



## The role of certification for palm oil production

Upgrading conventional palm oil plantations to adhere to palm oil sustainability standards, such as that of the Roundtable on Sustainable Palm Oil (RSPO), can deliver significant environmental and social benefits, particularly in terms of human rights. With RSPO certified plantations, human rights benefits include access to information and advice, and local people having the right to withhold consent to planned activities before and during discussions. Further benefits include increased productivity through optimization of management practices. Environmental benefits include improvements in biodiversity and reduction in forest loss. An integrated pest management system on an RSPO certified plantation helps reduce pollution, improve efficiency in the use of resources and maximize productivity. Zero-deforestation commitments on RSPO certified plantations lead to reduced or minimized greenhouse gas (GHG) emissions.

## Role of consumers in the palm oil value chain

Consumer demand for higher sustainability standards and transparent supply chains has been instrumental in achieving the rapid changes to the sustainability standards of palm oil into Europe in the past 3 years. Through leveraging demand, consumers can contribute to removing incentives for products that do not conform to legal, environmentally conscious, and socially beneficial production standards.

## Role of companies in the palm oil value chain

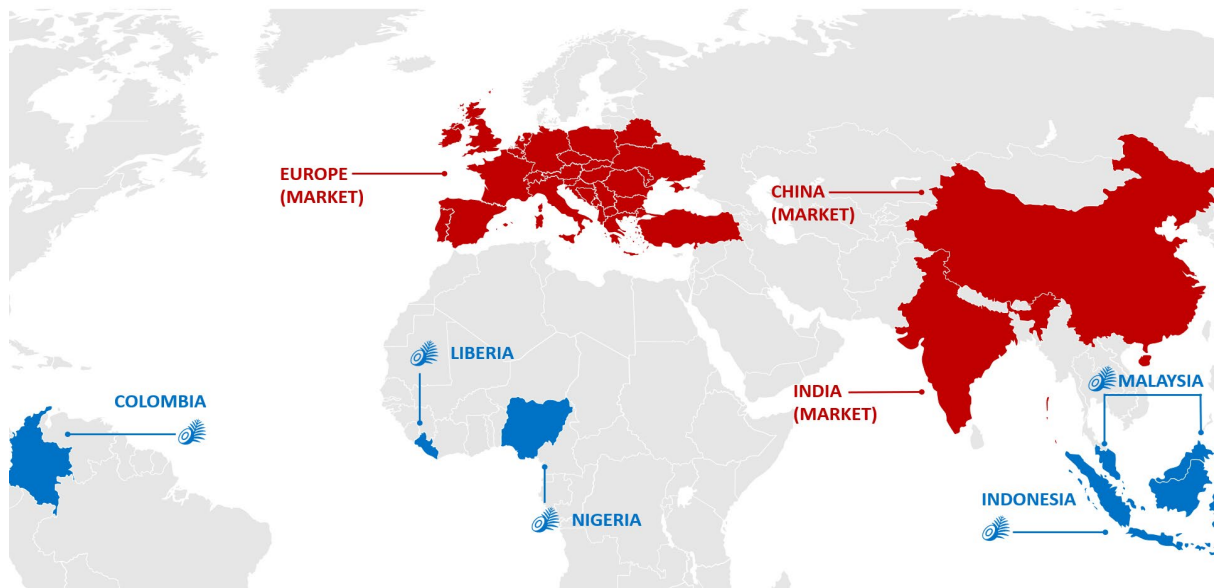
Transformation at the rate that is needed to protect nature and people's livelihoods cannot be achieved by individual choices alone. Companies, such as traders, exporters and retailers, have a crucial role to play. Sustainable sourcing commitments have significant power to change dynamics in supply chains and make rapid gains towards achieving the Sustainable Development Goals. These standards can be monitored as part of a certification scheme. However, IDH's approach is one of continuous improvement, and fostering sustainable development at a landscape level beyond farm-level or individual plantation-level.

## IDH's work on palm oil sustainability

For several years, IDH has been supporting the production of traceable and sustainable palm oil. We have 15 landscape-level projects and 8 multi-stakeholder compacts in progress. Approximately 20 Memoranda of Understanding on sustainable palm oil have been signed. We have also been working with the European palm oil consuming markets since 2015. We work on policy frameworks through support of National Initiatives with the European Palm Oil Alliance (EPOA). In Brussels, we advocate for regulatory and non-regulatory approaches to increasing the sustainability of palm oil production.

### Highlights

- 131,000 hectares of farmland under sustainable production
- 18,724 farmers supported directly through IDH palm oil projects
- 30,201 ha of sustainable production of palm oil
- Set up over 100 fire free villages covering more than 1.5 million ha of palm oil in Indonesia
- 30,632 ha of forest protection interventions and 6,483 ha of forest restoration interventions supported



## Linking markets to responsible production in landscapes

IDH links the market work to responsible production in landscapes in Indonesia, Malaysia, Nigeria, and Colombia. In Indonesia, IDH is active in Aceh, Jambi, South Sumatra, West Kalimantan, Papua and West Papua to drive sustainable economic development at a jurisdictional level with a focus on production, protection and inclusion.

The SourceUp program strengthens sustainable supply chains and supports improvement in the sustainability level of commodity-producing areas. By 2021, SourceUp will be able to offer Swiss companies detailed insights into the effects of palm oil sourcing choices in major global palm oil exporting areas. The SourceUp platform will be able to link buyers to palm oil production areas in Indonesia that are actively working on sustainability goals.

## IDH palm oil work in Indonesia

Oil palm has contributed USD 23 billion in 2017 to Indonesia's export income. However, its development has brought with it environmental challenges. Drivers of environmentally damaging palm oil production in Indonesia include lack of resources and capacity; lack of proper monitoring and regulation at regional/provincial level; and poor cohesive and coherent actions among various actors. Palm oil smallholders represent around 40% to the total oil palm area. IDH's activities in Indonesia support the welfare of Indonesian palm oil smallholders and residents of palm oil producing regions alongside environmental interventions to ensure social sustainability as well as environmental sustainability.

### Highlights

- 41,555 hectares and 11,425 farmers
- Mapping, traceability, legality, farmer organization, Good Agricultural Practices (GAP), RSPO certification

## Aceh

In the buffer zone of the Leuser Ecosystem in Aceh Tamiang district, local palm oil smallholders and communities are restoring degraded lands by planting fruit trees, vegetables and hardwood trees. This contributes to increased biodiversity while providing alternative income sources for the smallholders. The Government of Aceh Tamiang is working with IDH, independent smallholders' groups, CSOs and local growers to protect at least 40,000 hectares of the Leuser Ecosystem Area with financial support from private sector partners. Together with Aceh governments, palm oil producers and CSOs, IDH aims to improve sustainable agricultural production on 13,000 ha, conserve 230,000 ha of HCV/HCS forest and enhance the livelihoods of 1,000 smallholder farmers and 500 community members.



*Nursery for agroforestry in Aceh Tamiang*

## South Sumatra

In South Sumatra, IDH worked with partners to train and help 3,144 smallholders to obtain RSPO group certification, covering 6,141 hectares. The intervention has included High Carbon Stock (HCS)/ High Conservation Value (HCV) forest management, health and safety, mapping, land legality, access to market, preparation and certification. 3,144 independent smallholder farmers have been trained on good agricultural practices (GAP), which will help farmer livelihoods. The project also mapped and digitalized data on the independent smallholder digital platform Jala Setara. 12 farmer cooperatives were developed and legalized and a replanting project has been supported and financed.

## Riau

In Riau, we collaborated with Winrock, Cargill and Costco to develop a Smallholder Protocol for Sustainably Managing Peat Areas and Responsible Re-Planting of Oil Palm. This protocol will provide step-by-step guidance for smallholders and middlemen on identifying and



managing peatland areas in existing plantations and new plantings in a sustainable manner, and management methods to restore areas not suitable for replanting.

The Protocol is intended to support the commitments to reduce GHG emissions and support smallholders to maintain or improve market access. Independent smallholders contributed to the development and use of the Protocol through a consultation process in Siak District, Riau. In addition, IDH is working with Johnson & Johnson and SPKS (Oil Palm Farmers Union) in Rokan Hulu District to support 1,000 smallholders to organize under 21 cooperatives and groups for more sustainable production systems through RSPO systems and access to market. To date, 37 smallholders have achieved RSPO certification.

## Jambi

In Batang Hari and Tanjung Jabung Barat Districts, Jambi, IDH is working towards a traceable, sustainable supply chain around 4 palm oil mills in the Jambi province as well as improving forest and river protection with alternative livelihoods. Government funding has been acquired for a van and an accelerated licensing process to allow smallholders to sell fruit legally as an alternative source of income. In 2020, three smallholder groups, covering 818 independent smallholders with a total area of 1191 hectares, were certified by RSPO. 4,755 independent smallholders have been trained and 3 farmers groups and associations developed and legalized. Jala Setara, an independent smallholder data platform, was developed with data on 3,683 smallholders collected, covering 24,545 ha. With support from the mills and local partners, we managed to link the certified farmers with buyers such as Body Shop and Felleskjopet.

RSPO certification and replanting and fertilizer use will intensify their land use, and, in combination with the national government moratorium on palm oil concessions, will help to preserve the 2.1 million hectares of ecologically important forest areas, including Bukit Tiga Puluh National Park.

## Ketapang and Kubu Raya, West Kalimantan

In West Kalimantan, IDH supported the Government in piloting the legal framework for protecting HCV/HCS forest and peatland in agriculture land (APL) under Ecosystem Essential Area (KEE) and Provincial Government Regulation (Perda) No. 6 2018 on sustainable land and investment management. IDH also actively supported the Province and partners like UNDP in developing the Provincial Sustainable Palm Oil Action Plan. We are implementing it with 3 growers in directly protecting approximately 22,000 ha and rehabilitate 2,000 ha of forest and peatland that is a critical wildlife corridor. IDH is also working with mills including the local mills in Kubu Raya and identity preserved (IP) mills of Cargill in Ketapang, where we support 4,100 independent smallholders mapping and their agriculture practices improvement to be linked with the mills chain.