



## National Initiatives for Sustainable Climate-Smart Oil Palm Smallholders - NISCOPS

### What is NISCOPS?

The National Initiatives for Sustainable and Climate-Smart Oil-Palm Smallholders (NISCOPS) is a long-term engagement between key palm-oil producer and consumer countries and complements market-driven, supply-chain initiatives in palm-oil producing countries. It facilitates joint action at the national level by governments, the private sector and civil society in developing climate-smart agriculture in palm oil landscapes, capable of improving the lives of the smallholder farmers (SHFs). The development of this 8 country partnership is based on mutually agreed frameworks of sustainability and has been approved in 2 phases:

- **NISCOPS 1** (2019–2023), supported by the Dutch government, focused on **Ghana, Indonesia, Malaysia and Nigeria**, with market interventions in **Europe and India**.
- **NISCOPS 2** (2024-2028), supported by both the **Dutch and the UK governments**, adds an additional palm oil producing country, **Colombia**, a greater focus on Asian markets, and an explicit focus on supporting smallholders meeting EU and UK regulations.

Jointly implemented by IDH and Solidaridad, the programme demonstrates that the palm-oil sector can contribute to the achievement of the Sustainable Development Goals (SDGs) and the climate ambitions of the Paris Agreement, including its Nationally Determined Contributions (NDCs), while also improving the livelihoods of SHFs and workers. NISCOPS concentrates efforts on landscapes with large numbers of independent smallholders and mills that are difficult to certify. A key focus of the NISCOPS approach is the close collaboration with national and subnational governments, reporting transparently on progress in each country. As a result, palm oil-producing landscapes will become more economically robust and equitable, while simultaneously protecting and restoring natural resources and reducing the GHG emissions associated with large-scale agriculture.

### Progress Under NISCOPS 1

NISCOPS 1 resulted in improvements in farmer livelihoods, climate adaptation and mitigation, underpinned by engagement with national governments on relevant policy issues. An overview of the preliminary results as below:



Farm worker; Aceh. © BR. 2023

**Indonesia:** 11,047 farmers were trained on sustainable farming practices and diversification methods, bringing 23,302 Hectares (ha) of farm land under climate adaptive practices. 12,045 ha of deforested land has been restored to agroforestry or replanted with trees and 13,400 ha of forest area in Aceh Singkil is being monitored. Together with the Indonesian government, we have initiated a guideline on measuring, reporting and verifying greenhouse gas emissions in the palm oil industry and supported the mapping of illegal palm oil plantations in Aceh Tamiang, Aceh Timur, and Langkat (North Sumatra), together with a proposed strategy for restoration.

**Malaysia:** 15,221 smallholder farmers were trained on sustainable farm practices and diversification methods. Together with the Malaysian government, we initiated a monitoring system to support deforestation-free palm



oil, after having agreed a single definition on deforestation for the whole of Malaysia. The monitoring system looks at all the different classifications of forest in Malaysia.

**Nigeria:** 14,000 farmers were trained on sustainable farm practices and diversification methods, bringing 18,581 (ha) of farm land under climate adaptive practices. Additionally, 6,351 ha of degraded land has been restored. The technological upgrades of 8 artisanal mills has facilitated an increased oil extraction rate, and 175,344 seedlings have been distributed for replanting 1,227 ha. Two smallholder-inclusive business models (the out-grower & block farming schemes) have been piloted with the private sector - market incentives such as stable offtake and pricing for farmers have proven to be major drivers of progress.

**Ghana:** 6000 farmers were trained on sustainable farm practices and diversification methods, bringing 12,000 hectares of farm land under climate adaptive practices. Additionally, 14 districts have improved mechanisms to support sustainable land use, land restoration and agroforestry. Other notable results are the increased capacity of local authorities in sustainable production methods for oil palm production and processing and the small scale oil palm processing innovation which increases oil recovery to up to 20%, converts palm oil mill effluent to energy, and provides improved working conditions for women who use the facility.



*Socfino Mill, Aceh. © BR. 2023*

## NISCOPS 2

NISCOPS 2 started in January 2024 with the vision: 'Landscapes where oil palms are grown and managed sustainably, and smallholders measurably benefit from their inclusion in oil-palm markets'. It aims to impact three key areas: **improved landuse, better incomes and inclusive markets.**

To deliver this NISCOPS 2 will:

- Work through Multi-stakeholder Partnerships (MSPs) to map, protect and restore forest and ensure that SHF working practices are better adapted to climate change;
- Ensure inclusive interventions which benefit women and youth;
- Raise SHF income through improvements in productivity, pricing, farm diversification, value distribution, access to finance and access to markets for SHF-inclusive and No Deforestation, No Peat and No Exploitation (NDPE) palm oil;
- Influence the development of SHF-accessible standards and work with the Indian government on minimum import criteria for palm oil in the largest Asian markets.
- Test traceability approaches that will support SHF compliance with EU and UK regulations.

NISCOPS 2 is designed to benefit approximately 110,000 SHFs. It includes scaling solutions for potential unintended consequences of EUDR 2023, namely segregation of the palm-oil supply chain at the expense of SHFs in countries deemed to be high risk, and further leakage of deforestation to African and Asian markets.