



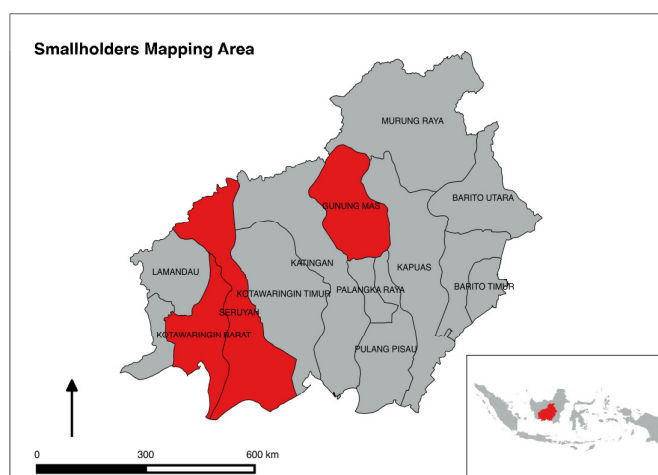
**INOBU**  
INSTITUT PENELITIAN INOVASI BUMI

# Tracing smallholders in palm oil supply chains: evidence from collaborative jurisdictional and mapping initiatives





RT14

Bangkok November 7-10<sup>th</sup> 2016

## Geographic focus of initiative



## Foundation for Jurisdictional Sustainability

- 
**Local government's commitment** to transition towards low-emission rural development and sustainable supply chains.
- 
**Performance targets or milestones** for achieving the commitments, which are set through a **multi-stakeholder process** to identify time-bound plans for sustainability that address issues such as deforestation, smallholders, local implementation of Free Prior and Informed Consent (FPIC), and protection of High Conservation Value (HCV) and High Carbon Stock (HCS) areas.
- 
A reliable and transparent **monitoring system** for tracking progress towards agreed milestones.
- 
**Incentive (and disincentive) mechanisms** for businesses, smallholders, and local government to drive the jurisdiction's transition towards sustainability.

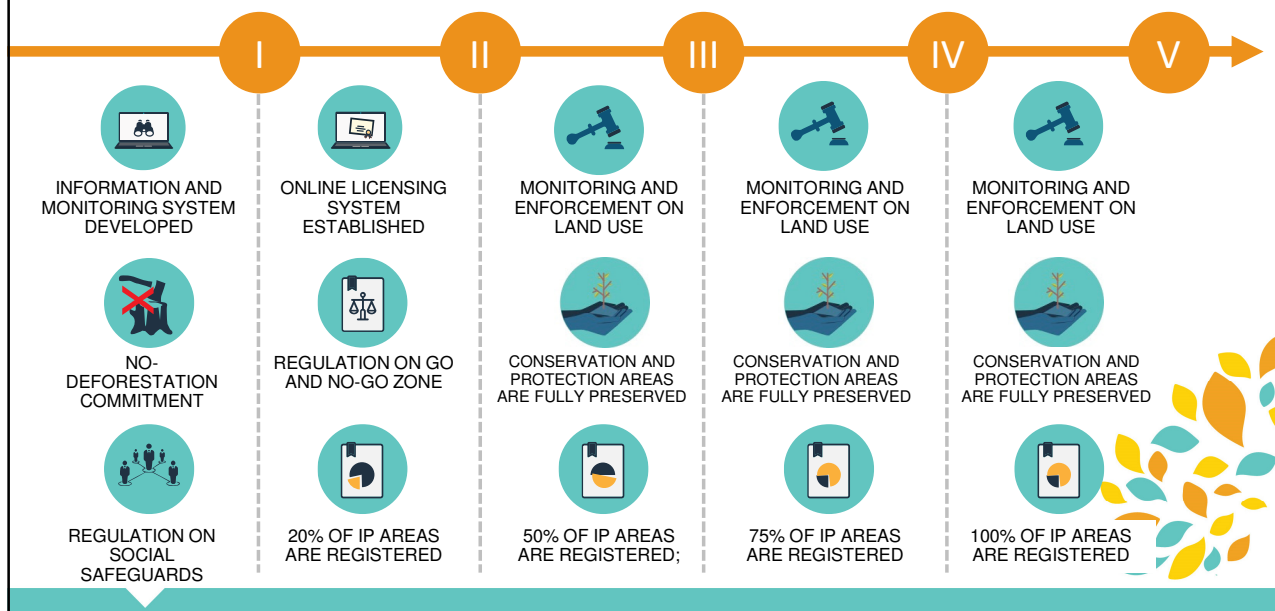


## Jurisdictional Certification: An Approach towards Jurisdictional Sustainability

- 
Jurisdictional certification = moving an entire jurisdiction to comply with **some or all sustainability criteria within available standards**, linking market and non-market incentives to reward progress made in the jurisdiction.
- 
**The RSPO has endorsed Central Kalimantan in Indonesia and Sabah in Malaysia** as pilot jurisdictions for the approach. In Central Kalimantan, the pilot focuses on two districts: **Seruyan** and **Kotawaringin Barat**.
- 
Stakeholders in palm oil supply chain can benefit from **collective efforts led by the government** in addressing sustainability, legality, and traceability issues, including deforestation, **smallholders**, forest fires, HCV protection, etc.
- 
In this approach, the jurisdiction will be the subject for certification. It will not replace mill-to-mill certification (yet).



## Phases towards Attaining Jurisdictional Sustainability



## Phases & Roles of Stakeholders

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Large-scale commodity producer	Time-bound plan for certification; Agreement on deforestation commitment	30% agribusiness companies and their plasma comply with sustainable criteria	60% agribusiness companies and their plasma comply with sustainable criteria	90% agribusiness companies and their plasma comply with sustainable criteria	100% agribusiness companies and their plasma comply with sustainable criteria
Farmers	Farmers mapped & organized	30% farmers are organized in farmer groups and provided with support i.e. land title and technical assistance	60% farmers are organized in farmer groups and provided with support i.e. land title and technical assistance; 30% farmers are certified	100% farmers are organized in farmer groups and provided with support i.e. technical assistance; 60% farmers are certified	100% farmers are certified
Commodity Buyer, Financial Institution, Certification Body	Commodity buyers support the jurisdiction in making the transition i.e. supporting smallholder program	Commodity buyers develop jurisdictional sourcing strategy; Financial institutions design "green" financial packages for actors in the jurisdiction	Financial institutions implement "green" financial packages for actors in the jurisdiction	Temporary certification from a certification body; Commodity buyers implement jurisdiction sourcing	100% jurisdiction sourcing from responsible buyers
National Government	Create necessary regulation and policies including incentives and disincentives for all actors	Create necessary regulation and policies including incentives and disincentives for all actors	Create necessary regulation and policies including incentives and disincentives for all actors	Create necessary regulation and policies including incentives and disincentives for all actors	Create necessary regulation and policies including incentives and disincentives for all actors
NGOs, Civil Society Reps, Universities	Participate in the multi-stakeholder dialogues; Act as a neutral partner and a catalyst for changes; Provide technical assistance to all stakeholders	Participate in the multi-stakeholder dialogues; Act as a neutral partner and a catalyst for changes; Provide technical assistance to all stakeholders	Participate in the multi-stakeholder dialogues; Act as a neutral partner and a catalyst for changes; Provide technical assistance to all stakeholders	Participate in the multi-stakeholder dialogues; Act as a neutral partner and a catalyst for changes; Provide technical assistance to all stakeholders	Participate in the multi-stakeholder dialogues; Act as a neutral partner and a catalyst for changes; Provide technical assistance to all stakeholders

## Progress in Central Kalimantan

### GOVERNMENT AND MULTI-STAKEHOLDERS COMMITMENT



- Provincial target: all mills and plantations are certified by 2019
- Working groups to achieve sustainability targets: HCV/HCS protection, FPIC implementation, smallholders

### CURRENT EFFORTS TO ACHIEVE MILESTONES



- HCV/HCS assessment at the jurisdiction level
- Local implementation of FPIC
- Public-Private Partnerships initiated to support smallholders

### DATA DEVELOPMENT AND MONITORING



- **Mapping independent smallholders at the village level** and developing village-based **smallholders pilot programs**
- Piloting a **GIS-based online monitoring system** to monitor no-deforestation, fires, and plantations' performance

## Approach: Methodology & Technology

### Pre-survey



- Build up application
- Socialization

### Survey

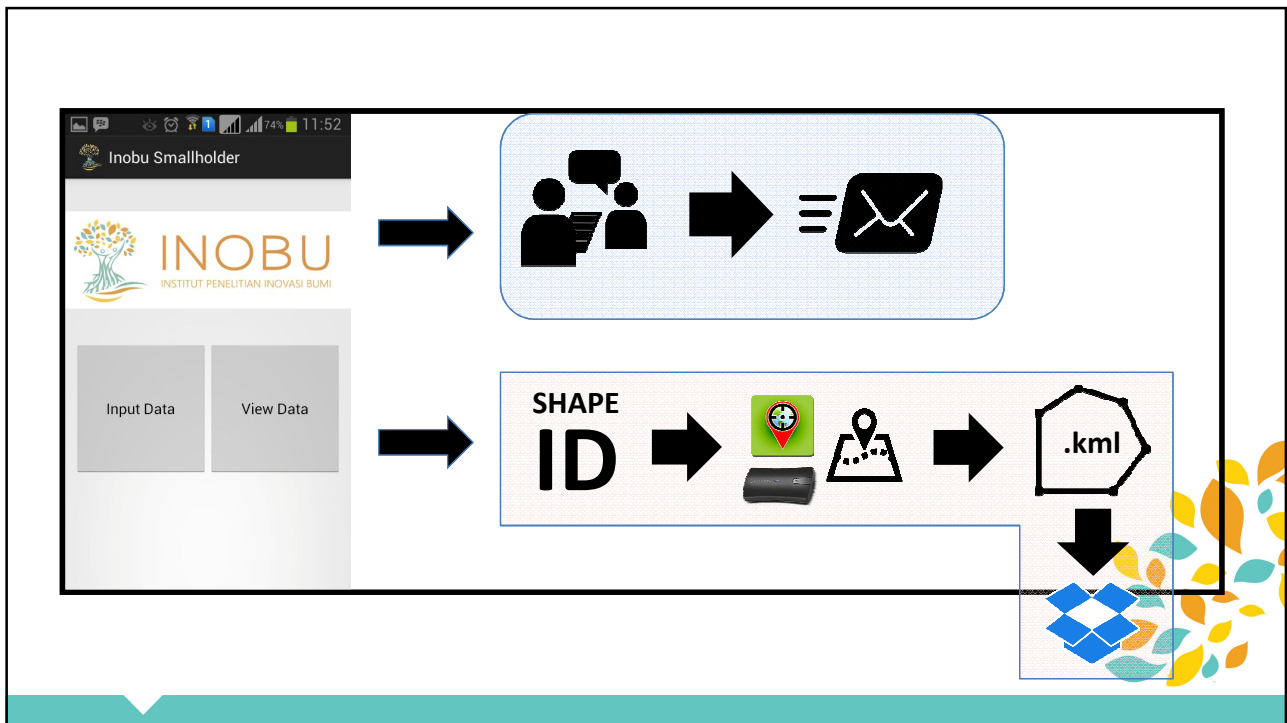


- Social data gathering
- Polygon mapping

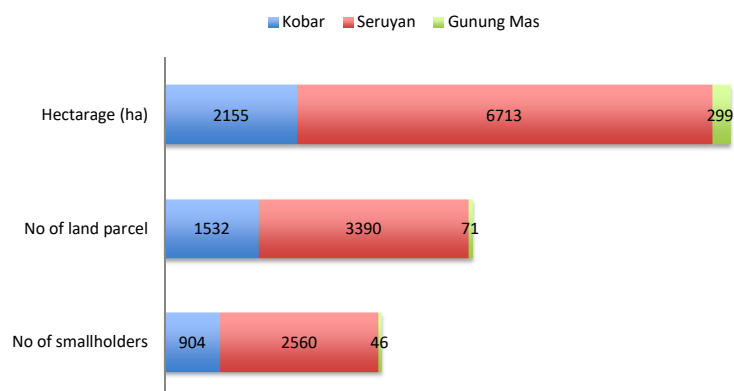
### Post-survey



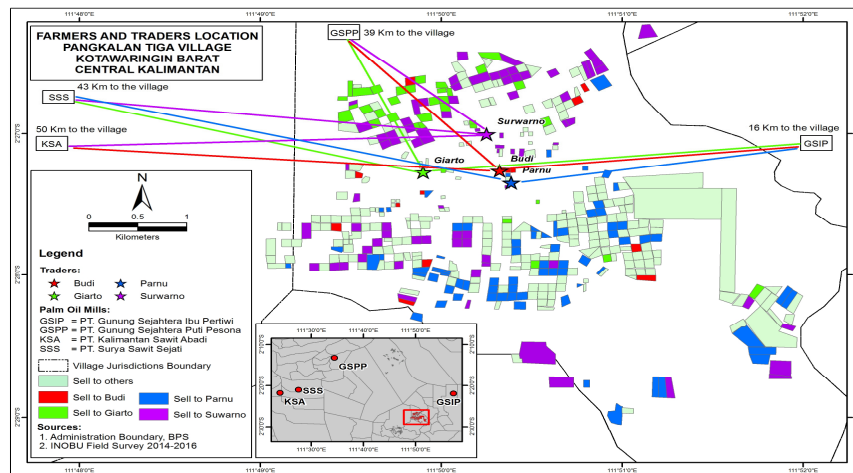
- Data verification
- Uploading to monitoring system



## Update: Smallholder Mapping



## Traceability: supply chain of smallholders



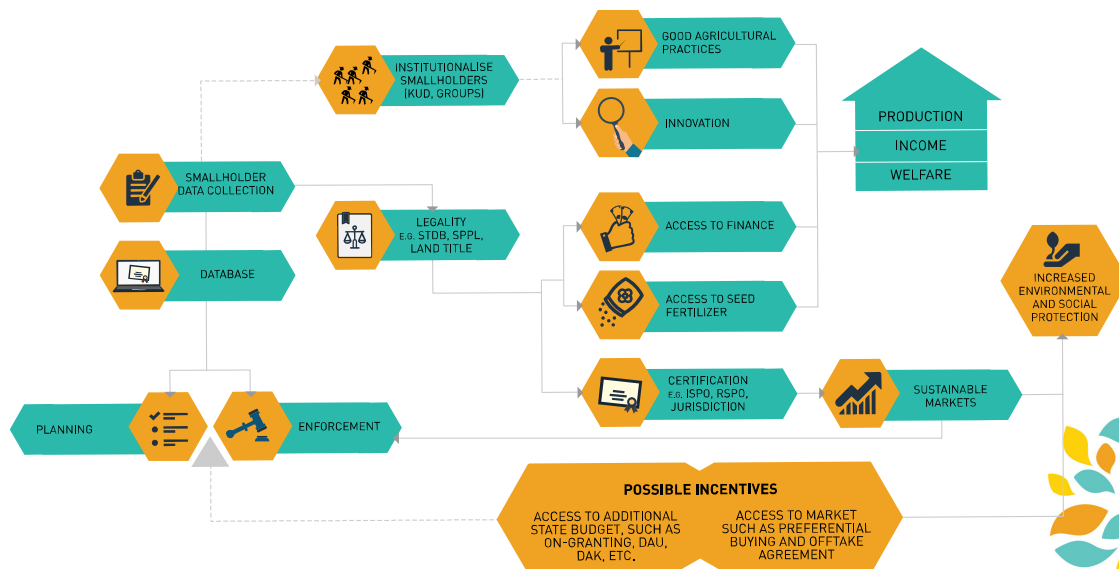
## Online monitoring: *Sistem Informasi dan Pemantauan Perkebunan (SIPKEBUN)*

- Launched on October 16, 2016
- Hosted by Ministry of Agriculture
- Integrated data and information of oil palm growers
- Being piloted in three districts of Central Kalimantan

# Monitoring system: SIPKEBUN



## What's next?



## Current Cooperation with National & Sub-national Governments

- INOBU has [working relationships with three districts](#) with sustainability commitments in Central Kalimantan.
- INOBU has [facilitated an MoU](#) between INOBU, [Central Kalimantan Government](#), [Seruyan District Government](#), and [Palm oil companies](#) to support mapping and data collection of smallholders, database development, and a smallholders pilot program.
- INOBU has [facilitated an MoU](#) between INOBU, [Central Kalimantan Government](#), [Kotawaringin Barat District Government](#), and [Unilever](#) to support efforts towards jurisdictional certification and smallholders pilot program.
- INOBU has been formally requested by [the Ministry of Finance](#) to look into the possibility of [channelling international grants](#) to promote sustainability.
- INOBU, Central Kalimantan Province, and the districts are in discussion with the [Ministry of Agriculture](#) on having an MoU for the development and maintenance of a [national database](#) of smallholders and [mechanism for channeling donor funds](#).



## Lessons Learned

- Land ownership: communal and individual
- Engaging private sector to map smallholders
- Government engagement







DBS Bank Tower  
Ciputra World 1 Lantai 28  
Jl. Prof. Dr. Satrio Kav 3-5  
Jakarta Selatan 12940

Thank you!

For more information, contact:  
[ofitri@inobu.org](mailto:ofitri@inobu.org)

