



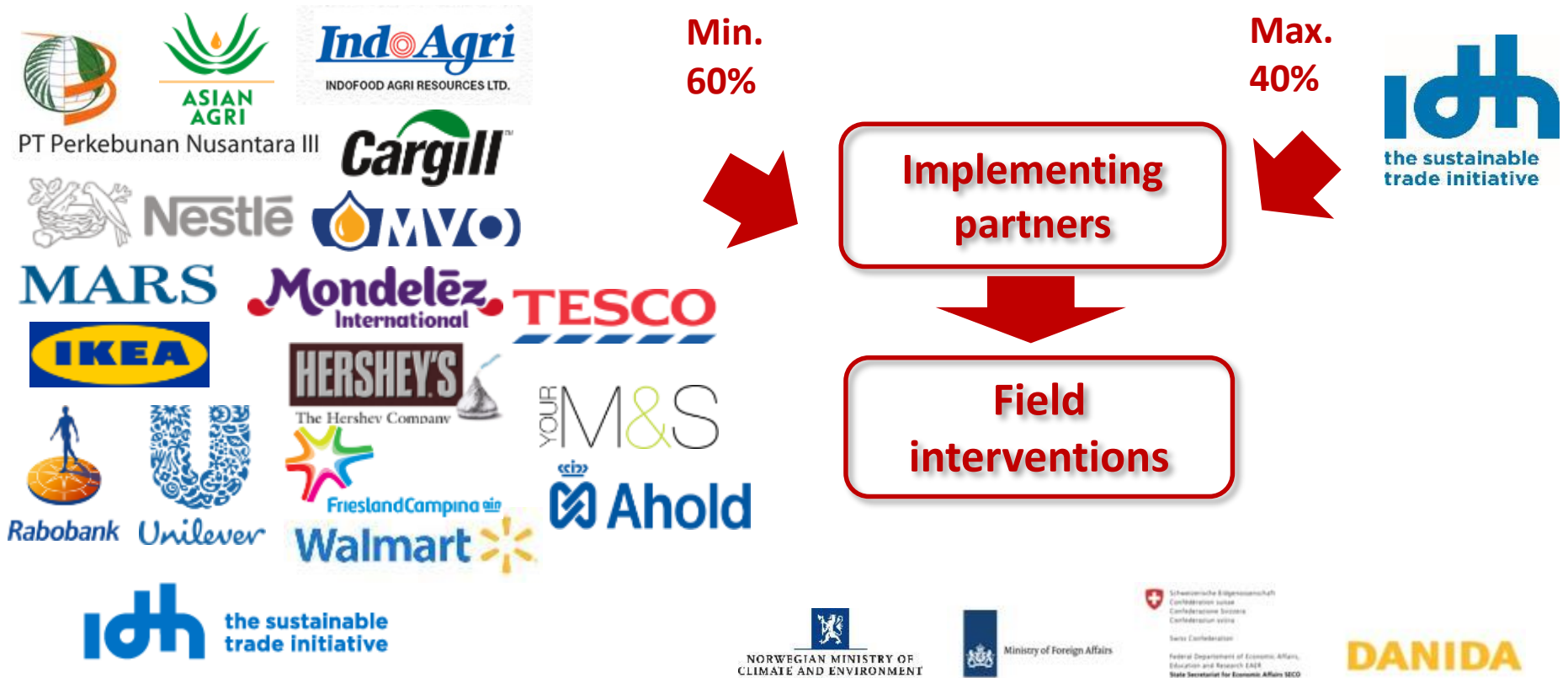
# Sustainable commodities & smallholders involvement: The case of PISAgro

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# About IDH

- **Accelerating and up-scaling sustainable trade** by building impact oriented **coalitions** of front running multinationals (200), civil society organizations (35), governments (50) and other stakeholders.
- **Convening public and private** interests, strengths and knowledge, and helping create shared value for all partners → making sustainability the new norm and contributing to the SDGs.
- From our public and private partners, bringing in **co-funds, entrepreneurship, procurement power, legislation, laws, regulations, know-how, networks, local expertise and credibility.**



# Our commodity initiatives



PISAgro



GrowAsia



WORLD ECONOMIC FORUM



TFA 2020

COMMITTED TO IMPROVING THE STATE OF THE WORLD



**Palm oil**



**Coffee**



**Cocoa**



SCOP-PI  
SUSTAINABLE COFFEE PLATFORM  
INDONESIA



COCOA SUSTAINABILITY PARTNERSHIP  
CSP



**Soya**



**Natural stone**



**Cotton**



**Pulp & paper**



**Tin**



**Aquaculture**



**Cashew**



**Tourism**



**Electronic**



**Tea**



**Spices**



**Timber**



**Fresh Ingredients**



**Flowers**



**Apparel**

Interventions in Indonesia (existing, in the pipeline or scoping)



the sustainable trade initiative



NORWEGIAN MINISTRY OF CLIMATE AND ENVIRONMENT



Ministry of Foreign Affairs



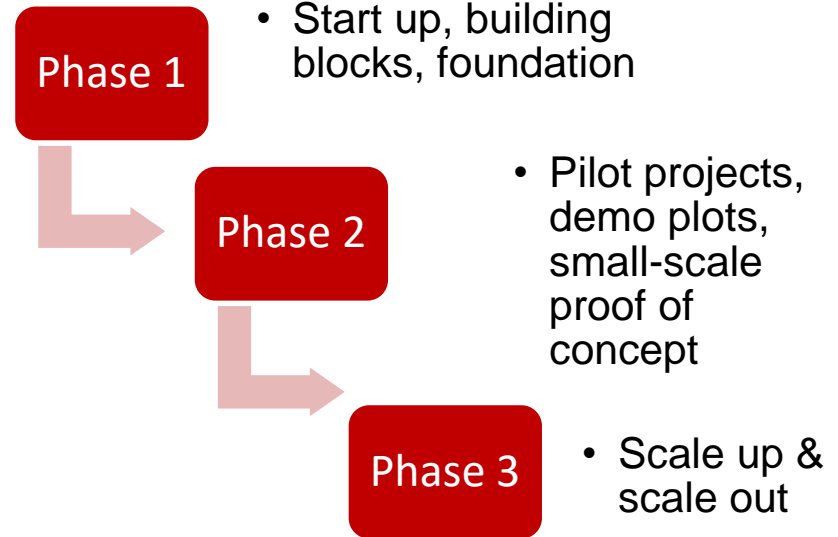
Schwedische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra  
Sveici Ēdģenbāri  
Federal Department of Economic Affairs,  
Education and Research EIER  
State Secretariat for Economic Affairs SECO



DANIDA



- <http://www.pisagro.org/history>
- **Not** a CSR platform
- Creating **sustainability in the value chain** of companies
- Focusing on society, esp. farmers (engaging **80,000 farmers** → target 1 million within 3 years)
- Productivity & sustainability of supply of **raw materials**
- Public-private-partnerships
- **Working groups** on development **models** for 10 commodities & finance: Rice, Corn, Soya, Dairy, Palm oil, Coffee, Cocoa, Potato, Rubber and Horticulture.



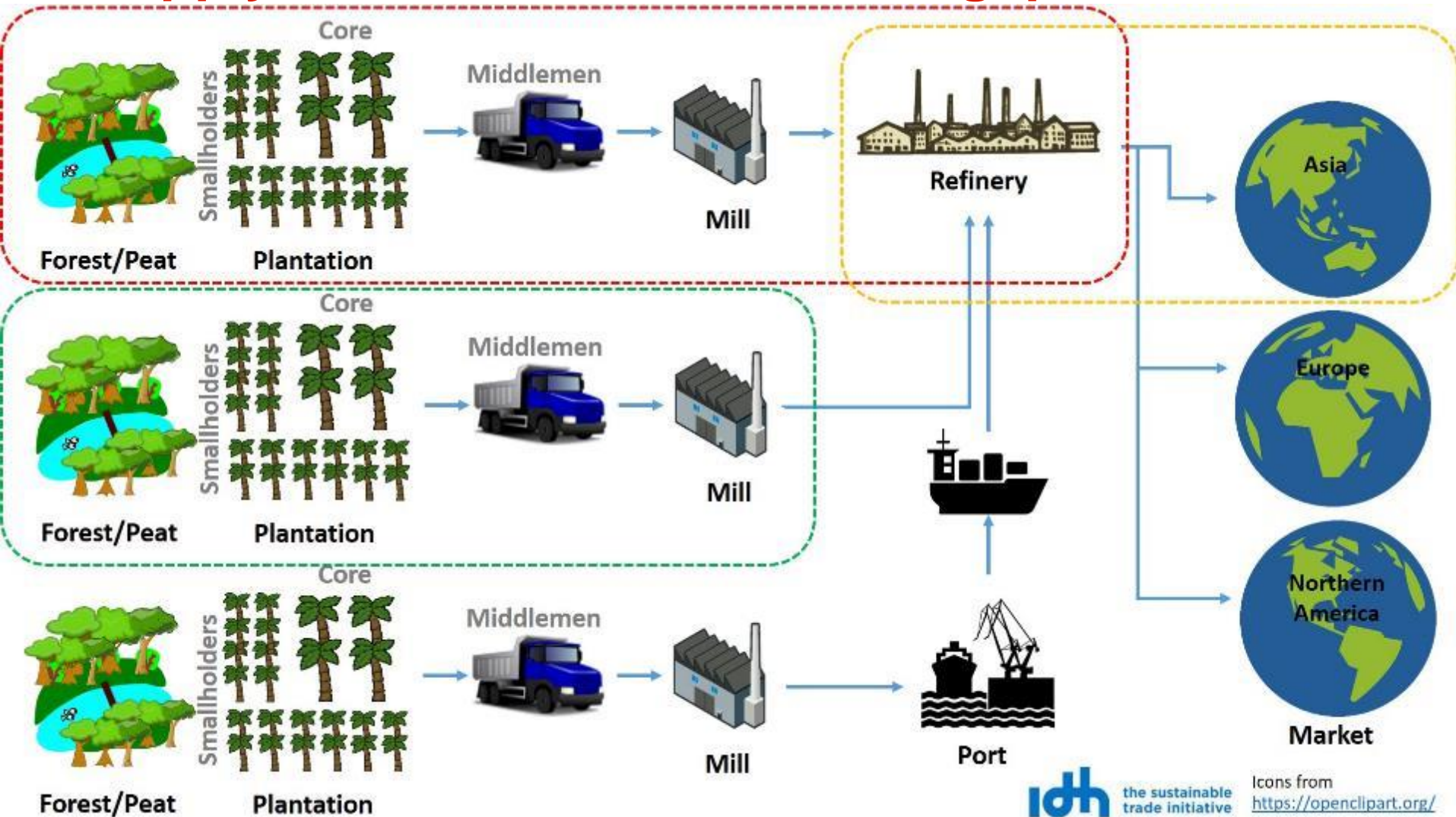


# IDH in PISAgro

- Board member
- Specific MoU w/ PISAgro on productivity & sustainability of agro-commodities & farmers
- Active in WGs of palm oil, coffee, cocoa & finance
- Active piloting/ applying models with members of PISAgro: e.g. IndoAgri, Nestle, etc.
- Active scaling-up with non-members/others

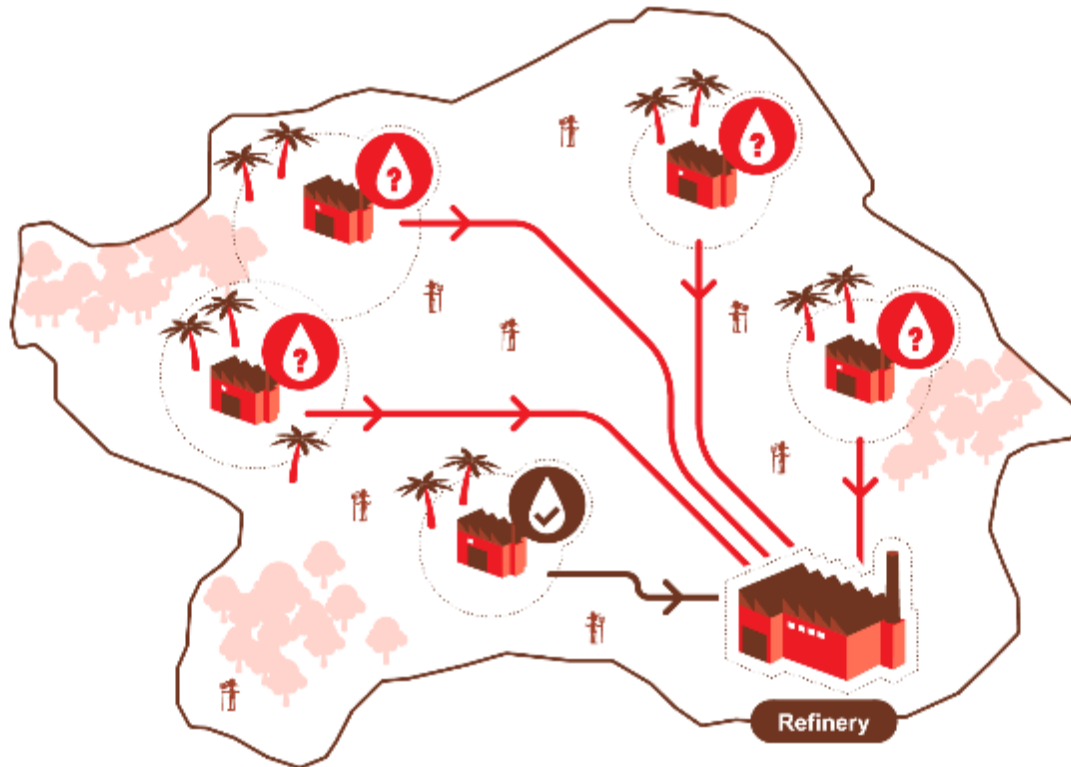


# Supply chain of commodities: e.g. palm oil





# General issues of sourcing areas (supply sheds) & smallholders



- Organisation of smallholders
- Legality
- Capacity & knowledge (low productivity) – land use intensification
- Bankability
- Replanting/rejuvenation
- Protection of ecosystems
- Certification/verification/traceability

“The involvement of government is crucial”

# Progress

At PISAgro level:

- **Aligning w/ the Government's priorities** on food sovereignty & globally traded commodities, while supporting farmers
- **Aligning w/ other platforms** (e.g. KADIN, SCOPI, OJK)
- Ensuring **models** for farmers productivity & sustainability **applied** by members and ready to be replicated/ magnified
- Finding ways to **scale up** → attracting/ inviting other companies/ organisations

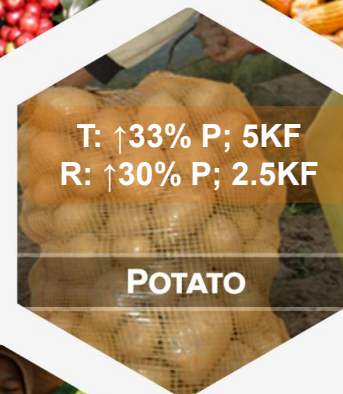
At members level:

- **Piloting** and testing the models
- Exchanging, **learning**
- Working with non-members → **replication/ magnification**



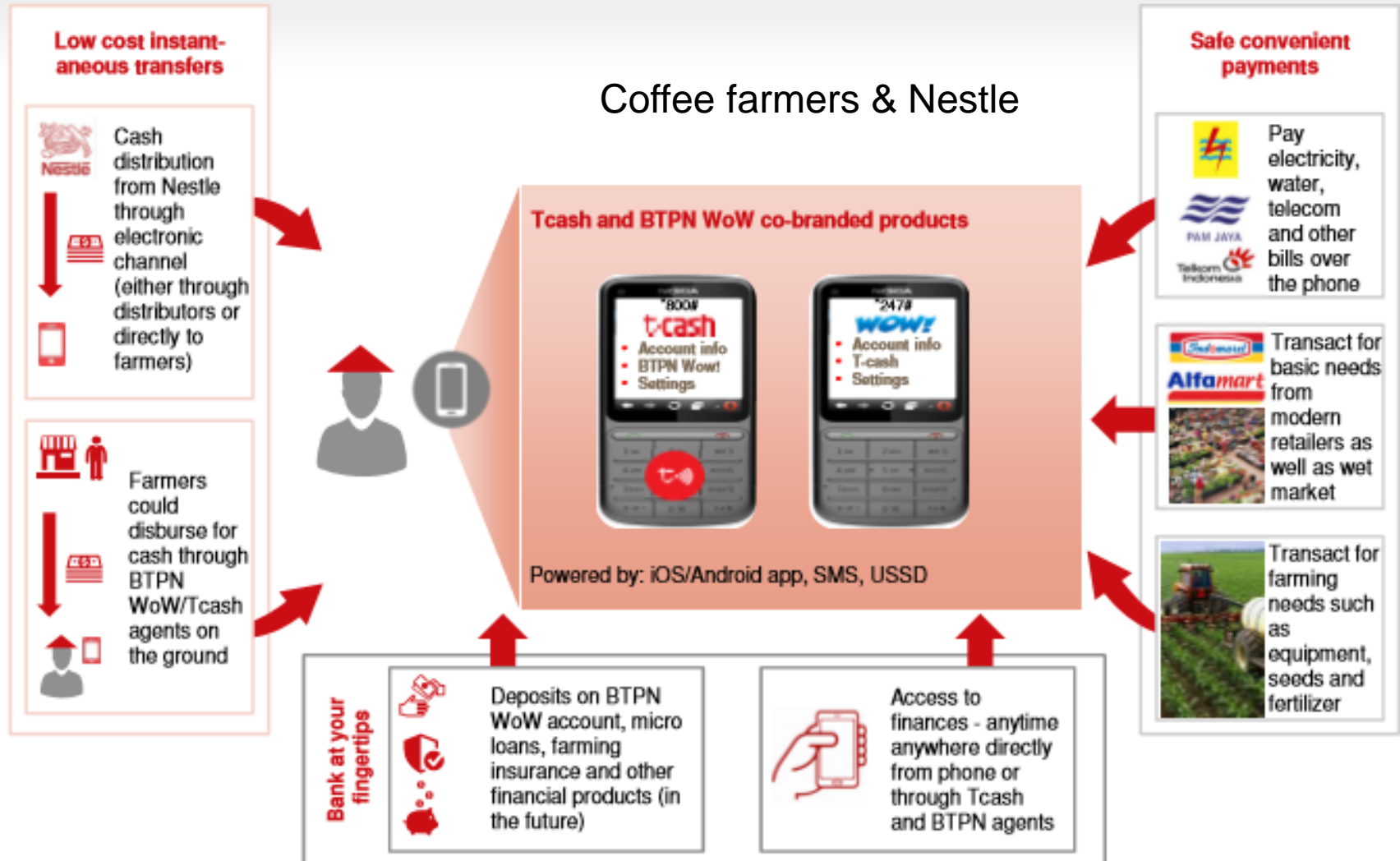


# Working Groups' results



# Individual member: banking & small farmers

## Coffee farmers & Nestle





# Individual member: transforming small farmers organisation

Aquaculture – FIT Fund



ECO HUB FishTrax Application

- Location
- Farmer's info
- Farming Info
- Processing Info

Mr. Saifannur's prawns to the St. Regis hotel of Singapore

Traceability in Aceh is possible Working as a Cooperative





# Individual member: financing for replanting

- **Innovative Financing for Smallholder Palm Oil Replanting** in 4,610ha and a Landscape Model in Lalan sub-district, Musi Banyuasin district, South Sumatra province.
- **Partners:** The CPO Fund, Governor of South Sumatra, Bupati of Musi Banyuasin, Banks & IDH-Sustainable Trade Initiative.
- The CPO Fund **provides 50%** of financing to cover replanting costs, while farmers & banks provide the rest

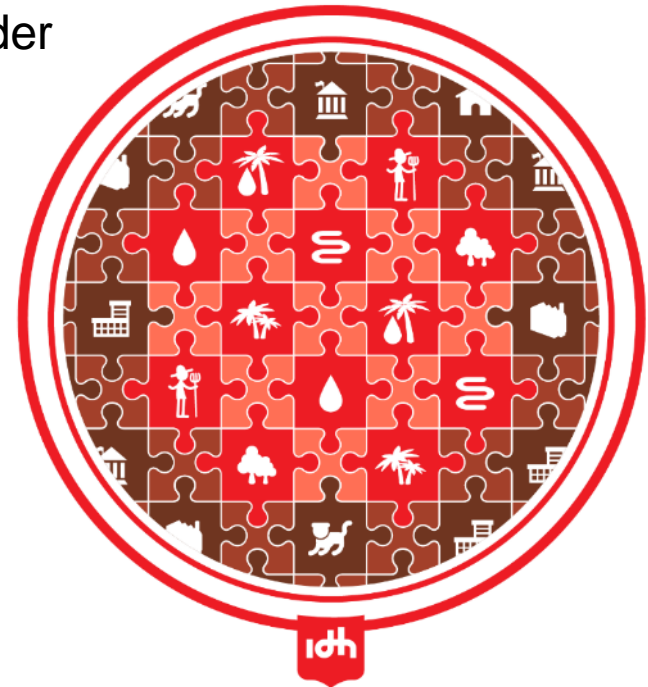
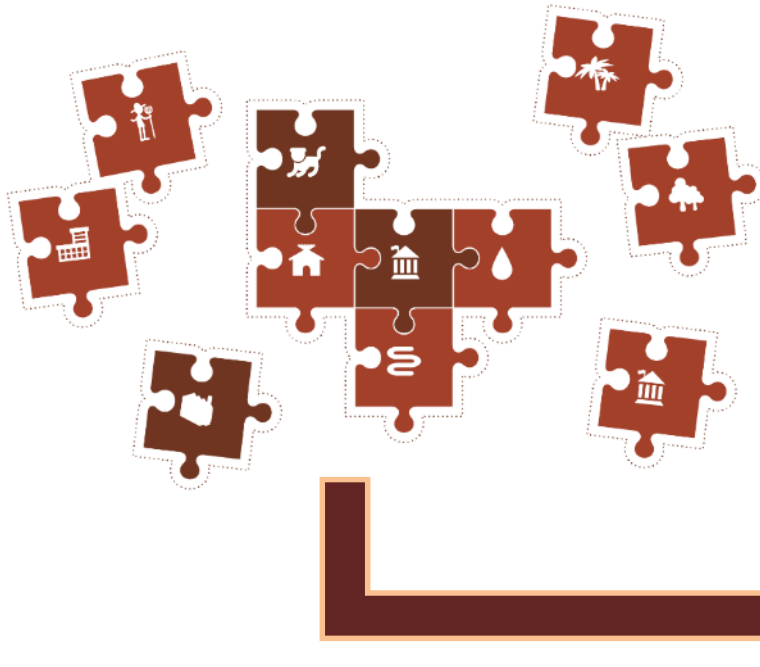


# Landscape approach: beyond farms & concessions

Parcels of farms or concessions

Not contributing to shared issues/ challenges:

- Hydrological management
- Peat fires prevention
- Ecosystems/carrying capacity in a landscape
- Social dimension
- Smallholder productivity



- **Incentivising** concessions/farms (small to large) to collaborate and be integrated in a sustainable supply sheds/landscape
- Improving **land use/spatial planning**
- **Legal reforms, organisations of SH**

# Forward: scale up & out

1. **Enable shift to second phase** of scale up, ie. helping ca 10 companies per crop to lead this next phase of scale up.
2. These companies should be able to **efficiently provide oversight of, eg. several working groups active in this crop across multiple locations in Indonesia.**
3. Exploring different **models/ platforms of pre-competitive behavior**





**Thank you for your attention!**

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**the sustainable  
trade initiative**