



The Jurisdictional Approach in Indonesia

- an Example of implementation -

Programme Sustainable Supply Chains and Standards

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Creation of a **sustainable and deforestation-free sourcing region** by implementation of the **jurisdictional approach**

“The **jurisdictional approach** is a type of landscape approach that uses government administrative boundaries, primarily sub-national, to define the scope of action and involvement of stakeholders rather than social (e.g. indigenous community) or environmental (e.g. ecosystems, watershed) boundaries.” - GCP 2015



Source: Denier, L. et al (2015): The Little Sustainable Landscapes Book



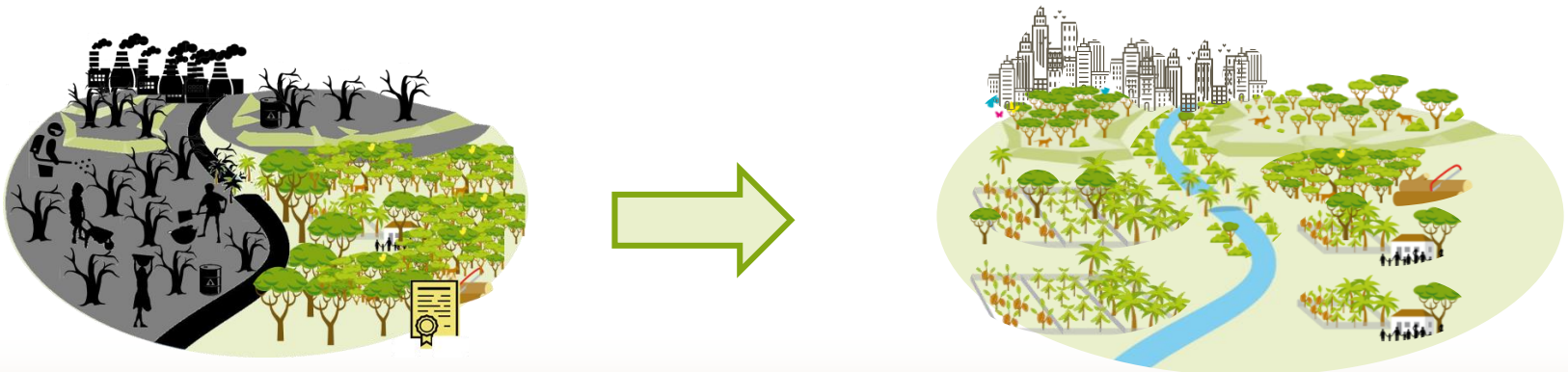
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From islands of sustainability to sustainable landscapes

Challenge: **Why not just certifying?**

- Separate individual production units (certified concessions) do not ensure an overall sustainable landscape
- Sustainability claims often cannot be transferred via the supply chain due to a incomplete or non existing chain of custody

→ „**Jurisdictional Approaches**“ & „**Deforestation Free Supply Chains**“
= multi-stakeholder and cross-commodity Partnerships ensure an overall sustainability within sourcing regions





1

Deforestation-free supply chains

Deforestation-free supply chains ensure that in a pre-defined area the sustainable production of agricultural commodities **does not negatively affect forests and other valuable ecosystems** neither in scale nor in quality.

Actors along global supply chains have created **enabling framework conditions** for sustainable and deforestation-free production, have established a reliable **traceability system** and can verify forest protection through an adequate **monitoring system**.



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Objectives of deforestation-free supply chains

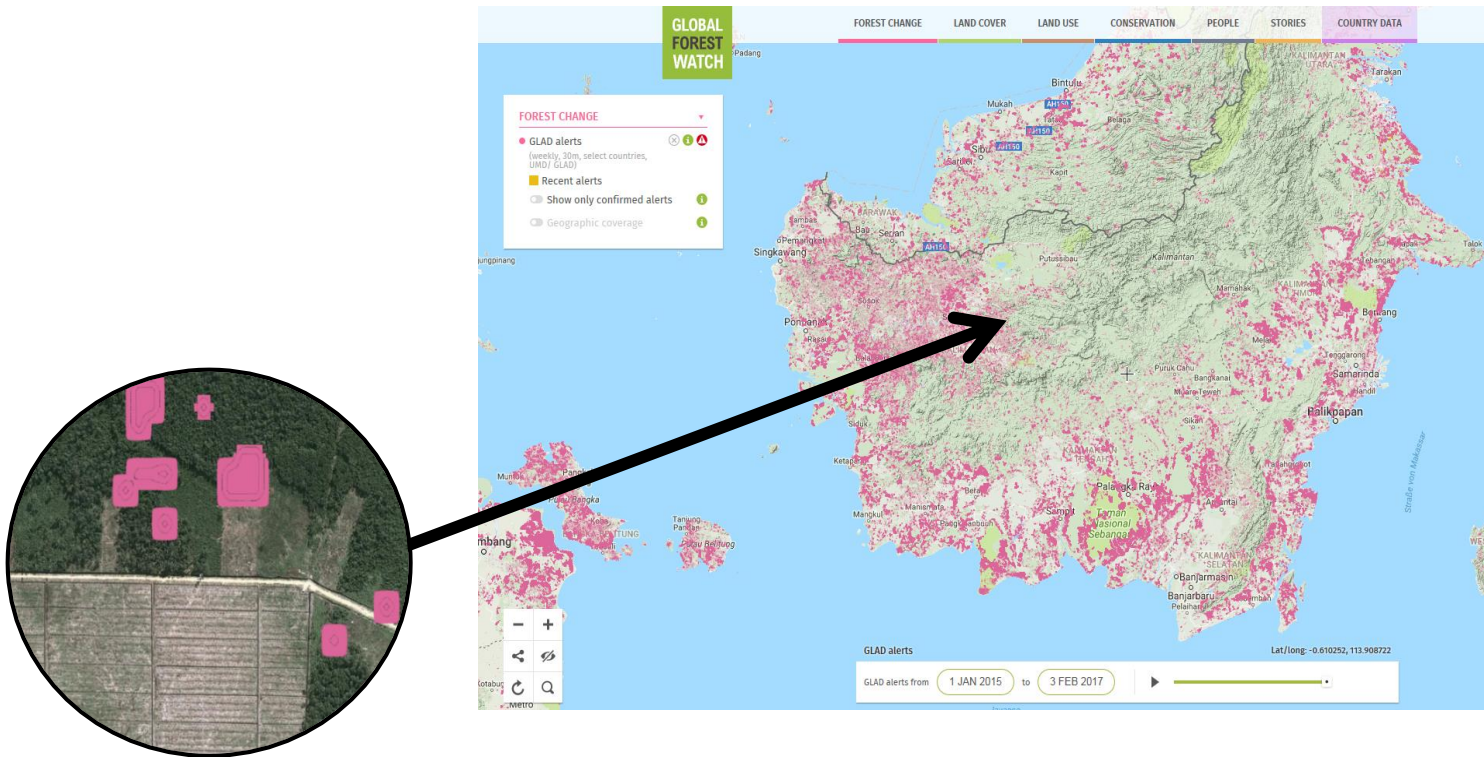
- Improvement of the **living conditions** of rural smallholders
- Implementation of an **jurisdictional approach** in order to minimise deforestation
- Identification of **sustainability risks** along the supply chain through i.e. implementation of the HCV concept
- Development of strategies how to address identified risks, i.e. appropriate **land-use planning**
- Set up **sustainable and traceable supply chains** between smallholders and companies in Germany
- Facilitate the further development of **voluntary standard systems**
- Utilize verifiable **monitoring systems** to report progress



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Monitoring systems

Satellite images provide valuable tools for **forest monitoring & land-use planning**

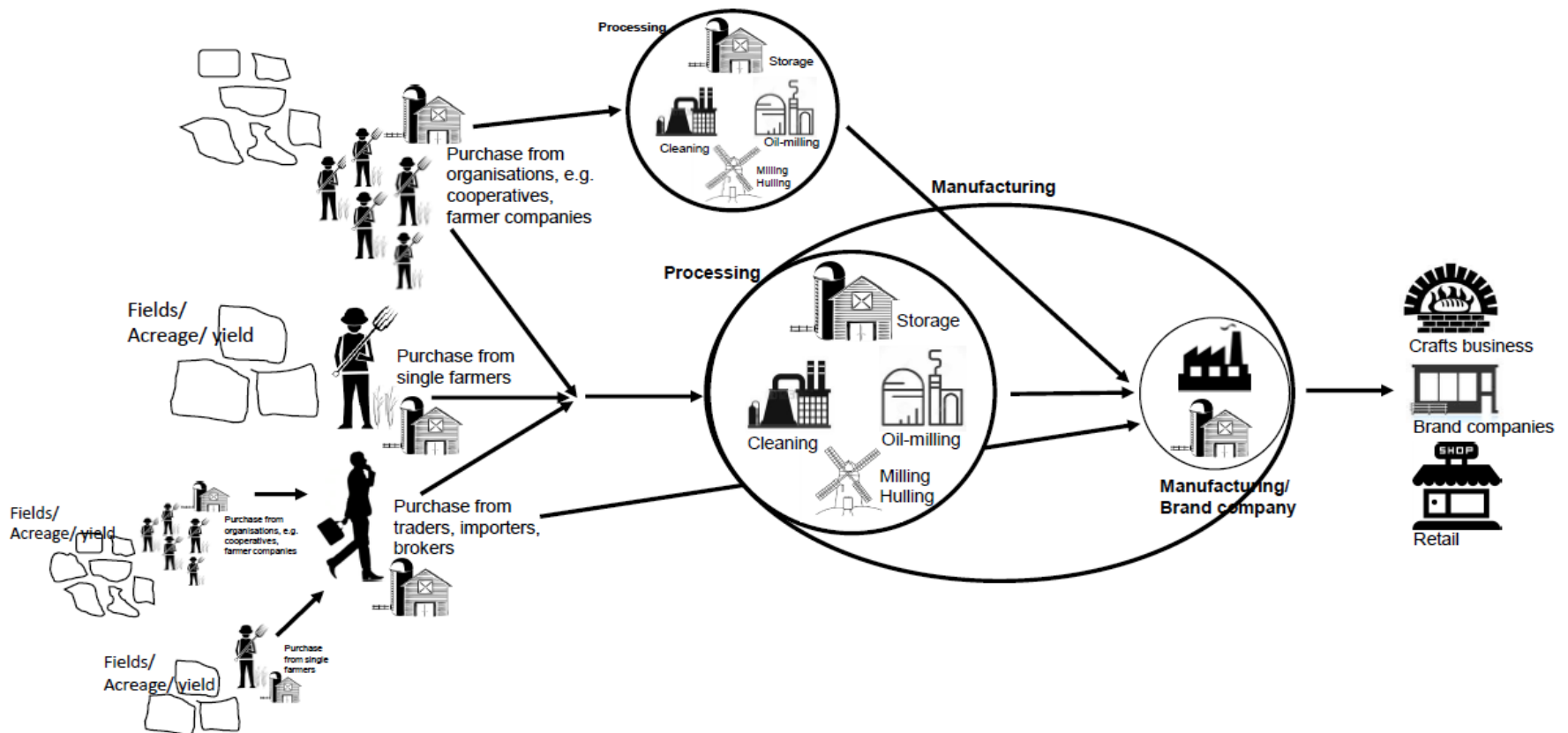




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Traceable supply chains

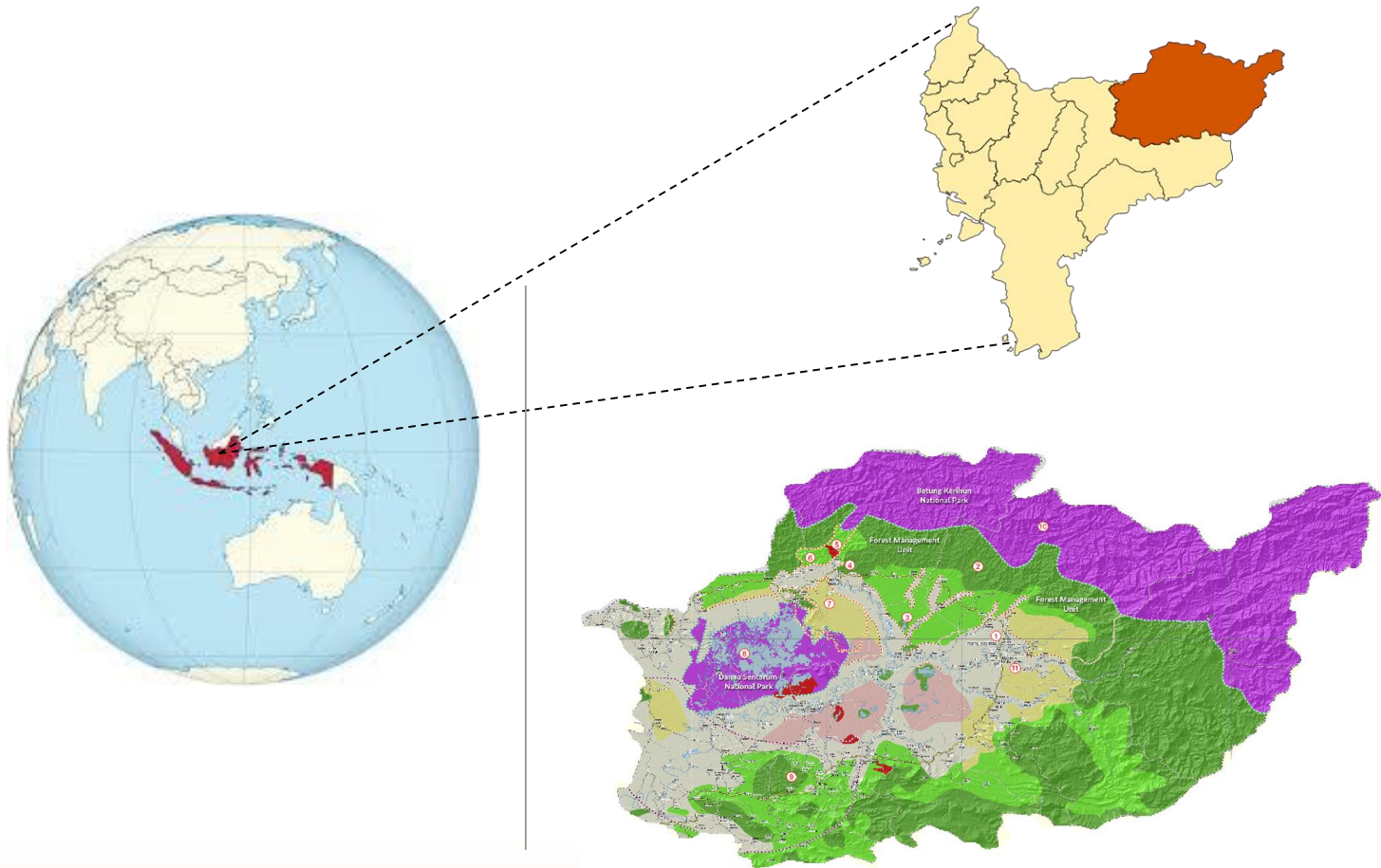
Linking the **production unit** (field/plantations) **directly** to the end-customer





2

The Initiative in Kapuas Hulu, West-Kalimantan, Indonesia





2

Pilot region Kapuas Hulu

- **Unique ecological resources in West-Kalimantan**
 - 3 Million ha
 - Extensive Forests
 - Two National Parks
 - Extensive Peatlands
 - Catchment of the Kapuas River
 - World Heritage Site
- Encouraging **political enthusiasm** of the local district government to create a **sustainably producing district**
- **Existing GIZ structures** already collaborating with Ministry of Lands and Forestry
- **Palm oil, rubber and subsistence agriculture** the main income for rural smallholders



2

The project in Kapuas Hulu (I)

- GIZ HQ works in **close cooperation** with the FORCLIME programme
 - Goal: Address deforestation
(from both, forestry and agricultural side)
- 2016: **MOU** between local government and GIZ
- 2017: Creation/registration of a **multi-stakeholder platform** (local government, civil society, and industry)
- As of 02/19: Establishment of a new bilateral Project „**Sustainable Supply Chains**“ until 2021




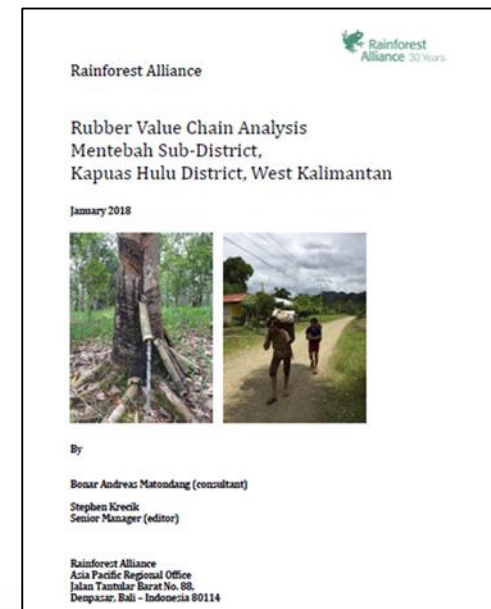
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3

Integration of several aspects into the DFS Initiative

- Launch of **development partnership** (EPW) with **Continental AG**: sustainable rubber-production and transparent supply chain **develoPPP.de**

- Identification of **sustainability risks** of smallholders rubber production against the SAN Standard (by **Rainforest Alliance**)
- Piloting the **HCV concept on jurisdictional scale** with the global network (HCVRN)
- Use close synergies with existing projects in IND and in the region





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The project in Kapuas Hulu (II) (Natural Rubber)

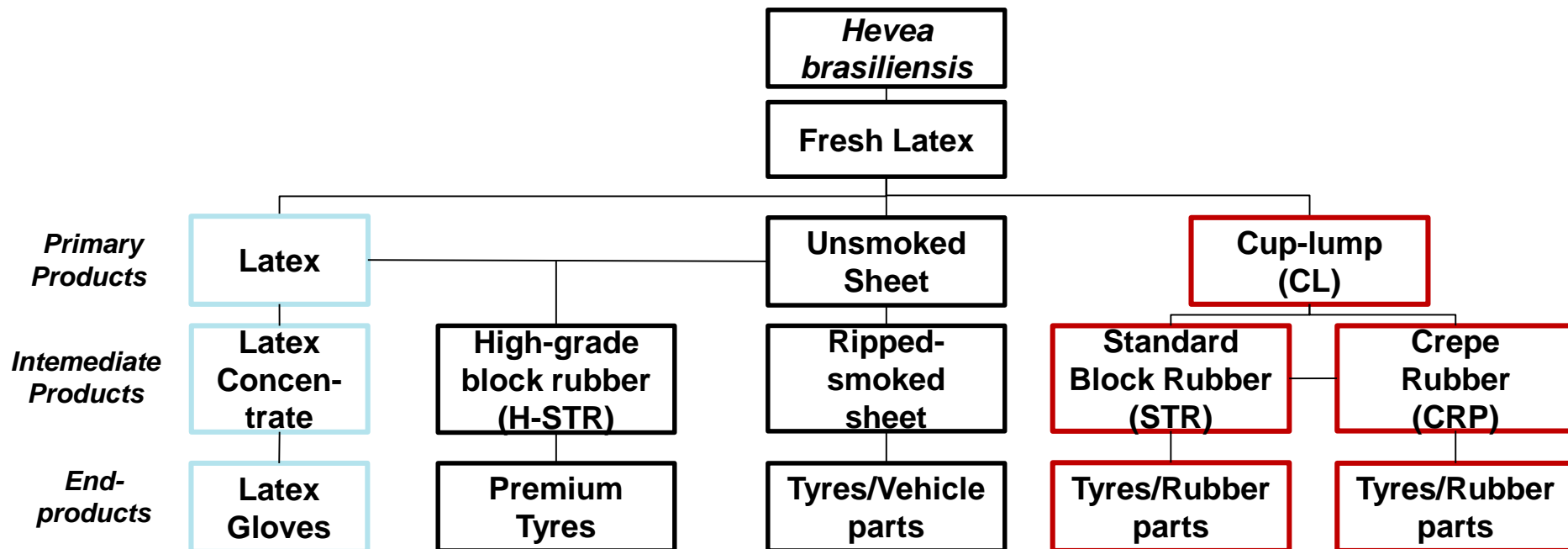
- „**Living Income**“ study: analysis of smallholders financial situation and suggestion of improvements
- Formal creation of **farmer organisations**
- Setting up of a **direct marketing system** (reducing middlemen)
- Production of appropriate training methodologies and materials for good agricultural practices (**training of trainers**) for farmers, extension agents and project staff
- Establishment of an **IT traceability system**



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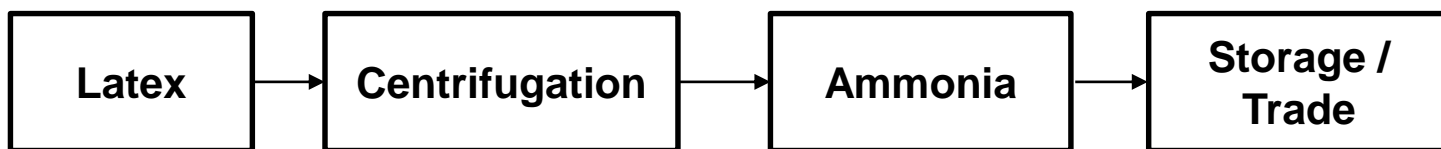


Comparison Rubber- and Latex Supply Chain





Difference Latex vs. Crumb rubber supply chain



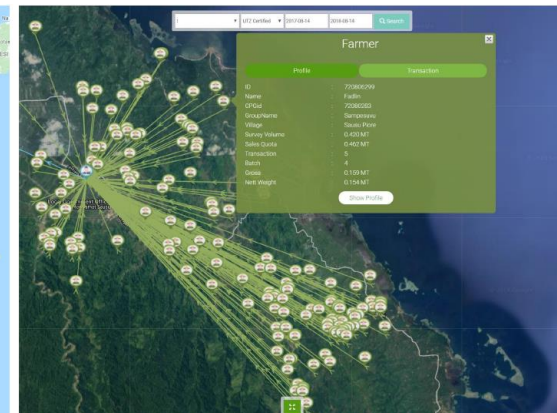
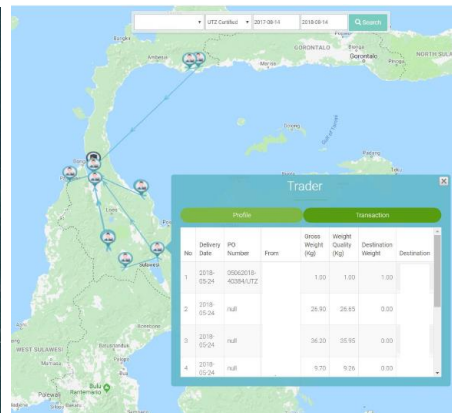
→ Challenge: High transport cost for latex from remote areas compared to cup lumps!



3

Use of the IT Traceability System

- Establish trained and formally registered **farmer groups** (so far 400 households)
 - Each farmer will receive an **ID Card** for continuous monitoring of training received, performance and production
- Supply Chain Management System:
 - **Traceability, conformity and compliance**





4

The way forward

- Intensifying setting up of **farmer groups** to create more impact
- Creating more **industry involvement & Cross-commodity approach**:
Combining the **rubber and palm oil sector**
- More coop. with **Standardsystems** such as **FSC/RSPO/RA** as well as **ISEAL**.
- Supporting further the local/provincial/national **government** to act
- Driving forward **HCV assessment** on jurisdictional scale
- **Sharing lessons learned on i.e. GPSNR** and intensifying general awareness about the approach



Still work to do ...

Thank you for your attention!

Andreas Brede

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