



NI-SCOPS: National Initiatives to stimulate and scale up smallholder climate-smart agriculture in oil palm landscapes in Asia and Africa

NI-SCOPS in Malaysia

Background

Malaysia is the second largest global palm oil producer, with an estimated one third of total production. The industry accounts for around 7% of Malaysia's export earnings. Smallholder production accounts for around 28% of total oil palm planted area and remains a vulnerable, high risk part of the sector. There is an urgent need for innovative and efficient solutions to address the sustainability challenges of smallholder production systems in Malaysia.

The Government of the Netherlands and the Government of Malaysia signed a Memorandum of Understanding in November 2019 to cooperate on sustainable palm oil, with a focus on smallholder farmers. The aim is to improve livelihoods and tackle climate change by protecting forests and reducing carbon emissions. NI-SCOPS is embedded within the climate change priorities of the Malaysian government and aligned to the policies and targets formulated by the Government of Malaysia. There is a strong link with MSPO standards, and this program and its outcomes, will contribute to a review of the MSPO, as well as increased transparency on impacts, its implementation for smallholders and enforcement.

Key Performance Indicators for Malaysia

1. Improved productivity, sustainability and the livelihoods of oil palm smallholders in 7 sites across Sabah, Sarawak and Peninsular Malaysia, scaleable to the whole of Malaysia after 2023.
2. The development of a monitoring system which supports a deforestation free, independently verified sustainability claim in cooperation with federal and state authorities and relevant stakeholders.
3. Improved adaptive capacity of smallholders in light of climate change, across the 7 sites.

Partnerships

IDH and Solidaridad will work together with federal authorities, including the Malaysian Palm Oil Board (MPOB), to open a dialogue on strengthening the national palm oil standard MSPO, supporting a continuous improvement agenda. A NI-SCOPS Technical Committee (TC) has been set up that will provide expertise and advice on technical issues relevant to the objectives of NI-SCOPS, aimed at creating alignment of NI-SCOPS with relevant national governmental programs and the achievement of NI-SCOPS overall goals. The National Initiative will convene joint engagement with key stakeholders such as private companies, local and indigenous associations and CSO/NGO actors. It will also develop platforms at local, national, Asian and global level, including China and India.

Technical Assistance Provision

- Thus far, NI-SCOPS is embedded within the climate change priorities of the Malaysian government and aligned to the policies and targets formulated by the Government of Malaysia and MoUs for strategic partnerships have been signed with several producer organizations. There is a strong link with MSPO standards.

- A Climate Vulnerability Assessment (CVA) has been conducted to provide information for the intervention programmes and field implementation. Pilot sites for interventions have been finalized and confirmed. Smallholder plantation mapping will play an important role in forest conservation initiatives.
- In-house training materials pertaining to good agricultural practices have also been designed and prepared. Additionally, a sustainability assessment form also has been developed to monitor the sustainability performance of the smallholders. Meanwhile, the development of farmer field schools (FFS) in the respective districts have also been completed.
- In the selected landscapes (see map below), the National Initiative offers technical assistance to farming communities and workers, and supports policymakers and authorities with improving natural resource management and restoration efforts. The main work areas are: supporting state level governance; Supporting landscape level governance; Catalyzing business and investment; Implementing landscape-, farm-, and community-level interventions; Supporting market linkages (which includes building on existing partnerships with EPOA, Solvent Extractors Association of India and China Oil and Fats Industry Association).
- Going forward, NI-SCOPS program will contribute to a review of the MSPO, as well as increased transparency on its impacts, implementation and enforcement.

