



How Our Sustainable Palm Oil Feeds the World

Presented by

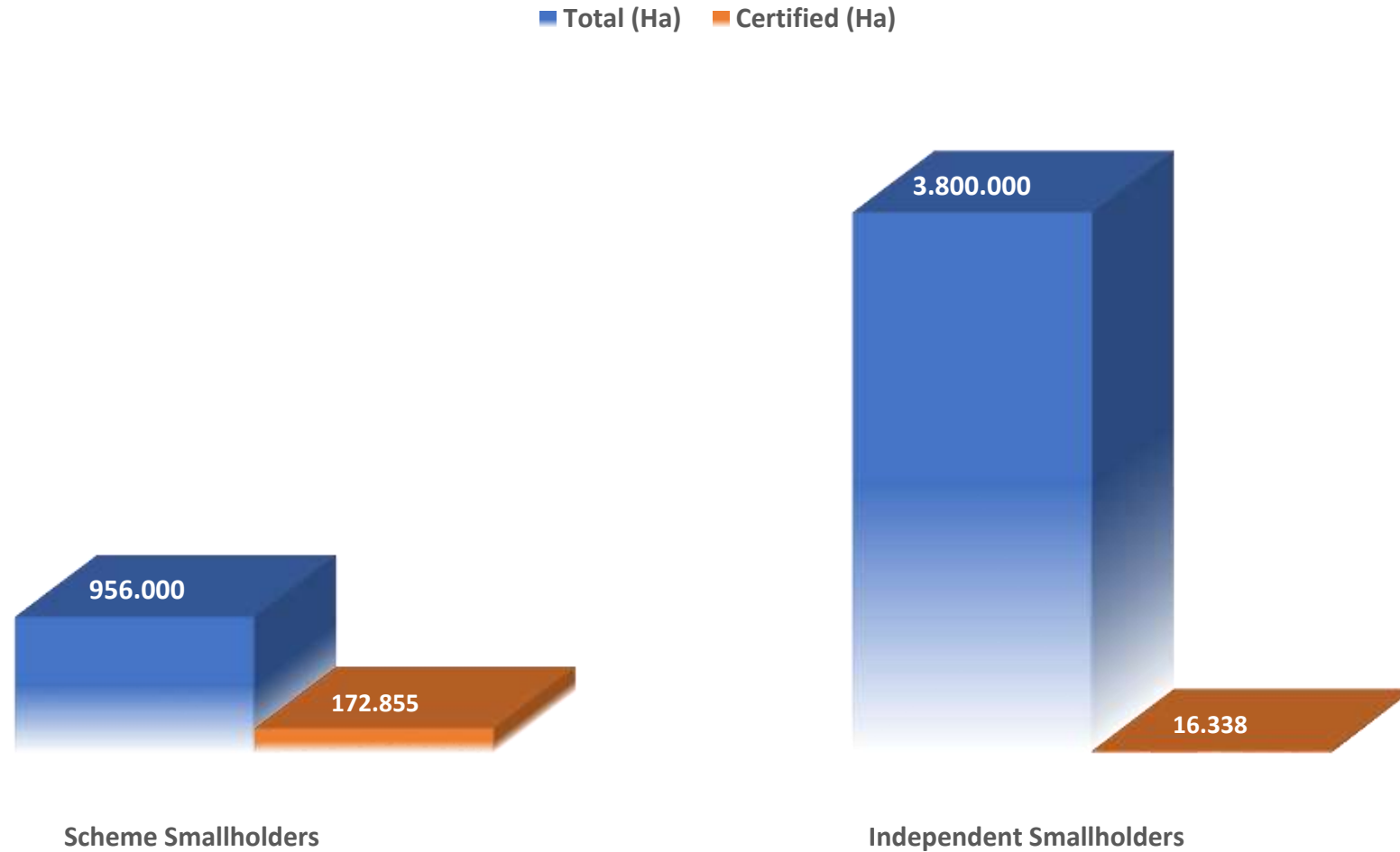
RUKAIYAH RAFIK

Berlin, 30th October 2019



**INDONESIA SUSTAINABLE PALM OIL SMALLHOLDERS
FORUM**

Indonesia Smallholders Condition



Independent Smallholders VS Sustainability

The Fact

Lack Of Organization

Lack Of Knowlegde

Use Dura Seed

No support from Mill
and Gov

Legality issue

Planted on risk area
(riparian, Peat)

Long Supply
chain

Bad Quality of
FFB

Low Price

Use high
Chemical

No accses to
finance

LOW INCOME

The Impact

- Expansion to the risk area (forest area, peat land)
- Will use fire for land clearing
- Conflict with the wild life
- Social Conflict (Community VS Community)

Sustainability;

The solution to limit

Destruction

- Must be Legal; comply with local and national regulation
- No planted in forest since November 2005
- Partnership with the mill (Opportunity)
- ISH have to have Group (Good Management)
- Use Best Management Practices in Farm (Good Agriculture, less chemical use)
- HCV management in the plot
- Transparent
- Aware with the labour or worker right
- No child labour
- No forest, No Peat and no Conflict in new planting
- No fire in farm

FORTASBI; Promoting Sustainable Palm Oil among ISH in Indonesia



FORTASBI (Indonesia Independent Smallholders Forum), initiated by Smallholders Groups (Asosiasi Swadaya Amanah, Gapoktan Tanjung Sehati) and several SNGO-ENGO (WWF Indonesia, Yayasan Setara Jambi, SPKS, Inobu, Sawit Watch, SNV).



Build on Mei 2014, FORTASBI start to support all independent smallholder to implement sustainable palm oil certification trough RSPO, ISPO and ISCC.



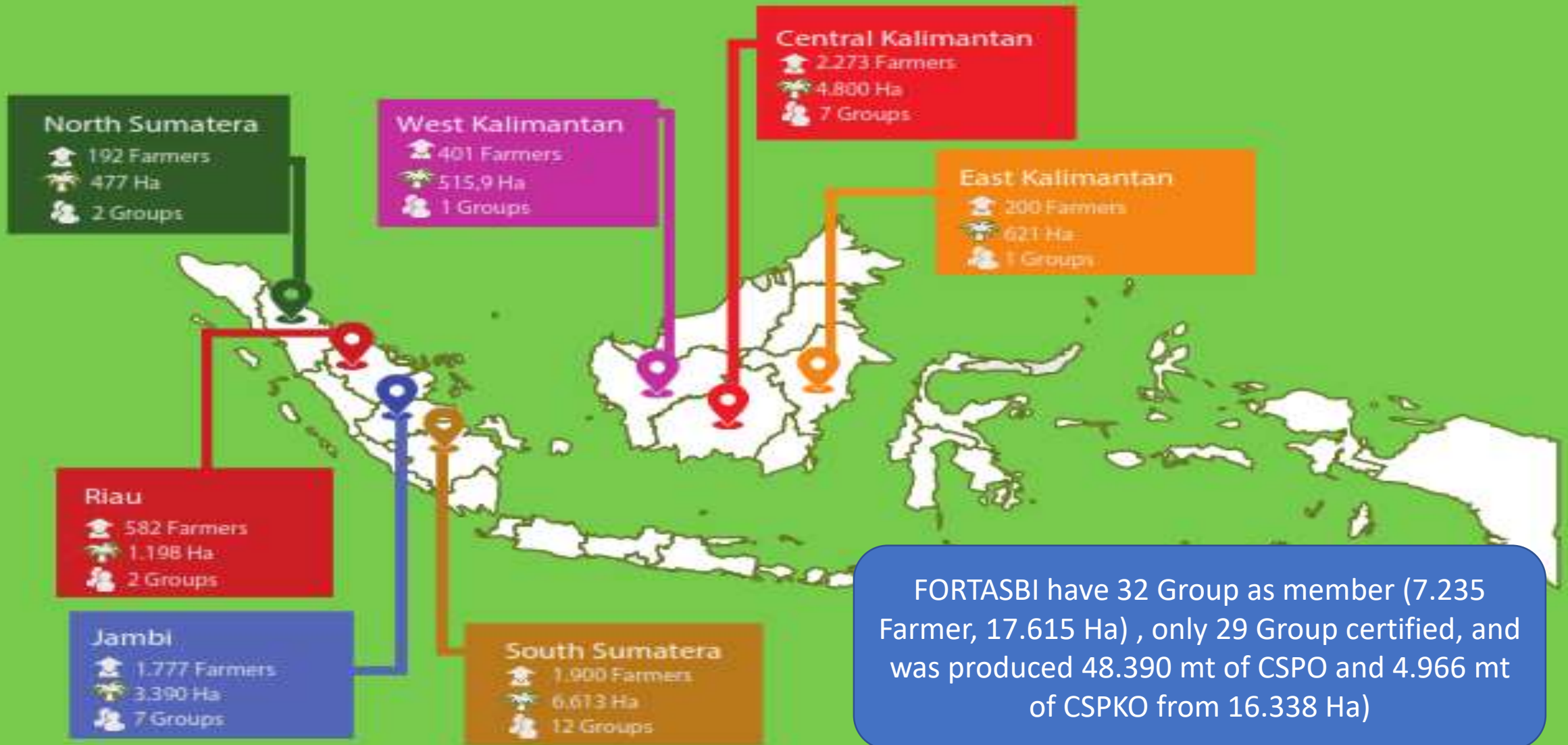
Vision ; Promoting Sustainable Palm Oil among independent Smallholders in Indonesia



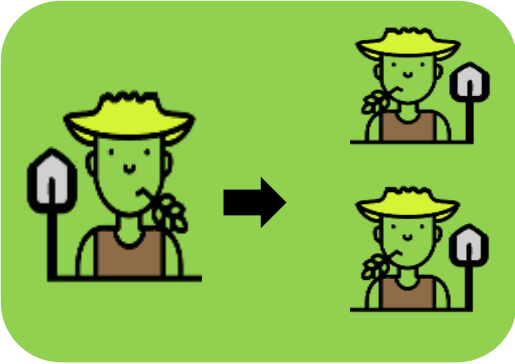
Mission :

- To increase capacity, productivity and livelihood of Independent Smallholder in Indonesia**
- To connect the to the market and bring the story line of ISH**
- Support member to maintenance of certificate**
- Scale up sustainability impact (sustainable production → livelihood → welfare)**

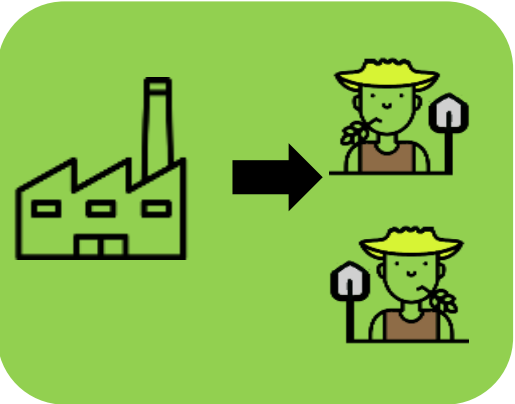
FORTASBI's MEMBER



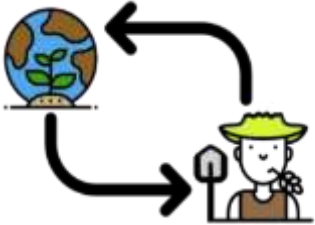
How To Accelerate Sustainable Palm Oil Among ISH?



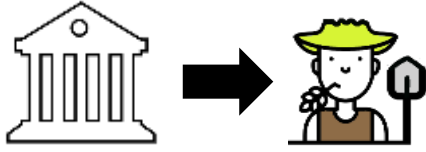
MEMBER GET MEMBER
FORTASBI will support 32 Group to scale up their member. If Each group will add 150 new member. For the next 3 years , there are 5.000 Farmers certified.



MILL SUPPORT ISH
162 Mill certified RSPO; all of that mill get FFB from ISH. If each mill support 100 ISH to implement sustainability and get RSPO certification, so for the 5 years, there 16.200 Farmer will certified.



BUYER SUPPORT
Commitment from Buyer is Very IMPORTANT. Buyer can support by provide program to ISH to implement sustainability, or buyer can buy ISH Product (Credit and physical oil).



GOVERNMENT SUPPORT
Government support for Legality, access to finance, and capacity building



FORTASBI with partner will expand in new province, East Kalimantan with GIZ. In East Kalimantan, we identified more than 5000 Independent smallholders. We also identified 1 mill use IP model. In West Kalimantan, West Sumatera and Aceh.

We need YOU to make change!

Buy their credit

- Credit (book and claim mechanism); direct support to smallholders organization
- All incentive will use by organization to support their member to maintenance certificate. Continuing the GAP training, maintenance ICS and surveillance every year.
- Currently, credit selling will give ISH 5-6 U\$/ton FFB in average. (**16.338 ha Certified produced 48.390 CSPO and 4.996 CSPKO. ISH get 969.982 US\$/year**)
- Or every farmer will get 90 U\$/farmer/year
- **This mechanism is not sustainable, because there are supply chain (mill, retailer, refinery) not involve in this.**

Buy Physical Oil?

- Buyer have to push their supply chain to support ISH to meet the standard of sustainability. (RSPO P&C 2018)
- Buyer have to prioritize the oil from mill which supported ISH which certified
- Commitment for 100% certified oil, need strong action in the ground. We can start from FONAP member commitment to buy the sustainable product from ISH in Indonesia.
- Physical oil trading, the way to good partnership between ISH and mill
- **No national regulation yet for physical trading mechanism. There is no different between conventional FFB and Certified FFB.**

Why They NEED Our Support?

COST for Preparation and certification:

Average 300-500 U\$/Farmer (depend on condition of Farmer)

RSPO membership fee

Traceability Cost (mapping)

HCV, SEIA Assessment Cost

Legality Application Cost

Pre-Audit Cost

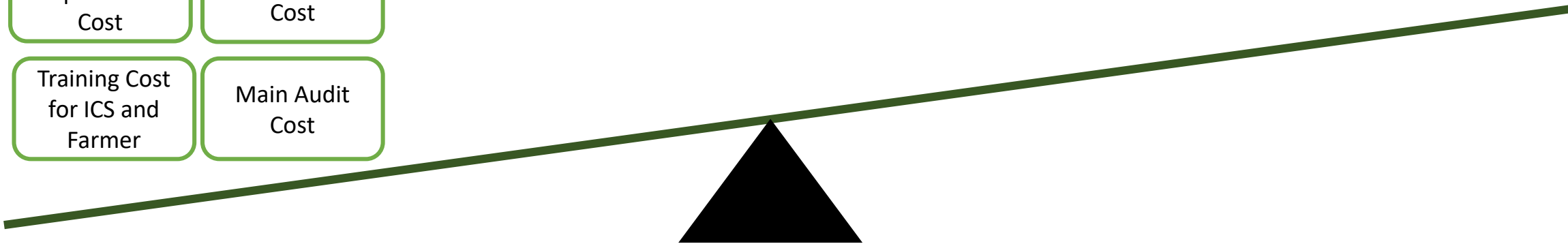
Training Cost for ICS and Farmer

Main Audit Cost

Incentive from Credit :

- PKO : 50-60 U\$/ton
- CPO : 15-20 U\$/ton
- PKE : 0,5-1 U\$/ton

Average : farmer will get incentive 5-6 U\$/ton of FFB, or 90 U\$/farmer (average the farmer have 2-5 Ha of land)



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COST of the Certificate maintenance: 65-80 U\$/Farmer

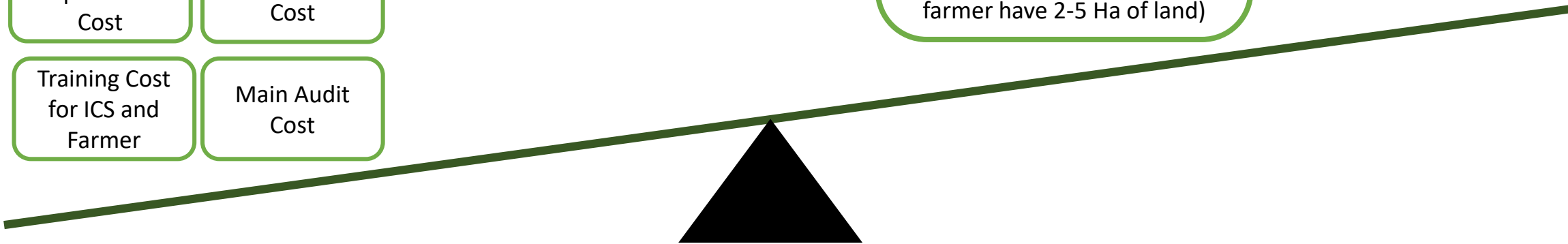
RSPO membership Fee

Management HCV

Training Member

Cost for ICS staff

Surveillance Cost



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Main Audit Cost

Additional Incentive from mill :

Prioritize the FFB from ISH certified, Capacity Building, access for Fertilizer, transparent grading of FFB, Technical Assistance from mill.

Buyer have to push their supplier to support ISH

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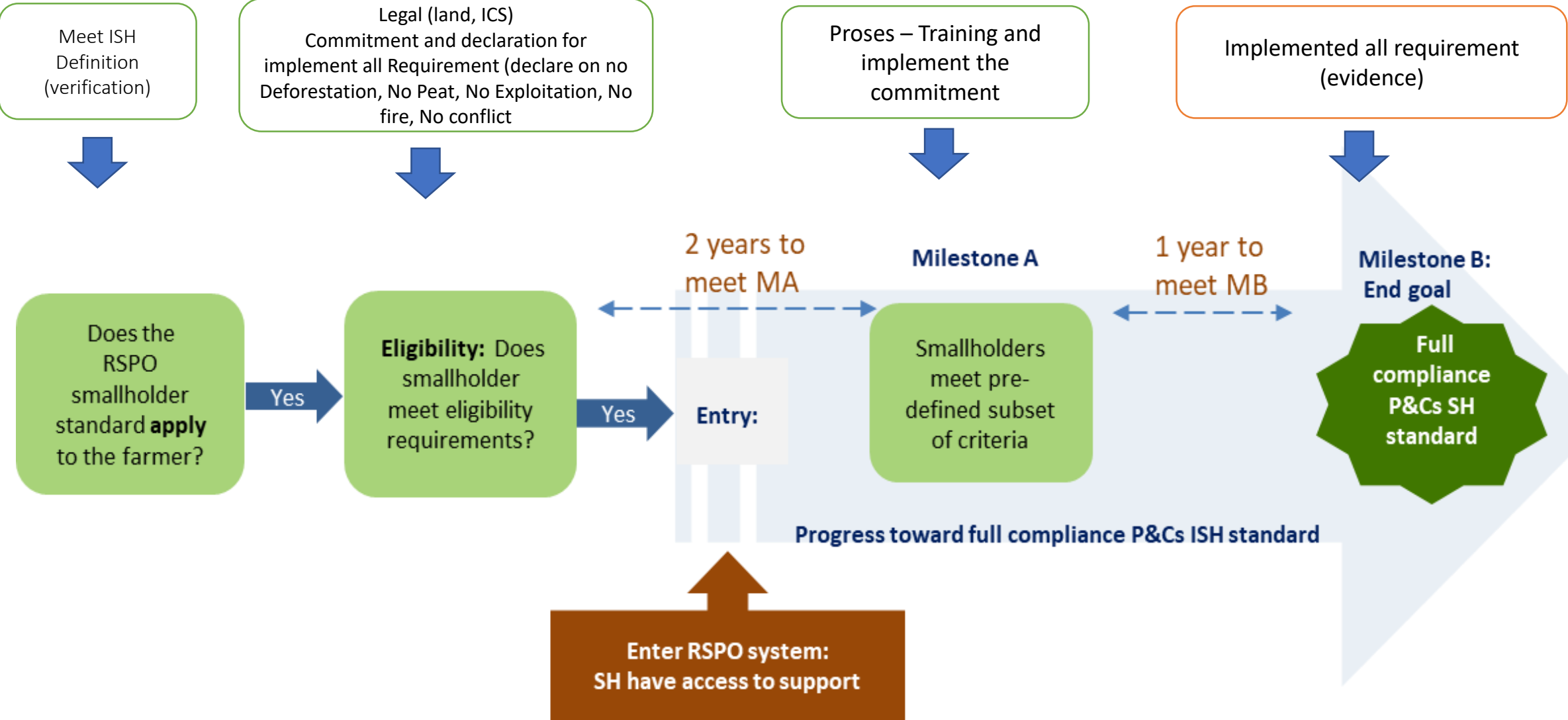
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New Standard for ISH; Simple, Inclusive and Credible

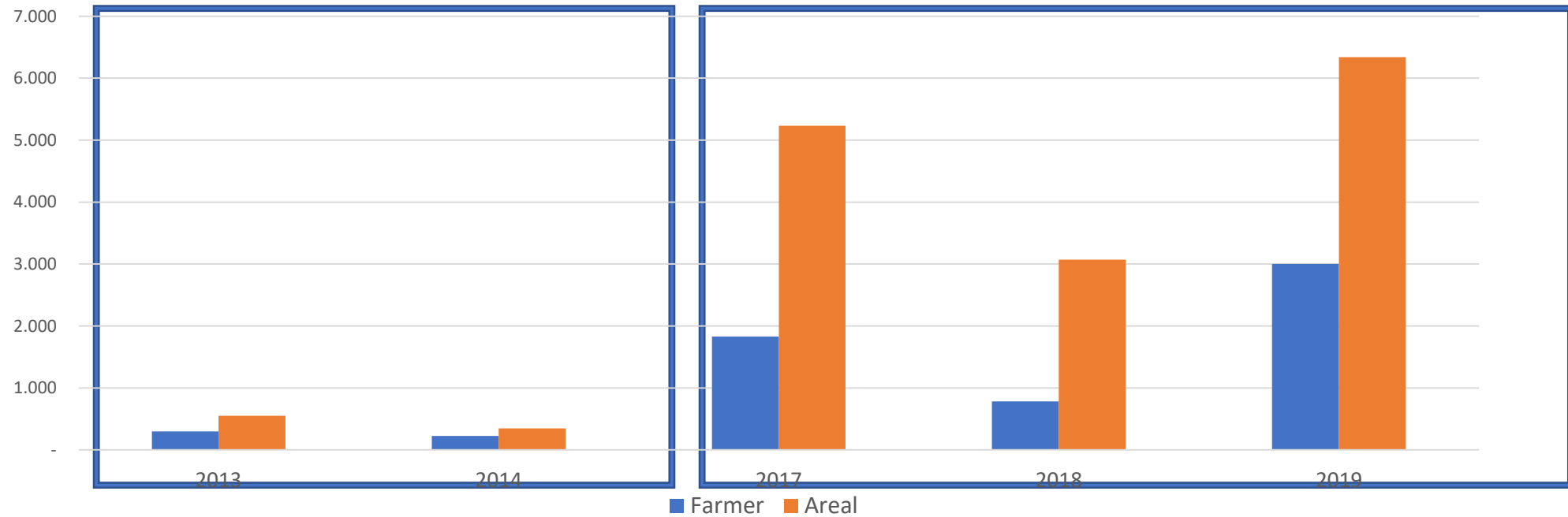


When NGO working alone

When NGO, Mill, Buyer working together



Inclusiveness Update



How Sustainability standard Works in the ground



'Sustainability has motivate us to create another income source. No more expansion.

Sutiyana,
Central Kalimantan



During the dry season this year, no hot spot and fire in our member plot. (16.338 Ha)



Sustainability encourage us to have a good farming management and planning.

H. Narno,
Riau



We protected 4 Km river as our commitment to protect environment.

Jalal Sayuti,
Jambi



Sustainability teach us to aware in landscape protection

Ardi,
Jambi



Sustainability teach us about the importance of legality in our land

Jumadi,
North Sumatera

Independent Smallholders Partner in promoting sustainable palm oil



De GURU Consulting



Solidaridad



For Sustainability Right
Livelihood and Future





Thankyou

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