

## **NI-SCOPS: National Initiatives to stimulate and scale up climate-smart agriculture in oil palm landscapes in Asia and Africa**

### **What is NI-SCOPS?**

National Initiatives for Sustainable and Climate-Smart Oil Palm Smallholders (NI-SCOPS) is a Dutch government supported, public private partnership programme, initiated in 2019 and focused on Indonesia, Malaysia, Nigeria, and Ghana, in close collaboration with those countries' governments. At this point, the four government to government agreements have been signed, commitments of the public and private sector made and baselines have been conducted; the initiatives are now ready to scale up!

Delivering on the Amsterdam Declaration commitments, the aim of NI-SCOPS is 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. NI-SCOPS focuses on landscapes with large numbers of independent smallholders and mills, which are unlikely to be able to get certified. The aim is that these palm oil-producing areas, or landscapes, will become more economically robust and socially just, while protecting and restoring valuable natural resources leading to a reduction of greenhouse gas (GHG) emissions from agriculture and land-use change. NI-SCOPS will work with these smallholders and mills, as well as strengthen existing partnerships, and build new partnerships, with national and subnational governments, reporting transparently on progress in each country.

### **Current palm oil supply chain limitations**

Most international palm oil sustainability initiatives are voluntary and market-driven, and use the buying power of brands to demand sustainability improvements from producers. Such initiatives, like RSPO, have 'raised the bar' in the sector and have been able to transform 20-25% of global output to 'certified sustainable' in the last decade. But this is not enough, especially to address issues beyond the certified farm unit: land rights, deforestation, and community livelihoods. Besides raising the bar for voluntary corporate action, we must raise the floor leaving no one behind. NI-SCOPS is inclusive, also targeting landscapes and producer groups where certification is difficult or uneconomical. And it 'raises the floor' by partnering with (local) governments to guide all land users on the path to climate-smart agriculture and forest conservation.

### **What is the NI-SCOPS approach?**

The national initiatives are public-sector partnership programmes, co-owned by national and local governments, connecting the programme to national goals, policies, and frameworks. All producing countries have established national working groups that include all relevant ministries and agencies and reached bilateral agreements with the Netherlands in 2019 and 2020, on financial support for the initiatives. In addition, cooperation agreements have been signed between the national governments and IDH and Solidaridad to implement the NI-SCOPS programme.

NI-SCOPS creates a multi-stakeholder platform at the province or district level, where agreement is reached on climate-smart development: improving livelihoods and income, increasing resilience to climate shocks, and reducing emissions from farming and deforestation. Farmers, companies, and governments all commit to change to and support more sustainable practices. NI-SCOPS will facilitate and monitor this transition, and support the generation of national and international development- and climate finance to scale up from 2022 onwards. In this way, palm oil-producing areas or landscapes will become more economically robust and socially just, while protecting and restoring valuable natural resources leading to a reduction of greenhouse gas (GHG) emissions from agriculture and land-use change.

The initiatives comprise interventions nationally (policy and stakeholder engagement), and sub-nationally (state- or province-level spatial planning, district-level implementation of climate-smart agriculture and

forest conservation/restoration). KPIs have been agreed at the national level for each of the pillars of climate smart agriculture:

1. Food security & improved livelihoods for oil palm smallholders;
2. Improved Adaptive Capacity;
3. Mitigation (Reduced Greenhouse Gas Emissions) through climate-smart agricultural practices and forest conservation and restoration.

IDH, Solidaridad, and local partners use the same, scientifically robust methods to measure results and impact against these KPIs. Besides the nationally applicable and standardized KPIs, IDH and Solidaridad apply their own detailed landscape monitoring tools, providing all partners with detailed information on inputs, outputs, and outcomes of the initiatives.

## **Results on the ground after the first year of implementation (2020)**

### NI-SCOPS in 4 countries

In **Ghana**, through the work with the Ghanaian government and their establishment of the NI-SCOPS National Advisory Committee (NAC), we have made contributions into Ghana's revised NDCs to be submitted to the UNFCCC. These contributions have been in the areas of regenerative agriculture, agroforestry and improved oil palm processing towards GHG emission reductions.

The NI-SCOPS programme in Ghana also closely collaborates with the Ministries, Municipal and District Assemblies (MMDAs) through MOUs which have been signed with 7 MMDAs. These MMDAs are supporting the implementation of climate actions through their departments (Agriculture extension, Women in Agriculture Development, and Environment and Health).

In the first year of field programme implementation, 6634 (50%) project beneficiaries were profiled. There were 305,000 improved oil palm seedlings distributed, with match support provided by four project partners. The distributed seedlings translate to about 2,132 hectares. The baseline survey and methodology for KPI monitoring were established, in cooperation with the National Advisory Committee (NAC). There is collaboration with 7 climate vulnerable oil palm districts in 6 oil palm growing regions to integrate and embed climate change mitigation and adaptation actions into the district plans to address the impacts of climate change in the districts while increasing productivity sustainably.

In **Nigeria**, NI-SCOPS partners with the Federal Ministries of Agriculture and Rural Development; Industry, Trade and Investment; Environment -Department of Climate Change as well as the REDD+ National Secretariat. The NI-SCOPS Nigeria Forum (NNF) provides a platform where stakeholders have space for interactive exchange of ideas and learning, including how NI-SCOPS aligns collaboratively with relevant national programs of government resulting in robust achievements of NI-SCOPS' overall goals.

Solidaridad and IDH offer technical assistance to farming communities and workers and support policymakers and authorities with improving natural resource management and restoration efforts. So far, capacity building has increased the skills of 4770 smallholder farmers (part of 318 active smallholders farmer groups) on Better Management Practices (BMP) and Sustainable Land Use (SLU) Practices in the 4 project states. 45 BMP plots have been established, while 209 Village Savings and Loans Associations (VSLAs) were established to enable these farmer groups to build up their own resources in order to access inputs and markets. Two dialogue sessions were held on inclusive policies (issues of gender inclusion, child protection and the transition of the oil palm sector from the elderly to younger persons) and budget advocacy for improving oil palm development in Nigeria. Stakeholder meetings were organized for the Nigeria NI-SCOPS Forum (NNF), State Ministry of Agriculture officials and CSOs. Additionally, the assessment and profiling of palm oil millers commenced, as well as the needs

assessments for smallholder farmers' skills and opportunities for livelihood diversification. Lastly, MoUs were signed with two private sector investors.

In **Indonesia**, a Technical Steering Committee (TSC) for the program has been established that provides 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. Solidaridad and IDH are working closely with the Coordinating Ministry of Economic Affairs and Ministry of Agriculture to align the NI-SCOPS national framework, especially with the National Action Plan for Sustainable Palm Oil and the strengthening of Indonesia Sustainable Palm Oil (ISPO) certification scheme. The intention is that NI-SCOPS will support the mainstreaming of the two initiatives into national policy and regulation, and with implementation oversee their benefits on the ground.

So far 1680 smallholder farmers received training on Good Agricultural Practices (GAP), including organic fertilizers and integrated pest management courses. Additionally, 115 women farmers received facilitated training on circular farming practices. To ensure business legality, 240 smallholders were issued Estate Crop Business Licences (STDBs) by local governments, and 600 farmers were prepared for ISPO certification. Farmer cooperatives also received facilitated training on how to improve social capital of smallholders.

On mitigation, 65,000 ha deforested oil palm smallholder lands were mapped in 10 districts by using satellite imagery. Forest Management Units of 10 districts were engaged in discussion on data consolidation of deforested oil palm smallholder lands. On the federal level, the Ministry of Environment & Forestry was engaged to establish GHG MRV for the oil palm sector.

In **Malaysia**, 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. MoUs for strategic partnerships have been signed with several producer organizations.

A NI-SCOPS Technical Committee (TC) has been set up that provides 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 NISCOPS overall goals.

In the selected landscapes (see map below), Solidaridad and IDH 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; Supporting landscape level governance; Catalyzing business and investment; Implementing landscape-, farm-, and community-level interventions; Supporting market linkages (which includes building on existing partnerships with EPOA, Solvent Extractors Association of India and China Oil and Fats Industry Association).

To provide information for the intervention programmes and field implementation, a Climate Vulnerability Assessment (CVA) has been conducted. Pilot sites for interventions have been finalized and confirmed. For Malaysia, smallholder plantation mapping will play an important role in forest conservation.

In house training materials pertaining to good agricultural practices have been designed and prepared. Additionally, a sustainability assessment form also has been developed to monitor the sustainability performance of the smallholders. Meanwhile, a farmer field school (FFS) in the respective districts is also in the progress of development and it is expected to be completed at the end of March 2021.

## **Government and Private engagement**

### **What is the role of government?**

The national governments of the four producing countries assume responsibility to deliver and report on the KPIs with support from the NI-SCOPS implementation team. Internal collaboration between ministries (environment, agriculture, trade, planning) has already improved through the establishment of National Technical Committees, where senior staff from all relevant government agencies and ministries are represented. Local governments in the selected landscapes have started to invest in-kind; for example, by improving physical infrastructure, or by appointing personnel to local projects.

NI-SCOPS provides a way out of the increasingly polarized debate on palm oil, both for producer and consumer countries. By sharing the responsibility, NI-SCOPS opens doors for government-to-government dialogue on sustainable commodity trade and climate change while addressing environmental and socio-economic issues. Consumer countries get the opportunity of collaborating and funding change embedded in national policies and helping to meet internationally set climate change reduction targets.

### **What is the role of the private sector?**

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) and/or jurisdictional or landscape approaches are keen to support NI-SCOPS. Companies can sign partnership agreements with IDH or Solidaridad, and promote landscape governance, especially in areas where uptake of certification by smallholders remains low.

Currently Solidaridad has signed contracts with Henkel for Nigeria and the Lucille Packard Foundation. We are about to close contracts with two other major corporates for Malaysia and are having exploratory meetings with a further 6 on Indonesia. Solidaridad and IDH have prioritised the companies both organisations will approach.

### **Who are the partners?**

Solidaridad and IDH coordinate and implement the National Initiatives, with national partners in Indonesia, Malaysia, Nigeria, and Ghana. Seed funding for the inception (2019) and part of the first implementation phase (2020-2023) has been provided by the government of the Netherlands.

### **How can you become a NI-SCOPS partner?**

Solidaridad and IDH are actively seeking new partnerships with states, companies and other value chain actors with an interest in developing sustainable palm oil chains. There are three different ways you can engage with the NI-SCOPS programme:

A: As a Steering Group Donor to Solidaridad and/or IDH you co-fund one or more initiatives for at least 25% of the multi-year budget. In return, you will be able to report on the results of the programme (improved livelihoods, adaptation, and mitigation), and you will also be invited to participate in biannual steering group meetings, with access to the National Technical Committees also. The Steering Group is consulted on the annual plans of the initiatives and, once the current scopes of the Initiatives are fully funded, you would have a say in where additional Initiatives are established in the future.

B: As a Silent Donor you can provide Solidaridad and/or IDH with grants for one or more initiatives, and in return receive (and claim) the results achieved with your contribution. You will receive the relevant annual plans, progress reports, and have access to the KPI dashboard of the initiative(s) you support. The IDH-Solidaridad secretariat will manage the grant on your behalf, so this option requires very little staff capacity from your end.

C: As a Donor, you could also support NI-SCOPS through bilateral agreements with any of the partner countries. This requires the signing of an MoU designating a portion of the aid to pay for NI-SCOPS

activities undertaken by the national government in question, or by Solidaridad or IDH as implementation partners. As the Netherlands has gone through this process already, the NI-SCOPS secretariat can support such a process, if desired, at cost price.

### **In what way can a G2G relationship with one or more production countries be established?**

In line with the partnership options above, the government engagement options are:

1. Join NI-SCOPS as a steering group donor (option A above) and obtain observer status in NI-SCOPS technical meetings and official events and presentations, in-country and internationally (CoP26, Glasgow);
2. Indirectly through a Knowledge partnership, PPP, or funding one or more landscape projects as a 'silent donor' (option B above);
3. Directly, through a separate bilateral MoU/LoI at the national level (option C above).

### **Why should you invest in NI-SCOPS?**

By getting involved, you stand to benefit in at least three ways:

Demonstrable Global Impact: NI-SCOPS engages at the landscape level in selected states and provinces, and is closely connected to policy and decision making processes at the national level, in all four countries. It has explicit international and national government endorsement and major private sector players are collaborating with Solidaridad and IDH to help scale the positive impact. This holistic and inclusive approach generates more impact in less time, compared to traditional climate, or development, interventions. To ensure credibility, progress is reported annually, using scientifically robust KPIs that have been approved by producer country governments.

Achieve Climate and Sustainable Development Policy Commitments : NI-SCOPS is closely aligned with producer countries' 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. Supporting NI-SCOPS means measurably contributing to the Paris Agreement and the SDGs.

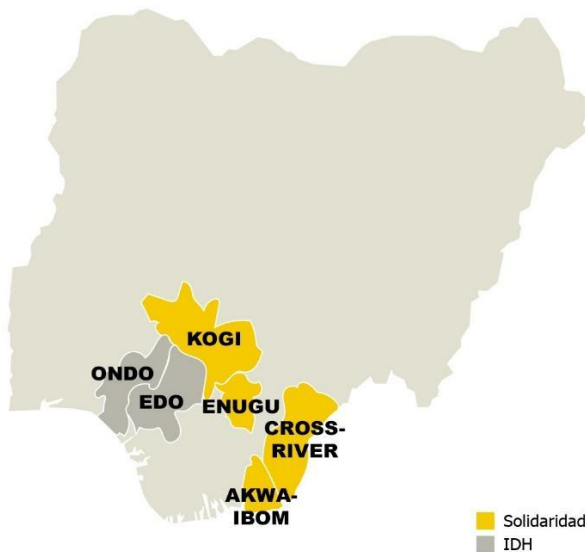
Opportunity for Dialogue with Producer Countries and develop political momentum: Governments that support NI-SCOPS obtain access to decision-makers in key producer country ministries (trade, agriculture, planning, environment) that are involved in governance and implementation of NI-SCOPS. This provides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

Where are the initiatives located?



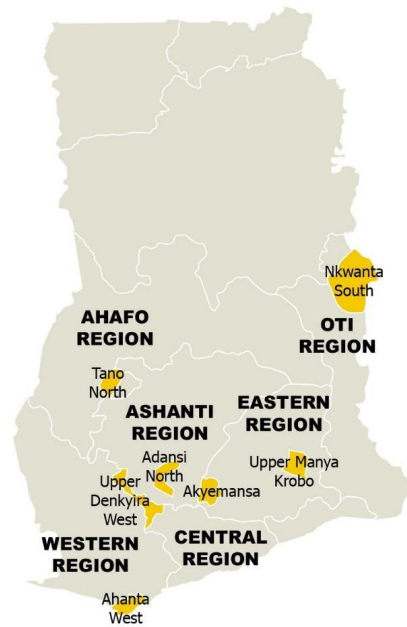
*NI-SCOPS jurisdictions in Indonesia and Malaysia*

## NIGERIA



*NI-SCOPS jurisdictions in Nigeria*

## GHANA



*NI-SCOPS jurisdictions in Ghana*