

Achieving Sustainable Development Goals – An NDPE and Certification Strategy for Independent Smallholder Farmers for Oil Palm

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Driven by Purpose

The Center for Sustainable Small-owners (CSS) was established by funding from Procter & Gamble (P&G) in 2019 to deliver on its Ambition 2030 goals through the P&G smallholders initiative.

CSS aims to empower and improve smallholders' livelihoods and palm production through certification, compliance, training, and the implementation of good and sustainable agricultural practices in line with international standards.

CSS is hosted by Asia School of Business (ASB) established in 2015 by Bank Negara Malaysia in collaboration with MIT Sloan School of Management.

Mission

To safeguard the interest of the small growers and improve their livelihood while ensuring ethical and responsible production of oil palm with commitments to no deforestation, no new plantation on peatlands, and no exploitation (NDPE) in the supply chain.

CSS Goals

Empowering Communities, Ensuring Sustainability

CSS empowers Independent Smallholders (ISHs) through Certification and Compliance, establishing farmer's associations to safeguard their interests while ensuring ethical and sustainable palm oil production.

Sourcing Responsibly, Improving Livelihoods

CSS improves the livelihood of the Independent Smallholder (ISH) through Yield Intensification ensuring NO Deforestation, NO new plantation, on Peatlands, and NO Exploitation in the supply chain (NDPE Policy)

Research for Impact

CSS conducts research that contributes to meaningful action on the ground creating a positive impact.

Diffusion and Dissemination

CSS is expanding the impact of the P&G Smallholder Program through the diffusion of Sustainable and Good Agricultural Practices (GAP) to a broader community of Small and Medium Enterprises (SMEs), farmers, and other stakeholders.

CSS pillars aim to creating positive impact on



PEOPLE

CSS SOCIAL PILLAR INCORPORATES STAKEHOLDERS' ENGAGEMENT. AWARENESS TRAINING THROUGH THE RSPO SMALLHOLDERS TRAINER ACADEMY



PLANET

CSS ENVIRONMENT PILLAR INCORPORATES THE P&G FOREST COMMODITY POLICY AND RSPO INDEPENDENT SMALLHOLDER STANDARD (RISS)



PROSPERITY

CSS ECONOMIC PILLAR INCORPORATES LIVELIHOOD IMPROVEMENT THROUGH YIELD INTENSIFICATION AND PROVIDING SMALLHOLDER CREDITS THROUGH RISS

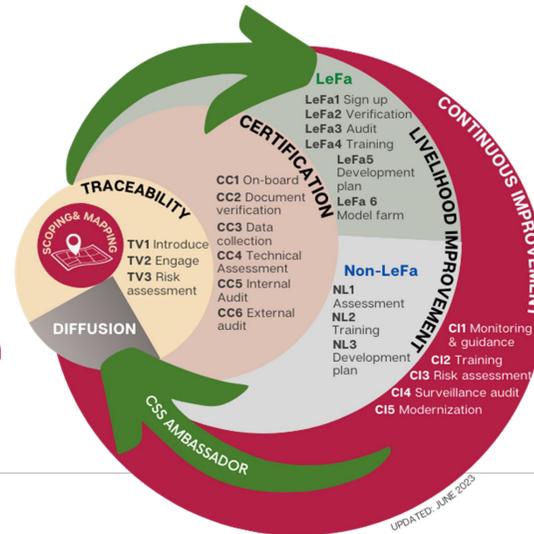
WHAT we do and HOW we do it

CSS aims to empower smallholders and improve their livelihoods through certification, compliance, training, and implementation of good and sustainable agricultural practices. To achieve this, CSS works with independent farmers and growers to embark on a sustainability journey under the P&G smallholder program across five main pillars: Traceability and Verification (TV), Certification and Compliance (CC), Livelihood Improvement (LI), Continuous Improvement (CI) and Diffusion & Dissemination (DD).

1 Traceability & Verification Identification, Tracking, Recording

3 Livelihood Improvement Model Learning Farms (LeFa)

5 Diffusion and Dissemination Collaborative Strategy



2 Certification & Compliance Engagements, Training, Assessments

4 Continuous Improvement Digitization, Data Collection, Audits

SUSTAINABILITY JOURNEY

CSS Contribution to five SDG GOALS:



SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

TRACEABILITY IS THE FIRST STEP TO ENSURE THAT EVERY PLAYER IN THE SUPPLY CHAIN COMPLIES WITH THE NDPE POLICY

- 10 collection centers traced with sustainability scorecards
- 2 million metric tons of FFB traced to mill account holders
- 126,000 metric tons of FFB traced to collection centers
- 1350 Independent Smallholder Farms tagged with GPS coordinates
- 4,735 ISHs traced to the kampung level with 300,000 hectares of supply shed



SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

IMPROVE THE LIVELIHOOD OF SMALLHOLDERS THROUGH COMMUNITY EMPOWERMENT ACTIVITIES. SUCCESSFULLY ESTABLISHED A SELF-SUSTAINED INDEPENDENT SMALLHOLDER FARMER'S ASSOCIATION PERTANIAGA FOR MORE EFFICIENT AND EFFECTIVE DELIVERY OF PROGRAM OUTPUTS.

- Supports ISH to increase farming productivity and income
- Financial knowledge and legal rights and responsibilities



SDG 12: Ensure sustainable consumption and production patterns.

TRAINING ON GOOD AGRICULTURAL PRACTICES AND YIELD INTENSIFICATION ALIGNED WITH RISS CERTIFICATION, CREATING AN UNDERSTANDING OF RESPONSIBLE PRODUCTION STANDARDS. HELP FARMERS IDENTIFY LOSSES ACROSS THE SUPPLY CHAIN AND SHOW THEM HOW TO REDUCE LOSSES IN THE PRODUCTION AND LOGISTIC PROCESSES.

- Training on farm management towards sustainable oil palm production.
- 802 ISHs were trained by RSPO Master Trainers
- The diffusion program strives to raise awareness of sustainability and GAP to 1,600 farmers



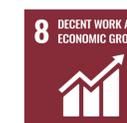
SUSTAINABLE DEVELOPMENT GOALS



SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

CSS CREATES POSITIVE VALUE ACROSS THE SUPPLY CHAIN THAT CONSTRUCTS AND MAINTAINS LONG-LASTING PARTNERSHIPS THAT ENHANCE THE ACHIEVEMENT OF THE SDGS

- CSS has partnered with P&G, UiTM, UTHM, MIMOS
- Created an ISH association PERTANIAGA with 421 members
- 306 ISHs with 370 farms certified with RISS Milestone B
- MYR 52,000 premium obtained & disbursed 100% to the RISS farmers
- MYR 200,000 cumulative premium projection by the end of 2023



SDG 8: Promote Sustained, Inclusive, and Sustainable Economic Growth, Full and Productive Employment, and Decent Work for All.

SUPPORTS MSPO / RISS COMPLIANCE (RECOGNIZED PALM OIL SECTOR SUSTAINABILITY STANDARDS), WHICH INCLUDES PROTECTION OF SMALLHOLDER RIGHTS AND PROMOTING SAFE WORKING ENVIRONMENTS. FARM ASSESSMENTS/VERIFICATIONS ARE CONDUCTED TO ENSURE ADHERENCE, INCLUDING IDENTIFICATION AND DOCUMENTATION

- Supports ISH to attain Malaysian Sustainable Palm Oil (MSPO) and RSPO Independent Smallholders Standard (RISS) certificates.
- The ISHs attained 108% marginal returns on investment participating in Core LeFa program
- Women took up leadership roles in the ISH association

LEGEND: CSS INITIATIVES



Traceability & Verification



Certification & Compliance



Livelihood Improvement



Continuous Improvement



Diffusion & Dissemination



Partnership & Stakeholders

Our commitment to the NDPE Policy: NO Deforestation | NO New Plantations in Peatlands | NO Exploitation in the supply chain.

