of indigenous communities' members, who have 'rented' portions of their land to the oil companies, had no clear understanding of the nature of such 'agreements' nor do they possess written contracts countersigned by the companies. Not only indigenous people rights, but also those of the contract growers, seem to have been violated to various degrees. For instance a look at the Management Services Agreement signed between Agumil Philippines Inc. (AGPI) and the Contract Grower (Cooperative or Individual) shows a number of conditions, which place growers in a position of disadvantage. For instance it is interesting to note that, according to such agreements, the compliance with labor laws is the sole responsibility of the grower. Farmers' ability to cope with food shortage and harvest failure is put at risk, since they are not allowed to intercrop other crops inside the plantations without the permission of the company; furthermore wet-rice intercropping is not allowed.

Growers are particularly vulnerable since the management of their land under oil palm regime may be handed over to AGPI, if the company is not satisfied about the way in which the land is being managed. AGPI also applies management fees to growers for covering various costs, such as the so called 'project restoration'. Moreover AGPI will only return the management of the project to the growers upon the expiration of the term of the Management Services Agreement. By that time, the land converted into oil palm is likely to have been rendered infertile by the excessive use of chemicals, and depletion of nutrients. Hence the restoration of such land into productive cropland may become an impossible task, especially for small landholders lacking financial capital. This entails that the sustenance of future generations of small-scale farmers and lowland indigenous communities will be jeopardized and this, may very likely cause future massive migration of younger generations from the rural areas into the urban centers.

Surely, land conversion into oil palm plantations is happening with little monitoring on the part of government agencies such as DENR and the Palawan Council for Sustainable Development. Endorsements are given too easily without considering the unintended consequences of oil palm development.

In 2007, as far as ALDAW has been able to ascertain, the Palawan Palm and Vegetable Oil Mills Inc. (PPVOMI) was able to secure an Environmental Compliance Certificate (ECC) for its project and the plantations. Overall the following ECCs appear to have been acquired by the company: **1)** ECC R4B 1006 0102 covering the palm oil mill of Agumil Phils. Inc. (AGPI), issued on July 1, 2010; **2)** ECC R4B 0901 025 3909 covering oil palm plantation in: **(a)** Bgys. Mabini, Sagpangan and Iraan in Aborlan; and **(b)** So. Mariwara, Bgy. Princess Urduja in Narra; **3)** ECC R4B 0807 0178 3909 covering oil palm plantation in Bgys. Isugod, Panitian, Aramaywan and Tagusao in Quezon; **4)** ECC R4B 0807 0177 3909 covering oil palm plantation in So. Salungsong, Bgy. Iraan in Rizal; **5)** ECC R4B 0807 0170 3909 covering oil palm plantation in Bgys. Pulot Interior, Punang, Labog and Irray in Espanola; **6)** ECC R4B 0811 327 3909 covering oil palm plantation in Bgys. Calasaguen, Maasin, Pangobilian and Samarinana in Brooke's Pt.; **7)** ECC R4B 0901 024 3909 covering oil palm plantation in Bgys. Sandoval, Tarusan and Igang-Igang in Bataraza (c.f. Villanueva 2011: 170).



A PCSD-SEP clearance was also issued on March 25 2010 for the Integrated Palm Oil Processing Project. ECCs are issued by the Department of Environment and Natural Resources (DENR) while SEP clearances are issues by the Palawan Council for Sustainable Development (PCSD).

e.1 PCSD and SEP clearances

The Palawan Council for Sustainable Development (PCSD) is a unique government body formed by Republic Act 7611 with a mandate for the protection of the environment within the province. However, indigenous interests are very poorly represented within the council whose decisions clearly express the views and interests of those in power. As a policy-making body, PCSD is guided by the principle of sustainable development, which itself defines as “the improvement in the quality of life of its people in the present and future generations through the use of complementary activities of development and conservation that protect life-support ecosystem and rehabilitate exploited areas to allow upcoming generations to sustain development growth.”

Under PCSD Administrative Order No. 6 series of 2000, permits, licenses or similar instruments must have prior clearance from Palawan Council for Sustainable Development. The SEP Clearance is, therefore, a prerequisite to any development project or program in the province. In issuing a SEP Clearance, PCSD is mandated to implement Section 9 of the SEP Law, which specifically states:

SEC. 9. Terrestrial Component; Management Scheme and Zonation. — The terrestrial component may be further subdivided into smaller management components for a more efficient supervision. These management components, in turn, shall each be further subdivided into the following zones:

1. Area of maximum protection or core zone — “This zone shall be fully and strictly protected and maintained free of human disruption. Included here are all types of natural forest which include first growth forest, residual forest and edges of intact forest, areas above one thousand (1,000) meters elevation, peaks of mountains or other areas with very steep gradients, and endangered habitats and habitats of endangered and rare species. Exceptions, however, may be granted to traditional uses of tribal communities of these areas for minimal and soft impact gathering of forest species for ceremonial and medicinal purposes”.

2. Buffer zone — This area permits regulated use and may be further subdivided into three (3) sub-zones:

a. Restricted use area. — “Generally surrounds the core zone and provides a protective barrier. Limited and non-consumptive activities may be allowed in this area”; **b. Controlled use area.** — “Encircles and provides the outer barrier to the core and restricted use areas. Controlled forest extraction, like the collecting of minor forest products, and strictly controlled logging and mining may be allowed”; and, **c. Traditional use area.** — “Edges of intact forests where traditional land use is already stabilized or is being stabilized. Management and control shall be carried out with the other supporting programs of the SEP”.

3. Multiple/manipulative use area. — This is the area “where the landscape has been modified for different forms of land use such as intensive timber extraction, grazing and pastures, agriculture and infrastructure development. Control and management shall be strictly integrated with the other supporting programs of the SEP and other similar programs of the Government”.

As of now, field evidence by ALDAW indicates that oil palm expansion has also taken place in “restricted”, “controlled use areas” and “traditional use areas” where, according to SEP law, massive land conversion (e.g. as for monocrop plantations) is not contemplated. As proven by official documents, PPVOMI-Agumil was able to secure a SEP clearance from PCSD for their Integrated Palm Oil Processing Project, covering only the 13 hectares consisting of the nursery, the mill and a portion already planted with oil palms but not the overall 15,000 ha targeted plantation area. This raises serious doubts on how, whether and to what extent the SEP law is being properly implemented by PCSD to avoid, or at least, to mitigate the negative ecological impact of oil palm plantations over significant portions of the Province’s territory. Such portions of land, as mentioned above, do not fall solely into the category of “multiple/manipulative use area” where certain development activities, such as agri-business plantations are allowed, but also include “restricted”, “traditional use” and “controlled use” zones.

Furthermore, there is another factor jeopardizing a fair and strict implementation of the SEP law with reference to oil palm plantations: it would appear that the plantations which are under private ownership or that are being implemented by cooperative out-growers are not covered by (or obliged to get) a SEP clearance (Villanueva 2011). Explanations provided by PCSDS staff to Villanueva reveal “the responsibility to manage the contract

growers lies with the company. A cooperative with an oil palm plantation project will not pass through the process of securing a SEP clearance because the company/proponent has already been given a SEP clearance and it is the company that contracts the out-growers” (Villanueva 2011: 182). In principles, PCSD would expect that both the company and the out-growers would comply with the terms and conditions of the SEP clearance. In reality and very often, out-growers have often no idea whatsoever of what a SEP clearance entails in terms of rules and environmental norms. This is often due to the inability of oil palm companies to provide cooperatives and out-growers with the necessary information on the terms and conditions of SEP clearance.

In actual fact, unless counter evidence becomes available, it appears that the whole plantation area targeted by PPVOMI-Agumil is not covered by SEP clearance, except the 13 ha for which a SEP clearance was issued. This, therefore, raises some crucial questions: **1)** How and to what extent can the SEP clearance given to PPVOMI-Agumil

for its Integrated Palm Oil Processing Project (13 hectares only) represents a legally valid tool for allowing company activities over a much larger area?; **2)** Why is the PCSD not taking any major step to monitor such a massive land conversion scheme within a UNESCO Man and Biosphere Reserve? Does PCSD have a complete understanding (e.g. of the ecological characteristics, land morphology and present use, cultural/social features, etc.) of the whole project area and thus of the environmental hazard and social consequences that oil palm development is causing? An answer to these questions would require further and urgent discussions with PCSD staff on the criteria adopted by them for endorsing large agro-business projects such as oil palm plantations.

It is important to note that one of the PCSD conditions for endorsing SEP clearance for large development projects is the establishment of a Multi-Partite Monitoring Team (MMT) in charge of monitoring the air, water quality, waste disposal and other effluents that will be generated by the project. The ALDAW team was unable to obtain any information on the actual composition of the MMT and to get any evidence about inspections/appraisals and field research already carried out by MMT with reference to the impact of oil palm plantations. As of now, interviews to local indigenous community members and organizations reveal that no IP representatives have been chosen to be part of the MMT.

Another remarkable condition posed by PCSD for the issuance of SEP clearance recites: “should the implementation of the project cause adverse environmental impacts and pose a nuisance to public health and safety as determined by PCSDS, these factors shall be sufficient ground for the cancellation or suspension of the clearance”. ALDAW believes that a strict implementation of PCSD own rules and regulations would most probably lead to the suspension and cancellation of the PPVOMI-Agumil oil palm plantations. However, in the absence of serious and verifiable environmental assessments carried out by the Multi-Partite Monitoring Team (MMT), PPVOMI-Agumil business continues as usual, with no apparent opposition and criticism (except from that raised by the impacted communities).

As of now, ALDAW has no evidence of any feasibility study carried out by PCSD for determining the foreseen environmental impact of the oil mill. From what ALDAW has



A view of pristine Maasin river

been able to ascertain, the mill will discharge its waste in the nearby Maasin river (a fishing ground and a source of potable water for both the local indigenous communities and the Filipino farmers). For a ton of oil processed, it has been reported that 2.5 tons of effluents are discharged (Villanueva 2011: 192). Surely, future oil mill discharges will

contaminate not only river sources but also the coral reefs and ultimately the livelihood of local fishermen (indigenous and non-indigenous).

One may argue that because mill operations have not yet started, PCSD has been unable to establish the actual impact of the mill. Again, environmental safeguarding and pollution control measures should have been in-built in the technical plan for the construction of the mill and made available to civil society representatives (e.g. local environmental NGOs, indigenous organizations, etc.) for additional evaluation. As of now, ALDAW has been unable to verify the existence of such documents and to understand what is the position of PCSD in relation to the future detrimental impact of the mill, especially in terms of water and air pollution.

What is rather worrying is PCSD unclear standing with reference to the ongoing ecological treats posed by oil palm plantations (e.g. use of chemicals, erosion of biodiversity, the hardening of soils, the consequent severance of flood events, etc.). These serious concerns have, so far, remained unanswered within the Council.

E.2 The Role of the Land Bank

Nationwide, there are two main financing institutions for oil palm production: the Land Bank of the Philippines (LBP) and the Quedan and Rural Credit Guarantee Corporation (QUEDANCOR).

E.2.1 Investment trends and financing schemes

This report will no discuss the different financial schemes offered by Land Bank for agribusiness, since these have already been clearly described by J. Villanueva (2011). Rather, it will provide some general information on the most recent financing scheme for oil palm growers (only open to cooperatives), which are being implemented by LBP in Palawan.

In principles LBP requirements for releasing a loan are not easy to meet, especially by newly formed cooperatives having little experience and no capital. For instance, amongst the key LBP requirements: “cooperative applicants must have one hundred members and a three year track record, paid-up capital, complete core management, and other of such requirements. The bank commits 80% financial assistance while the remaining 20% becomes the borrower’s equity. The anchor firm (the company) shoulders 10% of the equity. The 80% includes, for one hectare of oil palm with production cost of PHP 144,000, a developmental planting cost of PHP 109,310, working capital of PHP 34,690, labor inputs of PHP 21,740 and PHP 122,260 of materials. The bank requires no collateral but does require original land titles for safekeeping reasons.” (Villanueva 2011: 181). However, oil palm companies have found ways to overcome these constraints. In Palawan, AGPI has decided to set up the equity for the cooperatives in order for the LBP to commit to 80% equity. As a result, cooperatives have now double loans, both from AGPI and from LBP.



Recently LBP has come up with a new financing scheme that is more accessible to cooperatives. This has the following features:

1) A maximum loan of PHP 110,000/ha covering the cost of inputs and; **2)** labor for the first three years of plantation establishment is provided. In return, the landowner/cooperative shall provide equity of about PHP 20,000/ha. PHP 110,000 is considered a long-term loan whereby the payment of principal and interest shall start on the fifth year after planting.

The input and labor requirements up to the fourth year (around PHP 30,000) shall be released by the LBP as a short term loan and shall be paid within the year from the sales of the harvest of that year. The Bank requires that the cooperative that applies for the loan has a marketing agreement for their FFBS with a particular palm oil mill (Villanueva 2011: 131).

e.3 Land leases/rental

More detailed investigation needs to be carried out on the ambiguous nature of 'rent agreements' and 'land leases' leading to the conversion of indigenous ancestral land into palm oil plantations. The length of such leases is about 20-25 years (which is equivalent to the productive lifespan of oil palms). Among other hidden disadvantages, at the end of the lease, is that the traditional indigenous occupants and local framers might be left with old and dying palm trees on their fields. The latter, after years of intense fertilizers and pesticides uses, will be rendered useless. Highly depleted soils will be unsuited for traditional farming activities and any attempt to bring the nutrients back will require very costly interventions which the government is unlikely to support.

Informants from oil palm cooperatives have revealed that PPVOMI has leased some of their land for oil palm plantation according to the following company's rates: PHP 1,000/year per hectare for the first three years; PHP 2,000/year per hectare up to the tenth year; and PHP 3,000/year per hectare for the eleventh to the twenty fifth year. However, interviews to indigenous people who have leased their land reveal that they have been paid as low as PHP 500/year per hectare.

e.4 Land sale

In the Municipality of Espanola several IPs families have sold their land for prices as low as PHP 1,000/ha, in the light of quick economic gains. This, in turn, has forced other families to sell their land when they found themselves surrounded by oil palm plantations (c.f. Villanueva 2011). It is not completely clear what was the status of land when it was sold, as most IPs lack of titles or other tenurial systems. However, the land where they live surely belong to them from time immemorial.

e.5 Oil palm expansion in CADC or CALT lands

Evidence from other Philippine provinces indicates that portions of existing oil palm plantations are overlapping with the ancestral domain of indigenous peoples (e.g. in Bukidnon, Sultan Kudarat, Augusan, Cotabato). Also, Palawan does not represent an exception.

In principles, areas that have been granted a Certificate of Ancestral Domain Title (CADT) or a Certificate of Ancestral Land Title (CALT) or where communities have already submitted the bureaucratic requirements for CADT/CALT approval to the National Commission on Indigenous Peoples (NCIP), should represent a safe ground against the encroachment of oil palm companies and other enterprises. If a company intends to carry out its activities in such areas, it should obtain first the community consensus through proper Free Prior Informed Consent (FPIC) processes. In fact Section 59 of the Indigenous Peoples Rights Act (Republic Act no. 8371) states that “all department and other governmental agencies shall henceforth be strictly enjoined from issuing, renewing or granting any concession, license or lease, or entering into any production-sharing agreement without prior certification from NCIP that the area does not overlap with any ancestral domain.”

As the ALDAW team has established, oil palm companies have resorted to rather illegal stratagems in order to penetrate IPs CADT lands. In several cases, according to indigenous informants, they received by the local government only partial and untrue information about the company’s plans and target. Lacking this information, several communities did not initially oppose oil palm plantations. For instance Nelson Sombra, an indigenous representative from Maasin (Brooke’s Point) told ALDAW that, according to his own understanding, the company was only going to use a limited piece of land for building a nursery. He was then surprised to discover that, aside from the nursery, a much bigger area was going to be used for oil palm plantations. Indeed, the land converted into oil palm is part of the ancestral territory of the lowland Palawan communities of Maasin.

In Tagusao (Municipality of Quezon) the oil palm company has managed to enter the area for which local inhabitants had requested CALT recognition. Details of these cases are discussed further in this report, in section F “Status of Oil Palm Plantations by Municipalities”.

e.6 Expansion on land under DENR tenurial instruments

In order to expand their oil palm plantations, companies have often succeeded in entering forestland covered by DENR tenurial instruments such as Community Based Forest Management Agreement (CBFMA). It is interesting to point out that oil palm companies and investors have pressured DENR to “consider African oil palm as an additional crop for forestry plantation development”. As a result, in August 2004 DENR Secretary Elisea Gozun issued Memorandum Circular No. 2004-12 which outlines “Revised Guidelines Governing the Identification of Forest Areas for the Establishment of African Oil Palm Plantation.” Under these guidelines, oil palm development was opened up in forest areas under “existing tenurial instruments such as, but not limited to

Industrial Forest Management Agreement (IFMA), Socialised Forest Management Agreement (SIFMA), CBFMA and other forest land uses agreements.” (see Villanueva 2011:143).

On the other hand, the Memorandum Circular also contains safeguard measures: **a)** “in no case shall African oil palm plantation be allowed within Protected Areas covered by Republic Act No. 7586 or the National Integrated Protected Area System (NIPAS)”; **b)** “For CBFMA areas, planting of African oil palm shall be allowed subject to the approved

and/or amended Community Resource Management Framework/Annual Work Plan (CRMF/AWP)”; **c)** “In no case shall conversion of existing natural forest and forest plantation (within production and protection forest) be allowed for the establishment of African oil palm plantation”; and **d)** “establishment of any African oil palm plantation in forestlands shall be subject to an Environmental Impact Assessment (EIA) process” (quoted in Villanueva 2011: 143).

It must be noted that previous to Memorandum Circular No. 2004-12, a Memorandum Circular No. 98 had already been issued by the DENR on June 24 1998 establishing “Guidelines on Contracting Inside Community-Based Forest Management (CBFM) Areas.” Under these guidelines, two typologies of contracts are outline: 1) **Service Contracts**, these include the extraction of forest products such as: felling and bucking; road construction; major and minor log transport; processing or sawmilling activities;

reforestation and timber stand improvement; marketing of forest products and professional service or technical assistance; 2) **Development Contracts**, which include timber and non-timber development; agro-forestry development; agricultural development; livestock production and ecotourism (quoted in Villanueva 2011: 144). Contracts related to oil palm development fall under category 2 or the so-called Development Contracts.

It should be pointed out that, according to DENR, there must be a consistency between Peoples Organizations (POs) CBFM agreement and the oil palm development plan, for the latter to take place.

Evidence seems to suggest that, in Palawan, the DENR has facilitated the processing of tenurial instruments needed by oil palm projects in areas already covered by CBFM. Apparently, this has been done by encouraging proponents/firms to introducing and coordinating their plans with the Peoples’ Organizations (POs), which are the CBFM holders. In those areas that are not yet covered by a CBFM, DENR may allow oil palm companies to operate under a commercial forestry programs such as the Socialised Forest Management Agreement (SIFMA) or any kind of lease from the government that may have a total period length of 25 years, renewable for another twenty-five years. These leases, in order to become effective, must be accompanied by an Environmental Compliant Certificate (ECC).

In southern Palawan, in the Municipality of Quezon, Barangay Isugod, the oil palm company has already started negotiations with the local CBFMA holders, with the final objective of expanding plantations into their CBFMA area. In Iraan, Rizal, the PPVOMI is pushing the establishment of an oil palm plantation within an area that is also under CBFM application and some information suggest that fifteen ha of oil palm have already been planted in the traditional land of the Palawan communities of Iraan.

A risk exist that CBFM applications could be withdrawn if the prevalent economic activity of the CBFM area becomes agriculture rather than forestry. This entails that the expansion of oil palm plantations within CBFMAs may leave CBFMA holders with no tenure over forestland and with no resource-use privileges as those listed in their original agreement with DENR.

The impact on timber or trees resulting from the establishment of the palm oil project is the concern of the Forest Management Services (FMS) of the DENR whose role it is to monitor if and how felled trees are used and whether or not felling is taking place in line with forest regulations (c.f. Villanueva 2011). Meanwhile, unofficial sources reveal that PPVOMI has given assurances that its oil palm development will only take place in those unproductive areas laying between the lowland rice fields and the upland forest. Again, this area coincides exactly with the land that indigenous communities traditionally use for their swidden agriculture and to which they apply fallow periods between 4 to 7 years or more. During the fallow period, which is essential for the land to regain part of its nutrients, the area may appear to the eyes of non-experts, as unused and unproductive land. In reality this is the land that indigenous farmers will use again after the fallow period is completed or at least until the soil has reached the minimal nutrients requirements for being cultivated again. Currently, the expansion of palm oil plantations into indigenous fallow land (*benglay*) is reducing the number of rotational areas needed by indigenous peoples to ensure the sustainability of their swidden cycle.

F. STATUS OF OIL PALM PLANTATIONS BY MUNICIPALITIES

A first assessment of oil palm expansion in Palawan does raise some serious concerns and much preoccupation. In fact, in some municipalities, palm oil development is already competing and taking over cropland, which is sustaining local self-sufficiency. In other municipalities, old and secondary forest has been cleared to make space for plantations. Overall, in all municipalities, oil palm expansion is taking place at the expenses of local economy and of existing biological diverse vegetation types. This entails that essential resources (NTFPs, medicinal plants, game animals, wild honey, etc.), which are pivotal for daily household survival, are being completely obliterated through oil palm development.

f.1 The Municipality of Sofronio Española



This Municipality has the highest percentage of land covered by oil palm plantations and provides the bulk of oil palm kernels for the mill. The rest of the production comes from the Municipalities of Aborlan, Narra, Quezon, Brooke's Point and Bataraza.

Oil palm plantations cover, virtually, most of Barangay Irray land proper. According to our informants, in its early days the company bought 150 ha of land located along the national highway and rented from the local inhabitants another 300 ha stretching towards Pulot Interior. Our preliminary data indicates that, in Barangay Irray II alone, 220 ha of land have been sold to the oil palm companies by Filipino

Christians and Muslim, as well as by few indigenous families, while another 47 ha have been leased to the companies by members of the local cooperatives.

Before and until the 1960's most of this land was customarily utilized by the local Palawan communities for their swidden cultivation, and for the gathering of NTFPs such as bamboos, *huri* (*Coripha elata*) palms and timber used for housing material, etc. With the arrival of migrants from other provinces, the government began to carry out cadastral surveys. While most migrants applied for titles for the land they had occupied, the original inhabitants became marginalized through this process. Mainly this is because they were unaware of the procedures that they had to follow in order to gain legal recognition over their customary land. Outsiders, especially Muslims from neighboring island provinces, after acquiring titles and planting coconuts on the land previously occupied by indigenous peoples, left the area and returned only sporadically to check their properties which they ultimately sold to the oil palm companies.

The oil palm companies has purchased most of its land from non-indigenous farmers who had previously occupied and got possession of IPs land, also through fraudulent practices. Several members of the local Palawan indigenous communities have leased their land to oil palm companies often for prizes as low as 500 PHP/year (about USD 12.5). These rates are far below the standard prize that the company should pay for yearly rent.

In the Municipality of Española, the companies' strategy for expansion has further included the regrouping of different parcels of land under Certificate of Land Ownership Award (CLOA).

At the present, members of the local indigenous communities also complain about a construction company, the Cavite Ideal International Construction and Development Corporation (Cavdeal), which provides the oil palm company with heavy equipment for land clearing. Unexpectedly, Cavdeal has turned into a land grabber and it is now acquiring land for oil palm conversion.

Because of the advance of oil palm plantations, local communities are progressively losing control over their land and resources. This trend is the same for the following barangay: Bgy. Iraray, Bgy. Punang, Bgy. Pulot-II, Bgy. Isumbo, Pulot center, and Bgy. Pulot, both in the interior and coastal areas.

The overlapping of oil palm plantations with the indigenous ancestral land/domain is particularly evident in By. Pulot II where oil palm development impinges on indigenous burial and hunting grounds. Some of these indigenous communities are now squeezed between the mining tenements of Citinickel in the uplands and the oil palm plantations in the lowlands. As a result they are becoming increasingly poor and malnourished.

Due to oil palm expansion, common animals such as the barred button-quail (*Turnix suscitator fasciata*) and porcupine (*Thecurus pumilus*) have completely disappeared



from the impacted areas. Also key NTFPs (palm leaves, bamboos and other fibers) used by the local IPs for making mats (*banig*), bamboo woven bundles (*sawali*) used for walling and other woven products have disappeared or are found far away from the communities. *Banig* and *sawali* are sold to the local market and represent an essential source of income for hundreds of families. Additional conversion of land into oil palm plantation will surely lead to the complete collapse of this family-based economy.



Palawan man making 'sawali'

Community representatives also claim that certain medicinal plants traditionally used for curing common ailments are no longer found in their areas, and they are now forced to purchase medicines from the outside.

Other informants report that flash floods have increased proportionally to the expansion of oil palm plantations. According to them, this is due to the root system of the oil palms and the close distance between planted specimens (i.e. density), making the soil particularly compact and thus less penetrable to water.

Indigenous people claim that a 'new' pest has spread from the neighboring palm oil plantations to their cultivated fields devouring hundreds of coconut palms by boring large networks of tiny tunnels into the palms' trunks.

This insect has been identified as the Red Palm Weevil (*Rhynchophorus ferrugineus*). Because of this and other pests, coconuts production seems to have dropped to 50%. It is important to note that *Rhynchophorus ferrugineus* also feeds on other Philippine palms



such as *Areca catechu* (betel nut palm), *A. pinnata* (sugar palm), *Calamus merrillii* (rattan), *Caryota cumingii* (fishtail palm), *Corypha elata* (buri), *Metroxylon sagu* (sago palm), *Oncosperma horrida*, *Oncosperma tigillarum* (nibong palm) as well on sugar cane (*Saccharum officinarum*). The elimination of other palm species, due to the expansion of oil palm plantations, has caused – as a result – an intensification of Red Weevil attacks on cultivated palms (*Cocos nucifera*).

Palawan IPs also complain about the increasing of the Asiatic rhinoceros beetle or coconut rhinoceros beetle, (*Oryctes rhinoceros*). This is a species of [rhinoceros beetle](#)



belonging to the [Scarabaeidae](#) family. *O. rhinoceros* attacks the developing [fronds](#) of [coconut](#), oil, and other palms. Damaged fronds show typical triangular cuts. The [beetle](#) kills the palms (particularly newly planted ones) when the growing point is destroyed during feeding. The larvae do not damage crops, but

instead grow in dead, decaying trunks and other organic matter.

According to local informants, this species has massively moved to their coconuts plantations, after wild palms such *buri* palms (*Corypha elata*) were destroyed during land conversion by oil palm companies.

In 2008 Apollo M. Diao, agriculturist based in Palawan, has reported severe rhinoceros beetle infestation of coconuts in Brgy. Irrayay. In the same locality, he reported that some 7,000 oil palm seedlings were also damaged by the rhinoceros beetle.



Buri (*Corypha elata*)

Another complaint is related to the alarming increase of rats population in communities' agricultural land and, again, according to local IPs, this is due to the fact that the traditional living ground of these animals (*buri* palms and bamboo groves) have been destroyed during oil palm expansion, forcing rats and insects to move massively into locally managed community lands.

Indigenous informants interviewed in the Municipality of Española say that pest from oil palm plantations have moved into their coconuts groves also because the latter are not treated with pesticides and thus provide a 'safe ground' for the survival and reproduction of such pests.

Nowadays, most indigenous households in Española feel that it is unfair for the local government unit (LGU) to charge them with the same amount of real estate tax since the production of their land has now dropped dramatically. According to them taxes should be lifted for those pieces of land that have lost production due to pest attacks.

f.2 The Municipality of Aborlan

In the Municipality of Aborlan oil palm plantations are rapidly expanding. The ALDAW team was able to establish the existence of at least 300 hectares under oil palm plantations distributed as it follows: barangay Sagpangan (128 ha), barangay Barake (100 ha), barangay Valdera (22 ha), barangay Kabigaan 50 ha so far, but land clearing is ongoing. The oil palm companies have tried to regroup titled land under various cooperatives.

In barangay Mayligan, Magbabadil, Barake and Valderema a significant percentage of the local population is composed by Filipino farmers. Instead Aborlan City proper and barangay Sagpangan, Maligaya and Kabigaan are inhabited by a mix population of Tagbanua indigenous peoples and Filipino farmers. Several local inhabitants (indigenous and non-indigenous) have joined the oil palm cooperatives using their own parcel of titled land.

In barangay Valderama, pre-existing agricultural improvements have been obliterated by oil palm plantations, which have also colonized the sides of the main river crossing the area. In barangay Maligaya the conversion of productive paddy land into oil palm plantations is particularly evident. For the remaining barangay the area being converted into oil palms is and (was) mainly covered by a mix vegetation consisting of coconuts, banana, bamboo groves fruit trees, sugar palms (*Corypa elata*) wild palms, e.g *batbat* (*Arenga undulatifolia*), etc. Only in Mayligan the vegetation cleared for palm oil

expansion include fields mainly covered by *gogun* grass (*Imperata cylindrica*).



***Arenga undulatifolia* (Arenga)**

In the Municipality of Aborlan, the presence of indigenous organizations affiliated with the main federation (NATRIPAL – United Tribes of Palawan) is well established. Such organizations could contribute to raising awareness on the implications of oil palm development. On the other hand, some of the members of these organizations are also engaged in oil palm

plantation either as worker or by having included their titled land into the area managed by oil palm cooperatives.

According to local informants, the population of wild birds has dropped dramatically, this is due the disappearance of their wild natural habitats, and thus to the loss of vegetation on which birds feed. This applies to both granivorous birds such as quails as well as to the insectivorous and pollen feeding birds.

f.3 The Municipality of Brookes' Point

As of now, the barangay most affected by oil palm development are Bgy. Maasin ang Bgy. Calasaguen. According to rough estimates, based on ALDAW ocular inspections, about 50% of the total land area of Bgy. Calasaguen is now occupied by oil palm plantations. About half of this land is located in the hilly/upland areas and fully overlaps with the ancestral domain of the local Palawan indigenous communities. Some indigenous members of Bgy. Calasaguen work as employees in the oil palm plantation

while others have rejected employment opportunities and continue to resist oil palm expansion. Especially in Bgy. Ipilian, the local indigenous peoples and farmers are strongly opposing the entrance of oil palms plantations in their territory. In this particular case, also the local government (the Barangay Council) has rejected oil palm plantations within its jurisdiction, through the signing and submission of a barangay resolution.

In Maasin, indigenous people and farmers have already complained that the conversion of land into oil palm plantations, and the consequent clearing of the original vegetation, has affected the flow of water going to their community-managed dam. In Maasin, a major oil palm mill is under construction and Malaysia technical personnel supervise work advancement and provide technical expertise.

Also in Brooke's Point, in addition to the Cavdeal construction company, a private investor (Mr. Cho) of mix Chinese ethnicity is acquiring large tracts of land. He has already purchased about 700 has in this municipality.



Similarly to other Municipalities, also in Brooke's Point, evidence shows that coconut plantations are being affected by pests that, according to local informants, originate from neighboring oil palm plantations. The ALDAW team has identified the pest affecting coconuts palms in Bgy. Ipilan, as well as in bordering barangay, as *Brontispa*

longissima. This pest feeds on the young shoots of coconut.

f.4 The Municipality of Quezon



Forest clear cutting by Agumil in Quezon Municipality

In 2011, in Quezon Municipality alone, according to local community members, the Agumil Philippines, Inc. (AGPI) has converted about 150 hectares of land into oil palm plantations to be managed through cooperative schemes. The same sources have revealed that the company has expanded its activities of about 50 hectares into their forestland,

with the ultimate target of clearing a total area of 500 hectares. It would appear that the planting of palm oil in the initial 150

Hectares of land received community members' support. In fact, the latter had been told that they would have shared plantations' benefits under the AGPI cooperative scheme. However, the process of Free and Prior Informed Consent (FPIC) allegedly leading to 'consensus' over oil palm development is questionable since community members, as of now, are not aware of the long-term effect of palm oil development on their ancestral domain.



ALDAW was told that the additional 500 hectares of palm oil would expand at the expenses of land partially covered with virgin and secondary forest. In the already-cleared 50 hectares, old trees stumps are laying between rows of young oil palms.

This is a clear evidence of plantation's encroachment on forest. Moreover, it has been established that those employed for cutting down the forest include members of the indigenous communities living in the area. The latter, during interviews, claim that they are not happy with their new and badly paid jobs involving the cutting of trees. More significantly, they claim that they are forced into this job because the government has banned their traditional farming methods based on slash-and-burn technology, which was their primary source of livelihood.

Interviews to local informants suggests that oil palm encroachment on land for which people had applied for a Certificate of Ancestral Land Title (CALT) in Bgy. Tagusao (sitio Tina) has been possible due to company's success in corrupting a local IP Tribal Chieftain (Mr. Lewan Lacod) who, in turn, facilitated the entrance of oil palms into tribal land. This has resulted in the clearing of old growth forest, and the loss of important community hunting grounds and ecological niches providing medicinal plants and NTFPs of daily use. According to local inhabitants, even a once very common medicinal plant: Kalibon (*Blumea balsamifera*), is now hard to find.



Blumea balsamifera

Agustin Roa, an indigenous Palawan who is the chairman of the CALT area claims that oil palm companies have never consulted him. Overall, internal community conflicts in Tagusao between two local chieftains, and diverging opinions between them on whether to allow oil palm companies into their ancestral land, have weakened local decision making processes thus creating a facilitating environment for the company to enter CALT land.

It would appear that local indigenous people in Quezon are under the impression that the company (Agumil Philippines Inc.) - which is illegally employing them for cutting trees - has already received the legal authorization to do so from DENR (Department of Environment and Natural Resources). In reality, Agumil has never received any permit to cut trees from DENR and – in fact – it was forced to suspend forest felling when members of the Environmental Legal Assistance Centre (ELAC) and of the Palawan NGOs Network Inc. (PNNI) carried out an appraisal mission to the area requesting PCSD to take immediate action by enforcing SEP law and stopping the company's illegal activities. However, the ALDAW team received information that, after this, indigenous community members were still being asked by the company to cut down the forest, using axes rather than chainsaws (so to attract less attention).

The indigenous people interviewed by the ALDAW team also stated that monthly remuneration by AGPI is usually delayed of over a month and the employees end up losing three to four days' worth of payment. Consequently, they are forced to live on loans and buy their daily needs on credit. The indigenous people engaged in forest clearing are afraid of complaining about their working conditions because this may lead to the loss of their only source of income.



Benjamin Tingdan

In the case of Sitio Tina (Municipality of Quezon), where the palm oil plantations are still young, some of the local people joining the so called 'cooperatives' claim that they have heard about the negative side of palm oil development but they have no sufficient information or first-hand experience to make informed decisions on whether to accept or resist palm oil expansion.

Peoples' complaints against oil palm development in Quezon Municipality are similar to those recorded by the ALDAW team in neighboring Municipalities. Benjamin Tingdan, a local Palawan elder claims that also portions of people's customary upland areas have been affected by oil palm expansion and that he has lost access to his swidden and fallow lands. Furthermore, his market production of *sawali* (bamboo woven bundles for walling) is declining because of the fast replacement of bamboo groves with oil palms.

Andy Asdali, a Palawan from Suangan also complains about the continuous decline of copra production due to the escalating presence of pest affecting his coconuts.



Calib Tingdan, a Palawan from Suangan and member of the local barangay council, claims that people has been harassed by company personnel while they were clearing their fields under fallow and they were told that the land belonged now to the company. Similar cases have been reported by other indigenous informants from nearby areas.

Calib Tingdan

f.5 The Municipality of Rizal

In sitio Salungsong (Barangay Iraan) indigenous agricultural fields are well developed with combinations of banana, sweet potatoes and other root crops. However, part of this land supporting local self-sufficiency, has been grabbed by Filipino migrants who arrived massively in the area around the year 1999/2000 after the completion of the National Road connecting the north to the south of Palawan and now encircling the whole province's main island. These migrants are now leasing what was once indigenous land to oil palm plantations. Significant portions of indigenous managed lands (consisting of a mixture of root crops, coconuts, banana and fruit trees) have already been converted into palm oil plantations. Overall, it would appear that, since 2005, an area of about 1000 hectares has been, and is being transformed, into oil palm monoculture and 300 hectares of this have been developed in Barangay Iraan alone and, specifically, in Sitio Salungsong, where large forest trees are still found. Here oil palm plantations are expanding close to clean water sources that are essential for the daily needs of local communities.

According to Jun Ali (chairman of the Salam cooperative) interviewed by the ALDAW staff, the expansion of oil palms into the local IPs managed Community Based Forest Management Agreement (CBFM) area has been possible through an agreement entered between the DENR and the cooperative. As a result, the preexisting CBFM area was changed into a PACBARMA (Protected Area Community-Based Resources Management Agreement) thus allowing the planting of oil palms within its perimeter. A PACBARMA is a tenurial instrument awarded to local communities, including people's organizations, whose members are qualified tenured migrants and interested indigenous people who opt to participate in community-based projects within protected areas covered by the National Integrated Protected Areas System (NIPAS) act. The agreement also provides

for the participation of the PACBARMA holder in decision-making processes dealing with the development of the area, with the allocation of resources, etc.

The rest of the oil palm expansion in Barangay Iraan has taken place on public land and alienable land, which – nevertheless – included areas that have been customarily used by the local Palawan communities.

Interviews to the indigenous members of oil palm impacted communities in Iraan reveal a reality that is different from what is being depicted by government officials. For instance, some of the IPs interviewed during the ALDAW mission, claim that they finally decided to give up and vacate a CBFMA area of about 1300 hectares when they were told that this was instead public and alienable land, which, from a legal point of view, was convertible into oil palm plantations. They were also told that any action to stop this would have represented a violation of state law. The local IPs, on their part were unhappy to vacate this area which they had already developed with fruit trees and other crops and where they had managed a forest trees nursery.



Other local IPs interviewed during the ALDAW mission, believe that their signatures had been forged and illegally used to express the community's willingness to allow oil palm plantations into their CBFMA area. This is to say

that the certification of precondition given by the NCIP to a local cooperative for expanding oil palm plantations into the IPs managed CBFMA area was not obtained through transparent FPIC procedures. According to NCIP officials, in this particular case, there is no evidence of illegal procedures since the indigenous community itself (the holder of the CBFMA) consensually submitted an application for oil palm development into their CBFMA area, and thus no FPIC process was required.

Clearly as it appears, in Rizal Municipality there seem to have been severe violations of indigenous peoples rights in connection with oil palm expansion. This includes the preparation of fake documents allegedly authorizing the oil palm company to enter the area. According to some local informants, former Mayor Samson de Gilio fraudulently used the attendance sheets signed by indigenous representatives joining local government consultations, as a proof of community acceptance of oil palm development.

However, the impacted Palawan communities decided not to bring their complaint to the attention of government since, as the ALDAW team was told, they were afraid of possible retaliation on the part of the Muslims members of the cooperative who had entered into personal deals with DENR staff. In addition to this, the affected Palawan are unaware of the legal procedures that they should follow in order to file a formal complaint against both cooperatives and government agencies involved in fraudulent practices.

f.6 The Municipality of Bataraza

The ALDAW team is still in the process of collecting additional information on oil palm expansion in this southern Municipality. As of now, it would appear that the barangay targeted for oil palm development include Sumbiling and Taratak. An estimated area of

about 20 hectares has already been converted into plantations. Both barangay include a conspicuous indigenous population in addition to old and new Filipino migrants. Although oil palm expansion is in its early stage, reports indicate that *brontispa* infestation has already contributed to the death of around 4,000 coconut palms.

G. A SUMMARY OF KEY FINDINGS ON THE IMPACT OF OIL PALM PLANTATIONS IN THE VARIOUS MUNICIPALITIES OF CENTRAL AND SOUTHERN PALAWAN

ALDAW preliminary assessment on the consequences of oil palm development in each impacted Municipality has revealed similar features and common trends. For a question of convenience these commonalities are summarized below.

g.1 Exponential increase of pests

New pests are spreading from neighboring oil palm plantations to indigenous cultivated fields and coconuts groves. Such pests include the Red Palm Weevil (*Rhynchophorus ferrugineus*) and *Brontispa longissima* that, according to local informants, were not present in the area before the establishment of oil palm plantations.



Coconut palms killed by *Rhynchophorus ferrugineus*

Brontispa longissima larvae and adults attack coconut leaves, particularly unfolded leaves. Therefore, the pest can decrease coconut production. This Chrysomelid beetles attack all ages of coconut, although more damage is found in coconut plantation between four to five years old, especially in drying areas. Severe damage of this pest would kill the palms (Hosang, Alouw and Novarianto 2004).

Overall, because of pests' damage, local livelihood has been severely affected and poverty has increased.

g.2 Loss of biodiversity

Common animals have completely disappeared from oil palm impacted areas and the population of birds has dropped dramatically.



According to indigenous informants, the local honeybees, for unknown reasons, do not pollinate the oil palm flowers in the same way they would pollinate wild flowers. IP communities have been told that the company may import a type of bee that is more suited for this job. However, they are concerned that imported bees may get into competition with the local varieties of bees (e.g. *Apis florea*, *Apis cerana*, *Apis dorsata*) and eventually prevail on the latter. It must be pointed out that bees are very sensitive to pesticides and the massive use of chemical in oil palm plantations is likely to contribute to the death and disappearance of the local bees.

g.3 Loss of medicinal plants

Community representatives also claim that certain medicinal plants traditionally used for curing common ailments are no longer found in their areas, and they are now forced to look for them far from their communities or, alternatively, to purchase medicines from the outside.

g.4 Loss of agricultural land and diversity of cultivated plans



The conversion of productive paddy land into oil palm plantations is particularly evident in some areas. Oil palm plantations have also expanded in areas used by local IPs for the cultivation of local varieties of upland rice, root crops and fruit trees. This has greatly affected the diversity of local

cultivars while making local communities even more dependent on purchased food. It must be pointed out that Palawan name at least 20 varieties of *Colocasia esculenta*, 20 of *Ipomoea batatas*, 16 of *Dioscorea alata*, 15 of *Manihot esculenta*, five of *Zea mays*, and more than 60 varieties of upland rice (*Oryza sativa*) (Novellino 2003). As for other indigenous populations of Southeast Asian, the sacredness of rice is emphasized in Palawan oral history and cosmology. A Palawan legend, in fact, attributes the origin of rice and cultivated plants to a human sacrifice (Novellino 2009, Revel 1990). Each year, before planting rice, the people practice a number of ceremonies to call back the *kurudwa* (life force) of a child who was killed by his father in legendary times. Germination of rice seeds and the health of crops is said to depend on the action of the 'child's life force'. Although these beliefs are still strongly felt by the Palawan of the



uplands, also the Palawan of the lowland, to various degrees, continue to attribute important cultural values to upland rice.

Oil palm expansion is obliterating Palawan lowland swiddens thus leading to irreversible genetic erosion of landraces, as well as to the disintegration of indigenous identity and worldviews.

g.5 Loss of forest

In some areas (Quezon Municipality) good standing forest, which is part of the IPs hunting ground, has been converted into oil palm plantations. In several impacted areas indigenous peoples can no longer find the wood needed for building their own houses.



g.6 Limitation of free movement

The fencing of large area of oil palm plantations makes it difficult for local communities to reach their upland fields and forest. Often they are forced to take alternative and longer routes to avoid the oil company's 'no trespassing' zone.



g.7 Collapse of local/family based economy



Virtually the key NTFPs (palm leaves, bamboos and other fibers) used by the local IPs for making mats, house walls and other hand-woven products have disappeared or are found much further from their communities. This also include wooden material for house building Mats (*banig*) and rolled bamboo-woven panels (*sawali*) were sold to the local market and represented an essential source of livelihood for hundreds of families. As a result, more land conversion into oil palm plantations will lead to the complete collapse of this NTFPs-based household economy.



g.7 Severance of flash floods events

The effect of floods has worsened proportionally to the expansion of oil palm plantations. This is due to the fact that soils where oil palms are planted is becoming harder and thus less penetrable to water.



g.8 Future depletion of plantation soils

Not only IPs but also farmers who have leased their lands to oil palm companies, face a dark future. In fact, the oil palm company will only return the management of the project to the grower upon the expiration of the term of the Management Services Agreement (about 25 years or more). By this time, the land converted into oil palm is likely to have been rendered infertile by the excessive use of chemicals, and depletion of nutrients. Hence the restoration of such land into productive cropland may result in an impossible task, especially for small landholders lacking financial capital. This entails that the sustenance of the future generations of small-scale farmers may be jeopardized and this, very likely, will lead to massive migration of younger generations from the rural areas into urban centers.

g.9 Pollution of river sources and the sea

The oil palm mill located in Barangay Maasin (Brooke's Point Municipality) is not yet operating. However, when its construction will be completed, the mill will discharge its waste in the nearby Maasin river (a fishing ground and source of potable water for both local indigenous communities and Filipino farmers). For a ton of oil processed, it has been reported that 2.5 tons of effluents are discharged. Surely, future oil mill discharges will contaminate not only river sources but also the coral reefs and ultimately the livelihood of local fishermen.

g.10 Unfair working conditions

The government propaganda of attributing raising employment to oil palm development can be easily challenged with counter evidences. In their “2009 Year End Report” the Philippine Coconut Authority estimated that the number of jobs created by oil palm plantations was of one worker per hectare (see Villanueva 2011: 188). This entails that



the target conversion of 15,000/20,00 hectares of oil palm plantations in Palawan would bring 15,000/20,000 new jobs to community members. The ALDAW research team has not confirmed this rosy scenario. For instance, in the year 2009, in the Municipality of Espanola (Barangay Iraray) only 25 community members were employed (part-time) in a 150 ha oil palm plantation site (Dalabajan 2010: 21); this gives an employment estimate that is six fold lower compared

to that proposed by PCA. Moreover, for the very few IPs who will manage to get a job with the oil palm company, working conditions are exploitative. In Iraray II, cases of child labor have been documented by ALDAW and, the majority of these, include Palawan children below the age of sixteen.

According to the company workers are paid every 15 days, however the people interviewed by the ALDAW team complain that payment is sometimes delayed of an additional two weeks and, often, the final salary computation does not always account for the actual days of work.

Interviews to community members also reveal that a day absence from work due to personal reasons (e.g. sickness) may result in the suspension of the employee from work for an additional three days. Similarly, If workers are victim of an accident in the performance of their duties, the company will assume no responsibility for such occurrences and, overall, no benefit or any form of insurance is provided by the company to the workers.

Generally the prevailing daily wages range between 80PHP (approx 2 USD) - e.g. for adolescent workers - to a maximum of 150PHP (approx. 3.70 USD a day) - e.g. for team leaders - which is still below the Philippines' minimum wage which is PHP178 (approx. 4.40 USD a day) for agricultural workers in the MIMAROPA Region (Mindoro, Oriental Mindoro, Marinduque, Romblon and Palawan). Moreover, overtime work receives no additional retribution. According to IPs employees, anybody expressing complain for the work condition and bad treatment is automatically fired and loses any chance of being re-employed by the same company.

g.11 Health hazard

Chemicals used in plantations represent a hazard for people's health.

As far as ALDAW has been able to ascertain, indigenous people employed by the oil palm companies have been asked to apply pesticides (Furadan) to control beetles population in oil palm plantations. It is important to point out that the so-called Furadan



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is in the list of banned substances by the Environmental Protection Agency (EPA) of the US due to its highly deleterious impact on wildlife populations (c.f. Dalabajan 2010: 26).

Moreover, evidence indicates that herbicides such as 'RoundUp' have been largely used in Palawan oil palms plantations to weed out cogon grass (*Imperata cylindrica*) and other weeds. Called the wonder herbicide, RoundUp is one of the top-selling herbicides around the world. Made by Monsanto, it is frequently used on plants that have been genetically

engineered to tolerate RoundUp without dying. Monsanto has always sustained that RoundUp is safe and environmentally friendly. Advertising by Monsanto has led the public to believe that RoundUp is "safe as table salt," a phrase used quite often by its proponents to describe it. However, recent research has determined that Roundup's inert ingredients can kill human cells, particularly embryonic, placental and umbilical cord cells (Scientific American, June 23, 2009 – online article).

Oil palm development is such a new phenomenon in Palawan that no scientific evidence is available on the long-term impact of pesticides and herbicides used in plantations on the health of workers and/or on land and water. It is for these reasons that it is important to look for anecdotal information on the toxicity to humans of these chemicals used in Palawan plantations in order to develop a full picture of the symptomatology they cause.

H. OIL PALM PLANTATIONS VERSUS TRADITIONAL AGRICULTURE

According to Dalabajan (2010), an area of 150 has. planted with wet rice brings livelihood to about 150 families while, in comparison, an oil palm plantation of the same size could hardly provide the same level of food security.



Perhaps is still too early to come up with a reliable comparison between household food security achieved through oil palm plantations and the level of food security achieved through indigenous swiddens. However, there are clear evidences indicating that, due to a number of concurrent factors (loss of land and resources coupled by limited part-time employment), oil palm plantations are, in fact, exacerbating rural poverty.

There have been various studies in Palawan (Cadelina 1985, MacDermot 2000, Novellino 2007) providing indications on the productivity of indigenous upland swiddens. In the early eighties, Cadelina with reference to the Batak, an ethnic group living in central/northern Municipalities of Palawan, claim that a well-maintained upland field of about one hectare can produce a yield level that is comparable to that proposed in the green revolution with its high technological input requirements (1985: 125). Cadelina estimated that a one-hectare Batak swidden, under various levels of maintenance, produces around 3,900 kilograms of husked rice. A field with excellent maintenance (weeds completely removed) produces almost 5,000 kilograms, while a moderately maintained one (between 30 to 50 percent of the field weeded) produces around 4,000 kilograms. A very poorly maintained field (below 30 percent of the field weeded) makes around 2,000 kilograms.

Cadelina estimates do not necessarily apply to contemporary Palawan lowland swiddens, many of which are found on lands that have already been deforested and that are being subject to short-fallow periods. In fact, amongst the lowland Palawan, the loss



of traditional territories due to logging, landless migrants, etc. has shrunk the available farming area available, as a result fallow period have decreased. However, land fertility varies from communities to communities and, generally, those Palawan communities living close to the forest such as in Pulot II (Municipality of Espanola) and Tagusao (Municipality of Quezon) might have enjoyed, until recently,

more generous harvests compared to their Palawan neighbors living closer to the national road, and in more densely populated areas.

However, even if we consider a less favorable scenario, where an hectare of upland rice produces only 615 kg of seeds, equivalent to a 18-fold increase over the seed planted (See McDermot 2000: 367) this amount would still support a family of 4 people for a period of at about 8 month. This approximate estimate does not account for the additional energy intake provided by the other food- plants intercropped with rice or planted after rice harvest.

Before detailed comparative studies are carried out, the general take of this report is that if lowland Palawan indigenous communities would be allowed to cultivate their land, as they have done for centuries, they would be much better off in terms of food self-sufficiency and diversity of diet in comparison to what oil palm plantation can offer them in terms of employment opportunities and through other means.

During the past few years, the impact of climatic change and increasingly unpredictable weather patters has played a heavy tool on Palawan rain-fed crop production. Therefore, some Palawan might have leased their lands to oil palm companies with the hope of obtaining sufficient cash to countering famine during periods of food shortage. This, however, has not been the case.

I. CIVIL SOCIETY OPPOSITION TO OIL PALM DEVELOPMENT

In comparison to mining, logging and other forms of ecological threat, the Philippine environmental movement, as of know, has been unable to come up with joint and coordinate actions to countering oil palm expansion.

Overall civil society response to the booming of oil palm industry has been rather weak. On the other hand indigenous peoples and marginal farmers, through direct engagement, are gaining, day by day, an in-depth understanding of the impact of palm oil plantations on their life. However, the magnitude of the problem is such, and the forces behind it so powerful, that local communities are encountering serious difficulties in contrasting corporations without the support and mobilization of NGOs and civil society at the national and International levels.

The weak response of Philippine civil society and of the national environmental organizations to the oil palm threats may be attributed to various and often interrelated factors.

a) First of all, in the Philippines, differently from Malaysia and Indonesia, information on the social impact and environmental hazards of oil palm development is limited and fragmented, thus it is difficult to gain an overall picture of the state of oil palm nationwide.

b) Falsely, palm oil development has been presented by its proponents as a strategy for increasing domestic production of edible oil, having the Filipino people as ultimate beneficiaries.

c) Government reports on oil palm projects and plans are either one-sided (presenting the positive features and obscuring the negative impact) and/or they lack of in-depth details. Some of these documents are for internal use only and hence are not circulated publically. The paucity and little availability of information has prevented NGOs and, civil society in general, to address the oil palm issue with the urgency that it requires.

d) Amongst sectors of Philippine civil society a perception exists that biofuels and oil-producing palms may represent a concrete response to global climate change, a way for abating greenhouse gases as well as an alternative to polluting oil-based fuels. Furthermore the idea that degraded areas colonized by grass such as *Imperata cylindrica* - or used by indigenous people for their slash-and-burn practices - will be colonized, instead, by a greener and more appealing landscape made of oil palms, might have favorably captured the imagination of those environmentalists advocating for tree planting and against the use of fire in agriculture (cf. Novellino and Dressler 2010).

The anthropogenic influence on the composition of old forest has been well documented (e.g. Fairhead and Leach 1998). And yet, both DENR and local environmentalists seem to have limited understanding of how fire and fallow periods contribute to the creation of highly diverse and biologically valuable ecosystems thriving plant and animal species that could not survive in 'natural' forest (see Margalef 1968; Brosius 1981; Rai 1982).

Cadeliña (1985: 30) has argued that one adaptive function of fallow forest is to produce "food resources that never grow in other zones... Plant species are highly diverse ranging from shrubs and bushy type trees in most recently fallowed fields to hardwood ones largely below one or two feet in diameter in areas fallowed for several years". These findings have been corroborated by inventories conducted in Palawan by McDermott (1994).

e) The government propaganda that oil palm plantations will be established only on unproductive and unused land may have also contributed to reassure civil society on the risk of deforestation. In reality, most of so-called 'unproductive' lands are those used by indigenous communities for swidden cultivation, collection of NTFPs, etc.

f) The actual fact that oil palm plantations have also expanded at the expense of secondary forest intermitted with shrub and grass vegetation has not made environmentalists particularly alarmed since, in the narratives of conservationism discourse what really deserves full protection is primary forest while the combination of secondary forests with other post-fallow vegetation types is somehow perceived as less valuable and biologically less diverse. It must be pointed out that post extraction secondary forests constitute a substantial proportion (83%) of all forests in the Philippines and they have become most vulnerable to conversion or degradation due to their proximity to local communities (Lasco, Visco, & Pulhin, 2001). This type of forest merits conservation as well, since it can achieve the same level of diversity as primary forests in Southeast Asia (Luna et al., 1999).

g) Philippine Civil Society, as well as Government representatives, are often unaware of the significant difference between burn and slash technology used by indigenous people to convert forest land into upland farms and the very destructive slash and burn practices carried out by landless Filipino migrants. By and large, the idea of converting forest land into swiddens, independently of who is doing it (indigenous or non-indigenous) is antagonized and disliked by large sectors of the Filipino society. Therefore, the idea that particular areas rather than being subject to slash and burn farming regimes will be converted into evergreen oil palm plantations might have been perceived by some as a beneficial and effective contribution towards environmental sustainability as well as a

permanent solution to the use of fire in land clearing, which contributes to CO₂ emission in the atmosphere.

J. ONGOING CHALLENGES AND FUTURE TRENDS

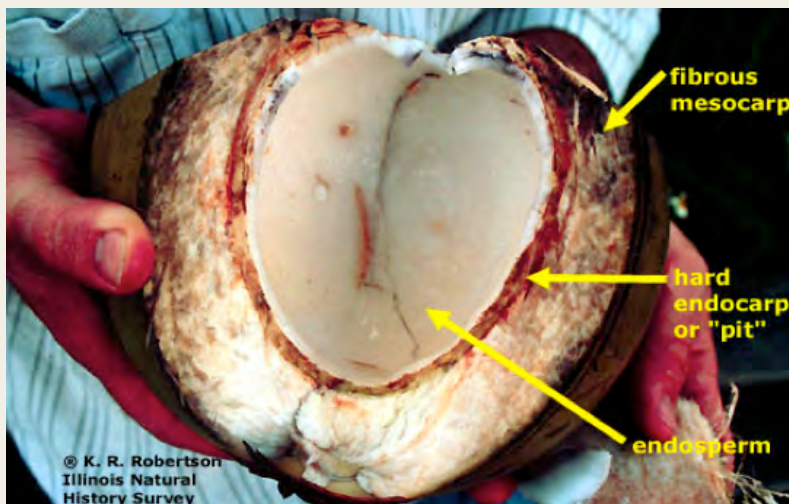
The issue of food sovereignty is very relevant to oil palm development in Palawan and the Philippines. Presently, there is a new trend in the Philippine market entailing the switching from coconut oil to palm oil. National vegetable oil millers and refiners are now keen on selling the cheaper oil palm for the domestic market, so that all coconut oil would be exported. Coconut oil, in fact, commands a higher prize in the international market.



Differently from oil palms, coconut cultivation is endemic to the Philippines and this palm provides multiple products to local farmers, thus sustaining household based economy and local self-sufficiency. More importantly coconut oil is qualitatively better than palm oil. By exporting most of the nationally produced coconut oil while encouraging the use of palm oil locally, the Philippine government is depriving local consumers of a superior food product so favoring foreign market demands rather than citizens' own rights to a healthy diet.

It has been demonstrated that important differences exist between palm oil and coconut. In his book, "Coconut Cures," Dr. Bruce Fife, a naturopathic physician and certified nutritionist, sustains that coconut oil has strong anti-fungal

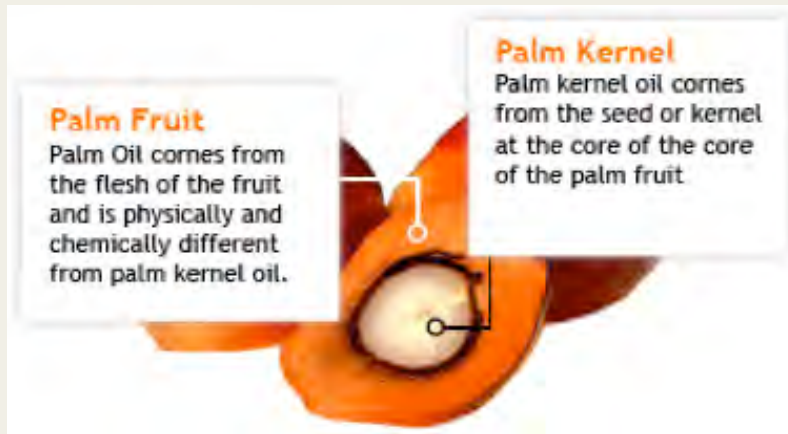
properties that may be beneficial in treating fungal yeast infections such as candida, ringworm, athlete's foot, jock itch and thrush. The endosperm of the coconut fruit, often referred to as the coconut meat or 'copra', provides the edible portion and, within this element, exists the oil.



Fife (2005) explains how the oil makes up around 60 percent of the weight of the copra, with medium chain fats making up three quarters of this oil. These medium chain fats take credit for a number of impressive effects in the human body. Researchers from the Weston A. Price Foundation (Enig 2005/2006) point out that these medium

chain fats demonstrate a number of actions inside the body, including a broad anti-microbial effect and the reduction of cardiovascular disease risks.

Due to their saturated nature, both coconut and palm oil are well suited for cooking. However, the latter - although very rich in carotenoids (which act as antioxidants inside the body) - does not have the potent anti-viral, anti-bacterial effect that coconut oil has and, more importantly, contains only a small amount of medium chain fats. Furthermore, the process of coconut oil extraction is less elaborated and goes only through few simple steps thus resulting in a better quality product compared to palm oil which needs more elaborated refining processes.



In coconut oil processing, pieces of coconut meat are dried under sunlight, grinded into copra flakes and then copra oil is expelled from dried copra flakes via high-speed centrifuges and low temperature processes. Also for palm oil production the extraction of oil from the palm kernels is generally separated from palm oil extraction.

The stages in this process comprise grinding the kernels into small particles, heating (cooking), and extracting the oil using an oilseed expeller or petroleum-derived solvent. The oil then requires clarification in a filter press or by sedimentation. Conversion of crude palm oil to refined oil involves removal of the products of hydrolysis and oxidation, color and flavor. After refining, the oil may be separated (fractionated) into liquid and solid phases by thermo-mechanical means (controlled cooling, crystallization, and filtering). The final product, obviously, is oil that is less 'genuine' and less conducive for consumption than coconut oil.



Since 2005, cooking oil manufacturers in the Philippines have increased imports of the cheap oil palm by 90 percent. The use of oil palm has progressively increased in the local market as household consumers and institutional buyers have preferred it, because of the price difference compared with edible coconut oil. Fast-food giants, such as Jollibee Foods Corporation (which also have its branch in Palawan) have switched to palm oil for their business.

A list of local crude palm oil and palm kernel oil refineries is published in an industry primer published by the Philippine Palm Oil Development Office. Most of these industries are a mix of Philippine-based transnational and domestic companies that are mostly engaged in the food industry and include: 1) Asian Plantations Philippines, Inc.; 2) Ricor Mills Corporation; 3) Universal Robina Corporations; 4) RFM Corporation; 5) Mina Oil Mill Corporation; 6) Oleo Fats Inc.; 7) Royal Oil Products; 9) Barons Marketing; 10) Pacific Oil Products (see Villanueva 2011: 128).

A list of food and industrial manufacturing industries in the Philippines that use palm oil products includes at least 22 companies: 1) Ansi Corporation; 2) Malabon Soap; 3) Universal Robina Corporation; 4) Nestle Philippines; 5) Windsor Corporation; 6) Tricon Link Industrial Corporation; 7) Serges Products; 8) United Chemical; 9) Meadow Brand; 10) Mina Oil; 11) Dayton Corporation; 12) Oleo Fats, Inc.; 13) G.A. Import Sales; 14) Sandoz Nutrition; 15) Royal Oil; 16) Nutrifats & Oils; 17) Tantuco Enterprises; 18) GLY Marketing; 19) JNJ Oils Industries; 20) Trade Manila; 21) United Coconut; 22) Handyware Philippines (Ibid: 128, 129).



As of now, production of palm oil is geared towards domestic food consumption and export. In the future, should production considerably increase, the industry may start focusing on oil palm as a source of agro-fuel feedstock. Surely, this will pose a new challenge for the Palawan Council for Sustainable Development (PCSD) that, as of now, does not have a policy on agro-fuels.

K. CONCLUSIONS

This report has challenged the premises of sustainable development and rural poverty eradication underlying the Palawan Provincial Government discourse on oil palm development. On the other hand, it has brought to light the concerns and sufferings of the indigenous communities directly impacted by such massive agro-industrial schemes.

In Palawan, one key challenge faced by activists is related to the fact that oil palm development schemes are highly supported by the provincial government. As a result no government agency or department would openly contradict those decisions made at the level of the Sangguniang Panlalawigan (Provincial Government). Not surprisingly, the Palawan Council for Sustainable Development (PCSD), which is the Gov. agency in charge of the sustainable future of the province, is playing a rather passive and uncritical role in relation to oil palm expansion.

One should also take into account some of the national and global junctures, which are providing the context for massive oil palm expansion and agro-industrial development in both Palawan and Mindanao. For instance, last year, an article by former Philippine President Fidel Ramos, has lead to some apprehension amongst indigenous peoples' organizations. The article re-discusses the concept of BIMP-EAGA [the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)]. The latter came into being in 1992 and its implementation was formally agreed in 1994.

The concept envisioned by BIMP-EAGA was that member countries would interact in a virtual borderless growth area that would enlarge the Philippine's and neighboring SEA countries' economies with a minimum of protocols. This should have resulted in priority undertakings, such as expansion of air/sea linkages, tourism promotion, agriculture and fisheries development, transportation, etc.

Palawan, like Mindanao, is a key area in the overall BIMP-EAGA plan, which has been depicted by its proponents as the “best opportunity” for enhancing investments and bringing comparative advantages to the participating countries. This is supposedly meant to be achieved through the exploitation of economic potentials found in their respective national territories, in addition to shared resources, technology, and information; as well by expanding intra-trade and intra-industry commonalities through production specialization/regionalization. This further entails that private investors can more easily participate in the exploitation of Philippine's natural resources, as well as in the conversion of land to accommodate large-scale projects such as oil palm plantations.



It is well known that the interests of Malaysian investors in Palawan natural resources are significant and, not surprisingly, the ongoing expansion of oil palm plantations and the construction of the oil mill in Maasin (Municipality of Brooke's Point) is, indeed, part and parcel of a Filipino/Malaysian joint venture. If the BIMP-EAGA will go ahead with its market-driven and private sector-led approach, the consequences on both indigenous communities and small-scale farmers in Palawan and Mindanao will be tremendously deleterious.

The BIMP-EAGA did experience a slow-down due to the 1997 Asian Financial Crisis and, later, due to the increase of anti-government insurgencies. Environmental groups and indigenous communities hope that this ambitious plan will never be recovered, although there are some indications that it surely will. [Not surprisingly, during a press interview in 2011,](#) Rep. Maria Rachel J. Arenas, chair of the East ASEAN Growth Area (EAGA) Affairs Committee of the House of Representatives, [has announced the filing of House Bill No. 4363](#) which is about the creation of the Southern Palawan Special Economic Zone and Freeport (SEZF) in the municipalities of Brooke's Point and Balabac. Surely, this will invite more domestic and foreign investors to put their funds into various ventures, which include large industrial plantations schemes.

Interestingly enough, during the National Palm Oil Congress held in Palawan on 25/26 June 2009, Mary Jean T. Roxas, Senior Advisor of GTZ Philippines said that the oil palm is one of the country's resources that can be used as a vehicle for sustainable economic development. According to her, with reference to BIM-EAGA, the German Technical Cooperation (GTZ) has a number of key intervention areas. These include:

1. Strengthening Public Sector Institution, notably the BIMP-EAGA Facilitation Center (FC) to transform into a joint Secretariat capable of carrying out coordination and promotion tasks effectively and efficiently;
2. Facilitating dialogues at different levels among public and private sector stakeholders, including regional development partners like the Association of South East Asia Nations (ASEAN) and the Asia Development Bank (ADB) with the goal of creating new strategic options for a more accelerated and extensive development of BIMP-EAGA;
3. Supporting sub-regional cooperation in cross-border value chains through the so called "Value Chain" approach, specifically in tourism, seaweeds, palm oil and halal products.

With or without the BIMP-EAGA, Philippine President Aquino is keeping himself quite busy inviting foreign investors from each and every corner of the globe. As a result, pressure of foreign corporations on Philippine natural resources is increasing.

In the context of these economic and political junctures, the well know HEAT program launched by Palawan Governor Baham Mitra, to heighten *health, education, energy, environment, agriculture* and *tourism* needs to be seriously reassessed and reoriented towards the needs of everyday people rather than on the interests of corporations. As this report has pointed out, palm oil plantations in Palawan are already competing and taking over cultivated areas and territories, which are sustaining local self-sufficiency. In short, a type of agriculture (oil palm monocultures) benefitting better-off farmers, companies and entrepreneurs is taking over traditional farming land which, instead, has ensured the livelihood of small-scale farmers and indigenous peoples, for generations.

A recent and ongoing campaign launched by the Save Palawan Movement (a multi-sectoral coalition of concerned environmental, legal religious and other civic groups) through its ambassadress, Gina Lopez (ABS-CBN Foundation executive director) has strongly advocated for the development of ecotourism and 'agriculture' as sustainable alternatives to mining in Palawan. What is rather important, however, is to specify the

kind of agricultural model one is referring. Surely, when the government talks about agricultural development, it mainly refers to new plantation schemes such as the ominous palm oil industry. When lowland farmers in Palawan talk about agricultural development they are mainly concerned on how to improve their wet-rice cultivation and find a steady market for their coconuts and other minor farming produces. When upland indigenous people talk about 'agricultural development' they are referring to the availability of sufficient forest land to be converted into swiddens for upland rice and other crops (sweet potatoes, cassava, taro, maize, sorghum, etc). For the local indigenous inhabitants forest land availability is a crucial concern, because only when sufficient land is available, field rotations, through long fallow periods, are possible and thus forest regeneration is ensured (Novellino, forthcoming).

There are many contrasting perspectives of how agriculture should develop and expand in Palawan. But surely, the kind of industrial agricultural development (oil palm plantations) that is setting the trend in the province is not a good model of socially balanced and sustainable development, nor could ever be regarded as an alternative to mining or to any other non-agricultural industrial model. Oil palm development does not reduce and will never eradicate poverty in Palawan, rather it will weaken, even further, the resilience of traditional communities to counter climate change while eroding their cultural integrity.

L. RECOMANDATIONS

The National Government

It would appear that Philippine President, Benigno Aquino III is supportive of policies that aim at enhancing and influencing discussions on the land use implications of biofuels and oil palm plantations. Such discussions are particularly urgent in view of the fact that, as of now, laws and regulations dealing with land use and property rights are unclear, inconsistent, and often overlap and contradict each other.



In July 2010, President Aquino in his first state of the nation address (SONA), appealed to the 15th Congress to reconsider the long debated National Land Use and Management Act (NLUMA) or House Bill 6545. NLUMA was first filed in 1992 during the 9th Congress and has passed third and final reading in the lower chamber in September 2012. This policy has been regarded by some as a possible solution to the inconsistencies and problematic land use policies of the country (Caringal & Carandang, 2005). Indeed, the proposed NLUMA aims at resolving these conflicting policies by

formulating a coherent framework for the planning and management of land resources at the national and sub-national levels.

It is therefore recommends that the National Government revitalizes the proposed National Land Use and Management Act in order to foster positive and critical discussions on the impact and implications of existing policies (e.g. the Biofuels Act) and of industrial agricultural schemes on forest, biodiversity, rural livelihood and indigenous rights.

Overall, the national government should impose a moratorium on its biofuels program, this would entail the suspension of RA 9367 (also known as Biofuels Act of 2006) and then put on halt of the Philippine Oil Palm Development Plan until the country is assured that it has all the resources and capacities to attain food sufficiency, particularly self-sufficiency in rice production.

In this respect a Congressional Oversight Committee should be established to review the possible impact of oil palm and biofuel plantations on food security, environment, and on rural and indigenous peoples livelihoods. A congressional inquiry in Palawan and Mindanao on these crucial issues would be very much needed.

On a parallel front, Land Bank's contribution to President Aquino's commitment to develop the rural economy should not include palm oil development. This entails that the Philippine government should make more sustainable investments for improving agricultural productivity of marginalized farmers rather than favoring large agribusiness and corporations.

Moreover, It is also important to note that the way in which oil plantations are being developed contravenes those provisions contained in well-know conventions [e.g. The Convention on Biological Diversity (CBD)].

The CBD is a key instrument for the conservation, sustainable use, fair and equitable sharing of benefits arising out of the utilization of genetic resources. In this regard, the principle of Free Prior and Informed Consent (FPIC) is an important element of the CBD provisions on access to genetic resources and fair and equitable sharing of benefits. It is also essential to the implementation of a number of provisions of the Convention, which are of particular importance to indigenous and local communities. The CBD was launched at the 1992 United Nations Conference on Environment and Development, together with the non-legally binding Forest Principles and Agenda 2, that – in chapter 11 – focuses on 'Combating deforestation'.

The commitments made under this convention form some of the strongest government statements of their own responsibilities towards the protection and promotion of traditional knowledge and respect for holders of such knowledge. A key standard on indigenous peoples established under the conventions is set in article 8(j) mandating that Each Contracting Party shall, as far as possible and as appropriate:

“Respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices”.

These principles are further listed in the UN Declaration on the Rights of Indigenous Peoples (especially articles 1, 12, 20, 27 and 30) adopted and signed by the Philippine government on September 14, 2007. In the UNDRIP it is stated that

“indigenous people have the right to determine and develop priorities and strategies for the development or use of their lands, territories and other resources, including the right to require the states obtain their free and informed consent prior to the approval of any project affecting their lands, territories and other resources, particularly in connection with the development, utilization or exploitation of miner, water or other resources”.

The endorsement of oil palm plantations in areas that have been managed and conserved by indigenous peoples since time immemorial further contradicts other conventions that the Philippine Government has ratified such as **1)** The Convention concerning the Protection of the World Cultural and Natural Heritage and, **2)** the Convention for the Safeguarding of the Intangible Cultural Heritage.

The inclusion of precious habitats, which provide cultural and physical sustenance to Palawan lowland indigenous communities into oil palm plantations also contradicts the Revised IUCN Protected Area Category System which places emphasis on the integrity between ecological, biological, cultural and scenic values.

The commitment made by the Philippine state under these conventions form some of the strongest government statements of its own responsibility towards the protection of the environment and the well being of its inhabitants, therefore it should be fully honored.

The Philippine Coconut Authority (PCA) and The Department of Agriculture (DA)

Both agencies should provide more support to traditional coconut growers and give incentives for the cultivation of coconut palms (rather than oil palms), especially in coastal areas where the temperature and available chlorine are ideal factors for the growing of this species. In these areas coconuts provide local people with basic income and multiple products.

In view of the alarming destruction of coconuts in Southern Palawan due to Rhino beetles and other pests, PCA and DA should start a massive pest eradication program and provide communities with the technical means to countering pest infestation.

Elsewhere in the Philippines (Mindanao) green muscardine fungus (GMF) has proven effective in killing the larvae of Rhino beetles on a large scale.

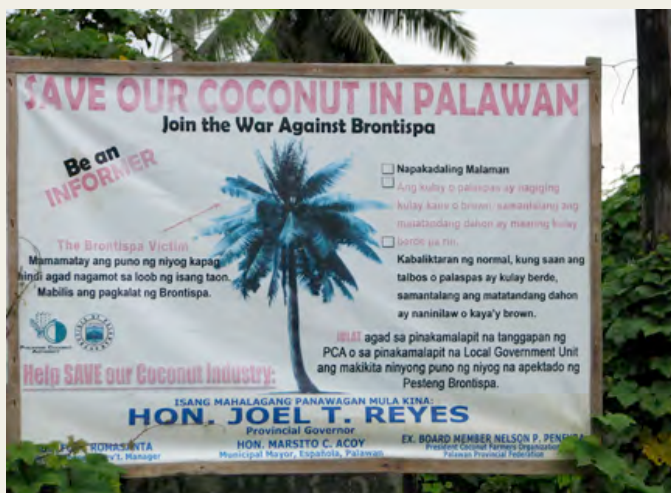


Larva killed by Green Muscardine



Healthy Rhino Beetle Larva(R) and larva infected by

The Crop Protection Division of the Davao Research Center, has also tested with success the use of pheromone trapping in combination with the other recommended practices. As it has been suggested by Cynthia E. Gallego, chief of the Crop Protection Division of the Davao Research Center during the National Palm Oil Congress (2009), the use of pheromone trap dramatically reduced crown damage from 90 to 10 percent. The trap is made of 4-inch diameter PVC pipe that's five feet long. Appropriate windows at the sides of the pipe serve as entry holes. The pole is kept in upright position with the use of a pole driven to the ground. Two kilos of decaying sawdust is added inside as temporary shelter for trapped adults. Before it is finally installed, a tin can with punched holes is fitted at the bottom of the pipe to prevent trapped Rhino beetles from escaping. Sachets of the pheromone which attracts the beetles are placed in the trap. One trap is enough for every two hectares. The trapped beetles are collected every week. They are not killed, however. They are subsequently infected with *baculovirus* and then released to infested areas. These will infect the other beetles in the field.



Biological control by using natural enemies such as parasitoids and entomopathogens has been proved as a promising method to control *Brontispa longissima*. Potential natural enemies for controlling *B. longissima* include pupal parasitoid (*Tetrastichus brontispa*), entomopathogenic fungi (*Metarhizium anisopliae* var. *anisopliae* and *Beauveria bassiana*) (Hosang M. L.A, J. C. Alouw and H. Novarianto 2004).

Due to the limited amount of its life cycle spent outside the tree, the window of opportunity for use of contact insecticides against *R. ferrugineus* is very small.

Entomopathogenic nematodes (*Steinernema carpocapsae* and *Heterorhabditis* spp.) may also be effective in controlling *R. ferrugineus* in addition to food baited pheromone traps (Malumphy and Moran 2009).



It is thus recommended that PCA and DA identify, as soon as possible, the most effective and environmentally friendly coconuts pest control measures, and apply them in all impacted areas of Southern Palawan. This should be done with haste, to preserve the livelihood of thousands of coconuts planters and the survival of the local coconut industry.

The Provincial Government

As it appears from the findings of this report, the way in which oil palm expansion is being implemented contradicts the Provincial Comprehensive Development Plan of Palawan (2005) stating that Palawan should “become a province where people, culture, religion and economy are in harmony with the environment and natural resources and the population living in peaceful, orderly and prosperous communities.”

The provincial government should initiate, as soon as possible, an in-depth and serious review of existing and proposed areas to be converted into oil palm plantations, in order to assess their present ecological status and the overlapping between them and those areas that are still conserved and managed by indigenous people. Unless such review is carried out there is a high risk that the environmental and ecological sustainability of the province, its agricultural productivity, as well as people’s food security, will be severely compromised.

Meanwhile, a moratorium at the provincial level on biofuels programs and oil palm expansion should be put in place, at least until reliable scientific data becomes available on the real benefits gained from agrofuels and oil palm plantations in comparison to their unintended costs such as increased carbon dioxide (from cleared plantation areas), loss of traditional access to land and resources, reduced land productivity, loss of traditional livelihood, etc.

The Palawan Council for Sustainable Development (PCSD)

The irony of Palawan is to have one of the best environmental laws in the country (the Strategic Environmental Plan), but the law itself is continuously being amended by the PCSD to favor large corporations. As of now, the PCSD continues to overstep the bounds of the law that it is mandated to uphold, and ultimately places Palawan’s natural and cultural heritage at great risk.

With reference to oil palm expansion, the PCSD should ascertain for itself the social acceptability of such plantations schemes by local residents, especially indigenous peoples. The Council’s own rules (Section 6 of a letter dated April 21 and 22, 2010) states that

“for projects or undertakings requiring an EIS, the PCSD may conduct public consultations or public hearing if deemed necessary in order to ascertain the acceptability of the project in the community and to ensure that the interests of all stakeholders are considered. Whether any or all of the following circumstances are present, public consultation/hearing is necessary: i. The magnitude of the project is such that a great number of people are affected, ii. There is mounting public opposition against the proposed project; or iii. There is written request for the conduct of such public hearing from any of the stakeholders. In case of conflicts, no project shall be elevated to PCSD for its action unless all measures were exhausted to address the issue at hand”.

PCSD should explain how and to what extent a SEP clearance given to PPVOMI-Agumil for their Integrated Palm Oil Processing Project (13 hectares only) can represent a legally valid tool for allowing the company to extend its activities to a much larger area.

PCSD should also provide information on whether the so-called Multi-Partite Monitoring Team (MMT) has already carried out field assessments on palm oil plantations. If such assessments and preliminary investigations have already been done they should be made available to the public. The PCSD should also make a serious attempt to include indigenous representatives in the Multi-Partite Monitoring Team (MMT), before PPVOMI-Agumil business is allowed to expand any further.

As soon as possible, an open dialogue between PCSD and all parties involved (IPs Organizations, NGOs, Civil Society, etc.) on oil palm development should be initiated.

The NCIP

The National Council of Indigenous Peoples (NCIP) is the national body in charge of implementing the IPRA (Indigenous Peoples Right Act of 1997 or Republic Act no. 8371) which recognizes, protects and promotes the rights of indigenous cultural communities.

Previous evidence indicates that the Palawan branch of the National Council for Indigenous Peoples (NCIP) has actually sided with mining companies rather than protecting the rights of its indigenous constituents. Also in relation to oil palm expansion, NCIP has done nothing to inform local indigenous communities about the impact that oil palm expansion might have had on their life, nor it has provided its constituents with clear information on how to deal with the unfair land lease agreements proposed by oil palm companies.

It is recommended that – in line with its mandate – NCIP takes the necessary steps to ensure that local indigenous communities, to be targeted by oil palm expansion, are given sufficient information on the implication of oil palm development in order to allow them to come up with a community-based consensus on crucial decisions to be made.

In Section 3(g) of the IPRA law, FPIC is defined as:

“the consensus of all members of the Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) to be determined in accordance with their respective customary laws and practices, free from any external manipulation, interference coercion, and obtained after fully disclosing the intent and scope of the activity, in a language and process understandable to the community”.

The Department of Environment and Natural Resources (DENR)

This Department is mandated to be the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources. All proponents of development projects, such as oil palm plantations mining, etc. must undergo comprehensive review and evaluation, which are being undertaken by the EIA Review Committee (EIARC) prior to issuance of the Environmental Compliance Certificate (ECC). The EIARC is an independent group composed of experts in different fields (i.e. air, land, water, communities, etc.) commissioned by the DENR-Environment Management Bureau. The EIA serves as a planning and decision-making tool whose findings and recommendations, for consideration of other government agencies and LGUs, shall be transmitted through the ECC.

ALDAW main stand is that ECC to oil palm companies have been granted, without the full compliance to existing legislation. To prove the contrary, the DENR should provide

clear indications and copies of the reviews and evaluations being carried out before allowing oil palm companies to further expand their plantation area across the various municipalities.

It is therefore recommended that DENR freezes all ECC released so far to oil palm companies until a detailed assessment of the environmental/ecological impact of oil palm plantations is fully implemented in collaboration with independent experts chosen by local environmental NGOs and Indigenous People Organizations/Federations. More importantly oil palms planted by Agumil in illegally cleared forest should be removed immediately, and the depleted area should be reforested with endemic species.

The International Organizations

The UNESCO

It is Palawan's diversity which served as the basis for declaring Palawan as a "Game Refuge and Bird Sanctuary" in 1967 and as a Mangrove Reserve in 1981. Having established Palawan as a "Man and Biosphere Reserve" the UNESCO should play a more incisive role, specifically when national governments, such as the Philippines, violates the condition for which such 'prestigious awards' have been granted. Therefore, the UNESCO should make an attempt to dialogue with those forces and indigenous peoples who are opposing oil palm expansion in the province. More importantly, the UNESCO, through its Director General, should make its voice heard at both the Philippine national and provincial levels.

GTZ, EU cooperation and development agencies

The German Project "Promoting Economic Cooperation in BIMP-EAGA" was funded by the Federal Ministry for Economic Cooperation and Development and commissioned for implementation to the German Technical Cooperation (GTZ). The project started in January 2005 with the objective of building the institutional capabilities of organizations in the sub-regions in order to promote cross border flow of trade, investments and eco-tourism.



According to GTZ, the BIMP-EAGA is a region that has been contributing significantly to the palm oil industry for the last two decades. Indonesia and Malaysia account for 87% of the world's palm oil production. The Philippines, although has a relatively young status of the palm industry compared to the coconut industry, poses a great potential as the local demand for palm oil is steadily increasing at 2.18% per year (*GTZ-PH, 2007*). According to GTZ, the

Philippines is now starting to expand and develop its palm oil industry preparing to be one of the major exporters from the BIMP-EAGA region.

GTZ BIMP-EAGA project has supported the oil palm Industry through the "Value Chain" approach. The Value Chain concept provides a systematic and logical platform for a sector or industry analysis and intervention, bringing the stakeholders together and linking the industry into the global value chain.

It is here argued that GTZ, rather than being complacent with the oil palm development ambitions of the BIMP-EAGA nations, should have played a more critical role in seriously bringing social and environmental concerns into the so called BIMP-EAGA Roadmap to Development (2006-2010), thus promoting indepth feasibility studies on the socio-environmental impact of oil palm development in the Philippines as elsewhere in South East Asia. Instead, GTZ by uncritically endorsing BIMP-EAGA development agenda, has ended up supporting projects (such as oil palm agribusiness) that profits the private sector rather than fulfilling the goal of poverty reduction and sustainable development.

The German Technical Cooperation (GTZ) assistance for BIMP-EAGA has end in June 2011, but it cannot be excluded that more technical assistance will be provided by GTZ to BIMP-EAGA in the years to come. It is then strongly recommended that GTZ should prevent itself from engaging, anytime in the future, with projects that support, directly or indirectly, harmful oil palm production within BIMP-EAGA such as the those that are setting the trend in Palawan and the Philippines. The same reccomandation applies to other potential donors such as the Asian Development Bank (ADB), as well as to the cooperation agencies of EU countries.

Not surprisingly, as Rainforest Rescue has recently pointed out: “the European Union wants to save the climate by reducing emissions from motor vehicles – and is counting on supposedly eco-friendly “biofuels” to do so. 14 million tons of agrofuels are added to gasoline and diesel in the EU every year. This is set to increase to 30 million tons a year by 2020, replacing ten percent of the EU’s fossil fuel consumption”.

According to Rainforest Rescue, the horrific consequences of the European agrofuel policy can be seen in Malaysia and elsewhere. On Borneo, a state-owned company is clearing 70,000 hectares of rainforest to make room for oil palms. Ironically, these plantations are certified by the ‘Roundtable on Sustainable Palm Oil’ (RSPO).

Rainforest Rescue has recently made an appeal to the EU to abolish its agrofuel policy immediately. For more information see <https://www.rainforest-rescue.org/mailalert/908?ref=nl&mt=1533>

The Civil Society

The Save Palawan Movement (SPM) has the merit of having launched a massive and very successful petition/campaign that, as of now, has reached more than 7 million signatures to stop mining in Palawan and in other island-ecosystems. It is believed, that the inclusion of the oil palm issue in the campaign agenda of the Save Palawan Movement would be an additional and invaluable contribution to the protection of the Philippines ‘Last Frontier’. Furthermore the SPM could play a vital role in convincing one of it allies (Puerto Princesa City Mayor Edward Hagedorn) to resist any future attempt of expanding oil palm agribusiness in his Municipality.

Well-know Filipino environmental organizations, such as the Foundation for Philippine Environment (FPE) - the first grant-making institution for the environment in the country – and networks of people’s organizations, NGOs and environmental advocates such as KALIKASAN-People’s Network for the Environment as well as Filipino branches of international environmental groups, should include and strengthen anti-oil palm advocacy amongst their most urgent priorities while providing direct assistance and support to those

local activists and grassroots movements which are resisting oil palm expansion in their own communities.

APPENDIX 1.

Anti-Oil Palm Resistance in Mindanao

The community-based organization 'Pangalasag' is a member organization of the regional alliance Kalumbay and an organization of Higaonon indigenous people in the municipality of Opol, Misamis Oriental. 'Pangalasag', which means indigenous shield, was created to become a driving force in the resurgence of Higaonon customary laws especially in decision-making and granting of consent, aside from its literal meaning to defend against aggressors.



— FLOODS like this in Davao City on Jan. 20 have been uncommon in Mindanao in the past. Environmentalists are pointing to a growing list of factors, including the massive expansion of palm oil plantations in Mindanao's vast land. DENNIS JAY SANTOS/INQUIRER MINDANAO

Indeed, the Higaonon have had to defend themselves from decades of dispossession of their ancestral lands which have eroded their culture and customary laws. But some of their leaders stood up and formed the 'Pangalasag'.

Now the fight is to resist the expansion of the oil palm plantation of A. Brown Company, which in the last two years has invaded the ancestral domain of the Higaonon occupying traditional lands of barangays (villages) Tingalan and Bagooboc.

Not only the indigenous people who reside in these areas have been suffering adverse effects on their health and the environment due to the chemical-intensive activities in the production of oil palm but also, since the beginning of the plantation's operations, Higaonons and other villagers have experienced severe human rights violations such as forced eviction, illegal arrest, strafing and harassment. This was denounced by an International Fact-Finding Mission carried out in May of this year, conducted by the Pesticide Action Network-Asia and the Pacific (PAN AP), Peasant Movement of the Philippines (KMP), the Asian Peasant Coalition (APC), and the Kalumbay Regional Lumad Organization (see World Rainforest Movement Bulletin no. 180).

Gilbert Paborada, 47, was the chairperson of 'Pangalasag'. On October 3, 2012, at around 3 p.m., he was about to alight from a public tricycle when he was shot at by two motorcycle-riding men, according to the initial data gathered by the Rural Missionaries of the Philippines (RMP)-Northern Mindanao Region (NMR).

Witnesses said one of the men moved closer to Paborada and fired at him again in the head. Paborada sustained five gunshot wounds: two on his chest, one in the abdominal area and another on his hand. He was dead on the spot. The gunmen on board a white motocross-type motorcycle quickly sped away.

Since March 2011, Paborada had left Bagooboc and had relocated to Cagayan de Oro City to evade threats to his life though he still frequented his village to lead community-based campaigns of 'Pangalasag'. On the day of the killing, Paborada had just come from Bagooboc.

Gilbert Paborada is said to be the fourth member of the indigenous people's group Kalumbay who became a victim of extrajudicial killings in Northern Mindanao under President Benigno Aquino III administration.

Some of the extrajudicial killings committed against IPs in Northern Mindanao under the current Aquino administration are reported to have been perpetrated by Task Force Gantangan and Salakawan, paramilitary groups that are tolerated or even sanctioned by the Armed Forces of the Philippines and assist regular soldiers in their pursuit of communist and Moro separatist rebels. Indigenous Peoples are then put in dangerous situations as their resistance against destructive development projects is usually, if not always, branded as leftist or as a terrorist act.

Indigenous peoples in Northern Mindanao are demanding the withdrawal of military forces from their communities. Currently, the deepening social division in the area caused by large mining and oil palm corporations is a matter of serious concern.

APPENDIX 2.

ABOUT CALG (Coalition against Land Grabbing)

The Coalition against Land Grabbing (CALG) is a national coalition of indigenous peoples and local communities based in the province of Palawan (the Philippines). Initially, the organization came into being as an informal task-force, which was created through the advocacy and capacity building work of ALDAW (Ancestral Land Domain Watch). This task force named Task Force Opposing Large Scale Plantations in Palawan or TASK-FORCE TUMUTUTOL SA MALAWAKANG NG MGA PLANTASYON SA PALAWAN (TF-TMPP) was constituted on April 2014 after a meeting between 10 founding members was held in the Municipality of Quezon. Subsequently, as more members (ALDAW staff and associates) decided to join this group, it was decided to rename the task force as GROUP COALITION AGAINST LAND GRABBING, INC. (CALG), which was then legally registered as a non-profit organization under the Security Exchange Commission of the Philippines on February 13, 2015.

Since then, CALG has been the driving force in Palawan leading the struggle against rampant land grabbing, and it has invested considerable efforts in providing paralegal assistance and advocacy training, especially to communities being impacted by oil palm plantations and other types of industrial agribusiness. In this respect, CALG has been the promoter of a petition calling for a province-wide moratorium against oil palm expansion being signed by more than 4,200 members of oil palm impacted municipalities [<https://intercontinentalcry.org/philippines-local-palawanos-stand-strong-oil-palm-expansion-25775/>].

One of the key strategies that CALG uses (and intend to use) to counter land grabbing is to push for the formal recognition of indigenous ancestral domain. This is done by appealing to existing laws such as IPRA (Indigenous Peoples Rights Act) and to other legal instruments.

RAINFOREST RESCUE (*Rettet den Regenwald e.V.*)

Rainforest Rescue is a nonprofit organization actively committed to preserving rainforests, protecting their inhabitants, and furthering social reforms. Since 1986, it has been interfering with the business interests of timber and cattle barons, oil and mining companies, Western banks and corrupt politicians. To fulfill its goal, the Rainforest Rescue engages in the following activities: 1) organizing protest actions and email protests against rainforest destruction by loggers, companies such as oil or mining companies, the flooding of vast forest areas by large dams, and the destruction of forests to make way for monocultures such as palm oil plantations (e.g. for the production of biofuels), 2) providing direct support to activist groups in rainforest countries campaigning for forest conservation, indigenous rights, social progress and sustainable development, 3) raising funds for the purchase of rainforest property, financial support for legal measures, 4) lobbying and information work in Germany on Western involvement in rainforest destruction, pointing out the causes and naming the complicit parties, 5) taking direct influence on development policy in Germany and the activities of banks and corporations, 6) providing information to consumers wishing to contribute to rainforest conservation through conscious purchasing decisions, protests and private commitment.

Since 2010, ALDAW advocacy against oil palm and mining corporations on Palawan Island has been supported by Rainforest Rescue.

The Rainforest Rescue main office is based in Hamburg, Germany with staff and volunteers working in different countries. Organization's Web site: <http://www.rainforest-rescue.org>; e-mail address: info@regenwald.org

WORLD RAINFOREST MOVEMENT

The World Rainforest Movement is an international network of citizens' groups of North and South involved in efforts to defend the world's forests. It works to secure the lands and livelihoods of forest peoples and supports their efforts to defend the forests from commercial logging, dams, mining, plantations, shrimp farms, colonization and other projects that threaten them. The WRM was established in 1986 and initially focused its activities on the flaws in the FAO and World Bank's "Tropical Forestry Action Plan" and countering the excesses of the tropical timber trade and the problems of the International Tropical Timber Organization. Since 1996 the International Secretariat of the WRM was hosted in Uruguay. Since 1997, WRM publishes a monthly e-bulletin in four languages (Spanish, English, French and Portuguese), which is on the web and widely distributed. WRM maintains a bilingual web site. The WRM bulletin is instrumental in the establishment of permanent links with country-based organizations, which use it to publicize their struggles internationally. Moreover, WRM has produced an important number of books, booklets and briefings, in several languages, on the impacts of tree plantations in Africa, Asia and Latin America. Recently WRM has supported the struggle of Palawan indigenous communities against mining and oil palm expansion through the circulation of information on its monthly bulletin and by sending one of its staff to Palawan for the purpose of establishing working collaborations with the oil palm impacted communities.

Organization's web site: <http://www.wrm.org.uy>, E-mail address: wrm@wrm.org.uy

THE ICCA CONSORTIUM

The ICCA Consortium is an international association dedicated to promoting the appropriate recognition of and support to ICCAs (Indigenous Peoples' and Community Conserved Territories and Areas) in the local, national and global arena. It is comprised of Members, which include indigenous people organizations (IPOs), community-based organizations (CBOs) and civil society organizations working with IPs/LCs, and Honorary members, who are individuals with relevant concerns and expertise relating to ICCAs. As a global institution, the Consortium is collaborating with the [CBD Secretariat](#), [GEF SGP](#), [UNEP WCMC](#), [IUCN](#), research and advocacy organizations, and UN mechanisms promoting human and IP and LC rights. The Consortium has been one of the early supporters of indigenous peoples' efforts against mining and oil palm expansion in Palawan (The Philippines). For instance, advocacy campaigns launched by ALDAW (Ancestral Land/Domain Watch) have been widely circulated through the Consortium own campaign alert system. Moreover, indigenous representatives from Palawan have been able to attend international meetings and gatherings through the direct support of the Consortium.

The Consortium was informally established at a gathering during the [4th World Conservation Congress](#) in Barcelona (Spain) in October 2008 by several mutually respected NGOs and organizations representing indigenous and community constituencies. Since 2010 it is also established legally as an international association under Swiss Law. These members agreed on a broad program of action that provided seeding support and stimulus for cooperation on ICCAs among a large variety of actors. It was during this same gathering that the idea of creating an on-line ICCA database was born. This led to the establishment of the ICCA Registry (<http://www.iccaregistry.org/>). Since Barcelona, physical meetings among Consortium Members and Honorary members have taken place during international gatherings and policy events, including meetings of the CBD Parties and UN gatherings (e.g., [UNPFII](#) and [EMRIP](#)), details of which are available on the organization' website: <http://iccaconsortium.org> - Relevant e-mail contact: gbf@iccaconsortium.org

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ACRONYMS

A&D - Alienable and Disposable Land
 AFRIM - Alternate Forum for Research in Mindanao
 AGPI - Agumil Philippines Inc.
 ALDAW – Ancestral Land/Domain Watch
 APC - Asian Peasant Coalition
 APG - Agusan Plantations Group
 ARBs - Agrarian Reform Beneficiaries
 ASEAN – Association of South East Asia Nations
 ATM - Alyansa tigil Mina
 BIMP-EAGA - the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area
 CADT - Certificate of Ancestral Domain Title
 CALG (Coalition against Land Grabbing)
 CALT - Certificate of Ancestral Land Title
 CARL - Comprehensive Agrarian Reform Law
 CARP - Comprehensive Agrarian Reform Program
 CAVDEAL - Cavite Ideal International Construction and Development Corporation
 CBD – Convention on Biological Diversity
 CBFMA - Community Based Forest Management Agreement
 CCC - Coconut Coordinating Council

CLOA - Certificate of Land Ownership Award
 CPO - Crude Palm Oil
 CRMF/AWP - Community Resource Management Framework/Annual Work Plan
 DA - Department of Agriculture
 DAR - Department of Agrarian Reform
 DENR - Department of Environment and Natural Resources
 DOE - Department of Energy
 DOLE - Department of Labor and Employment
 DoF - Department of Finance
 DoTC - Department of Transportation and Communication
 DST - Department of Science and Technology
 DTI - Department of Trade and Industry
 EAGA - East ASEAN Growth Area
 ECAN - Environmental Critical Area Network
 ECC - Environmental Compliance Certificate
 EIA - Environmental Impact Assessment
 EIARC – Eia Review Committee
 ELAC - Environmental Legal Assistance Centre
 EU – European Union
 FFB - Fresh Fruit Bunches
 FMS - Forest Management Services
 FPE - Foundation for Philippine Environment
 FPIC - Free Prior Informed Consent
 FPP – Forest Peoples Programme
 FPPI – Filipinas Palm Oil Plantation, Inc.
 GMF - Green Muscardine Fungus
 GTZ - German Technical Cooperation
[HEAT program - health, education, energy, environment, agriculture and tourism](#)
 ICCAs – Indigenous Communities Conserved Areas and Territories
 ICPO - International Criminal Police Organization (*INTERPOL*)
 IFMA - Industrial Forest Management Agreement
 IPRA - Indigenous Peoples Rights Act
 IRR - Implementing Rules and Regulations
 IUCN - The International Union for the Conservation of Nature
 JAO - Joint Administrative Order
 KARBEMPCO - Kenram Agrarian Reform Beneficiaries Multipurpose Cooperative
 KMP - Pacific Peasant Movement of the Philippines
 LBP - Land Bank of the Philippines
 LGU - Local Government Unit
 MTPDP - Medium Term Philippine Development Plan
 NATRIPAL - United Tribes of Palawan
 NBB - National Bio-fuels Board
 NCIP - National Commission on Indigenous Peoples
 NGOs - Non-Government Organizations
 NIPAS – National Integrated Protected Areas System
 NTFPs – Non-Timber Forest Products
 MMT - Multi-Partite Monitoring Team
 PAN AP - Pesticide Action Network-Asia
 PCA - Philippine Coconut Authority
 PCSD - Palawan Council for Sustainable Development
 PACBARMA - Protected Area Community-Based Resources Management Agreement

PHILCOA - Philippine Coconut Administration
 PHILCORIN - Philippine Coconut Research Institute
 PHP – Philippine Peso
 PNOC-AFC - Philippine National Oil Company Alternative Fuels Corporation
 PNNI - Palawan NGOs Network Inc
 PPOIDC - Palawan Palm Oil Industry Development Council
 PODO - Palm Oil Development Office
 POPDC - Philippine Palm Oil Development Council
 PPOIC - Philippine Palm Oil Industry Council
 PPVOMI - Palawan Palm and Vegetable Oil Mills Inc.
 PSU - Palawan State University
 PV- Participatory Video
 SONA – State of the Nation Address
 QUEDANCOR - Quedan and Rural Credit Guarantee Corporation
 RMP - Rural Missionaries of the Philippines
 RRI - The Rights and Resources Initiative
 SEP - Strategic Environmental Plan
 SIFMA - Socialised Industrial Forest Management Agreement
 SPM – Save Palawan Movement
 SRA - Sugar Regulation Administration
 UNDRIP - United Nations Declaration on the Rights of Indigenous Peoples
 UNESCO – The United Nations Educational, Scientific and Cultural Organization
 WRM - World Rainforest Movement

CURRENCY EQUIVALENTS

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