



THE SUSTAINABLE PALM OIL INITIATIVE

Scaling up sustainable palm oil production in Indonesia



Empowered lives.
Resilient nations.



Fast facts: Palm Oil in Indonesia

- Today, the expansion of agricultural land for palm oil plantations poses a significant threat to the world's remaining tropical forests and peatlands, jeopardizing biodiversity and livelihoods.
- Indonesia, the world's largest producer of palm oil, has been under the glare of media spotlight regarding the impact of palm oil plantations on deforestation, the land rights of indigenous peoples and climate change.
- Palm oil has a strategic value in supporting Indonesia's national development. Palm oil plantations are the prime movers of agribusiness development, create much-needed jobs and income for farmers, and generate national revenue.
- By 2020 Indonesia aims to almost double its palm oil production to meet rising global demand.

What is the Sustainable Palm Oil Initiative?

Established in 2012, the Sustainable Palm Oil (SPO) Initiative is an alliance between the Government of Indonesia (GoI), the United Nations Development Programme (UNDP), the private sector and other non-government partners that aims to address key challenges in Indonesia's palm oil sector such as deforestation and improving the livelihoods of smallholder farmers.

Key Partners

Government:

- Ministry of Agriculture
- Ministry of Environment and Forestry
- Ministry of Cooperatives and SMEs
- Ministry of National Development Planning
- Indonesian Sustainable Palm Oil standard

Non-Government:

- IKEA
- Mondelēz
- Smallholder associations
- UN-REDD Programme
- Palm oil producers
- Palm oil buyers
- Development organizations
- Roundtable on Sustainable Palm Oil standard

The SPO Initiative Approach

All stakeholders play a vital role in boosting the sustainability of palm oil in Indonesia.

- Smallholders produce 40% of the country's palm oil. Raising their productivity and improving the traceability and legality of their palm oil is vital to increasing the industry's sustainability.
- The government is best placed to ensure long term and systemic changes beyond one single supply chain and to foster national deforestation-free commodity production.
- The private sector makes key contributions, particularly to smallholder productivity. With advanced technology allowing for production increases from intensification, the private sector is in the best position to make capital investments to improve supply chains and subsequently farmer livelihoods.

By pursuing private sector and government collaboration with other non-government actors, such as smallholders, INGOs, NGOs, certification bodies and industry associations, and bringing together existing efforts and projects under one coordination platform, the SPO Initiative aims to catalyse fundamental change in Indonesia's palm oil sector.



SPO Initiative Goals



1 / National and international standards alignment:

The SPO Initiative aims to support the Indonesian Sustainable Palm Oil (ISPO) standard to become globally recognised and to promote synergies between ISPO and the Roundtable on Sustainable Palm Oil.

2 / A dynamic and operational Indonesian Palm Oil Platform:

Transitioning the Indonesian palm oil industry towards sustainable practices requires fundamental mindset changes in policy and cooperation between stakeholders. The SPO Initiative will ensure that

the platform, led by the Ministry of Agriculture (MoA), is an operational, dynamic and practical forum.

3 / Policy reform to reduce deforestation:

The SPO Initiative works with the Ministry of Environment and Forestry to protect High Conservation Value and High Carbon Stock land, to strengthen enforcement of current laws, to facilitate policy change, to accelerate land swaps and to enable companies to protect forested land within their concessions. With the MoA, the SPO Initiative supports independent smallholders to produce certified sustainable palm oil by strengthening their legal status (e.g. providing them with land titles) and by improving agricultural practices, which in turn diminish pressure on forests from small-scale encroachment.

4 / Empower smallholders:

The SPO Initiative supports independent smallholders by strengthening government (national and local) and public-private partnership extension systems. The initiative is also supporting key local and state interventions on issues such as land tenure, environmental management, credit access and infrastructure improvement. The goal is to integrate smallholders into international supply chains in an equitable and sustainable manner.

Why UNDP?

As a neutral organization with a long-term presence in Indonesia, UNDP is a trusted government partner with a unique mandate to support dialogue and coordination. UNDP – through its Green Commodities Programme - can facilitate discussion between the government, the private sector and civil society on sensitive issues related to the palm oil sector.



Empowered lives.
Resilient nations.

Learn more

For more information,
please contact:

Tomoyuki Uno,
Global Commodities Advisor,
Green Commodities Programme,
UNDP Indonesia.

tomoyuki.uno@undp.org

www.greencommodities.org

