



Introduction to KAMI Project

Sustainability of Malaysian and Indonesian palm oil

Project rationale

Strengthening dialogues between producing and consuming communities in achieving sustainable palm oil production

The KAMI project provides support for strengthened and constructive dialogue between EU, Malaysian and Indonesian stakeholders on the sustainability of the palm oil value chain.

To that end, KAMI supports multi-stakeholder processes to share objective information on sustainable use of natural resources at scale with a specific focus on palm oil. Through exchange of objective information the project informs policy and planning processes and works to support supply chain actors in making sustainable sourcing and investment decisions. By working at scale, KAMI aims to strengthen environmental, social and governance frameworks to cover all supply chain actors, including those outside certified supply chains where many smallholders remain.

In Indonesia, KAMI supports the National Development Planning Agency (Bappenas) to advance the Sustainable Jurisdictional Approach and the Sustainable Jurisdictions Indicators, which track and demonstrate district progress towards sustainability. Complementary work on palm oil supply chain traceability aims to reinforce sustainable, legal and deforestation free production and trade of palm oil.

In Malaysia, KAMI supports work on palm oil supply chain traceability and on developing options to reinforce supply chains for legal and deforestation free palm oil in the context of new regulations in global markets. A key focus is on collating and developing objective information including from existing systems to help reduce costs for smallholders and medium sized producers in accessing global markets.

KAMI context and aspirations

By building on existing systems in commodity producing countries and drawing on objective information, KAMI aims to support policy dialogues underpinning a transition to sustainable production and trade of agricultural commodities.

Context

- Producing countries have legal and certification frameworks, which coexist with voluntary approaches.
- Objective progress has been made regarding transparency and forest protection.
- Dialogue is proceeding with parties aiming at swift and sustainable progress, based on pragmatic and inclusive solutions.

Shared aspirations

- To improve understanding at the technical level to facilitate policy dialogues and build mutual trust and understanding.
- To inform existing approaches and better assess and demonstrate sustainability, rather than creating parallel approaches.
- To respect norms and positions and build shared evidence using common terms.
- To help channel resources to support sustainability where most needed.
- To share messages through relevant forums with palm oil supply chain actors and civil society.
- To identify, explain and amplify success stories through joint communication.

Project background

In Indonesia, KAMI supports Bappenas's efforts to promote the Sustainable Jurisdictions Indicators as part of the Sustainable Jurisdictional Approach embedded in Indonesia's 2020-2024 National medium-term development plan (RPJMN, Presidential Regulation 18/2020). Support began in 2018 and centres on multi-stakeholder dialogue on district level sustainability monitoring and palm oil traceability. The work draws lessons from previous support that EFI has provided for EU-Indonesia collaboration on legal and sustainable commodity production, and sustainable jurisdictional approaches.

In supporting establishment of an inclusive system to monitor district sustainability and track sustainable palm oil, several principles are followed:

Legality: Indicators are based on Indonesian legal and policy frameworks.

Legitimacy: Indicators are developed through stakeholder consultation and draw on available, objective data.

Scale: Indicators cover all producers and forests across Indonesian districts.

Mutual benefits: Indicators align with the SDGs and Nationally Determined Contribution (NDC) under the Paris Climate change agreement.

Supportiveness: a stepwise approach is followed to promote progress.

Complementarity: Indicators complement product-based certification.

KAMI objectives

To strengthen partnerships between EU-Malaysia and EU-Indonesia by supporting national processes and international dialogue on the sustainable use of natural resources, with a focus on palm oil.

The project will run for three years (2020-2023) with EU funding of €4.5 million, with possible extension.

Project focus

The approach of this project is to reinforce and better communicate on the sustainable management of natural resources in palm oil producing jurisdictions and thereby contribute to a shared objective of the EU and two key partners in Southeast Asia, by:

- Supporting **policy dialogues between relevant stakeholders in EU, Malaysia and Indonesia on the sustainability** of the palm oil value chain;
- Providing **technical assistance** to enhance the partner countries' platforms and initiatives towards increased sustainability of the palm oil value chain;
- Supporting **communication and dissemination in relation to the policy dialogue** and the project's results.

Partners

- European Union (EU) – Dialogue and funding partner
- Ministry of National Development Planning/Bappenas (Directorate for Food and Agriculture) Indonesia – Dialogue partner
- Ministry of Plantation and Commodities, Malaysia – Dialogue partner
- Malaysian Palm Oil Certification Council (MPOCC) – Implementing partner
- Malaysian Palm Oil Board (MPOB) – Implementing partner
- European Forest Institute (EFI) – Implementing partner

KAMI potential contribution

- Enhanced policy dialogue between relevant stakeholders in the EU, Malaysia and Indonesia on palm oil sustainability.
- Implementation of a clear definition of sustainability and an agreed way of tracking and communicating progress.
- Improved differentiation of products in the global market.
- Improved visibility and transparency in markets; information provided to facilitate due diligence by market operators.
- State/district governments incentivised to progress towards the Sustainable Development Goals (SDGs).
- All stakeholders and all commodities lifted through access to markets for products that are sustainable and free from deforestation.

Cover photo: Oil palm plantation at the edge of the tropical rainforest, Indonesia. **Credits:** Richard Whitcombe

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