



HENKEL AND SOLIDARIDAD'S PARTNERSHIP IN HONDURAS

CONTEXT

The global demand for palm and palm kernel oil is expected to increase between 2022 and 2030. Although Southeast Asia is the centre of global palm (kernel) oil production, experts expect future growth to take place primarily in other regions, particularly in Latin America. From the European perspective, the relevance of this region increases even more when you consider developing trade patterns. This is clearly illustrated by the Honduran case: [83% of Honduras's palm kernel oil](#) was exported to the European Union (EU) in 2020.

Honduran palm (kernel) oil production takes place across 200,000 hectares, 77% of which is farmed by smallholder farmers. Honduras has the highest number of oil palm smallholders in Latin America (16,000 small-scale farmers). The market is controlled by 13 palm (kernel) oil companies, nine of which are owned by farmer associations and four of which are privately owned. In addition, palm (kernel) oil production is often associated with challenges regarding land tenure and social conflicts. For the sustainable development of the sector, it is key to prevent the expansion of oil palm production

JOURNEY TOWARDS SUSTAINABLE PALM (KERNEL) OIL IN HONDURAS

Solidaridad has been supporting smallholders in Honduras since 2013. The partnership with Henkel has formed an important basis for the palm programmes of Solidaridad in Central America. In Honduras, the partnership has supported activities in the Northern Coastal Zone. Between 2013 and

2015, the partnership, together with other partners, contributed to the development of the Sustainable Palm Oil in Honduras (PASH) platform. This multi-stakeholder platform, which also received support from The Netherlands Ministry of Foreign Affairs, supported the introduction of RSPO to Honduras.

PASH consisted of 10 companies representing 80% of the Honduran palm (kernel) oil production. Before this, the Honduran sector was segregated into two major groups: the privately owned corporate sector and the social enterprises (owned by smallholder farmer groups). The PASH platform facilitated trust-building between these groups. The project was impactful, helping establish the national interpretation process, in which the RSPO standard was adapted to the Honduran context in less than one year after the start of the project. By December 2015, the national interpretation was in place, and now there are four RSPO certified companies operating in Honduras.

The PASH platform served as the basis for a similar initiative at a regional level. In 2016, the Mesoamerican Palm Oil Alliance (MAPA) was launched. This alliance was established based on experiences in Honduras and expanded its activities into Mexico, Guatemala, and Nicaragua. Within MAPA, the discussion among PASH members still continues to take place. The space, created for discussion and alignment on challenges and solutions for sustainable palm (kernel) oil, facilitated the development of the zero deforestation agreement in Honduras in 2019. The implementation of this voluntary agreement is facilitated by the MAPA platform.

1. It is expected to grow at a compound annual growth rate of 5.1% in terms of revenue from 2022 to 2030: https://palmoilalliance.eu/wp-content/uploads/2022/10/Palm_Oil_Report_161022_amm_final.pdf

2. In 2015, Honduras adopted the official RSPO definition for "small producer" as those that possess less than 50 hectares

3. Two private companies and two companies owned by farmers groups

ACHIEVEMENTS

Farmer's Capacity Building 2013 - 2015:

- 15,648 smallholder farmers directly and indirectly reached with best management practices.
- 10 mills supported in good social, economic and environmental practices.

Sustainable production and productivity 2013 -2015:

- 206,954 hectares reached with good agricultural practices.
- Average yield increased by more than 25%.

Sustainable and deforestation-free production:

- PASH facilitated the first RSPO National Interpretation in Honduras in 2014.
- Four companies, members of PASH, achieved RSPO certification.
- PASH served as an example for the regional multi-stakeholder platform: the Mesoamerican Palm Oil Alliance (MAPA).

Key interventions between 2013-2015

- Promotion of Best Management Practices (BMP) at mills and on farms within the (independent) supplier base of the consortium's member companies, including on environmental performance.
- Improving relations between mills and smallholders through transparency mechanisms in weighing and measuring fresh fruit bunches.
- Strengthening the social performance of mills by implementing corporate social responsibility policies according to the workers' and communities' needs.
- Strengthening management capabilities of small producers by developing business plans.
- Enabling awareness of RSPO standards and the certification process.
- Developing lessons learned and raising awareness on sustainability in the palm oil sector.
- Developing the RSPO National Interpretation and guidance for auditors and certification bodies in Honduras, including training for RSPO lead auditors.

WORKING TOWARDS SMALLHOLDER INCLUSIVE SUPPLY CHAINS

Building on the early successes of the previous interventions, the partnership will now focus on tackling the remaining challenges for smallholder farmers when it comes to RSPO certification. **“We see that the inclusion of smallholders in certification is still very challenging as well as their inclusion to other sustainability initiatives, such as the national zero-deforestation agreement in Honduras”**, Sofia Nuñez - Country Manager Honduras. The new project will focus on tackling these challenges to advance toward sustainable and inclusive smallholder value chains. **“We will do so while also taking into account the specific conditions for women at farm level.”** In addition, the partnership takes into account the upcoming [EU regulation to ban deforestation-related commodities](#), which will require detailed geodata and traceability. Support for demonstrating compliance is needed to ensure smallholders are not further excluded from the European markets as a result of this legislation. To keep up with this development, the partnership will also focus on building the capacities of Honduran smallholder farmers to prepare them to comply with the requirements of importing markets such as the EU.

Key interventions between 2023-2025

- Enhance the productivity of smallholder farmers through farmer field schools and fresh fruit quality improvement.
- Provide capacity building and support to smallholders in the adoption of RSPO ISH principles and criteria under the smallholders' guidelines.
- Strengthen smallholders' commitment to the national zero deforestation agreement.
- Enhance farm (smallholders) and group (associations) management through organizational strengthening;
- Gender analysis to determine female farmers' contribution to palm oil production and processing and identification of any future strate-

PARTNERS

Henkel, The Netherlands Ministry Foreign Affairs, local mills and plantations.



MORE ABOUT THE PARTNERSHIP

Henkel and Solidaridad are committed to improving oil palm smallholder livelihoods while driving progress towards sustainable palm and palm kernel oil globally, and making a positive impact on both the environment and the people in the palm oil community. Since 2013, Henkel and Solidaridad have joined forces to reach farmers in all major palm-producing regions.

HENKEL

Henkel holds globally leading market positions in consumer and industrial businesses. Its purpose expresses what unites everyone at Henkel: Pioneers at heart for the good of generations. Palm (kernel) oil and their derivatives are the basis for ingredients that Henkel uses to manufacture detergents, cleaners as well as hair and body care products. The company is committed to responsible sourcing of palm (kernel) oil and their derivatives, aiming to establish full transparency and traceability and to improve the livelihoods of smallholder farmers and protection of nature. For more information visit: <http://www.henkel.com>

SOLIDARIDAD

Solidaridad is an international civil society organization with 50 years of experience in improving the sustainability of global supply chains. Over the years, Solidaridad has built a strong track record for improving sustainability in palm oil worldwide. For more information visit: <http://www.solidaridadnetwork.org>



Solidaridad