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## **NEWS RELEASE**

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### **BUMITAMA PARTNERS IN A REGION-WIDE SCHEME FOR PRODUCTION-PROTECTION-INCLUSION**

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Jakarta, 14 November 2019 – In an event held on 29 October 2019 the Bupati of Ketapang, Martin Rantan, Director of IDH – Sustainable Trade Initiative Indonesia, Fitriani Ardiansyah, Director of PT Bumitama Gunajaya Agro, Kamsen Saragih and representatives of other palm oil producing companies from Ketapang region came together to express their commitment in collaborating through a Memorandum of Understanding (MOU) for Production – Protection – Inclusion (PPI) Strategy for the Ketapang landscape. This PPI Compact (The Compact) builds on the Provincial government’s Green Growth plan that Bumitama also participates in (please refer to our [Article on this matter](#)), aims to improve the overall sustainability of the jurisdiction by working with its key stakeholders in achieving agreed targets in sustainable palm oil production, conservation of forests, peat and other natural resources, bolstering best management practices in smallholder plantations and encouraging development of local communities through alternative livelihoods that do not result in deforestation, fires and loss of biodiversity.

Below, we attach a news release from our partners from IDH – Sustainable Trade Initiative for more details on the event and the newly signed MOU establishing The Compact for Production – Protection – Inclusion.

For further information, please email:

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## Ketapang Pioneers the first Jurisdictional PPI Compact of West Kalimantan Landscape

News - 28 Oct 2019

On October 29, District of Ketapang in West Kalimantan Province, Indonesia, has signed an agreement with key stakeholders to promote sustainable production, forest protection and smallholders' inclusion. The Compact, designed by IDH in partnership with Government of Ketapang District, falls under West Kalimantan Landscape Production, Protection, Inclusion (PPI) strategy.

The Compact aims to protect 1 million hectares (ha) of forest cover including 90,000 ha High Conservation Value (HCV) and High Carbon Stock (HCS) areas in agriculture land. It also aims to restore up to 20,000 hectares (ha) of forest and peatland and improve sustainable palm oil production, as well as to increase oil palm independent smallholders' livelihoods across Ketapang by 2022 through jurisdictional landscape approach.



It also commits to preserving biodiversity such as Orangutan corridor within the High Conservation Value (HCV) area of several oil palm concessions, located near the buffer zone of Gunung Palung National Park, Gunung Tarak National Park and Sungai Putri forest ecosystem.

*“We need to be innovative in order to realize a good governance and green economic growth in for the District. The compact is one of our efforts to collaborate with all stakeholders in sustainably managing natural resource in Ketapang”*

Fitrian Ardiansyah, Executive Chairman of Yayasan Inisiatif Dagang Hijau (IDH), said:

*“The Compact signed by the Ketapang District, and key stakeholders such as palm oil producers and IDH, is an important step for sustainable development – not only in the West Kalimantan, Indonesia, but globally. This signing marks the beginning of a new era of sustainability: connecting national, especially the independent smallholders, and international markets to sustainably managed production areas. This is a new sustainable market mechanism that rewards regions that address environmental, social and economic sustainability in one approach that managed by a multi-stakeholder platform.”*

The jurisdictional landscape approach will improve the productivity of independent smallholders to manage their oil palm plantations sustainably, therefore accelerating economic development in the area without increasing the need for converting forests into plantation.

Kamsen Saragih, Director of PT Bumitama Gunajaya Agro, said:

*“Bumitama has been supporting the PPI Compact since 2016 and we are happy that it has been officialised today, when the different stakeholders came together and signed the memorandum of understanding (MoU) that promotes sustainable palm oil production. We believe that his framework has the potential to institute a trademark Ketapang responsibly-produced palm oil on the global markets and its positive will be felt by all, especially the rural communities who need sustainable growth.”*

On the protection side, the Compact aims to protect and restore forest and peatland conservation areas. And on the inclusion side, it aims to regulate the land rights of independent smallholders yet boost livelihood opportunities through increased sustainable practices and its production.

West Kalimantan province plays an important role in the production of palm oil in Indonesia, accounting for about 5.5% of the national crude palm oil (CPO) production. It also has a very important environmental protection component due to its remaining forest area, of which 33% is conserved.

The Compact is therefore a crucial step in helping the district meets its economic, conservation and social goals. After the signing of The Compact, the parties will encourage more stakeholders to join and later agreeing to form action plan, its monitoring system and a multi-stakeholder platform, which will become the governance body of Ketapang PPI Compact.

The initiative will also contribute to Indonesia’s national goals, declared by the UN under the Paris Agreement, which stress its nationally determined contributions (NDCs) to reduce emissions by 29% in 2030. In addition, it will support the Government’s National Action Plan on Sustainable Palm Oil, the country’s set of action plan to strengthen the sustainable palm oil certification standard and capacity building of independent smallholders.

## **A closer look at the Compact goals**

### **Production**

- **Increase smallholders sustainable CPO production up to 30% by 2022**
- **Increase the regional income from plantation**  
**Secure the sustainable palm oil supply chain from independent smallholders in the area**
- **Provide incentive mechanism and access to market for growers to support sustainable palm oil production**
- **Improve labour condition**

### **Protection**

- **Reduce the deforestation rate up to 50% by 2022**
- **Decrease the risk of forest and peatland fires up to 50% by 2022**
- **Restore peatland area**

### **Inclusion**

- **Support Indonesia Sustainable Palm Oil (ISPO) certification program for independent smallholders**
- **Increase independent smallholders' land legality up to 50% by 2022**