

# **NATIONAL INITIATIVES FOR SUSTAINABLE & CLIMATE SMART OIL PALM SMALLHOLDERS (NI-SCOPS)**

June 2020

## **Introduction**

Millions of smallholders and workers earn their livelihoods in the palm oil sector. As such, the sector provides an important contribution to food security, employment, GDP and trade balance of many producing countries. The global expansion of the palm oil sector is associated with significant sustainability challenges. The impact of palm oil on land use change and greenhouse gas emissions is causing tension between exporting and importing countries. Further polarisation of this debate or a boycott of palm oil does not solve the problem. Together, Solidaridad and IDH designed a new way to enable palm oil producing countries to measurably contribute to the Sustainable Development Goals (SDGs) and the Paris Agreement. With support from the Government of The Netherlands, four National Initiatives for Sustainable Climate Smart Oil Palm Smallholders (NI-SCOPS) have been set up in cooperation with the governments of Indonesia, Malaysia, Nigeria and Ghana.

## **Goal**

To demonstrate that the palm oil sector can contribute to the SDGs and Paris Agreement climate ambitions, while improving the livelihoods of smallholder farmers and workers. Palm oil producing areas or landscapes will become more economically robust and socially just, while protecting and restoring valuable natural resources leading to reduction of greenhouse gas (GHG) emissions from agriculture and land use change. NI-SCOPS will strengthen existing partnerships and build new partnerships with national and subnational governments, reporting transparently on progress in each country.

## **Approach and State of Play**

Most international palm oil sustainability initiatives are voluntary and market driven, such as RSPO. They have 'raised the bar' and have been powerful to transform 20-25% of global output to 'certified sustainable' in the past decade. NI-SCOPS complements these efforts by 'raising the floor', targeting landscapes and producer groups where certification is difficult or uneconomical. Where certification is 'exclusive' to those that comply with the standard, NI-SCOPS is inclusive, supporting all that are present in the target landscape. The national initiatives are public-sector partnership programmes, co-owned by national and local governments through connecting the programme to national goals, policies and frameworks. All four producing countries have reached bilateral agreements with the Government of The Netherlands in 2019. They form the basis for implementation and upscaling of the programme and are a vehicle for government to government dialogue on palm oil cooperation.

Implementation is coordinated by Solidaridad and IDH in strong cooperation with farmers and the private sector. In 2019, technical advisory committees have been set up in each country, in which government representatives, knowledge institutes, IDH and Solidaridad take part. Key Performance Indicators (KPIs) corresponding to the three dimensions of Climate-Smart Agriculture (livelihoods, climate change adaptation and mitigation) have been agreed upon. Methodologies for data collection and analysis have been developed in partnership with national oil palm knowledge institutes, and the programme results will be shared with all NI-SCOPS partners. By working with a limited number of metrics, continuous improvement can be measured, compared and aggregated at the national level. NI-SCOPS focuses on areas or landscapes with large numbers of independent smallholders and mills, which have proven to be difficult to certify, and where currently most sustainability problems persist. Brands and traders that have committed

to NDPE or zero-deforestation policies (e.g. through participation in the Tropical Forest Alliance and New York Declaration on Forests) are keen to support NI-SCOPS. They promote landscape governance, especially in areas where uptake of certification by smallholders remains low.

### **Partnerships**

The national governments of the four producing countries assume responsibility to deliver and report on the KPIs as lead actors in the National Initiatives, with support from the NI-SCOPS implementation team. Internal collaboration between ministries (environment, agriculture, trade, planning) has already improved and the purpose of NI-SCOPS to generate lasting change on the ground is acknowledged. Local governments have already formally committed to invest in-kind in NI-SCOPS. NI-SCOPS provides a way out of the increasingly polarised debate on palm oil, both for producer and consumer countries. By sharing the responsibility of reaching the goals with the governments, NI-SCOPS opens doors for government to government dialogue on sustainable commodity trade and climate change, while effectively addressing environmental and socio-economic issues.

### **Collaborate with Us**

NI-SCOPS is a **Platform for Joint Donor Involvement, Coordination, Learning and Action**. A Donor Steering Group (DSG) provides donors the opportunity to be actively involved in the governance of NI-SCOPS, if wanted. The DSG also facilitates donor coordination, promotes coherency between donors and enables sharing lessons learned in the programme. Besides this, there are at least three ways in which you can benefit from joining NI-SCOPS:

#### **1. Reach Impact**

NI-SCOPS engages at landscape level in selected states and provinces, but is closely connected to policy- and decision making processes at national level in all four countries. It has explicit government endorsement and major private sector players are collaborating with Solidaridad and IDH. The holistic and inclusive approach generates more impact in less time compared to traditional climate or development interventions, which is monitored annually through a set of solid KPIs.

#### **2. Achieve Climate Smart and Sustainable Trade Policy Commitments**

NI-SCOPS is closely aligned with the producer country's Nationally Determined Contributions under the Paris Agreement. It also generates evidence (through the reporting on adaptation and mitigation KPIs) that their efforts contribute to combating climate change. It fosters positive change by making value chains more sustainable, also in areas and with producers that are currently not reached by certification initiatives.

#### **3. Develop Political Momentum**

Governments that support NI-SCOPS obtain access to decision makers in key producer country ministries (trade, agriculture, planning, environment) that are involved in governance and implementation of NI-SCOPS. This provides opportunities to develop bilateral cooperation and agreements under the NI-SCOPS umbrella.

You can contribute to NI-SCOPS in multiple ways - as silent donors or as active members of the DSG. If you are interested to partner in NI-SCOPS or have any other questions, please contact:

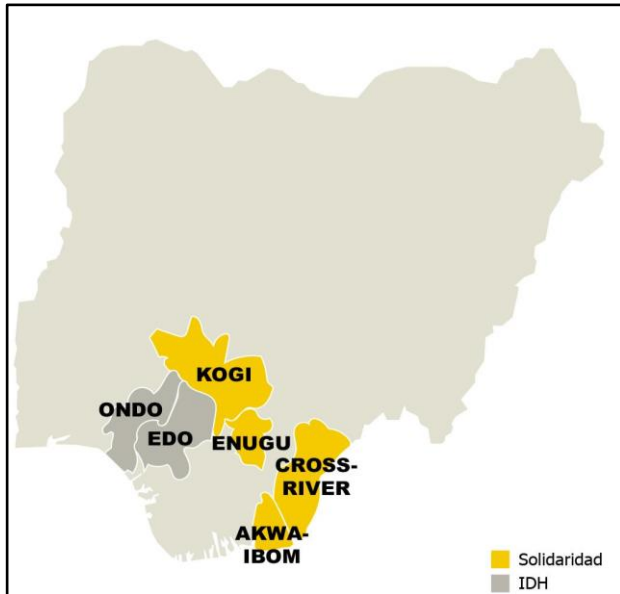
Jan Maarten Dros at Solidaridad: [janmaarten.dros@solidaridadnetwork.org](mailto:janmaarten.dros@solidaridadnetwork.org) +31 30 272 0313

Willem Klaassens at IDH: [klaassens@idhtrade.org](mailto:klaassens@idhtrade.org) +31 6 38 155 160

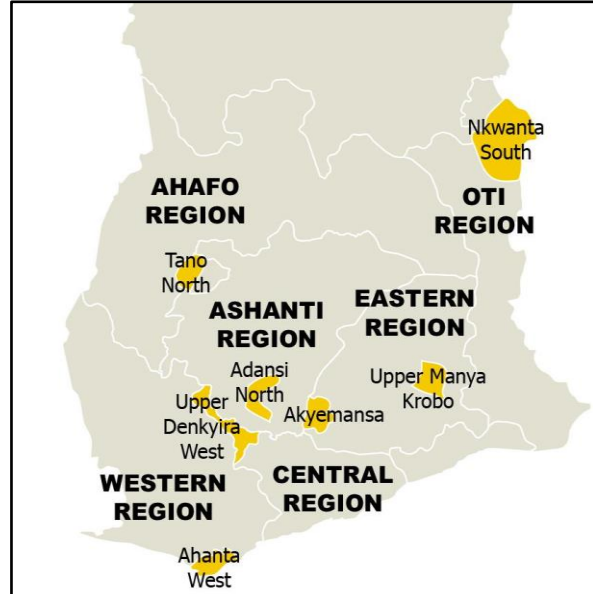
**ANNEX: NI-SCOPS JURISDICTIONS AS OF JUNE 2020**



*NI-SCOPS jurisdictions in Indonesia and Malaysia*



*NI-SCOPS jurisdictions in Nigeria*



*NI-SCOPS jurisdictions in Ghana*