



Strengthening the national action plan for sustainable palm oil in Indonesia

This document is part of the research project “Strengthening Jurisdictional Approaches in the Indonesian Palm Oil Sector” by CIFOR-ICRAF and *Forum Komunikasi Masyarakat Sintang* (FKMS), University of Palangka Raya, and Jikalahari with support of Walmart Foundation

A profile of Indonesian palm oil

Indonesia is the largest producer and consumer of palm oil, with trends towards increased production and consumption. Crude palm oil (CPO) production was expected to reach 48 million metric tons from an oil palm plantation area of 15 million hectares in 2023, with smallholder plantations contributing 34% of national production. Sixteen million people are involved either directly or indirectly in Indonesia’s palm oil sector. In 2022, 25 million metric tons of Indonesian palm oil was exported around the

world, with a total trade value of USD 27 billion. India, China, and Pakistan are the biggest importers of Indonesian palm oil. In terms of domestic consumption, the biodiesel policy is a trigger of increased consumption.

To realize a sustainable palm oil sector, the government formalized the National Action Plan for Sustainable Palm Oil (RAN KSB) for 2019–2023 through Presidential Instruction No. 6/2019. By 2023, eight provinces and 15 regencies already had their own regional action plans for sustainable palm oil (RAD KSB); and another three provinces and 17 regencies

were in the process of preparing regional regulations for RAD KSB documents. Despite many constraints, RAN KSB implementation has already produced numerous achievements, including the issuing of legality documents for smallholders, and a policy on compulsory ISPO (Indonesia Sustainable Palm Oil) certification.

Gender roles in the plantation sector

Sustainable, just, and gender-responsive palm oil has already become an urgent need for the Government of Indonesia. Women's involvement is dominant in jobs in oil palm plantations, where 86% of the work force involved in production cycles is made up of women, particularly in upstream sectors in palm oil supply chains. Twenty-four of a total of 28 types of oil palm plantation jobs are done by women. It is important to ensure women also have rights to access, participate, control, and benefit.

Under Presidential Instruction No. 6/2019 on the National Action Plan for Sustainable Palm Oil (RAN KSB), the government mandates inclusive and gender-responsive implementation of the RAN KSB. Gender equality in RAN KSB is apparent in Component D on Plantation Governance and Handling Disputes, with a gender equality implementation percentage reaching 2.59%.

Further government support is laid out in gender-responsive sustainable oil palm plantation certification through Minister of Agriculture Regulation No. 38/2020, where no-discrimination principles are included as criteria for certification and are verification tools for gauging the absence of sexual discrimination. Gender equality towards transformative change can be used as an entry point for accelerated sustainable oil palm development. Expected changes are not only those on an individual level (agency), but also those on relational and socio-structural levels (norms) measured against gender indicators.



Photo by Icaro Jenny Farmer/CIFOR



Strengthening the sustainable palm oil vision through Theory of Change (ToC), Theory of Action (ToA) and Monitoring and Evaluation Framework (TTM)

Theory of Change (ToC), Theory of Action (ToA) and Monitoring and Evaluation Framework (MEF), referred to collectively as TTM, are tools for determining shared visions in a participatory manner. CIFOR-ICRAF and partners use these frameworks to facilitate multi-stakeholder discussions in developing shared visions and strengthening sustainable palm oil initiatives at the national and sub-national levels.

Stakeholders at the national level have a **shared vision** to realize **reductions in deforestation and greenhouse gas emissions; increased**

biodiversity; and enhanced sustainable and inclusive community livelihood resilience in Indonesia by 2030. Based on study outcomes, the research team recommended **more progressive indicators** by targeting **reducing 80% deforestation in other land use or *Areal Penggunaan Lain* (APL) areas with zero-deforestation in peatland and state forest area, increasing 30% CPO exports, increasing 25% intensification in smallholder plantation and 10% intensification in large-scale/company plantation, as well as implementing incentive schemes.** These goals or impacts would be achieved through three change pathways: data, regulation, and legal compliance; biodiversity and ecosystem conservation; and economic empowerment and enhancement of sustainable enterprises. Already developed change pathways also have the potential to encourage gender transformation.

Modelling policy impacts through SIPOS (Simulation of Indonesian Palm Oil Sustainability)¹

SIPOS is a tool for modelling impacts of sustainable oil palm policy scenarios and has three main components: palm oil supply chains; policy interventions or scenarios; and indicators for evaluating outputs. It was used for modelling policy interventions outlined in the RAN KSB, with its models projecting future impacts of implementing interventions to achieve sustainable palm oil. Results of SIPOS simulations showed the sustainable palm oil policy reducing cumulative deforestation by 100% of the business-as-usual scenario (BAU); reducing emissions by 23–25% of BAU; and increasing farmers' earnings by 9.8% of BAU. However, simulations also showed the policy having the potential to reduce crude palm kernel oil (CPKO) production and trade value, particularly for a sustainable palm oil policy scenario without intensification, certification and incentives.

Balance between environmental and economic factors could be achieved with an 80% reduction in deforestation in APL areas; zero deforestation on peatlands and in state forest areas; increasing the share of CPO for export to 30%; increasing productivity in smallholder plantations by 25%; and intensification and incentives for companies. If this policy scenario

were implemented, palm oil export value would be USD 7.4 billion higher than under a BAU scenario. By 2029, this pertinent policy scenario could also drive smallholder earnings 20% higher than they would be under BAU.

Key recommendations

Stakeholders have a shared vision to **Realize reductions in deforestation and greenhouse gas emissions; increased biodiversity; and enhanced sustainable and inclusive community livelihood resilience in Indonesia by 2030**. The progressive achievement indicators recommended for attaining this shared vision are **reduced 80% deforestation in other land use or *Areal Penggunaan Lain* (APL) areas with zero-deforestation in peatland and state forest area, increased 30% CPO exports, increased 25% intensification in smallholder plantation and 10% intensification in large-scale/company plantation, as well as, implemented incentive schemes**.

The above vision and indicators could be achieved through activities recommended in the RAN KSB key recommendations matrix, which contains five components: strengthening data, coordination and infrastructure; capacity building and accelerated replanting for growers; environmental management and monitoring; governance and handling disputes; and Indonesia Sustainable Palm Oil (ISPO) certification implementation and market access for palm oil products.

¹ <https://exchange.iseesystems.com/public/cifor-vfi/sipos-eng>