



SUSTAINABLE PALM OIL INITIATIVE



Empowered lives.
Resilient nations.

Strengthening Indonesia's national enabling environment to scale up sustainable palm oil production



Outcomes

- Government systems and policies strengthened to support independent palm oil smallholders
- Palm oil smallholders integrated into international supply chains in a sustainable and equitable manner
- Indonesian Palm Oil Platform (IPOP) established to foster collaboration and coordination amongst palm oil stakeholders
- National policies and regulations revised to reduce deforestation from palm oil expansion
- Framework to verify Indonesian sustainable palm oil provided by the Indonesian Sustainable Palm Oil (ISPO) certification system

In Focus

The expansion of agricultural land constitutes a formidable threat to the world's remaining tropical forests and peat lands. Indonesia, the world's largest producer of palm oil, has been under the glare of media spotlight regarding the impact of this commodity on forest conversion and land right disputes. Here, smallholders play a critical role, constituting more than 40 per cent of the production landscape. Raising their productivity and the traceability of legal palm oil is thus vital to increasing the industry's sustainability and reducing deforestation globally. As a response, the Government of Indonesia, UNDP and several global corporations have in collaboration established the Sustainable Palm Oil (SPO) Initiative.

Partners

Government:

- Ministry of Agriculture
- Ministry of Forestry
- Ministry of Environment
- Ministry of Cooperatives and SMEs
- Bappenas

Partners:

- IKEA
- Mondelez
- Palm oil buyers
- Palm oil producers
- The UN-REDD Programme
- NGOs

Our Approach

UNDP's Green Commodities Programme supports a multi-stakeholders approach to address key SPO themes such as low smallholders capacity and productivity and deforestation due to agricultural expansion. Indeed, the private sector plays a pivotal role particularly in smallholder productivity and improved livelihoods. With advanced technology allowing production increases through intensification, the private sector is in the best position to make capital investments to improve supply chains. On the other hand, the government is best placed to ensure long term and systemic changes beyond one single supply chain and to foster deforestation free commodity production at the national level. Therefore pursuing private sector and government collaboration and bringing together existing initiatives under one coordination platform will catalyse fundamental changes in the approaches that have been taken place to date and create the structural changes required by the sector.



SPO – Highlights



Empower smallholders: The SPO initiative will support independent smallholders through strengthening national and local government extension systems as well as through public-private partnership extension service models. The latter is essential considering the millions of farmers in need of support and will be developed to strengthen smallholder capacity, greenhouse gas emissions measuring and management and land swaps and mediation systems. The initiative is also facilitating and supporting key local and state interventions on issues such as land tenure, environmental management, access to credit and infrastructure improvement.

National and International Standards alignment: The SPO initiative aims to support the national standard on palm oil ISPO to become globally recognized and to facilitate its alignment with international voluntary standard RSPO. The initiative has initiated a joint independent comparative study between the two certification schemes. The study is conducted by the Ministry of Agriculture and aims at identifying differences and similarities as well as seeking alignment between ISPO and RSPO. Aligning standards would result in less time and complexity for plantations that seek to achieve the two certifications.

Operationalize the Indonesian Platform on Palm Oil: the transformational shift required to transition the Indonesian palm oil industry towards sustainable practices requires fundamental mind-set changes in policy and cooperation between stakeholders. The SPO initiative aims to fully operationalize the national platform that will be led by the Ministry of Agriculture and supported by other Ministries such as Forestry and Environment and Trade and include producers, buyers, NGOs and other key stakeholders of the sector.

Policy reform to reduce deforestation: SPO works with the Ministry of Forestry to mainstream high conservation value and high carbon stock considerations into national forest and land use planning within the palm oil sector. The collaboration with the Ministry of Forestry includes strengthening enforcement of current laws and facilitating policy change and to accelerate land swaps and enable companies to protect forested land within their concessions. With the Ministry of Agriculture, the SPO Initiative supports independent smallholders to produce certified sustainable palm oil, leading to legality and improved practices which lead to less pressure on forests from small-scale encroachment.

Why UNDP?

As a neutral organization with long-term presence in Indonesia, UNDP is a trusted government partner and has a unique mandate and expertise to convene and engage relevant ministries to ensure dialogue and inter-institutional coordination. In particular, UNDP's access to government allows for discussions between government, private sector and civil society on sensitive issues such as land tenure, contract law and transparency. UNDP also has extensive experience implementing activities in the field as well as building public-private partnerships.



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Learn more

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