

Biodiversity and Agricultural Commodities Program (BACP)

Notice of anticipated award of grant

Disclosure of the project information summary for 10 business days before final approval

9 February 2009 – February 23 2009

Project Name: Pilot Study to undertake palm-oil cultivation according to RSPO-guidelines on fallow land, in the context of relocating palm-oil concessions threatening the last remaining high biodiversity coastal peat swamp rainforests of Aceh

Proponents: PanEco Foundation (Lead Partner) with the Yayasan Ekosistem Lestari (YEL), Government of the Nagan Raya District in the Province of Aceh, P.T. Socfin Indonesia, The World Agroforestry Centre (ICRAF), University Syiah Kuala at Banda Aceh (Unsyiah), the Leuser International Foundation (LIF) and Orangutan Conservation Services Program (OCSP).

Location: Indonesia: Tripa, Nagan Raya district, Province of Aceh

Project period: February 2009 to January 2011.

Project budget:

Total Project Budget: USD \$1,008,900; BACP Grant Requested: USD \$176,500.00; Total Co-Financing: USD \$832,400

Project summary:

The project aims to promote small holders and palm-oil estates to develop palm-oil plantations on fallow land on mineral soil or "degraded land" as an alternative to clearing forest for new plantings. The project also aims to close existing palm oil concession on peat land. As such, the project addresses BACP Component 2: Support of better production through a) Prevention of expansion into natural habitat by finding acceptable alternatives for palm-oil producers; and b) Helping small holders implement Better Management Practices (BMPs).

To achieve its outcome, the project has four specific objectives:

1. To demonstrate that it is possible to re-habilitate degraded land on mineral soil into palm-oil plantations and to assess the exact socio-economic, legal and political implications of rehabilitation of this degraded land.
2. To create local economic opportunities for small holders and empower them through technical assistance and training, social organization, and political access.
3. To propose an alternative to conversion of High Conservation Value Forest (HCVF) for the development of palm oil plantations. Through a demonstration project in and around the peat lands of Tripa, demonstrate the feasibility of saving HCVF while supporting economic development of the palm oil industry.
4. To raise general public awareness of the Roundtable on Sustainable Palm Oil (RSPO) and to generate additional support for reducing the expansion of palm-oil industry in HCVF.