



Sustainable Palm Oil Roadmap in The Province of Aceh

A Landscape Solution for Sustainable Development
and Competitiveness in the Global Market

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Palm Oil Development in Aceh

Palm oil is a pivotal sector for achieving sustainable development in Aceh Province. Aceh region comprises of **470,000 hectares** palm oil, represents **9% of the total area of the province. More than 50% of**

these plantations are managed by **250,000 independent smallholder farmers**. Palm oil provides livelihood for over 1.5 million people, constituting more than **25% of Aceh's population**. At this scale, palm oil provides significant multiplier effects for the other development sectors in Aceh.



470,000 hectares

palm oil represents 9% of the total area of the province.



52%

of these plantations are managed by 250,000 independent smallholder farmers.



1,5 million people

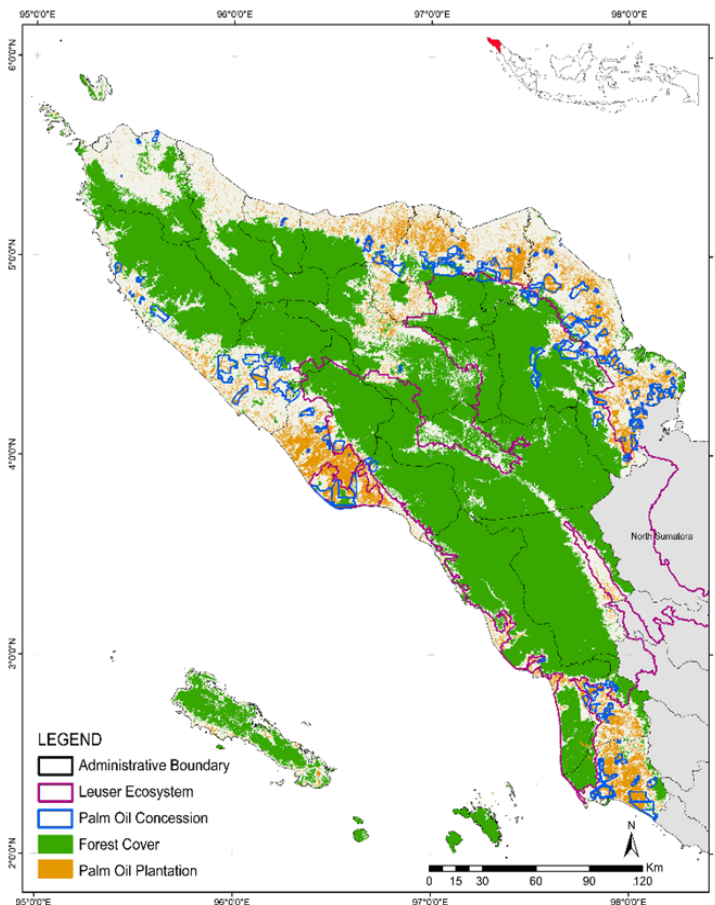
use oil palm as a livelihood.

However, Aceh's palm oil development faces various challenges for maintaining the sustainability of its landscape, also well known as the last frontier of the tropical rainforests in Sumatra. The uniqueness of resources in Aceh landscape provides strong advantage to support multi-sectoral development, particularly for palm oil. Furthermore, Aceh landscape holds significant

environmental values as it provides the habitat for various charismatic species in Sumatra, such as the Sumatran rhinoceros, orangutans, elephants, tigers, among others.

With its tremendous forest potential, the global market trends that demands for sustainable commodities from deforestation-free supply chains have placed Aceh as a high-risk area that is prone to deforestation. The global market demand for sustainable commodities can potentially affect Aceh's competitiveness in the global market.

On the other hand, with its vast forest cover, Aceh has substantial opportunities to garner support from stakeholders, particularly from downstream sectors, to invest in transforming the palm oil supply chain. The various supports include resources and contribution to enhancing farmers' capacity, protecting and restoring degraded areas, strengthening forest management, improving palm oil concession management, and investing in downstream industries with added values.



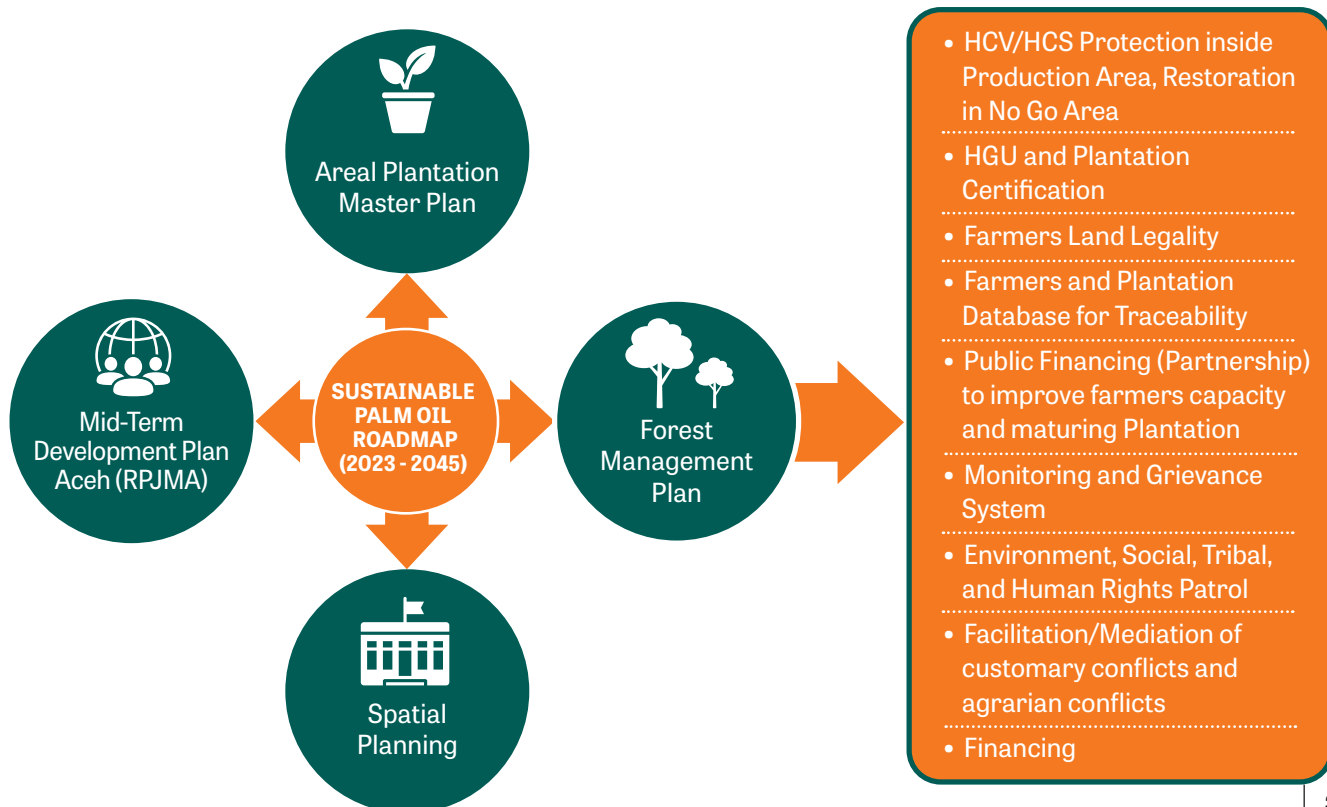
Roadmap on Sustainable Palm Oil: A Commitment

Based on those opportunities and challenges, the Government of Aceh Province has formulated the Sustainable Palm Oil (SPO) Roadmap 2023-2045 and SPO Regional Action Plan 2023-2026 to achieve a deforestation-free supply chain that can positively impacts community livelihoods and promote social inclusion. The SPO Roadmap is designed to convince the palm oil market through the provision of a solid framework for public-private investment and partnerships to improve land governance and the supply chain, promote business transformation, stimulate green investment, and provide access to innovative financing for farmers and stakeholders. The SPO Roadmap serves as a technical reference for operationalizing and integrating various policies and strategies to achieve the vision of a sustainable palm oil development in Aceh. Some of the provincial planning documents and policies that will be influenced by the roadmap comprise the

Long-Term Development Plan of Aceh (RPJPA), Spatial and Regional Planning (RTRW), Provincial Plantation Master Plan that include plantation business permits, various development and investment plans, and forest management plans from at least 13 major palm oil-sourcing districts in Aceh Province.

The development of the Sustainable Palm Oil Roadmap is also inspired from the success of the independent smallholder groups in Aceh Tamiang District, which will become one of the major models to be implemented in the 13 palm oil sourcing districts. By the end of 2023, Aceh Tamiang District has succeeded to certify more than 2,200 farmers from 4 cooperatives and 1 farmers association with ISPO and RSPO certification. This achievement not only proves the farmers' ability to meet the requirements of international palm oil sustainability standards, but also signifies the harmonization between the certifications issued by the Indonesian government (ISPO) and the international certification (RSPO).

Operationalization of the Sustainable Palm Oil Roadmap in Aceh Province





The roadmap is a result of collaborative efforts among the provincial government, including Bappeda, private sectors, and civil society organizations in Aceh.

The Sustainable Palm Oil Roadmap 2023-2045 encompasses 18 key indicators that primarily focus on improving palm oil production of farmers and plantations through capacity strengthening, institutional development, database development, financing, and the development of new business models within concession areas involving multiple crops and environmental services that include High Conservation Value (HCV) and High Carbon Stock (HCS) areas. The Roadmap also highlight the protection of HCV landscapes through the integrated mapping, protection, restoration, and monitoring activities in both production and protected areas. The Roadmap also promotes social inclusion through grievance mechanisms and facilitation/mediation of social, agrarian, and customary

conflicts. Furthermore, it emphasizes the enhancement of community well-being, including downstream industry development and green investment financing.

The government of Aceh will establish a multi-stakeholder platform through thematic working groups to operationalize and coordinate the implementation strategy of the SPO Roadmap. Finally, the Provincial Government invites and welcomes all parties that are willing to contribute and collaborate in supporting the development of sustainable palm oil supply chain in Aceh.

