

# Final Report

October 2021-December 2023

Paving the Way for Transformation and Acceleration of  
the Implementation of Sustainable Palm Oil Standard  
by Independent Smallholders in Indonesia

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# Project Summary

This is the final report of the IMO project, starting in October 2021 and ending in December 2023, which is implemented in seven districts. It elaborates what the project has achieved – outcomes and outputs – in the field.



Overall, the IMO project implemented in seven districts of Indonesia has been implemented well and produced the desired changes. Below are brief descriptions of the overall project based on the outcomes produced:

**1. Outcome 1: More regions covered by the RSPO to drive the implementation of sustainable palm oil standards, i.e. Aceh Jaya and Pasaman Barat in West Sumatra; Muko-muko in Bengkulu; Tanah Bumbu in South Kalimantan; Kapuas Hulu and Sintang in West Kalimantan; and Berau in East Kalimantan.**

Information on what the RSPO is about has been well disseminated in the seven districts: Subulussalam, Pesisir Selatan, North Bengkulu, Berau, Barito Kuala, Landak and Kapuas Hulu. The project has experienced changes of project sites, in which Aceh Jaya is replaced by Subulussalam, Pasaman Barat by Pesisir Selatan, Muko-muko of Bengkulu by North Bengkulu, Tanah Bumbu by Barito Kuala and Sintang by Landak. Such changes were driven by the fact that the original sites are difficult to access and lack local NGOs, leading to a small number of initiatives being undertaken. The new sites, Landak for example, house a lot more local NGO-driven initiatives.

All the smallholders in the target sites are very enthusiastic about pursuing RSPO certification. They, however, lack financial support. Another important thing needed to ensure the success of certification is strong commitment from all the stakeholders, in particular the local governments and also NGOs. While FORTASBI has informed the communities about the RSPO and its certification and has provided relevant training for the stakeholders, lack of financial support is still the greatest challenge. To meet such the challenge, the RSPO should consider provision of fund through the RSFF, and encourage its member companies to provide assistance for independent smallholders.

**2. Outcome 2: RSPO having an indicative map or priority areas of ISH where sustainable palm oil standard is to be implemented.**

Identification of priority areas has been undertaken in the seven districts, showing potential 4,871 independent smallholders to pursue RSPO certification.

These smallholders have demonstrated strong commitment to it – a strength that can be further harnessed. FORTASBI has given the results of the identification to the RSPO, hoping that these smallholders can become the priority of the accelerated RSPO certification in the future.

The results have also been discussed with the stakeholders in the districts – the local governments, companies and NGOs. Should the smallholders be really prioritized, the impact would be greater in terms of number and distribution of certified independent smallholders.

### **3. Outcome 3: More involvement of key actors in the priority regions such as Local governments, Companies and Local NGOs in supporting ISH in implementing RSPO's standards.**

One of the project's targets is to drive deeper involvement of key actors – the local governments, companies and local NGOs – in supporting independent smallholders. Some of the districts, such as Subulussalam, Pesisir Selatan, Batola, Landak and Berau, have undertaken a number of efforts to help accelerate sustainable palm oil certification by prioritizing legalization of independent smallholders in the form of provision of STDB (Plantation Business Registration Certificate for Cultivation).

Local NGOs have been involved in helping independent smallholders to pursue certification in Berau, where local association *Asosiasi Sawit Rakyat Mandiri* (ASRM) has gained support from USAID SEGAR and FORTASBI. Also, Yayasan Konservasi Alam Nusantara has shared some fund to assist and increase the capacity of the ASRM. Such collaboration has encouraged others, such as Unilever and Kuala Lumpur Kepong Berhad (KLK), to consider collaborating to help the growers in Berau to pursue sustainable palm oil certification.

In Landak District, the project has successfully encouraged the district government, in this case the district Plantation Office, to help certified smallholders by granting the STDB and developing the RAD-KSB (regional government's action plan on sustainable palm oil) to support the ISPO and RSPO joint certification. The project has also succeeded in encouraging a company – PT. HDL – to help independent smallholders with RSPO certification. At the writing of the report, the company, along with FORTASBI, had trained 430 independent smallholders to have them better informed about the RSPO, HCVs, FPIC and ICS.

#### **4. Outcome 4: ISH groups having been involved in RSPO's certification system to be able to independently manage and advance themselves.**

The problems faced by RSPO-certified smallholders joining a group are related to their capacity to manage and maintain their certificates sustainably, poor knowledge and heavy dependence on organizers. This may pose a big risk, in particular the suspension of the certificate. Suspension of their certificates may serve as a precedent for others, staining the image of certification as a learning process for independent smallholders.

To ensure that RSPO-certified independent smallholders have the knowledge and capacity to maintain their certificate and that RSPO certification has broader impacts, FORTASBI has provided regular consultations and training for smallholders and ICS management within groups. Forty-three RSPO-certified groups have followed online and offline capacity-building training.

Among the training topics given are:

- Mapping for ICS's mapping team
- How to use the STDB application and the facilities and infrastructure of the Palm Oil Plantation Fund Management Agency (Sapras BPDPKS) – this was to help smallholders to access government's support.
- Public Speaking – this was to build group managers' trust.
- Sustainability Report Writing – this was to encourage all the ICSs to prepare reports on the impacts of certification and on programs they have implemented or are implementing.
- Palm Trace – this was to ensure that ICSs know how to use the system to trade their RSPO credits.

Besides the above, FORTASBI has provided special training for 8 high-risk ICSs in South Sumatera, to ensure that they can improve their group management.



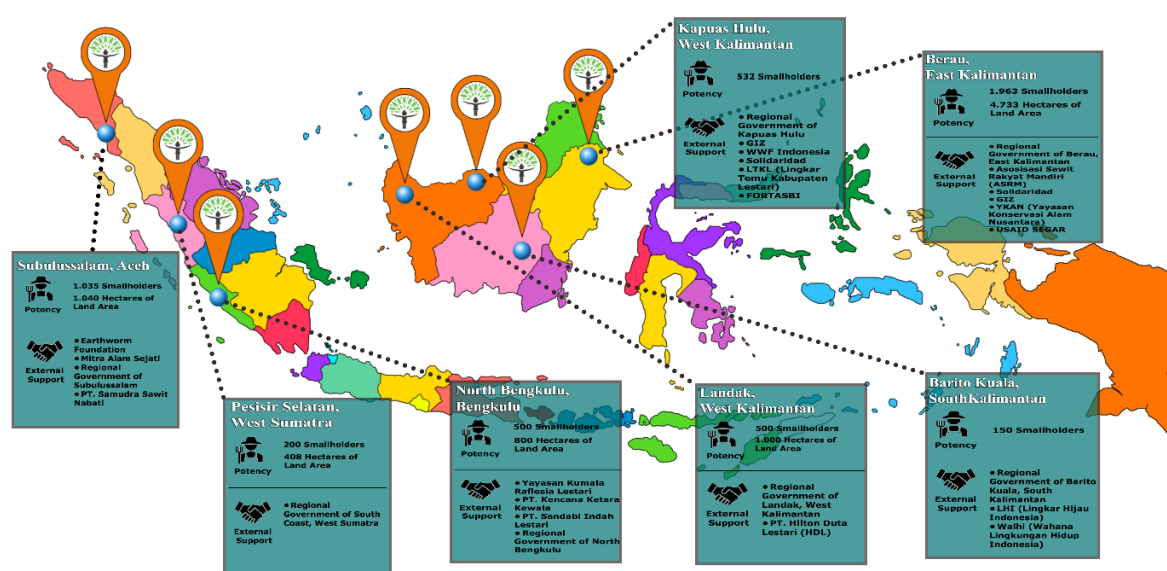
KUD Marga Makmur is facing a problem as its RSPO certification has been revoked. Currently, they are re-applying for certification and for LUCA.

## 5. Outcome 5: Availability of document on stories from ISH to increase the impacts and effects of the implementation of RSPO standards and to be used as campaign tool for inclusion and acceleration of the implementation of RSPO standards.

The results of the study on the impacts of certification are available and have been submitted to the RSPO in the form of a report. They have also been presented during the IOPC (International Oil Palm Conference) in Bali in March 2023. The study report has been submitted for publication in an international journal. In addition to the report, stories are available on FORTASBI's social media and are circulated to its network through the monthly bulletin.

FORTASBI-developed application for internal audit has been used by the members for their internal audits. Although the members still have some difficulty in using the application, due to limited internet network, the application has significantly reduced the use of paper. To ensure maximum benefit of the application, FORTASBI routinely holds a survey to identify any flaw to be addressed to maximize its usability.

The smallholder's best participation is when their representatives sit on RSPO's BoG and participate in RSPO's working groups. The smallholders have also been quite active in international forums. Despite all this, their self-confidence needs strengthening.





# PROJECT IMPACTS

**4,871 potential independent smallholders in 7 districts. 579 smallholders** were informed of the RSPO & RISS 2019 during dissemination meetings and the FGDs in 2022

**10 environmental & social NGOs** have made a **commitment** to helping independent smallholders to pursue RSPO certification. **2 farmer groups** received certification programme from USAID SEGAR and PT. HDL

**25 FGDs** have been held, convening smallholders, local NGOs, mills and oil palm agents.

**43 Certified Group Managers** have received RISS 2019, HCV training, GIS-LUCA training and also Sustainability Report Training. **33 Local Trainers** capable of providing RISS 2019 & HCV training in their respective areas

**3 certified independent smallholders** have confidence in taking on a role in the RSPO. H. Narno as Board of Governor of Smallholder, Ahmad Safri as Moderator in Resolution discussion & Jumadi participating in INA-NI RISS 2022

**83 participants** attended the Third Appreciation Night, comprising buyers, oil palm companies, SNGO/ENGOS from various countries, donors and smallholders

**7 Regional Governments** are **committed** to helping independent smallholders to pursue certification.

**288 Independent smallholders** in 7 Districts have received RISS 2019 training. **200 Local Facilitator (FASDA & PPL)** have received training about RISS 2019, ISPO, and Technic on facilitating Farmer group.

**6 Oil palm companies** are committed to supporting the certification of independent smallholders. **PT HDL in Landak**, West Kalimantan, currently **implementing certification programme** for 500 ISHs around the mill.

**75 ICS Staff of 8 Group Managers** have received regular institutional strengthening visits as well as ICS Consultation and RISS 2019 training in South Sumatra. **Marga Makmur Cooperative** in South Sumatra is currently in the process of rejoining RSPO certification

**12 Group Managers** use Internal Audit tools available in FORTASBI's website in 2022-2023

Increasing number of visitors to FORTASBI's social media (Instagram, Facebook & LinkedIn). The year 2022 saw a total of 9,808 visitors. The year **2023** saw a **massive increase with 4,219 and 18,708 reaches on Instagram and Facebook** respectively, and **1,433 interactions on LinkedIn**.

**134 buyers** have supported smallholders in 2022 and **12 buyers** are awarded as Dedicated Buyers by FORTASBI for making purchases above \$100,000 and for their full support to date

# Project Implementation



Expected Result/Output	Baseline before Project Implementation	Activity	Output Indicator	Achievement	Deviation
<b>More regions being covered by the RSPO to drive the implementation of sustainable palm oil standards, i.e. Subulussalam, Pesisir Selatan, North Bengkulu, Barito Kuala, Kapuas Hulu, Landak, and Berau.</b>	Prior to the dissemination ( <i>sosialisasi</i> ), most of the target sites lacked knowledge of sustainable palm oil (RSPO), with only Subulussalam and Landak having received training in RISS 2019 from both the RSPO and FORTASBI.	<p>RSPO standards have been disseminated through offline meetings in all the seven project sites. This was implemented through collaboration with the respective district governments and local NGOs, who served as the event organizers. Such collaboration was to encourage the governments and local NGOs to get involved in sustainable palm oil programs/work in their respective areas.</p> <p>The meetings also featured testimonies by FORTASBI's members who have been certified by the RSPO.</p>	The dissemination in the seven project sites was attended by a total of 291 participants from various backgrounds – provincial and district governments, local oil palm companies, local NGOs, and the representatives of potential smallholders' groups in each of the sites.	<p>The preliminary dissemination has successfully gained the commitment of the district governments to support RSPO certification. The Regent of Berau, Hj. Sri Juniarsih MAS, M.Pd, noted:</p> <p><i>"The District Government of Berau is poised to collaborate with the RSPO and FORTASBI to help independent oil palm smallholders to pursue certification"</i></p> <p>Besides, the Head of the District Plantation Office of Barito Kuala is enthusiastically welcoming RSPO's support, noting that he is poised to encourage both RSPO and ISPO certification.</p> <p><i>"Let's make independent smallholders in Barito Kuala as the first certified smallholders in South Kalimantan!" H. Suwartono Susanto, SP, MS.</i></p>	All have been implemented well; no substantial deviation occurred apart from some time adjustment due to the circumstances in the field.
<b>RSPO having indicative map or priority areas of ISH where sustainable palm oil standard are to be implemented.</b>	No indicative maps were available containing data on the conditions of the priority areas, potential growers, the extent of support from the local governments, NGOs and oil palm companies.	The activities include identification of potential growers in the 7 project sites through FGDs with the representatives of smallholder's groups, oil palm companies, FFB distributors, and local governments; dissemination of information on certification, and training	<p>25 FGDs have been implemented well, with a total of 189 individuals participating.</p> <p>288 growers have received RISS training, which was held after the FGDs.</p>	The smallholder engagement strategy document has been published, presented and submitted to the RSPO. It contains maps of potential smallholders, detailing information on various aspects of the 7 project sites: potential growers, potential multistakeholder support, challenges and opportunities, strengths and weaknesses, proposed intervention models, funding needs for the potential	No substantial deviation apart from the late submission of the smallholder engagement strategy document; the



Expected Result/Output	Baseline before Project Implementation	Activity	Output Indicator	Achievement	Deviation
	The RSPO had yet to have specific smallholder engagement strategies for the the 7 project sites.	of smallholder groups' management (following the FGDs). All the activities were done in collaboration with local NGOs and RSPO's Master Trainers (Yayasan Lingkar Hijau, Yayasan Kumala Raflesia Lestari, Haris Silalahi, and Koperasi Sada Kata). The smallholder engagement strategy document and the indicative map(s) are prepared by FORTASBI.		smallholders and recommended engagement strategies.	identification activities happened to coincide with the 2023 fasting month and Eid Fitr.
<b>More involvement of key actor in the priority regions such as Local governments, Companies and Local NGOs in supporting ISH in implementing RSPO's standards</b>	Support from the local governments was lacking for helping independent oil palm smallholders to pursue sustainable palm oil certification (RSPO and ISPO).	<p>Joint workshops focusing on the legality aspects of smallholders were held with the local governments, FASDAs, PPLs, oil palm companies and NGOs, followed by training as part of the activity series to increase the capacity of the regional supporting system. Like the dissemination events, the workshops and training were held in collaboration with the local governments and NGOs.</p> <p>Also taking part in the events were the Directorate of Crops Processing and Marketing of the Ministry of Plantation of the Republic of Indonesia, who talked about ISPO certification, and FORTASBI's Master Trainers (Feybe Lumuru, Haris Silalahi, and Siswanto).</p>	The joint workshops on the STDB and the SPPL and the training in the RSPO, RISS 2019, ISP, and techniques to facilitate independent smallholder groups were held in all the 7 project sites and followed by a total of 200 participants (FASDAs, PPLs, representatives of local oil palm companies and NGOs).	<p>The Plantation Office of Barito Kuala declared that it would form the RAD-KSB and align it to encourage growers to pursue both ISPO and RSPO certification.</p> <p>The district government of Barito Kuala has also issued the STDB for 80 applicants.</p> <p>100 STDBs have been issued to ASRM, and at the time of writing it received another 29.</p> <p>5 other districts have been committed to support smallholders by issuing the STDB.</p> <p>Concerning the SPPL, all the submitted documents will be directly verified by the OSS system.</p>	No deviation
<b>ISH groups having been involved in RSPO's certification system to be able to independently manage and advance themselves</b>	12 group managers, particularly in South Sumatra, still had difficulty in managing and maintaining their RSPO certificates,	Activities include field visits and in-depth consultations about management issues ICSs are facing in certification; relevant discussions with groups whose certificates have been suspended; and provision of refreshment training in RISS 2019 for	<p>75 ICS staff members of 8 Group Managers have been visited and provided with consultations on institutional affairs/ICS.</p> <p>22 Group Managers have received online <b>training</b> and <b>regular mentoring</b></p>	<ul style="list-style-type: none"> <li>– 33 Local trainers; 19 local RISS 2019 trainers &amp; 14 local HCV trainers.</li> <li>– H. Narno from Asosiasi Amanah was elected member of the BOG in November 2021 and November 2023.</li> <li>– Ahmad Safri of Koperasi Gaharu Seratus Bosar Maligas, as moderator in the discussion on</li> </ul>	Using the web-based internal audit application is still a challenge in areas with poor internet

Expected Result/Output	Baseline before Project Implementation	Activity	Output Indicator	Achievement	Deviation
		<p>cooperatives in South Sumatra.</p> <p>Various training was provided to produce local trainers in each of the project sites. The training subjects include RISS 2019, HCV, mapping, use of ArcGis-LUCA and Sustainability Report Writing Technique.</p> <p>A web-based internal audit application has been developed to help growers easily conduct internal audits of their respective groups. FORTASBI's members are encouraged to take part in international forums.</p> <p>The Third Appreciation Night was held during the RSPO's RT2022 in Kuala Lumpur, Malaysia.</p>	<p>focusing on <b>HCV</b> and <b>RISS 2019</b>.</p> <p><b>Training in use of ArcGis and LUCA</b> was held and attended by 18 representatives of 18 Group Managers.</p> <p>25 group manager representatives have received training in <b>Sustainability Report Writing Technique</b> so that growers can write well and share good stories about what they have done or are doing in the villages.</p> <p>25 Group Managers and 9 FORTASBI's field team members have received training in <b>Public Speaking</b> to increase their capacity to promote sustainable palm oil.</p> <p>A total of 43 Group Managers have been strengthened through capacity building training.</p> <p>The web-based internal audit application has been used by FORTASBI's members to conduct their respective internal audits.</p>	<p>Accelerated Certification through Jurisdiction Approach resolution.</p> <ul style="list-style-type: none"> <li>– Jumadi as the spokesperson of smallholders, speaking during RSPO's RT 2023 in Jakarta of the importance of supporting independent smallholders in pursuing certification.</li> <li>– H. Narno as FORTASBI's Chairman attended the Discussion on Expanding best Management Practices to Increase Productivity and Income of Palm Oil Smallholders in Riau Province, held by the Coordinating Ministry for Economic Affairs of the Republic Indonesia.</li> </ul>	<p>connection.</p> <p>Further work has to be done to make it useable offline.</p>
<b>Availability of document on stories from ISH to increase the impact and effect of the implementation of RSPO standards and to be used as campaign tool for inclusion and acceleration of the implementation of RSPO standards</b>	<p>The way positive impacts of certification were promoted in social media was poor and less effective, and promotion through scientific journals was lacking.</p> <p>RSPO's standards for independent growers are still exclusive; few independent growers know the</p>	<p>A studi entitled "Impacts of certification for SDGs at Village Level" has been carried out, in cooperation with an independent researcher institution called InRISE.</p> <p>Short films about the impacts of certification have been published in cooperation with a professional videographer called Visual Mega Nusantara.</p>	<p>More and more parties are getting familiar with and aware of the RSPO and RISS 2019 as sustainable palm oil standards.</p> <p>FORTASBI and Group Managers have been actively promoting sustainable palm oil standards to buyers and companies.</p> <p>More growers are increasingly interested in planting oil palm and</p>	<ul style="list-style-type: none"> <li>- The results of the study entitled <b>"Impacts of certification for SDGs at Village Level"</b> has been published. On 13-17 March 2023, INRISE, on behalf of FORTASBI, attended an international oil palm conference to present the study's interim findings. The study has been submitted to <a href="https://www.sciencedirect.com/journal/regional-sustainability">https://www.sciencedirect.com/journal/regional-sustainability</a> for publication and its merit is being reviewed. If accepted, it will be published in 8 months after the submission (5 September 2023).</li> <li>- A short film entitled <i>Impacts of certification on Independent Smallholders</i> is divided into three short themes: Peat Protection, Gender Equality, and Education for</li> </ul>	<p>FORTASBI will continuously be overseeing the progress of the submission of the study <b>"Impacts of certification for SDGs at Village Level"</b> for publication in an international</p>

Expected Result/Output	Baseline before Project Implementation	Activity	Output Indicator	Achievement	Deviation
	<p>RSPO and RISS 2019.</p> <p>Only a few growers (Group Managers) have promoted sustainable palm oil in multistakeholder forums, and only a few Group Managers took part in important meetings related to sustainable palm oil both at national and international levels.</p>	<p>Short videos have been produced for training purposes, in cooperation with an experienced consultant called CV. Wagoon Multi Solusi.</p> <p>FORTASBI has collaborated with ELSAM in a workshop to introduce the IMO_RSPO program to NGOs, and to explore ways to forge collaboration. ELSAM held a side discussion about the EUDDR during RSPO's RT2023. It also took part in RSPO's visit to Ketapang to see the implementation of training of growers in certification.</p>	<p>pursuing certification.</p> <p>RSPO</p>	<p>Smallholder's Children. It was premiered at the Third Appreciation Night for dedicated buyers at Shangri-La, Johor 3-room 6, Kuala Lumpur. It can be viewed at <a href="https://www.youtube.com/watch?v=-kvQvSE3LmM&amp;list=PLNJnC_IcJRJJH1nOEC85W_OD07PHFAwoO&amp;pp=iAQB">https://www.youtube.com/watch?v=-kvQvSE3LmM&amp;list=PLNJnC_IcJRJJH1nOEC85W_OD07PHFAwoO&amp;pp=iAQB</a></p> <ul style="list-style-type: none"> <li>- On a weekly basis, FORTASBI produces short narratives/stories about good impacts of certification from the ground, and post them on Instagram and Facebook. These were viewed by 9,808 visitors in 2022, and the year <b>2023</b> saw a massive increase in visitors, with <b>4,219</b> reaches on Instagram and <b>18,708</b> reaches on Facebook as well as <b>1,433</b> interactions on LinkedIn.</li> <li>- Along with WRI Indonesia and Kiroyan Partners, FORTASBI collaboratively held an event entitled "China's Green Call and The Future of Indonesia's Sustainable Palm Oil". This event resulted in a commitment from China related to Indonesia's sustainable palm oil products, especially from oil palm smallholders.</li> <li>- Two short videos are available featuring <b>Introduction of ICS in Smallholder Groups</b> and <b>How to Conduct an Internal Audit</b>, respectively.</li> <li>- Twelve dedicated buyers were appreciated at the Third Appreciation Night in 2023, which was attended by 83 participants from various backgrounds - buyers, the private sector, NGOs, smallholders and companies.</li> <li>- Two more groups signed up for RSPO certification throughout the project duration. They are ASRM, supported by USAID SEGAR and in collaboration with FORTASBI; and 500 independent smallholders supported by PT. HDL in Landak District. Both have received training in certification.</li> </ul>	<p>scientific journal and will keep the RSPO updated.</p> <p>The making of videos about How To Identify HCVs in Smallholder's Estates and How To Use FPIC Guidance in Smallholder Groups had yet to be started up to the writing of the report pending the official guidance from the RSPO.</p>

## Challenges

- Government's commitment likely to change following change of local/district head.
- The RSPO's scheme not yet being fully blended with that of the ISPO; posing a risk of the government prioritizing the latter as it is the government's policy.
- Information on sustainable farming/the RSPO not being disseminated evenly across the country yet.
- In some areas such as Pesisir Selatan and Berito Kuala, company's involvement in assisting smallholders/smallholder groups still being limited.
- A pressing issue relating to the legality of independent smallholders' land.
- RSPO's capability to address all smallholder's requests, notably those relating to funding for RSPO certification.
- Lack of local NGOs who have adequate capacity and knowledge to assist and organize independent smallholders, and to help them pursue sustainable palm oil certification.



## Opportunities

- Substantial funding for independent smallholders is available from the RSPO, particularly throughout the year 2023.
- Review of smallholders' standards opens the way for the integration between these standards with those of companies.
- The EUDR can offer an opportunity to encourage regional governments to support independent smallholders, particularly with regard to legality and traceability.
- Jurisdiction Approach can be used as a starting point to gain Regional Governments' commitment.
- Collaboration between social and environmental NGOs can push the implementation of RSPO's standards by independent smallholders

## Lessons Learned

- Smallholders can become effective trainers if given opportunities to learn. The project has produced 34 local trainers from among the smallholders, and this means that there is an opportunity to accelerate the implementation of RSPO's standards by independent smallholders.
- The combination of RSPO-and Packard-supported programs (the latter being the accelerated implementation of the ISPO) by FORTASBI has brought about fairly good impacts. The government has actively been involved in the activities throughout the project duration, such as the joint dissemination of the RSPO and the ISPO. The strategy is a foolproof way of encouraging regional governments' involvement in FORTASBI's activities
- Making RSPO- and ISPO-certified smallholders resource persons turns out to be highly effective as those not yet knowing about the impacts of sustainable palm oil practices can learn directly from them
- Engaging regional governments in technical activities also turns out to be an effective strategy as this makes the governments part of the project implementation
- The RSPO should immediately follow up on some of the outcomes of the program, for instance the suggestion put forward by the district government of Berau that the stakeholders should prepare an MoU to continue support for independent smallholders in pursuing certification.
- So far, FASDAs and PPLs have not been involved as part of the supporting system which can help smallholders with certification. While this has not provided any lesson yet, we believe that if such an approach can be adopted by regional governments, which in this case are district-level Plantation Offices, this can become one of the key strategies to accelerate certification of independent smallholders in Indonesia.



## Financial Narrative

The funding of the IMO project comes from the RSPO. Totalling USD 270,637.00, the entire fund has been used to achieve all the project targets. Detailed breakdowns of the use of the fund are given in the separate financial report attached to this document.