

# Convening a sustainable palm oil landscape



Photo: IDH/Beawiharta

Landscape: **Aceh, Indonesia**

Commodity: **Palm oil**

Start of landscape initiative: **2017**

Key learning: **Proof of concept at district level expanded the initiative to provincial level.**



**In Aceh, Indonesia, deforestation from palm oil expansion is a major threat. Aceh as a landscape is 60% forest that provides habitat for Sumatran charismatic species, including tiger, orangutan, elephant, and rhino. Aceh is also a major sourcing area for global commodities, including palm oil, cocoa, and coffee. The deforestation risk not only threatens biodiversity, but potentially affects the livelihoods of smallholder farmers, who account for more than 50% of the palm oil production area.**

To address these risks, IDH started convening landscape stakeholders in 2017 and established the Aceh Tamiang PPI Compact in 2019. In 2020, IDH partnered with Unilever, PepsiCo and Musim Mas, along with local government and civil society, to protect forests and promote sustainable economic growth in Aceh Tamiang.

A collaborative effort in deforestation monitoring and response mechanism at the district level, combined with forest restoration and patrol, were used to strengthen forest protection and mitigate deforestation. The district-level initiative in Aceh Tamiang resulted in approximately 47,600 hectares of forest being protected, 929 hectares of forest area restored, and a 37% reduction of deforestation rate\*. The positive results at a district level provided evidence for the initiative to expand to a provincial level.

\*Disclaimer: the difference in deforestation rate was calculated by comparing 2016-2018 deforestation rate (DR) as baseline with 2022-2024 DR as endline

## Case study

To protect the forest and promote sustainable palm oil, the government of Aceh set targets for reducing deforestation and set up the Sustainable Palm Oil Roadmap in 2024. The landscape initiative supports implementation of the roadmap through:

- 1 **Smallholder land registrations**
- 2 **Deforestation monitoring, linked to a provincial level**
- 3 **Farmer ID acceleration, which is also a pathway to EUDR**



Farmers getting registered and having ID also helps them gain access to finance, resources, public services, and markets. Of the total 140,000 smallholder farmers in Aceh Province, it is estimated that only 3% or 10,000 farmers are registered and have ID.

The project also accelerated the number of certified farmers to 2,200 farmers RSPO and ISPO certified. These results would not have been possible without an integrated landscape approach.

The Aceh Sustainable Palm Oil Working Group was set up in August 2025, as a group of nine companies, to accelerate the implementation of the Sustainable Palm Oil Roadmap. The commitment of the private sector through the Working Group crystallises support for the roadmap to last.

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Mars has been working closely with IDH in Indonesia for more than 13 years, and we acknowledge IDH's vital role in convening multistakeholder platforms within complex landscapes. We deeply value our collaborative work with them in Indonesia, specifically in the Aceh and Papua provinces, recognising their unique ability to bring together diverse actors for sustainable and impactful change.

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