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

RT14
Bangkok November 7-10th 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

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

### Year 1 Summary:
- 20% of IP areas are registered.
- Phases of Attaining Jurisdictional Sustainability:
  - INFORMATION AND MONITORING SYSTEM DEVELOPED
  - NO-DEFORESTATION COMMITMENT
  - REGULATION ON SOCIAL SAFEGUARDS
  - REGULATION ON GO AND NO-GO ZONE

### Year 2 Summary:
- 50% of IP areas are registered.
- Phases of Attaining Jurisdictional Sustainability:
  - ONLINE LICENSING SYSTEM ESTABLISHED
  - CONSERVATION AND PROTECTION AREAS ARE FULLY PRESERVED
  - MONITORING AND ENFORCEMENT ON LAND USE

### Year 3 Summary:
- 75% of IP areas are registered.
- Phases of Attaining Jurisdictional Sustainability:
  - MONITORING AND ENFORCEMENT ON LAND USE
  - MONITORING AND ENFORCEMENT ON LAND USE
  - MONITORING AND ENFORCEMENT ON LAND USE

### Year 4 Summary:
- 100% of IP areas are registered.
- Phases of Attaining Jurisdictional Sustainability:
  - MONITORING AND ENFORCEMENT ON LAND USE
  - MONITORING AND ENFORCEMENT ON LAND USE
  - MONITORING AND ENFORCEMENT ON LAND USE

### Year 5 Summary:
- Phases of Attaining Jurisdictional Sustainability:
  - MONITORING AND ENFORCEMENT ON LAND USE
  - MONITORING AND ENFORCEMENT ON LAND USE
  - MONITORING AND ENFORCEMENT ON LAND USE
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

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<thead>
<tr>
<th></th>
<th>Kobar</th>
<th>Seruyan</th>
<th>Gunung Mas</th>
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<tbody>
<tr>
<td>Hectarage (ha)</td>
<td>2155</td>
<td>6713</td>
<td>299</td>
</tr>
<tr>
<td>No of land parcel</td>
<td>1532</td>
<td>3390</td>
<td>71</td>
</tr>
<tr>
<td>No of smallholders</td>
<td>904</td>
<td>2560</td>
<td>46</td>
</tr>
</tbody>
</table>
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
Thank you!

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