

# Smallholders Engagement Strategies

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Yayasan FORTASBI Indonesia



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# I. INTRODUCTION

## A. Background

Sustainable oil palm certification in Indonesia, in particular among independent smallholders, is not something new. A well-recognized international certification standard, i.e. the Roundtable and Sustainable Palm Oil (RSPO), has since 2014 been followed by Asosiasi Petani Swadaya Amanah, the first RSPO-certified in Indonesia. The government of Indonesia herself then set up her own sustainability standard, the Indonesian Sustainable Palm Oil (ISPO), in 2011. Asosiasi Petani Swadaya Amanah is also the first to be committed to applying both the RSPO's and the ISPO's principles and criteria.

While RSPO's effort to promote responsible and sustainable oil palm industry at global and national level has been ongoing for more than a decade, the work still leaves much to do. The Directorate General of Plantations of the Republic of Indonesia noted, in its Statistics of National Prime Plantations 2019-2021, that the total of Indonesia's independent smallholders stood at 2,509,214, managing 5,896,775 hectares. By December 2022, the RSPO had certified 15,485 of these smallholders with a total of managed area covering 36,533 hectares. They are members of 52 groups. The data show that only a few smallholders in Indonesia have been certified and have adopted sustainable agricultural practice. The figure is far from enough to call Indonesia's oil palm industry, run by independent smallholders, sustainable.

In light of the above, Yayasan FORTASBI Indonesia is proposing a program to identify the potential of independent oil palm smallholders in areas which have not yet had any RSPO-certified smallholders, including those where the smallholders have never been aware of the RSPO, as well as identifying potential support from stakeholders, key actors, regional governments, local NGOs and large oil palm companies. The target areas are Subulussalam District of Aceh Province, Pesisir Selatan District of West Sumatra Province, North Bengkulu of Bengkulu Province, Berau District of East Kalimantan Province, Landak District and Kapuas





Hulu District of West Kalimantan Province, and Barito Kuala District of South Kalimantan. Some other potential areas have been left out due to challenging access and absence of acceptance from the local governments.

## B. Objectives

The document intends to provide the RSPO with the results of the identification mapping of the target areas above, which was done throughout 2022, as well as recommending possible and appropriate approach strategies to use in each of them in accordance with their respective potential, weaknesses, strengths and challenges.

## C. Implementation of the Identification

The identification was carried out in stages in all the target areas. While the identification of some areas was done solely by FORTASBI's team, that of Subulussalam, Barito Kuala and North Bengkulu was done by independent consultants or in cooperation with local NGOs and cooperatives. The table below gives the time of the identification.

Subulussalam	N. Bengkulu	Barito Kuala	Landak	Pesisir Selatan	Berau	Kapuas Hulu
March 2022	March 2022	May 2022	June 2022	June 2022	July 2022	Sept 2022

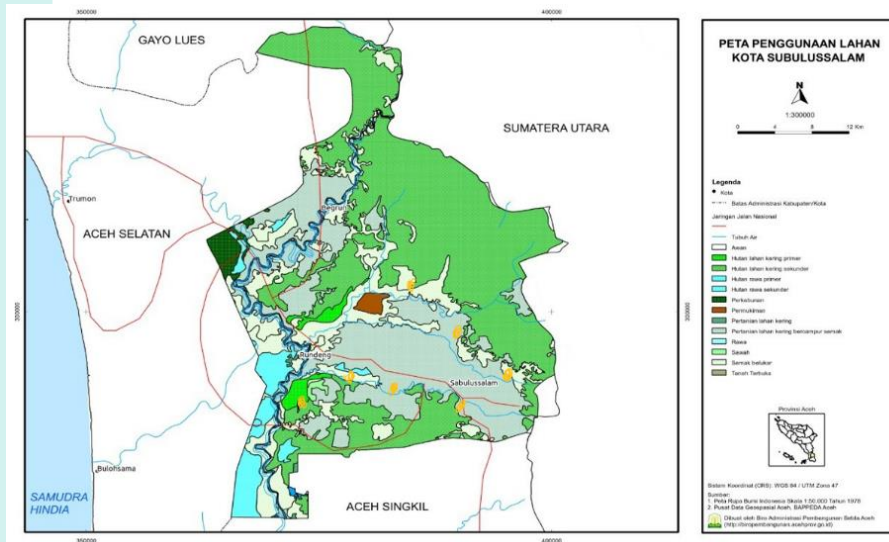
The work included Focus Group Discussions (FGDs) with the local stakeholders and key actors, such as the Agriculture and Plantation Office (nomenclature varying with area), the Environment Office, oil palm companies, local agents or FFB collectors, and local NGOs; dissemination of information on the RSPO; and short training on the RISS 2019 for smallholder groups who have the potential to pursue the RSPO certification.



## II. DESCRIPTIONS OF THE IDENTIFIED AREAS

### A. Subulussalam, Aceh

Subulussalam is a city in Aceh Province covering an area of 1,391 km<sup>2</sup> and consisting of 5 subdistricts and 82 villages. The subdistricts are Simpang Kiri, now comprising 17 villages, Penanggalan (13 villages), Rundeng (23 villages), Sultan Daulat (19 villages) and Longkib (10 villages). The city borders Southeast Aceh District in the North, Aceh Singkil District in the south, North Sumatra Province in the east, and South Aceh District in the west.

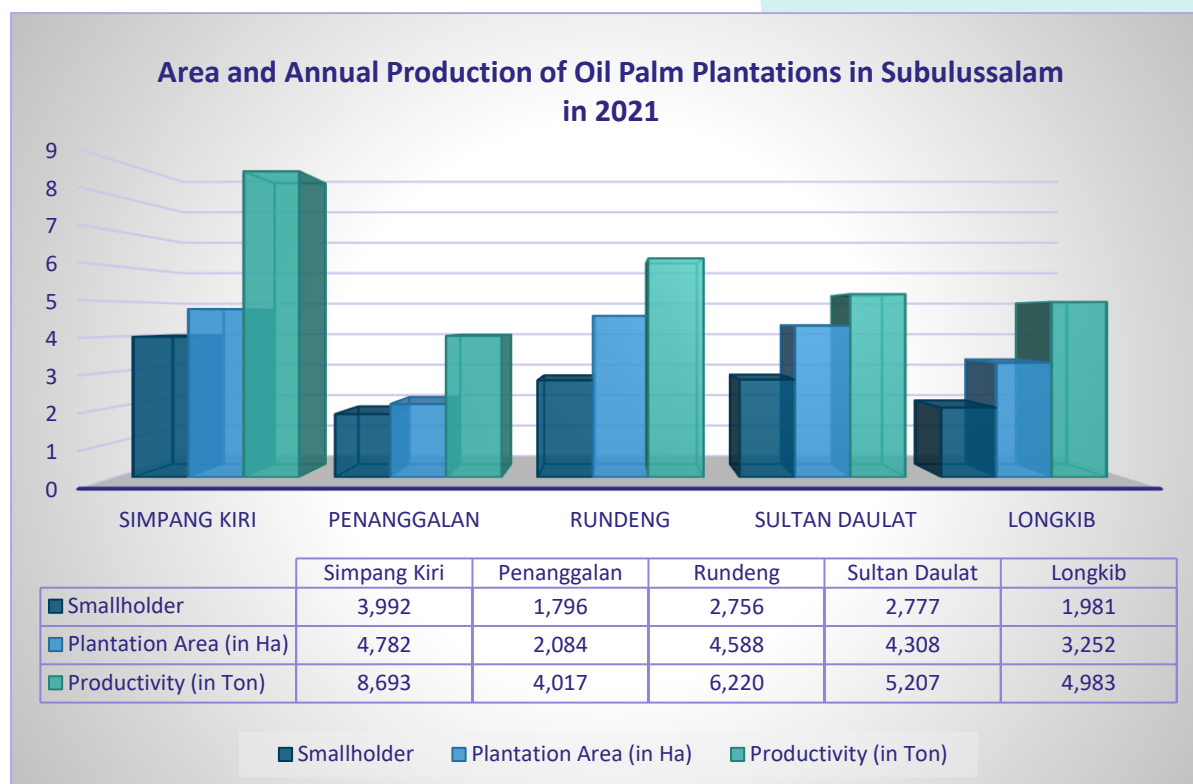


The majority of the population are farmers and planters. The common agricultural commodities grown are rice, corn, cassava and peanuts while the plantation commodities are oil palm, rubber, cacao, coffee, areca nut and sago. Oil palm is the main commodity in the area.

The city has two prime plantation commodities: oil palm and rubber, which play a very important role in supporting the local economy. The 2021 data from the District Agriculture and Fisheries Office of Subulussalam shows that the oil palm plantations in the city stood at 41,364 Ha; of this, about 19,014 Ha (46%) is owned by independent smallholders ([www.Subulussalamkota.go.id](http://www.Subulussalamkota.go.id)).



The chart below gives the number of smallholders and the size of plantations in each of the subdistricts.



Source: Agriculture and Plantation Office of Subulussalam City

Besides plantations, Subulussalam has fairly good potential of forestry. Its forest conservation and wetland areas stand at 36,369.15 Ha or approximately 26.15% of the city's area, comprising protected forest (19,025.06 Ha or 13.68%), nature reserves and nature conservation areas 19,025.06 Ha and 4,735.50 Ha respectively (3.40%), permanent production forest (10,583.83 Ha or 7.61%), and convertible production forest 2,025 Ha (1.46%).



For identification purposes, FORTASBI was working together with Koperasi Perkebunan Sada Kata (a cooperative), which has members across the subdistricts. In addition to independent smallholders' cooperatives, large oil palm companies are another key actor in the sector. 17 companies have been registered and operating on a total of 22,350.70 Ha of land across Subulussalam's administrative area.



## B. Pesisir Selatan, West Sumatra



The city of Painan is the capital of Pesisir Selatan District. The district is situated in West Sumatra Province and covers an area of 579,495 Ha, consisting of 15 subdistricts, 182 *nagari* (similar to villages) and 480 *kampung* (villages). It is located at 100°19'–101°18' E and 0°59'–2°28.6' S. It is characterized by mountainous and hilly landscapes, rising 0-1000 meter from sea level, as it lies along the path of the Barisan Mountains. It borders on the city of Padang in the north, Solok District and Kerinci District in the east, Bengkulu Province in the south and the Indonesian Ocean in the west.

The data FORTASBI gathered from the district's Food Crops, Horticulture and Plantation Office show that the oil palm plantations cover 41,938 Ha with the average productivity of 2 ton/Ha/year. Seven oil palm companies are operating in the district: PT. Incasi Raya, PT. Citalaras Cipta Indonesia, PT. Sumber Andalam Kencana, PT. Sumatera Jaya Argo Lestari, PT. Sukses Wijaya Wood, PT. Sapta Sentosa Jaya Abadi and PT. Sumbar Andalas Kencana, all covering an area of 36,758.61 Ha. Partnership smallholders manage 1,258 Ha.

No accurate data on the number of smallholders is available; however, the district government says that on average a smallholder owns 2 hectares of land. Using this figure, the number of independent smallholders would stand at about 20,000 (41,938/2). Currently, the smallholders in the district, about 500 in both Lunang dan Silaut subdistricts, are actively taking part in the Community Oil Palm Program (*Program Sawit Rakyat/PSR*). Besides palm rejuvenation, another district government program aimed at the smallholders is the registration for cultivation (*Surat Tanda Daftar Budidaya/STDB*). Up to 2022, about 413 Ha of independent smallholders' land has obtained the STDB.

## C. North Bengkulu, Bengkulu



North Bengkulu is a district in Bengkulu Province with the city of Argamakmur being the district seat. Encompassing an area of 4,324.60 km<sup>2</sup>, it includes 6 islands in Enggano and Putri Hijau subdistricts. The district is made up of a total of 18 subdistricts.

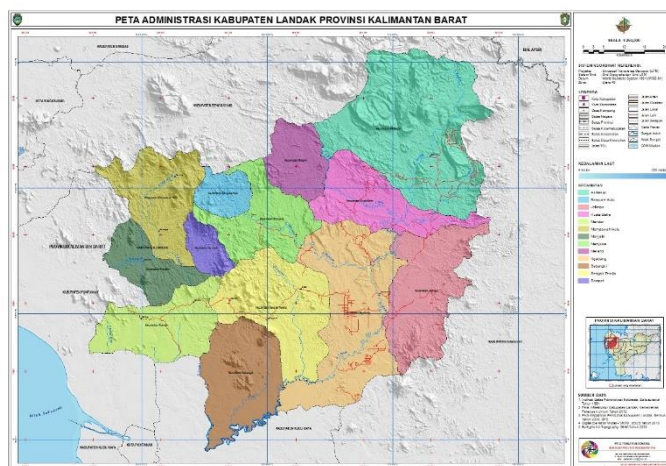
The data from the District Plantation Office show that there were 41,595.50 Ha of oil palm plantations in 2020 producing a total of

463,443.6 ton. The plantations are dispersed in the 18 subdistricts. Almost all the subdistricts develop oil palm, which is the prime commodity after rubber.

Of all the managers of these plantations, two groups have been committed to pursuing the RSPO certification and have been preparing for it: one is from Talang Rasau of Lais subdistrict with 250 smallholders having the potential to go through the process; the other is from Urai of Ketahun subdistrict, with the same number of potential smallholders (250).

#### D. Landak, West Kalimantan

Landak is a district in West Kalimantan Province as a result of the splitting off from Mempawah District in 1999. The capital lies in Ngabang subdistrict. The district spans over 9,909.10 km<sup>2</sup> and had the population of 404,155 in 2021.



It consists of 13 subdistricts, 5 urban villages (*kelurahan*) and 151 rural villages, with 6 of the latter being underdeveloped. It is located at 0°01'S-1°02' N and 109°5'-110°10' E. In the north, it borders on Bengkayang and Sanggau districts, Sanggau and Kubu Raya districts in the south, Pontianak District in the west and Sanggau District in the east.

The oil palm smallholders are yet to be profiled in detail but their general information can be seen in the table below.

Area of Oil Palm Plantations in Landak						
Oil Palm	Size (in Ha)			Total Area (in Ha)	Production/year (in ton)	Number of Smallholders (HH)/Companies
	TBM	TM	TT			
<b>Smallholders</b>	<b>30,398</b>	<b>97,713</b>	<b>7,945</b>	<b>136,056</b>	<b>112,534</b>	<b>6,082</b>
Large Private Companies	26	91,713	0	117,995	101,095	41
State-Owned Companies	616	1,723	999	3,338	4,135	1
Community Smallholding (Plasma)	3,587	4,190	6,946	14,723	7,304	6,082

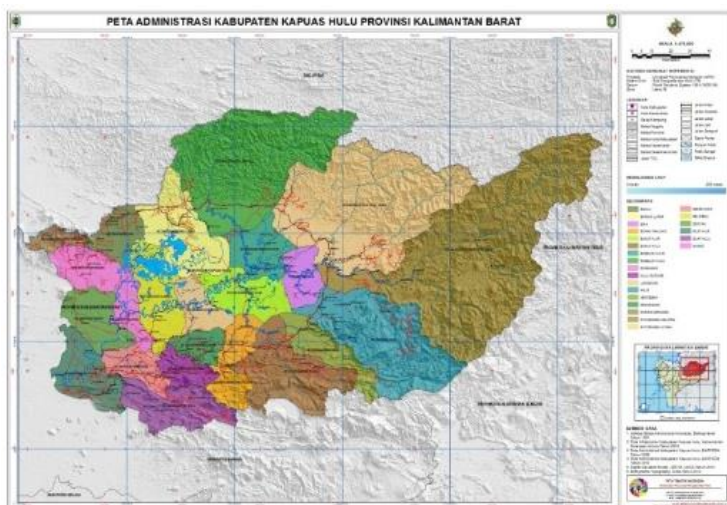
Source: District Plantation Office of Landak

The distribution of the smallholders can be traced by looking at the presence of cooperatives across the district. Large private companies can be found in almost all the subdistricts, with a total of 45 large oil palm companies operating in the district, comprising those with plantations and those without.



Assistance to independent smallholders has been ongoing, provided by Solidaridad (NGO) and PT. Hilton Duta Lestari, a member of the RSPO. Both are helping independent smallholders to increase their capacity in palm cultivation. So far, no specific support for certification has been in place.

## E. Kapuas Hulu, West Kalimantan



Kapuas Hulu is a district in West Kalimantan Province. It consists of 23 subdistricts, encompassing an area of 29,842 km<sup>2</sup> with Putussibau being the district seat. It borders on Malaysia's Serawak in the north, Sintang District in the west, East and Central Kalimantan provinces in the east, and Sintang District and Central Kalimantan Province in the south.

Kapuas Hulu is also the conservation district of West Kalimantan as 65% of its area is covered by forest. The forest cover consists of Protected Forest and Production Forest. In addition, the district has 300 km of Borneo's longest river, the 1,143-kilometer Kapuas, flowing from Putussibau in the eastern part of the district to Silat Hilir subdistrict, covering 12 sub-watersheds. The sub-watersheds have 296 tributaries flowing to all the subdistricts.

The district also has 23 protected lakes, one of which (Lake Sentarum) is designated as a national park (Danau Sentarum National Park). The Lake has strategic and significant functions for the Kapuas Watershed with its hydrological role and biodiversity.

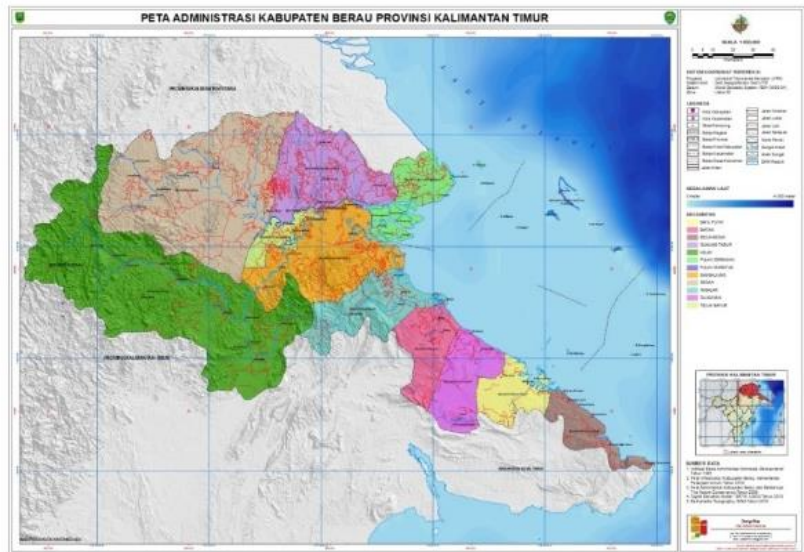
With regard to palm plantations, in particular those owned by independent smallholders, the District Agriculture and Food Crops Office recorded that 1,510 smallholders were partnering with companies in 2022, covering a total of 88,185 Ha of land. The annual productivity stood at 149,666 ton from the 59,768 Ha of mature plantations. The 2021 statistics data recorded 31,301 smallholders, comprising both plasma and independent smallholders. No specific data on independent oil palm smallholders is available. <https://kalbar.bps.go.id/indikator/161/251/1/luas-tanaman-perkebunan-rakyat.htm>

From the discussions with the NGOs there, we learn that most of the independent oil palm smallholders are concentrated in the southern area of the Kapuas River, i.e. Silat Hilir and Seberuang subdistricts, and in the northern area of the Kapuas River, i.e. Sentabai and Tua' Abang villages. 523 independent oil palm smallholders in southern Kapuas River received

assistance from GIZ, WWF and Solidaridad up to 2022. There are about 20 large oil palm companies operating in Kapuas Hulu, two of which are Sinar Mas/GAR and the Salim Group.

## F. Berau, East Kalimantan

Berau is a district in East Kalimantan Province. The capital is Tanjung Redeb. Geographically, it is located at 116°-119° E and 1°-2°33 N. It borders on Bulungan district in the north, the Sea of Sulawesi in the east, East Kutai district in the south and Malinau, West Kutai and Kutai Kartanegara districts in the west. Its administrative area spans 34,127 km<sup>2</sup>.



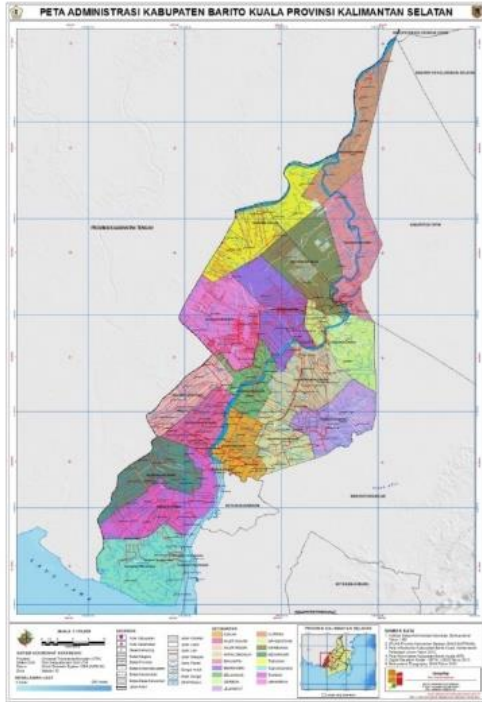
The common commodities grown are oil palm, cacao, rubbers and coconut. Of these, oil palm is the main one, with companies' plantation area totaling 105,503.30 Ha, plus 16,464 Ha of plasma plantations, and 19,029.80 Ha of independent smallholders' plantations.

In Berau we identified a number of smallholder groups which have been assisted by Asosiasi Sawit Rakyat Mandiri and which in 2022 applied for the STDB for 1,000 parcels of smallholders' plantations. 62 large oil palm companies are operating in the district.





## G. Barito Kuala, South Kalimantan



Barito Kuala District, whose capital is the town of Marabahan, is located in the westernmost of South Kalimantan Province. It borders on Hulu Sungai Utara and Tapin districts in the north, the Sea of Java in the south, Banjar district and Banjarmasin City in the east, and Kapuas district of Central Kalimantan Province in the west. Located at  $2^{\circ}29'50''$ - $3^{\circ}30'18''$  S and  $114^{\circ}20'50''$ - $114^{\circ}50'18''$  E, it encompasses an area of 2,996.96 km<sup>2</sup> or 7.99% of the province total. It consists of 17 subdistricts.

Oil palm cultivation first started in 2007 when PT. Agro Bumi Sentosa (ABS) obtained an HGU permit (*right of exploitation*, in this case the right to cultivate oil palm) over 12,409 Ha in the subdistricts of Marabahan, Barambai, Wanaraya and Tabukan. Currently, a number of companies are operating in the district: JAW Group's subsidiaries (PT. Agri Bumi Sentosa, PT. Anugrah Watindo), PT. Tasnida, PT. Putera Bangun Bersama and 5 other oil palm companies.

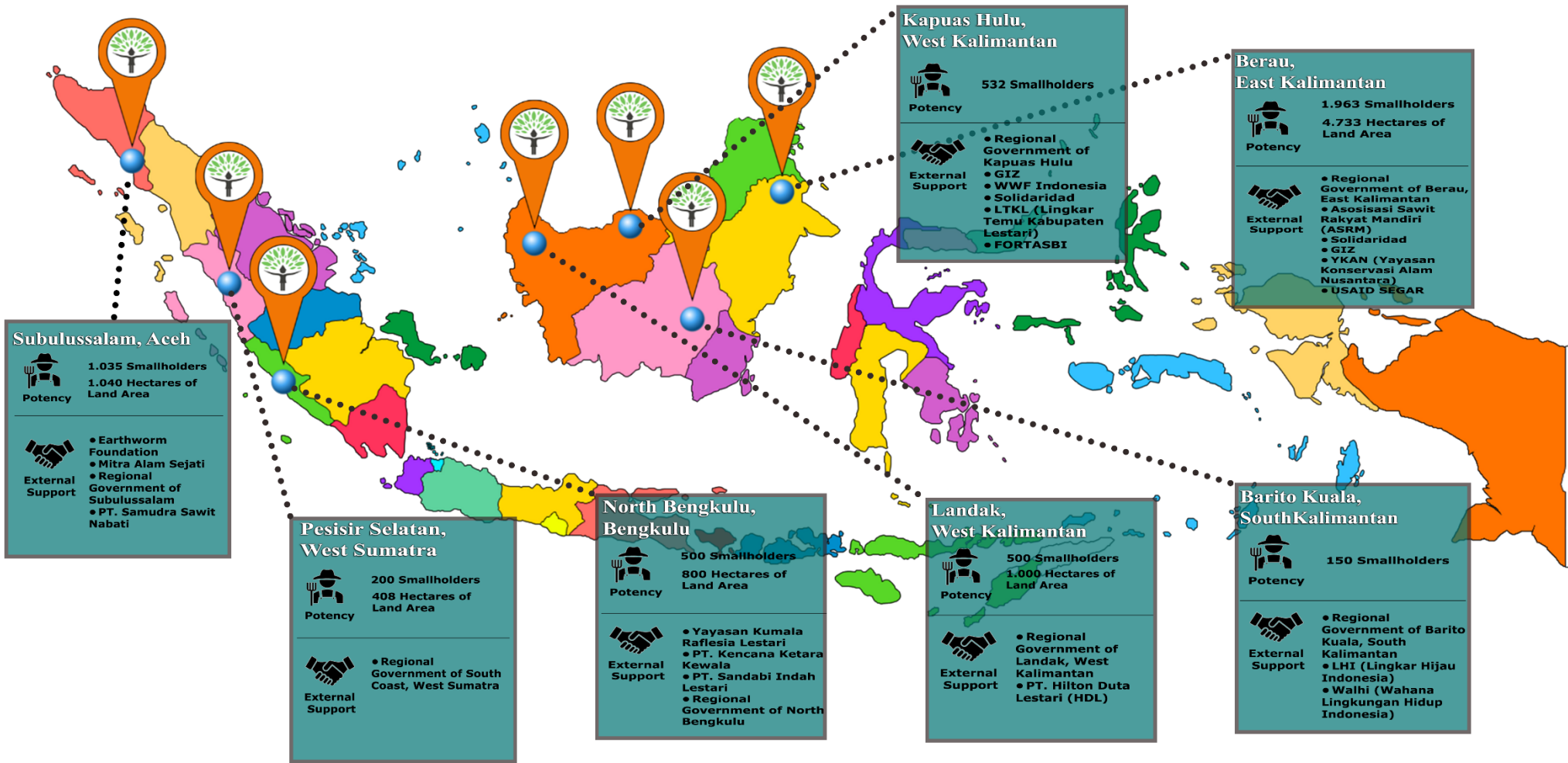
After oil palm companies came, the smallholders were gradually planting oil palm by themselves in their uncultivated land. Currently, according to the District Plantation and Husbandry Office of Batola, there are 3,191 independent oil palm smallholders who are members of 159 smallholder groups in 16 subdistricts, with a total of 4,013.5 Ha of plantations.





# III. IDENTIFICATION RESULTS

MAP OF POTENTIAL SMALLHOLDERS



District	Number of Smallholders and Their Plantation Area (Existing)	Potential	Strengths		Challenges	Intervention Model	Estimated Cost
			External enabling conditions	Internal enabling conditions			
Subulussalam  Aceh	13,302 smallholders managing a total of 19,014 Ha	<b>1,035 smallholders</b> , managing 1,040 Ha, have become members of Koperasi Perkebunan Sada Kata Subulussalam (a cooperative)	<ul style="list-style-type: none"> <li>Support from local NGOs: Earthworm Foundation and Mitra Alam Sejati. Earthworm has been committed to working together to help Koperasi Perkebunan Sada Kata pursue certification</li> <li>The Regional Government Action Plan – Sustainable Oil Palm (RAD-KSB) has been developed to accelerate certification.</li> <li>The district government of Subulussalam gives full support to independent oil palm smallholders who want to pursue RSPO and ISPO certification.</li> <li>PT. Samudra Sawit Nabati is poised to help independent oil palm smallholders pursue the RSPO certification (through purchases of their FFBs).</li> </ul>	<ul style="list-style-type: none"> <li>There is already an incorporated entity (a cooperative)</li> <li>Groups have been informed of the RSPO and have received training on the RISS 2019.</li> <li>Groups have received training on GAP and HCV from Musim Mas and Earthworm.</li> <li>Map of the land is in place (a polygon map).</li> </ul>	<ul style="list-style-type: none"> <li>Of the 1,035 smallholders, 70 have obtained legal document of their lands.</li> <li>Some of the smallholders' land are located within the production forest.</li> <li>The management capacity of the Cooperative needs strengthening</li> <li>The chair of the Cooperative has a dual role (as Chair and village head)</li> <li>The RSPO and ISPO certification has yet to be on the priority list of companies and EF.</li> </ul>	<ul style="list-style-type: none"> <li>To collaborate with the regional government through the RAD-KSB to support the RSPO-ISPO certification.</li> <li>To cooperate with Earthworm to help Koperasi Perkebunan Sada Kata.</li> <li>To encourage Koperasi Perkebunan Sada Kata to be certified by the RSPO and the ISPO.</li> </ul>	<p><b>Cost:</b> Some activities are still required to encourage 1,035 member smallholders of the Koperasi Perkebunan Sada Kata to pursue the MS B of RSPO certification. They include RSPO membership registration, Internal Audit, External Audit (Join RSPO-ISPO Audit), intensive assistance, documentation and groups' administration.</p> <p>As training and mapping have been provided by Earthworm, the estimated cost for the activities is IDR1,500,000 x 1,035, <b>totalling IDR1,552,500,000</b></p> <p><b>Duration: 1 year</b></p>
Pesisir Selatan  West Sumatra	20,000 smallholders managing a total of 41,938 Ha	<b>200 smallholders</b> , covering 408 Ha managed by 2 groups in Silaut subdistrict ( <i>Kelompok Lubuk Bunta and Kelompok Langgeng Jaya Bersama</i> ).	<ul style="list-style-type: none"> <li>The regional government will help smallholders having taken part in the PSR pursue certification.</li> <li>The registration of independent smallholders' land (STDB) has been ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>Smallholder groups have been formed but need to become incorporated entities.</li> <li>Groups have been registered for the PSR with the Food Crops, Horticulture and Plantation Office, thus the legality of the land and the STDB are ensured.</li> <li>By taking part in the PSR, groups have started to organize their administration; however, some adjustments are required to satisfy the requirements for the RPSO certification.</li> <li>Some of the group's members have been</li> </ul>	<ul style="list-style-type: none"> <li>During the initial engagement, the leaders and the staff were well informed of the benefit of certification (both of the RSPO and the ISPO); however, when they were replaced, the new ones needed to be informed again.</li> <li>No local NGOs are working for independent smallholders</li> <li>The regional government has yet to develop the RAD-KSB.</li> </ul>	<ul style="list-style-type: none"> <li>To encourage incorporation of at least one smallholder group, if possible, for the certification purposes.</li> <li>To train Regional Facilitators (Fasda/PPL) to help with the ISPO-RSPO certification.</li> <li>To encourage the RAD-KSB to collaborate with the regional government to enable deployment of FASDA/PPL</li> </ul>	<p><b>Cost:</b> Some activities are still required to encourage 200 member smallholders of Kelompok Lubuk Bunta and Kelompok Langgeng Jaya Bersama to pursue the MS B of RSPO certification. They include incorporation of the groups; RSPO membership registration; mapping of the plantations; training and assistance in institutional building; training on the RISS 2019, GAP, HCV-HCS, FPIC, LB3 and K3; Internal Audit; External Audit (Joint RSPO-ISPO Audit); intensive assistance; documentation; and groups' administration.</p>

				informed of the RSPO and have received training on the RISS 2019.			Estimated cost: IDR3,000,000 x 200, totalling IDR600,000,000  <b>Duration: 2 years.</b>
<b>North Bengkulu</b>  <b>Bengkulu</b>	No data is available on the number of oil palm smallholders. The available data is only on the area managed by smallholders, i.e. 36,861 Ha	<b>500 smallholders</b> , covering 800 Ha, who comprises 250 smallholders managing 350 Ha in Talang Rasau village of Lais subdistrict, and the 250 managing 450 Ha in Urai village of Ketahun subdistrict.	<ul style="list-style-type: none"> <li>Full support from the respective villages, in which the village governments are poised to issue the land ownership certificate (SKT).</li> <li>Support from the regional government to encourage the ISPO and RSPO certification, and the commitment to helping with smallholders' legality (STDB and SPPL).</li> <li>Support from local NGO – Yayasan Kumala Raflesia Lestari – which is poised to assist smallholders in North Bengkulu in pursuing the RSPO certification.</li> <li>PT. Kencana Ketara Kewala has disseminated information on the ISPO among independent smallholders and is committed to helping them pursue the RSPO certification. The same commitment is expressed by PT. Sandabi Indah Lestari.</li> </ul>	<ul style="list-style-type: none"> <li>Smallholder groups have been formed but need to become incorporated entities.</li> <li>Some of the groups have been informed of the RSPO and have received training on the RISS 2019.</li> <li>Groups and the regional government have declared that the independent oil palm smallholders in the village are pursuing the RSPO certification.</li> </ul>	<ul style="list-style-type: none"> <li>Most of the smallholders still need to satisfy the legality requirements and to ensure that their plantations are not situated in wildlife reserves and protected areas.</li> <li>Groups have yet to be incorporated</li> <li>Smallholders still lack knowledge of GAP, for example prohibition of overuse and illegal use of chemicals</li> <li>The plantations have not been mapped yet.</li> <li>The RAD-KSB has yet to be developed.</li> <li>Knowledge of the RSPO is still very limited.</li> <li>The presence of collectors and middlemen.</li> </ul>	<ul style="list-style-type: none"> <li>To encourage smallholder groups to incorporate themselves.</li> <li>To encourage Talang Rasau and Urai to form a single group as they are separated by 37km, requiring a 1.5-hour travel to meet each other.</li> <li>To provide Training of Trainers for local NGOs and FASDA/PPL so they can train and help the groups</li> <li>To harness support from the regional government for the RSPO certification to encourage joint certification for the 500 smallholders in the two villages to achieve good outcomes for both the RSPO and the regional government.</li> </ul>	<p><b>Cost:</b> 500 smallholders from Talang Rasau and Urai have the potential to be encouraged to pursue MS B of RSPO certification. Activities to do include incorporation of the groups; RSPO membership registration; mapping of the plantations; training and assistance in institutional building; training on the RISS 2019, GAP, HCV-HCS, FPIC, LB3 and K3; Internal Audit; External Audit (Joint RSPO-ISPO Audit); intensive assistance; documentation; and groups' administration.</p> <p>Estimated Cost: IDR3,000,000 x 500, totalling <b>IDR1,500,000,000</b></p> <p><b>Duration: 2 years</b></p>
<b>Landak</b>  <b>West Kalimantan</b>	4,082 independent smallholders managing a total of 136,056 Ha	<b>500 smallholders</b> managing approximately 1,000 ha.	<ul style="list-style-type: none"> <li>Support for certification from PT. Hilton Duta Lestari (HDL), which places 14 field organizers to intensively help 7 groups to pursue the RSPO certification.</li> <li>PT. HDL will provide training on the RISS 2019 for its supported smallholders.</li> <li>Smallholders' plantations have been mapped.</li> <li>Support from the regional government is fairly strong. The government is committed to issuing the STDB and the SPPL.</li> </ul>	<ul style="list-style-type: none"> <li>Some of the groups' members have been informed of the RSPO and have received training on the RISS 2019.</li> <li>Smallholders have already joined smallholder groups.</li> <li>After being informed of certification, smallholders are passionately interested in pursuing the RSPO certification.</li> </ul>	<ul style="list-style-type: none"> <li>There are still considerable HCV and HCS areas in the district.</li> <li>Many independent smallholders grew oil palm after 2005, or between 2010-2022.</li> <li>The presence of collectors and middlemen.</li> </ul>	<ul style="list-style-type: none"> <li>To cooperate with PT HDL to help with certification.</li> <li>To disseminate information on HCV and HCS areas in the district to prevent smallholders from cultivating in them.</li> </ul>	<p><b>Cost:</b> 500 smallholders supported by PT. HDL have the potential to be encouraged to pursue MS B of RSPO certification.</p> <p>Activities to do include RSPO membership registration, Internal Audit, External Audit (Join audit by the RSPO &amp; the ISPO).</p> <p>Estimated Cost: IDR1,500,000 x 500, totalling <b>IDR750,000,000</b></p> <p><b>Duration: 2 years</b></p>



<b>Kapuas Hulu</b> <b>West Kalimantan</b>	There is only statistics data showing that the total of oil palm plantations managed by smallholders is 20,803 Ha.	<b>523 smallholders</b> in Silat Hilir and Seberuang subdistricts.	<ul style="list-style-type: none"> <li>The smallholders have been assisted by GIZ, WWF Indonesia and Solidaridad to prepare for the RSPO certification.</li> <li>Being a conservation district, Kapuas Hulu is open to protection and sustainability programs.</li> <li>Kapuas Hulu is a member of the LTKL, which is one of FORTASBI's partners.</li> </ul>	<ul style="list-style-type: none"> <li>After being informed of certification, smallholders are passionately interested in pursuing the RSPO certification.</li> <li>Smallholders have joined smallholder groups and have been assisted by local NGO(s).</li> <li>Some of the groups' members have been informed of the RSPO and have received training on the RISS 2019.</li> </ul>	<ul style="list-style-type: none"> <li>No data is available on the number of independent smallholders.</li> <li>New organizations bringing a program to the district need to obtain Regent's approval or can collaborate with the existing organizations/NGOs.</li> </ul>	<ul style="list-style-type: none"> <li>Being a conservation district with rich forest resources, rivers and lakes, the district needs to be made aware of HCVs and HCSs within its jurisdiction to prevent smallholders from cultivating in these areas.</li> <li>To collaborate with local NGOs which have been assisting smallholders in Silat Hilir and Seberuang.</li> </ul>	<p><b>Cost:</b> 532 smallholders supported by GIZ, WWF Indonesia and Solidaridad have the potential to be encourage to pursue MS B of RSPO certification.</p> <p>Activities to do include Internal Audit, External Audit (Join RSPO-ISPO Audit).</p> <p>Estimated Cost: IDR1,000,000 x 523, <b>totalling IDR523,000,000</b></p> <p><b>Duration: 2 years</b></p>
<b>Berau</b> <b>East Kalimantan</b>	The total land managed by independent smallholders stands at 19,029 Ha	14 villages covering <b>1.963 potential smallholders</b> managing 4,733 Ha. These smallholders are those supported by the ASRM (Asosiasi Sawit Rakyat Mandiri).	<ul style="list-style-type: none"> <li>The regional government's commitment to 'Green District', which is set out in Berau Regional Government Regulation No. 3/2020 on Development of Sustainable Plantations and Berau Regent's Decree No. 287/2020 on Establishment of Indicative Map of Protection of Areas with High Conservation Values and High Carbon Stock over the Area for Plantation Purposes of ± 83,000Ha.</li> <li>Asosiasi Sawit Rakyat Mandiri (ASRM) has been helping smallholder groups with the land registration (STDB), and then with certification.</li> <li>NGOs such as Solidaridad, GIZ and YKAN have the potential to become NGOs helping smallholders pursue the RSPO certification</li> <li>USAID Segar has planned a program in Berau, but the location and target smallholders are still unknown.</li> <li>Presence of RSPO's member companies (TAP and KLK).</li> </ul>	<ul style="list-style-type: none"> <li>Groups have been assisted by ASRM.</li> <li>Some smallholders have received training on GAP and composting.</li> <li>Groups are applying for the STDB</li> <li>Smallholders are passionately interested in pursuing the RSPO certification.</li> </ul>	<ul style="list-style-type: none"> <li>Some villages lie in the State's forest area.</li> <li>NGOs have yet to focus on helping smallholders pursuing the RSPO certification.</li> <li>Presence of collectors and middlemen.</li> </ul>	<ul style="list-style-type: none"> <li>To continuously disseminate information on the RSPO, particularly in order to raise awareness among local NGOs and to inform smallholders of the benefit of the RSPO.</li> <li>To encourage RSPO's member companies to help smallholders meet RSPO's standards.</li> </ul>	<p><b>Cost:</b> 500 member smallholders of the ASRM have the potential to be encouraged to pursue MS B of RSPO certification. Activities to do include incorporation of the groups; RSPO membership registration; mapping of the plantations; training and assistance in institutional building; training on the RISS 2019, GAP, HCV-HCS, FPIC, LB3 and K3; Internal Audit; External Audit (Joint RSPO-ISPO Audit); intensive assistance; documentation; and groups' administration.</p> <p>Estimated Cost: IDR3,000,000 x 500 <b>totalling IDR1,500,000,000</b></p> <p><b>Duration: 2 years</b></p>
<b>Barito Kuala</b>	<ul style="list-style-type: none"> <li>Wanaraya subdistrict: 1,889 smallholders, 2,131Ha</li> </ul>	<b>150 smallholders</b> , comprising 50 from Kelompok Kolam Makmur and 100	<ul style="list-style-type: none"> <li>The regional government and the relevant office(s) provide fairly strong support for the RSPO certification and are</li> </ul>	<ul style="list-style-type: none"> <li>Groups in Kolam Makmur and Kolam Kiri have been informed of the RSPO and RISS 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Certification is new in Barito Kuala so it takes more efforts to</li> </ul>	<ul style="list-style-type: none"> <li>To encourage incorporation of at least one smallholder group,</li> </ul>	<p><b>Cost:</b> 150 smallholders in Kelompok Kolam Makmur and Gapoktan Kolam Kirim have the potential</p>

<b>South Kalimantan</b>	<ul style="list-style-type: none"> <li>▪ Rantau Badauh subdistrict: 467 smallholders, 621.5 Ha</li> <li>▪ Marabahan subdistrict: 358 smallholders, 705 Ha</li> <li>▪ Berambai subdistrict: 371 smallholders, 377 Ha</li> <li>▪ Cerbon subdistrict: 214 smallholders, 205 Ha</li> </ul>	<p>from Gapoktan Kolam Kiri.</p>	<p>committed to working hand in hand to achieve the goal.</p> <ul style="list-style-type: none"> <li>▪ Lingkar Hijau Indonesia, a local NGO, provide smallholders with assistance.</li> <li>▪ LHI has been aware of the RSPO certification and received training on the RISS 2019 during the Training of Trainer in September 2022 in Yogyakarta.</li> <li>▪ Local NGO(s) in Barito Kuala, such as Walhi, are poised to oversee the certification of the independent smallholders of Batola as certification can minimize and prevent social conflicts.</li> <li>▪ The Director of Lingkar Hijau Indonesia has received training on the RISS 2019.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Smallholders have joined smallholder groups.</li> <li>▪ After being informed of certification, smallholders are passionately interested in pursuing the RSPO certification.</li> </ul>	<p>promote the RSPO or the ISPO certification.</p> <ul style="list-style-type: none"> <li>▪ A lot of smallholders started planting oil palm after 2005.</li> <li>▪ The RAD-KSB has been in place</li> <li>▪ Smallholders have yet to be incorporated.</li> <li>▪ Presence of collectors and middlemen.</li> </ul>	<p>if possible, for certification purposes.</p> <ul style="list-style-type: none"> <li>▪ Lingkar Hijau Indonesia as a local NGO helping with certification in Barito Kuala.</li> <li>▪ To encourage the development of the RAD-KSB, and then the joint RSPO-ISPO certification as a pilot project in Barito Kuala.</li> </ul>	<p>to be encouraged to pursue MS B of RSPO certification.</p> <p>Activities to do include incorporation of the groups; RSPO membership registration; mapping of the plantations; training and assistance in institutional building; training on the RISS 2019, GAP, HCV-HCS, FPIC, LB3 and K3; Internal Audit; External Audit (Joint RSPO-ISPO Audit); intensive assistance; documentation; and groups' administration.</p> <p>Estimated Cost: IDR3,000,000 x 150, <b>totalling IDR450,000,000</b></p> <p><b>Duration: 2 years</b></p>
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## IV. RECOMMENDED ENGAGEMENT STRATEGIES TO HELP INDEPENDENT OIL PALM SMALLHOLDERS IN SEVEN DISTRICTS

Below is the outline of the strengths and conditions of each of the identified sites in seven districts in Sumatra and Kalimantan, Indonesia.

	Subulussalam	Pesisir Selatan	Bengkulu Utara	Berau	Landak	Kapuas Hulu	Barito Kuala
REGIONAL GOVERNMENT'S SUPPORT	√	√	√	√√	√√	√	√
RAD-KSB	√	X	X	X	X	X	X
SUPPORT NGOs/PKSs	√√	X	√	√√	√√	√	√
SMALLHOLDER'S ORGANIZATIONS	√√	√	√	√	√	√	√
AWARENESS OF THE RSPO	√√	√	√	√	√	√	√

Note:  
 √ : To be strengthened  
 √√ : Fairly strong  
 X : Not available

From the figure above, we can see the strengths and weaknesses of each of the districts. Subulussalam is the district with strong organizations and capacity for certification and the availability of local NGO committing to helping smallholders with certification. Besides, the regional government strongly supports such certification.

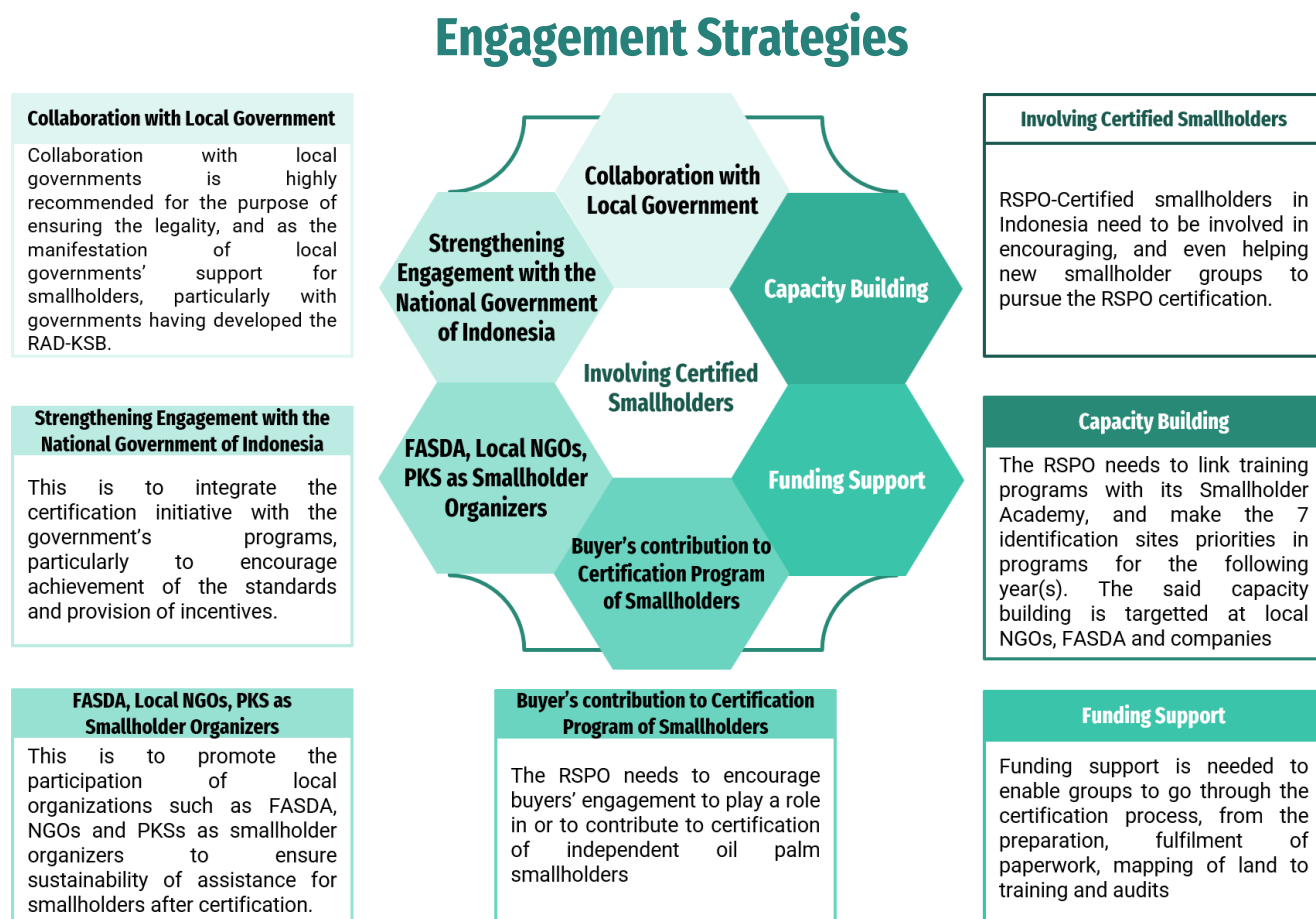
Then, we have Landak and Berau. They get strong support from their respective governments and have NGOs and oil palm companies which are poised to help the smallholders to pursue certification, but they have yet to develop the RAD-KSB. In light of this, one strategy is for the RSPO to build collaboration with the regional governments to encourage the development of the RAD-KSB and the joint ISPO-RSPO certification in those two districts.

While Kapuas Hulu, Barito Kuala and North Bengkulu have all met the requirements for certification, there is still more to do in North Bengkulu and Barito Kuala. Local NGOs to assist the smallholders need training on the RISS 2019. Kapuas Hulu can collaborate with GIZ, WWF and Solidaridad, all of which are highly experienced in assisting certification of oil palm smallholders in Indonesia.



Pesisir Selatan has just learned about certification, but the regional government is fairly supportive in encouraging certification of its smallholders. Up to the writing of the document, no local NGOs were working on the independent oil palm smallholder's issue so collaboration can be built with the respective FASDA/PPL with regard to provision of intensive assistance to smallholder groups.

In addition to the recommended intervention models for each of the districts set out in the table above, the following are some recommendations Yayasan FORTASBI Indonesia put forward for the general *Smallholder Engagement Strategies* in the 7 districts.



The figure above sets forth seven recommended engagement strategies that the RSPO can employ not only in the seven identification sites, but also as part of the national engagement strategies.

### 1. Collaboration with Local Governments

Collaboration with local governments to encourage joint certification (RSPO and ISPO) can become one of the main strategies, because both systems are complementary as both have similar standards and indicators. The ISPO is mandatory so both need to be pursued so that smallholders can meet both mandatory and voluntary standards.

Collaboration with local governments is a surefire strategy to foster ease of access for smallholders to fulfil legality, be it of their organization, business or land. The authority to fulfil such legality lies in the hands of local/regional governments.

## **2. Strengthening Engagement with the National Government**

The national government here refers to BAPPENAS, the Directorate General of Plantations, the Ministry of Cooperatives and Small Medium Enterprises, the Ministry of Villages and the Ministry of Spatial Planning-National Land Agency, and other relevant ministries. Collaboration and engagement with the national government is highly recommended as the closeness and good cooperation with it is expected to encourage the government to help with achievement of the standards and provision of incentives for ISPO- and RSPO-certified smallholders.

## **3. FASDA, Local NGOs, PKSs as Smallholder Organizers**

Apart from the national and regional governments, local NGOs, oil palm companies and FASDA/PPL in the sites are important actors in helping smallholders with certification as they are capable of intensively assisting smallholders in preparing for certification (pre-certification) and maintaining the certificates (post-certification). Let's have a look at what they can do for smallholders:

- FASDA (regional facilitators) have the capacity to train smallholders in institutional capacity building, particularly in group dynamics and institutional management.
- Field extension workers (PPL) have the capacity to train smallholders in cultivation. In some places, they are employed to provide training in cultivation.
- Companies or PKS also have the capacity to provide training in cultivation.
- NGOs have the capacity to organize and assist smallholders. Besides, some of them can provide funding support.

## **4. Capacity Building.**

Master Trainers from RSPO's Smallholder Academy can be deployed to provide training for smallholders and smallholder groups. They are qualified training resources for independent smallholders, in particular those in the priority sites. They do not have to focus only on training for certification, but can start with training on livelihood, for which RSPO's Smallholders Academy has a program.

## **5. Funding Support**

Certification requires considerable amount of money, especially for assistance, land mapping, training, HCV assessment, and internal and external audits. Special funding is needed to help smallholders meet the standards and obtain the certificate. Funding can come from the RSPO or through collaboration with RSPO-certified companies which have strong ties with smallholders in the supply base.

## 6. Buyers' Contribution to Certification Program of Smallholders

FORTASBI's internal data records at least 134 buyers of the RSPO credits of Indonesia's independent smallholders; however, only a few have contributed to the certification of smallholders. Also, of the 12 dedicated buyers, only a few have. The RSPO can encourage buyers to contribute through their CSR fund.

## 7. Involve Certified Smallholders

Currently the number of certified smallholders by RSPO exceeds 15.000 Smallholders. They have had experience in and knowledge of certification. They are the most potential smallholders to be mobilized and assisted to reach out other independent smallholders in their respective areas.

# V. CLOSING

The *Smallholders Engagement Strategies in Seven Districts* document is prepared to help independent oil palm smallholders pursue the RSPO certification. We hope the document can help enrich RSPO's strategies to increase the number of independent smallholders practicing sustainable cultivation, achieve its 'One Million Smallholders' goal, expand sustainable values, and reach areas with no certified smallholders yet. The document is also expected to become a useful database to foster sustainable green ecosystems as wide as possible.

