



HENKEL AND SOLIDARIDAD'S PARTNERSHIP IN INDONESIA

CONTEXT

Indonesia is the largest palm oil producing country in the world: it accounts for 59% of the global palm oil production.¹ The primary production regions in Indonesia are Sumatra and Kalimantan. An estimated 1.46 million smallholders are engaged in Indonesia's oil palm sector. It is projected that the area of smallholder production is likely to increase and account for around 60% of Indonesia's oil palm plantation area by 2030.²

Solidaridad has been supporting smallholders in Indonesia since 2012. In 2015, Henkel and Solidaridad joined forces to increase the wellbeing of smallholder farmers in the province of West-Kalimantan. West Kalimantan is one of the most economically disadvantaged provinces in Indonesia. Over the past years, this province has seen a substantial increase in the conversion of land to oil palm by independent smallholder farmers (with an average land size of 2 hectares). However, smallholder farmers regularly find themselves in a position of relative weakness due to their limited knowledge on good agricultural practices and lack of access to high quality inputs. Simultaneously, the province suffers from one of the highest rates of deforestation and forest conversion.

LAYING THE FOUNDATIONS FOR SUSTAINABLE PALM (KERNEL) OIL

Between 2015 and 2019, Henkel, together with BASF, supported Solidaridad's project "Improved Livelihoods for Smallholders Farmers in West-Kalimantan"³. The aim of the project was to support the improvement of smallholder livelihoods by sharing Good Agricultural Practices (GAP) and explore if certain groups would also be able to achieve certification by the standards of the Roundtable on Sustainable Palm Oil (RSPO).

It also focused on preventing further forest and land degradation by supporting forest conservation. A key component to this programme was creating and strengthening the key organizations needed to support farmers with these processes during the project and beyond (see the interventions on page 3).

ACHIEVEMENTS

Farmer's capacity building 2015 - 2019:

- 8,603 smallholder farmers trained in good agricultural practices and financial literacy

Sustainable production and productivity 2015 - 2019:

- 19,455 hectares reached with good agricultural practices trainings
- 21,603.6 MT total annual project crude palm oil
- 2,430.4 MT total annual project palm kernel oil
- Total yield increase over 3 years: from 15 to 17 tons/ha/year

Facilitating sustainable palm (kernel) oil certification:

- As a result of the project, the farmer's association APKS-KK was established in 2015, managing 41 farmer groups
- Building on the foundations of this project, APKS-KK applied for the RSPO Smallholder Fund (RSSF) to prepare 500 farmers for RSPO certification in 2019. Currently, 714 of its members are RSPO certified while 147 members are in the process to achieve ISPO certification

1. https://palmoilalliance.eu/wp-content/uploads/2022/10/Palm_Oil_Report_161022_amm_final.pdf

2. https://www.solidaridadnetwork.org/wp-content/uploads/2022/09/Palm-Oil-Barometer-2022_solidaridad.pdf

3. This project was initiated by Solidaridad in 2013

APKS-KK is the first farmers' group that has successfully obtained [RSPO](#) certification in West-Kalimantan

“Before the farmer’s field schools, I did not know about oil palm, I just planted; Now I know that it is important to know the soil, to know which and how much fertilizer to apply; I now understand more about plant diseases”

Antonius - smallholder farmer in West-Kalimantan



NEXT STEPS IN WEST-KALIMANTAN

Based on the experiences of the previous projects, improving farmers' access to markets by linking them to (RSPO or other) certified buyers was identified as a possible next step in the joint collaboration. To this end in 2022, Henkel and Solidaridad decided to use their partnership to not only improve the living conditions of farmers and facilitate access to sustainability certification, but also create access to new markets and improve farmer's climate change resilience. In this, the partnership is also aligned with National Initiatives on Sustainable and Climate Smart Oil Palm Smallholders (NI-SCOPs). This programme, with the support of the Netherlands Ministry Foreign Affairs, helps governments and other stakeholders to meet their commitments under the Paris Agreement, Convention of Biological Diversity and the Sustainable Development Goals.

The project “Climate Smart Oil Palm and Smallholder Agroforestry Pilot” aims at supporting 1,200 smallholders across two target districts in West-Kalimantan (Landak and Sanggau). It looks at how to link global organizations like Henkel to mills and smallholder farmers in the region. As such, Solidaridad will facilitate the supply chain linkage between Henkel's supply chain and smallholder cooperatives. The project also supports the restoration of land deforested by smallholder activities through agroforestry activities.

PARTNERS

Keling Kumang Group, Henkel, BASF, the Indonesian Independent Oil Palm Smallholders' Union, PT Pupuk Kalimantan Timur, University of Tanjung Pura and Solidaridad



MORE ABOUT THE PARTNERSHIP

Henkel and Solidaridad are committed to improving oil palm smallholder livelihoods, while driving progress towards sustainable palm and palm kernel oil globally, and making a positive impact on both the environment and the people in the palm (kernel) oil community. Since 2013, Henkel and Solidaridad have joined forces to reach farmers in all major palm producing regions.

HENKEL

Henkel holds globally leading market positions in consumer and industrial businesses. Its purpose expresses what unites everyone at Henkel: Pioneers at heart for the good of generations. Palm (kernel) oil and their derivatives are the basis for ingredients that Henkel uses to manufacture detergents, cleaners as well as hair and body care products. The company is committed to responsible sourcing of palm (kernel) oil and their derivatives, aiming to establish full transparency and traceability and to improve the livelihoods of smallholder farmers and protection of nature. For more information visit: <http://www.henkel.com>

SOLIDARIDAD

Solidaridad is an international civil society organization with 54 years of experience in developing solutions to make communities more resilient and create more sustainable supply chains. Our solutions support the transition to an inclusive economy that provides sustainable livelihoods for all. This includes decent working conditions, an entrepreneurial income and production in balance with nature. For more information, visit: <http://www.solidaridadnetwork.org>



Key interventions between 2015 - 2019

- The key focus of the program was to strengthen the capacity and financial literacy of farmers, improving their income through good financial management, expenses planning for households and farms, responsible use of financial products and services, and stimulating farmers to save for replanting.
- The Farmer Field School (FFS) was created to provide smallholder training in good agricultural practices and sustainable farm management.
- Given the importance of agro-inputs for productivity levels, efforts were made to improve access to agricultural services to CUKK members with the focus to provide affordable, quality agro-inputs and services to farmers.
- The project supported the capacity building at KKG and APKS-KK. The focus for the farmers association APKS-KK was to establish a strong management system and a sound Internal Control System (ICS) unit, required to support farmers in RSPO certification. CUKK and KKG received support to establish more professional structures and processes required for upscaling of the project activities and services to their members beyond the project.



Key interventions between 2022- 2024

- Strengthening farmer's association to facilitate certification of farmers
- Facilitating independent smallholders to produce traceable deforestation-free fresh fruit bunches (FFBs)
- Providing training in good agricultural practices, climate smart agriculture (CSA),
- Collecting data and mapping of land of independent smallholder farmers using digital applications
- Diversification of smallholder livelihoods and incomes
- Collaboration with national, local governments and smallholder farmers for the protection of forests
- Supporting agroforestry activities and transition to heteroculture practices by farmers in forest areas
- Facilitating a linkage between Henkel's supply chain and smallholders in West-Kalimantan



Solidaridad