

# FACTS

## on Musi Banyuasin

442,000 ha of palm plantations.

Potential to produce **1.8 million** tonnes of certified palm oil and **420,000** tonnes of palm kernel oil annually.

Also an important producer of **soybeans, rice, rubber, coconuts, palm sugar and nipa palm.**

# OPPORTUNITIES

## for Musi Banyuasin district

**Multiple commodities**, not just palm

**Strong political commitment** at provincial and sub-provincial level

**Commitment and resources** already available from multiple sources including donors, national agencies and supply chain

Accelerate **legality mechanism** ready to test

**Traceability** already well advanced

Swiftly scalable to entire district – further **290.000 tons CPO** available annually

## PROGRESS

RSPO INDICATOR	PROGRESS AND NEXT STEPS LALAN	NOTES
Multistakeholder governance in place	Provincial-level structure has been developed and will be implemented in 2017 Specific structure for Lalan is in development HCV indicative mapping is complete (led by Daemeter) The SahabatMUBA (Friends of MUBA) taskforce to assist the Sub-District has been enacted	MuBa is part of Kelola Sedang, a landscape project implemented by Provincial Govt. and a coalition of organisations including ZSL, Daemeter, FPP, SNV and IDH. The project is funded by NICFI and UKCCU Work in Lalan is being coordinated by Sahabat MuBa Group*
Process for preventing deforestation in place	4,000ha of palm smallholders mapped (led by SPKS and Rainforest Alliance) Carbon analysis is in process (building on work by GIZ) including peat/HCS Peatland best practices for smallholders in development (with Winrock/Cargill)	Risk of deforestation outside of protected areas is low Ground truthing required for HCV Further smallholder mapping required (traceability public-private partnership opportunity)
Mechanism for HCV compensation operating	High-level LUC analysis is complete (draft) Map of restoration potential drafted	Ground truthing required for HCV Deeper review of forest and peatland rehabilitation/restoration potential and costs planned
Mechanism for addressing land conflict in place	Spatial planning review in progress, with One Map planned Accelerated legality mechanism provisionally approved by local government Community Land Use Planning and reconciliation process in development (led by Kelola Sedang Consortium)	
Monitoring system in place	Spatial and socio economic database in development with district government, to be incorporated into national systems Baseline data collection ongoing for progress measurement and program development	
Management entity appointed	Proposed that the jurisdictional government will be the responsible body, with input from others based on governance structure	

\*Sahabat MuBa is a group coordinating and working together to deliver change in Musi Banyuasin. Members include Rainforest Alliance, SPKS, HaKi, Daemeter Consulting, SNV and IDH

## FOR MORE INFORMATION

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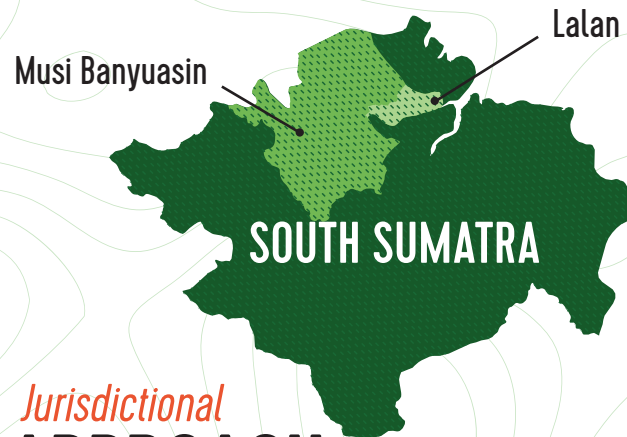
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# MUSI BANYUASIN

## Jurisdictional Certification Plan

To create a sustainable landscape where buyers can be confident that all of the oil used is sustainable





## Jurisdictional APPROACH

The "jurisdictional approach" in landscapes entails reducing deforestation and peatland conversion. IDH, the Sustainable Trade Initiative is collaborating with Alex Noerdin, Governor of the South Sumatra Province in Indonesia; businesses; farmer organizations and the RSPO to pilot jurisdictional certification in the district of Musi Banyuasin in South Sumatra.



First South Sumatra district under the RSPO Jurisdictional Certification Program

Musi Banyuasin (MuBa) district will become the first district in South Sumatra to be certified under the jurisdictional certification plan.

At the RSPO Round Table in 2015, Governor Alex Noerdin announced a plan to certify the South Sumatra Province under the new RSPO jurisdictional certification program. In support of this, the district head, or Bupati, of Musi Banyuasin district, Beni Hernedi, committed Musi Banyuasin as the first district.

A pilot certification project will begin in the sub-district Lalan. Lessons learned will be used to scale up the project throughout and beyond South Sumatra. The plan is to certify Lalan sub-district by 2018, Musi Banyuasin district by 2020, and South Sumatra by 2025.

## PILOT

Crude palm oil (CPO) production plays an important role in Lalan's economy and at the same time, it faces major environmental challenges due to agricultural production. Therefore, it was selected as a first pilot site. The sub-district has 2 palm oil mills and 35,000 hectares of palm plantations with a production potential of at least 133,000 tonnes CPO and 33,000 tonnes PKO annually. It is also a producer of rice, coconut, soybeans, nipa, palm sugar and rubber.

The key landscape challenges in Lalan include the encroachment of protected forest areas by agriculture, plantation on peatland (more than 16,000 ha) with related issues of fires and flooding, low levels of legal land ownership of existing farmers, and low farmer capacity and productivity.

The sustainable landscape development and restoration of Lalan will be supported by BPDP (CPO Fund), Ministry, and Provincial Government for fast track. A green growth plan for Lalan will be produced by the end of 2016.



## FUNDING Proposal

PROVISIONAL 5 YEAR BUDGET (\$, MULTI COMMODITY)	UNIT	UNIT COST	UNITS NEEDED	TOTAL
Mapping & land titles for farmers	farmer	25	40,000	1,000,000
Gap analysis RSPO and ISPO	farmer	10	8,000	80,000
Training (social and sustainability)	farmer	35	8,000	280,000
Forest and HCV ground trothing	ha	150	1,000	150,000
Forest and HCV restoration	ha	800	5,000	4,000,000
Monitoring	ha	1	10,000	10,000
Governance & management	annual	10,000	5	50,000
				5,570,000
				cost/t CPO 8



**THE SUMATRAN TIGER** - a critically endangered species, native to South Sumatra. Population: 400-500 (WWF)

## NO deforestation, new development of peat, social exploitation.

Key questions to answer in Lalan are how the CPO produced in this area can meet supply chain commitments related to no deforestation and peat land exploitation; and how CPO production and other economic activities can simultaneously contribute to sustainable economic development of the district.

To answer these questions, the stakeholders in Musi Banyuasin, started to develop a sustainable economic development plan for the area. This started with indicative mapping of HCV areas, a carbon analysis, and smallholder mapping and surveying. This is important to assess the potential for economic growth and reduction of GHGs and to establish a progress monitoring mechanism later on.

The government has committed to additional enforcement resources. The Peat Restoration Agency and new protocols for smallholder peat land will ensure best practice on existing development. A fire free village program has started to prevent fires.

Community land use planning, spatial planning review and CSO representation in governance structure can improve decision making, accelerate conflict resolution and avoid new conflicts. Best practices and verification can ensure fair working practices.

