

NI-SCOPS Malaysia

The National Initiative on Sustainable and Climate Smart Oil Palm Smallholders (NI-SCOPS) is a partnership initiated by Solidaridad and IDH – The Sustainable Trade Initiative to support the Malaysian Government and other stakeholders to meet the Malaysian commitments under the Paris Agreement, the Convention on Biological Diversity and the SDGs. It does so by making the FAO concept of climate smart agriculture (CSA) operational in three regions: Sabah, Sarawak and peninsular Malaysia.

BACKGROUND

Malaysia is the second largest palm oil producer in the world producing one third of the total production. The palm oil industry has fueled the economic growth of Malaysia and contributes to around 6.6% of Malaysia's export earnings nowadays. Production is dominated by corporate estates which cover 4.2 million ha. Smallholders account for the remaining 1.67 million ha, which accounts for 28.3% of the total oil palm planted area. Smallholders are one of the most vulnerable groups in Malaysia's oil palm sector. They often have lower incomes due to lower yields, limited technical knowledge and access to government schemes. They are the least able to cope with the harmful effects of climate change and market fluctuations. There is a need for innovative and efficient solutions to address the social, economic and environmental sustainability challenges of smallholder production systems.

BUILDING ON STRONG GOVERNMENT COOPERATION

The Government of the Netherlands and the Government of Malaysia signed a Memorandum of Understanding in November 2019 to cooperate on sustainable palm oil with special attention to smallholder farmers. The aim is to improve livelihoods and tackle climate change by adapting to the new climate, protecting forests and preventing carbon emissions (see also box). Following this, smallholder-focused landscape interventions will be carried out in Peninsular Malaysia and Sabah and Sarawak. NI-SCOPS is embedded within the climate change priorities of the Malaysian government and aligned to the policies and targets formulated by the Government of Malaysia. There is a strong link with MSPO standards, and this program will contribute to its review, as well as increased transparency on impacts, its implementation and enforcement.

NI-SCOPS GOALS Malaysia



- 1 **Improve productivity, sustainability and livelihood of oil palm smallholders in 7 sites: 2 in Sabah, 2 in Sarawak and 3 sites in Peninsular Malaysia, scalable to the whole Malaysia after 2023;**
- 2 **Develop a monitoring system supporting a deforestation-free palm oil independently verified claim in close cooperation with federal and state authorities and relevant stakeholders;**
- 3 **Improve adaptive capacity of smallholders in the light of climate change in 7 sites across Malaysia: 2 in Sabah, 2 in Sarawak and 3 sites in Peninsular Malaysia;**
- 4 **Contribute to the revision of MSPO standard for smallholders through the incorporation of the outcomes of 1, 2 and 3 above.**

PROGRAM ACTIVITIES

IDH and Solidaridad will work together with federal authorities, including the Malaysian Palm Oil Board (MPOB), to open a dialogue on strengthening the national palm oil standard MSPO, supporting a continuous improvement agenda. We will help ensure the overall goals and objectives of NI-SCOPS are achieved and aligned with current policies. Both organizations will convene key stakeholders such as private companies, local and indigenous associations, and CSO/NGO actors to collectively develop, implement and monitor sustainability impacts and performance of the country's primary oil palm stakeholders.

A NI-SCOPS Technical Committee (TC) has been set up that will provide expertise and advice on technical issues relevant to the objectives of NI-SCOPS, aimed at creating alignment of NI-SCOPS with relevant national governmental programs and the achievement of NI-SCOPS overall goals.

NI-SCOPS jurisdictions in Malaysia

-  SOLIDARIDAD
-  IDH



In the selected landscapes (see map above), Solidaridad and IDH will offer technical assistance to farming communities and workers, and support policymakers and authorities with improving natural resource management and restoration efforts. The main work areas are:



Supporting state level governance

Policy engagement with the state and federal institutions to create wider visions of inclusive green growth and sustainable development, embedded within local policies and regulations, and to ensure the projects and activities implemented on the ground are aligned in the regulatory environment at the level of States.



Supporting landscape level governance

Strengthening the institutional arrangements, decision-making processes, policy instruments, and underlying values of a landscape at the level of a district, to promote the development and implementation of new knowledge and innovative solutions to issues such as, but not limited to: GHG mitigation, forest protection, remediation and restoration, natural resources protection, land use planning, sustainable palm oil cultivation, gender and social inclusion.



Catalyzing business and investment

Increasing public and private investment in the selected landscapes needed to incentivize sustainable climate smart oil palm production by smallholders while protecting forest and peat land and restoring previously degraded land. Among others, by enabling stronger market linkages and leveraging larger private capital pools through technical assistance.



Implementing landscape-, farm-, and community-level interventions

Provide support and assistance to oil palm smallholders and cooperatives, such as: capacity building and training on good agricultural practices (GAPs), business management and entrepreneurship, children and women empowerment and farm diversification options to improve livelihoods. In parallel ensuring interventions are being implemented that create strong linkages between sustainable climate smart oil palm production by smallholders to forest and peatland protection and restoration. Examples include: capacity building of forest protection, financing models for restoration, and satellite monitoring.



Supporting market linkages

Facilitate market linkages by connecting independent smallholders and mills with domestic and international markets and to link market requirements on climate-friendly products. Develop private sector partnerships and platforms at local, national, Asian and global level, including China and India, building on existing partnerships with EPOA, Solvent Extractors Association of India and China Oil and Fats Industry Association.

MORE INFO?

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