

**Forum:** Environmental Council (EC)

**Issue:** The issue of the Orangutan Palm Oil Crisis

**Student Officer:** Antonios Doumouras

**Position:** Deputy President

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## **Personal Introduction**

Dear Delegates,

It is my utmost honor to welcome you all to the Environmental Commission of this year's ACGMUN conference. I am Antonios (Antony) Doumouras, a grade 10 Athens College student, and I will be serving as one of your Deputy Presidents.

So far, my MUN journey has developed both my social and environmental awareness, two sectors that I consider very important, especially for this committee. As the next generation, the second one that recognizes the dangers of climate change, we need to act immediately so as to preserve all the natural beauties that our world has. I hope that through your research on this topic, you will embrace the opportunity to act in order to go against global crisis; in this specific occasion an oil crisis.

Should you have any questions, please feel free to reach out to me, through my school mail: [adoumouras@athenscollege.edu.gr](mailto:adoumouras@athenscollege.edu.gr). I am looking forward to meeting you all in March!

Best Regards,

Antony Doumouras

## Topic Introduction

Palm oil is one of the most widely used vegetable oils in the global market. Its price as well as quality, makes it a great ingredient for all sectors, including industries of food, cosmetics and biofuels. Indonesia and Malaysia are the two countries that produce the most quantity of palm oil in the world. The main issue analyzed is the fact that due to the increase in palm oil production, various species including orangutans become extinct due to deforestation and climate impact.

The palm oil industries are the main cause of why this issue is present. Palm oil industries need to cut out trees, mainly palms in order to export their product and thus, they cause deforestation. Deforestation leads to extremely severe issues, as it leaves the orangutan, as well as thousands of other species without a home. As a result, they end up without a place to live, and they are unable to survive. Between 1999 and 2015, over 100.000 have been lost due to both habitat destruction, deforestation, and human induced threats, including illegal hunting.

Via these actions, wildlife in general begins to be in danger, as a human-wildlife conflict rises that will lead to habitat loss and directly affect the ecosystem function.

During the last couple of decades, organizations have started addressing this issue. The Roundtable on Sustainable Palm Oil (RSPO), has been promoting practices that balance economic stability with environmental preservation like planting at least a tree for every one that is being cut, for the last couple of years. In addition to that, this is closely associated with the 15th United Nations Sustainable Development Goal (SDG) which is the protection and restoration of life on land as well as promoting its sustainable use. Climate action (13th SDG) as well as responsible consumption and production (12th SDG) also match quite well with the topic, as the main issue's problem is the fact that people do not respect nature by overproduction.

## Definition of Key Terms

### Deforestation

“The act of cutting down or burning the trees in an area.”<sup>1</sup>

### Biodiversity Loss

“Biodiversity loss refers to the reduction of any aspect of biological diversity (i.e., diversity at the genetic, species and ecosystem levels) in a particular area through death (including extinction), destruction or manual removal; it can refer to many scales, from global extinctions to population extinctions, resulting in decreased total diversity at the same scale (IPBES, no date).”<sup>2</sup>

### Sustainable Palm Oil

The process of producing palm oil, in a more responsible way, by preventing deforestation and treating local people, wildlife and habitats in a proper and fair way.

### Peatland Drainage

“The process of draining carbon-rich wetlands, often done to make land suitable for palm oil cultivation. This practice releases significant amounts of stored carbon dioxide into the atmosphere, contributing to climate change and environmental degradation.”<sup>3</sup>

### Monoculture

“The practice of growing a single crop on a given acreage in agriculture. While monoculture crops are sometimes rotated year to year, continuous monoculture, or mono-cropping, in which the same crop is grown year after year, has become one of the dominant paradigms in modern industrial agriculture.”<sup>4</sup>

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<sup>1</sup> Oxford dictionary, <https://www.oxfordlearnersdictionaries.com/definition/english/deforestation>

<sup>2</sup> UNDRR, <https://www.undrr.org/understanding-disaster-risk/terminology/hips/en0008>

<sup>3</sup> IPS, <https://peatlands.org/peatlands/what-are-peatlands/>

<sup>4</sup> Britannica, <https://www.britannica.com/topic/monoculture>

## Fragmentation

“The action or process of breaking something into small parts or of being broken up in this way (general term); a situation in which an industry or business activity has many companies but no one company is more important than the others (business term); a process in which an organism breaks into different parts, with each part growing into a complete new organism (biology term)”<sup>5</sup>

## Palm Oil

“An edible vegetable oil that comes from the fruit of oil palm trees, the scientific name is *Elaeis Guineensis*. Two types of oil can be produced; crude palm oil comes from squeezing the fleshy fruit, and palm kernel oil which comes from crushing the kernel, or the stone in the middle of the fruit.”<sup>6</sup>

## Climate Change

“Climate change is a long-term change in the average weather patterns that have come to define Earth’s local, regional and global climates. These changes have a broad range of observed effects that are synonymous with the term.

Changes observed in Earth’s climate since the mid-20th century are driven by human activities, particularly fossil fuel burning, which increases heat-trapping greenhouse gas levels in Earth’s atmosphere, raising Earth’s average surface temperature. Natural processes, which have been overwhelmed by human activities, can also contribute to climate change, including internal variability and external forcings.”<sup>7</sup>

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<sup>5</sup> Cambridge dictionary, <https://dictionary.cambridge.org/dictionary/english/fragmentation>

<sup>6</sup> World Wide Fund for Nature (WWF), <https://www.wwf.org.uk/updates/8-things-know-about-palm-oil>

<sup>7</sup> National Aeronautics and Space Administration (NASA), <https://www.ucdavis.edu/climate/definitions>

## Background Information

### Economical Aspect of the Crisis

The orangutan palm crisis has affected the economic sector. Since it is a key ingredient in various products, such as food and jewelry, global demand for palm oil leads to economic incentives driving economic growth and global exports that multiple nations and organizations strive. In addition to that, palm oil is one of the most cost-effective vegetable oils, which should remain in the global markets, as it is a key component of the economies of certain countries. Furthermore, the palm oil industry gives employment to over 2 million workers, mainly in Malaysia and Indonesia, that can't be left unemployed. Thus, palm oil provides economic dependency to such countries, as it increases their revenue as well as the global demand for palm oil.

Nevertheless, the production of palm oil in such methods should discontinue as it harms not only the environment but also plants long-term economic risks for both agriculture and global markets, as palm trees are finite; as a result, reserves will at some point become depleted.

All of this takes place in a very sensitive period of time when it comes to the economy. The size of the global palm oil industry is huge, as it was valued approximately 65 billion dollars in 2022<sup>8</sup>, and projected growth within the next few years. Thus, especially for LECDs like Indonesia and Malaysia, the palm oil sector accounts for more than 3,5% of the Gross Domestic Product (GDP), which is also being exported internationally. It is important to mention the impact on the global trade market of palm oil, as it is the most traded vegetable oil in the world.

### Social and Political Aspect of the Crisis

Political issues regarding human rights, conflicts and international national sovereignty also play a vital role in the crisis. Laborers and workers do abuse their rights of cultivating land, in order to produce the maximum quantity of palm oil by cutting more trees than allowed from the government. This action goes against the right to land, as there should be a limit of deforestation, which is traditionally acted by indigenous people and communities, as outlined in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). In addition to that, a couple of industry groups try to lobby and influence the main government policies by pushing back against stricter regulations. These groups are mainly Indonesian and Malaysian, as these are the main countries that produce the most palm oil; and thus, they will have the biggest affection if a stricter policy is applied.

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<sup>8</sup> International Institute for Sustainable Development, <https://www.iisd.org/system/files/2023-06/2023-global-market-report-palm-oil.pdf>

When it comes to the social sector combined with the environmental one, laborers seem to be paid with poor wages and as a result, perform their work in an incorrect and hurried manner that can easily harm the environment even more. The overproduction of palm oil, causes deforestation, leading nations like Malaysia and Indonesia in an irreversible situation, due to the permanent environmental damage.

## **Deforestation**

The large-scale deforestation caused by palm oil production is a severe environmental issues today. The clearing of forests to make way for palm oil plantations leads to the destruction of critical ecosystems, pushing many species, including orangutans, toward extinction. Biodiversity loss is particularly concerning, as forests serve as vital habitats for a vast number of species. When vast forested areas are cleared at once, habitat fragmentation occurs, making it difficult for wildlife populations to recover and thrive.

Beyond biodiversity loss, deforestation also contributes significantly to climate change. Forests act as carbon sinks, absorbing large amounts of carbon dioxide from the atmosphere. When trees are cut down and burned, stored carbon is released back into the air, exacerbating global warming. The destruction of tropical rainforests, particularly in Indonesia and Malaysia, has made these regions some of the world's largest emitters of greenhouse gases due to deforestation.

Additionally, deforestation for palm oil plantations leads to soil degradation and increased vulnerability to natural disasters such as landslides and flooding. The removal of trees disrupts the natural water cycle, leading to decreased rainfall and prolonged droughts in affected areas. This negatively impacts not only wildlife but also local communities that rely on forests for their livelihoods, including indigenous peoples who depend on the forest for food, medicine, and shelter.

## **Loss of Biodiversity**

When such a number of trees is cut, issues of loss of biodiversity rise as well. Through deforestation, thousands of species including orangutans end up with not having a place to survive, and thus, becoming unable to survive. This loss of biodiversity has a great impact on the quality of earth, as well as on the quality of the life of humans, as without biodiversity we would not have ecosystem stability and resilience, as well as enough oxygen production.

## **Climate Change**

The destruction of forests significantly increases carbon emissions by releasing large amounts of carbon dioxide into the atmosphere, directly contributing to climate change. Wild animals are among the first to suffer, as they rely more on natural habitats than humans do. Additionally, deforestation leads to increased water and soil pollution, as trees and plants help regulate oxygen levels needed to break down chemical fertilizers. Without sufficient forest cover, both humans and wildlife may be exposed to contaminated water sources. As habitats shrink due to continuous deforestation, orangutans lose more of their living space, drastically reducing their chances of survival.

## **Major Countries and Organizations Involved**

### **Indonesia**

Indonesia, as the largest producer of palm oil in the world, focuses on its economy and continues to produce palm oil, committed, though, to limiting deforestation by applying sustainable practices and collaborating with organizations like the Roundtable on Sustainable Palm Oil (RSPO). The Indonesian government has been criticized multiple times for prioritizing the economic profit and growth, over the environmental protection and consequences, by encouraging palm oil plantations via providing incentives. Even after the introduction of the Moratorium on Palm Oil Expansion, in 2018, the action of illegal deforestation continues in most of the areas where forest has remained, and implementation of this new measurement remains inconsistent.

### **Malaysia**

Malaysia, as the second largest producer of palm oil in the world, also encourages the production of palm oil and prioritizes it over the environmental consequences. Efforts to increase transparency have also been made, through implementing the Malaysian Palm Oil Certification Council (MPOCC), but again, lots of illegal actions do take place. For instance, in Malaysia, the producers often cut palms in order to export their product, even from forests that are protected from worldwide organizations.

### **United States of America (USA)**

The United States, as a significant importer of palm oil, has increased the pressure, especially on domestic companies to adopt a sustainable palm oil sourcing. Large and well-known companies, such as but not limited to Kraft Heinz and Cargill, have committed to deforestation-free palm oil production, showing respect towards the plants and flora of the planet.

## **European Union (EU)**

The European Union was the first to promote sustainable palm oil by investing in energy diversification. The European Union Renewable Energy Directive has raised multiple concerns regarding palm oil's impact on living creatures and is the one that has set the strictest requirements of all on palm oil imports. Furthermore, they have denied selling products within its markets linked to deforestation, and have proposed legislation in order to ensure this condition. As of June 2023, any product linked to deforestation was not allowed to enter the EU. This regulation was signed by all countries.

## **Roundtable on Sustainable Palm Oil (RSPO)**

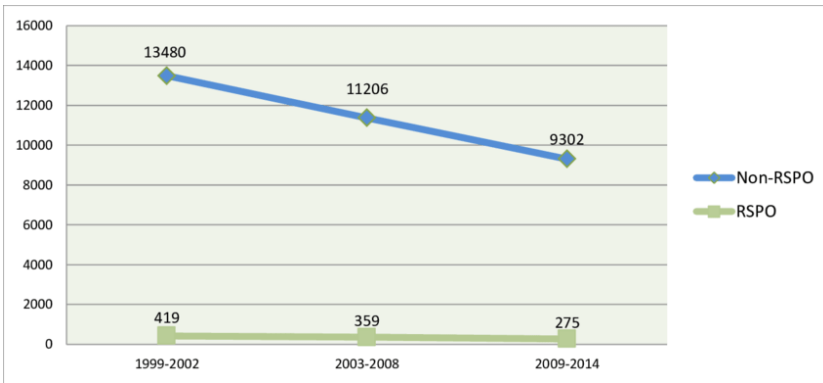
This leading certification body, sets environmental and social criteria in order to identify a balance between the environmental protection and economy. The organization aims to improve social responsibility by cutting trees in the least problematic way, protect orangutans and other wildlife animals such as tigers and reduce carbon emissions by planting more trees and providing more oxygen to the atmosphere. The organization collaborates with various governments, companies and other NGOs. The organization has limited the deforestation of palm trees into a significant percentage, and predicts that in the next two decades they will achieve their goal, to plant a palm tree for every one they cut.

## **World Wide Fund for Nature (WWF)**

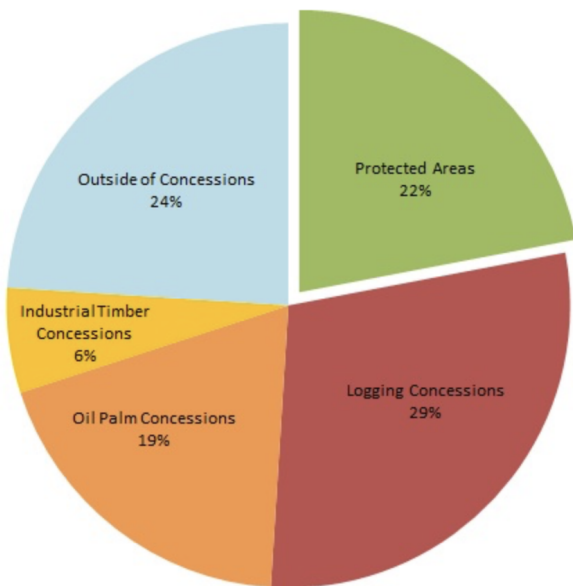
The World Wide Fund for Nature has been a strong partner of the Roundtable on Sustainable Palm Oil so as to ensure that the sustainability criteria are met from all companies as well as nations as a whole. The organization aims to adopt a zero-deforestation policy within the next couple of years and makes an effort of recovering from the carbon footprint of the last decades. The World Wide Fund for Nature organization monitors the whole palm oil supply chain, conducts research, and applies more strict regulations to governments.



**Figure 1:** Diagram presenting the population of orangutans which are part of the RSPO organization and which are not accordingly.<sup>9</sup>



**Figure 2:** Pie chart depicting the distribution of orangutans by land-use type.<sup>10</sup>



## Blocs Expected

### Alliance 1: Pro-sustainability nations

Part of this alliance will be all the nations which prioritize environmental care and respect over economy. The members of this alliance will be such as but not limited to the European Union (EU) members, the United States of America (USA), Australia, New Zealand, Norway as well as all countries

<sup>9</sup> Research gate, [https://www.researchgate.net/figure/Orangutan-population-trends-in-Borneo-oil-palm-concessions-between-1999-and-2014-The-top\\_fig6\\_313927667](https://www.researchgate.net/figure/Orangutan-population-trends-in-Borneo-oil-palm-concessions-between-1999-and-2014-The-top_fig6_313927667)

<sup>10</sup> Union of concerned scientists, <https://blog.uccusa.org/calen-may-tobin/the-78-the-majority-of-orangutan-habitat-in-borneo-is-under-threat/>

that promote the RSPO standards. The mentioned nations do prioritize the survival of orangutans and biodiversity of wildlife over economical gain.

**Alliance 2: Economic growth centric nations**

Part of this alliance will be all the nations which prioritize economic growth over environmental care, which are the mainly the producers of palm oil (developing countries). The members of this alliance will be such as but not limited to Indonesia, Malaysia, India, China as well as all the African nations developing palm oil industries (countries like Nigeria, Ghana, Algeria). The mentioned nations do prioritize economic gain over the survival of orangutans and the biodiversity of wildlife.

**Timeline of Events**

Date	Description of Event
8 April 2004	Establishment of the Roundtable on Sustainable Palm Oil (RSPO)
3 November 2010	Consumer Goods Forum pledges to achieve zero-deforestation methods of producing palm oil by 2020
5 January 2015	Indonesian government launches Peatland Restoration Agency (BRG)
17 January 2018	European parliament votes to strike out palm oil in biofuels by 2030
9 October 2018	Indonesia receives a WTO complain from the EU for trampling the restriction about palm oil production and deforestation
17 November 2021	The Orangutan Project expands programs
19 December 2022	The Global Biodiversity Framework is adopted in Montreal, Canada

23 February 2023	The European Union approves its Deforestation-free regulations, where palm oil its included in its scope
28 March 2023	Indonesia announces Palm Oil Sustainability Roadmap

## Previous Attempts to Solve the Issue

### European Union

The European Union has tried to implement several restrictions on palm oil imports which are linked to deforestation. In 2023, a regulation was introduced that required proof that all imported palm oil is not associated with deforestation and therefore habitat destruction, in order to preserve the forests and nature. This effort partially solved the issue, as it does restrict deforestation, but only in some countries of Europe.

### Greenpeace

The Greenpeace organization has conducted various campaigns targeting companies like TV advertisements and posters, nations and governments to stop deforestation, especially for palm oil production, as there are other more eco-friendly methods that someone can obtain palm oil (ex.: though pruning). Due to the economic disadvantages like the global economic crises, that such efforts would cause, none was able to continue long-term.

### Association of Southeast Asian Nations

The ASEAN (Association of Southeast Asian Nations) as a part of its environmental and sustainability goals, has been supporting the promotion of palm oil production via less-harming methods, like laboratory palm-oil mixtures, that can multiply the oil produced from one palm tree. The association has been a permanent partner with the Roundtable on Sustainable Palm Oil (RSPO). According to the association, a bigger sponsorship is needed in order to expand their power and apply stricter regulations.

## **Non-Governmental Organizations**

Local Governments, communities, groups and NGOs in Malaysia and Indonesia do make reforestation efforts, which are often supported by other international NGOs. These programs aim to rehabilitate the orangutans that have already lost their home and restore their habitats. Due to their limited size and power, they are unable to proceed to actual efforts and solutions. Such efforts have been expressed by the Borneo Orangutan Survival Foundation (BOSF) and The Sumatran Orangutan Conservation Programme (SOCP).

## **Possible Solutions**

### **Restoration of Forests and Orangutan Rehabilitation**

The creation of organizations that will specifically protect nature in order to preserve the survival of orangutans, focusing on protecting their natural habitats by restoring forests and rehabilitating orangutans. Also, awareness and advocacy campaigns, in order to achieve community engagement. In addition to that, the creation of scientific research and monitoring programs for better understanding of the orangutan behavior and population. Lastly, emergency rescue operations with the aid of other NGOs on immediate occasions would help resolve the crisis.

### **Implementation of Mandatory Sustainability Standards for Palm Oil Imports**

Mandatory sustainability standards for palm oil imports must be implemented so as to ensure that all nations follow the needed regulations according to the strict sustainability criteria the European Union has set and the Roundtable on Sustainable Palm Oil (RSPO) standards. For instance, a strict limit for deforestation, or a plant-one-for-one palm tree policy could be implemented, so as to build a sustainable business around the palm oil industry, which respects nature and the wildlife.

### **Agreement to Support NGOs**

All nations must agree to supporting the RSPO and other certification bodies, through signing a global contract, so as to reach consensus and balance the widespread adoption of environmentally responsible palm oil practices with the domestic and international trade market. The impact of each should be considered. With that support, the forests could be restored within months and the industry would be mandatory to follow all the legal circumstances.

## Incentivizing the Development of Alternative Oils

Incentivizing the development of other, more eco-friendly alternative oils, including algae and other non-forest-based crops, through investments and research promotion. These alternatives will probably require less environmental damage in order to be exported, and thus, both the global market and the planet will be benefited from them.

## Promoting Global Consumer Awareness Campaigns

It is of the utmost importance to promote global consumer awareness campaigns, so as to promote to the total population the distractions and consequences the production of palm oil causes. The campaigns should encourage consumers to think twice before buying an oil that causes such damage to the environment. Global awareness should be spread via social media as well, so as to preserve the idea of reducing the use of palm oil for posterity as well. With that sensitizing way, more people would be willing to join the idea of protecting the world, for both now and the future.

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