

Project Proposal

1. General information

General project information			
Applicant organisation	Fedepalma		
Project title	APSColombia - Colombian Sustainable Palm Oil Landscape North Zone – Magdalena and Cesar		
Country & project area	Colombia, 6 Municipalities in Magdalena and Cesar encompassing 11 NúcleosPalmeros. <i>Magdalena: Zona Bananera, Aracataca and Ciénaga and Cesar: Codazzi, El Paso and El Copey</i>		
Agricultural or forest commodities	Palm Oil		
Project partner(s)	Fedepalma and Cenipalma. Key allies: Palm Oil mills, oil palm producers, local governments and environmental authorities and NGOs in the project area.		
Proposed starting date	01/09/2020 ¹	Proposed ending date	31/12/2021
Total Project budget	1.085.664 EUR		
Contribution Private Sector	716.594 EUR (67%), 40% in cash and 60% in-kind.		
Contribution Financial Institutions	-		
Contribution Public Sector	-		
Contribution requested from IDH	369.070 EUR (33%)		
Project summary	<p>Fedepalma, Cenipalma and IDH will drive the adoption of the APSColombia Protocol as means for deployment of the sector's green-growth strategy and demonstration of a new business model based on positive differentiation and value generation along the supply chain which supports and enhances the objectives and construction of the PPI COMPACTS in the Magdalena and Cesar Palm Oil jurisdictions.</p> <p>In an area of 148,152 ha in total (53.727 ha in Magdalena - zona Bananera, Aracataca and Ciénaga- and 94.426 ha in Cesar - Codazzi, El Paso and El Copey-), the project enables multi-stakeholder dialogue and convening within the PO value chain with local small, medium and large agribusinesses, supporting them to adopt tailor made agroecologic & social practices and technologies, coupled to differentiation marketing and trade strategies that generate greater economic and</p>		

¹ Contract begin as soon as it can be signed as per legal procedures. Preparation activities as per January 2020 are recognizable within the project scope.

reputational value. *The project will strengthen the extension services (TA systems) in 11 Palm Oil Núcleos Palmeros, including 1,642 Producers (82% smallholders); 11 Mills, 28 experts, 3 suppliers, 200 PO industries (Refineries, processors etc.) and traders and uptake by PO global commercial players.*

Palm Oil is the main agricultural product in Magdalena (50% of Agri-GDP) and Cesar (90% of Agri-GDP) and serves as regional stabilization sector. APSColombia responds to the local need to align on sustainability and good practice indicators to build capacity at sector, regional, NucleosPalmero and farm level to address the converging climate crisis, hydric imbalance, biodiversity loss, forest degradation and poverty in rural ecosystems through new collaboration and trade mechanisms that respond to the growing demand for agriproducts that are healthy, environmentally sound and socially equitable. The model will generate specific KPIs as per the interventions plans agreed with the relevant stakeholders and will be systematized for replication across regions and sectors.

A GAME CHANGER PROJECT



1. Origin **Self Regulation** Framework (APSColombia Protocol, Index, governance)
2. Design **Núcleo Palmeros' Improvement Plans** (Extension Services: TA, training, transfer & adoption etc.)
3. Establishing **Market Strategy** for sustainable business (Differentiation marketing, origin recognition & market access)
4. Service **delivery systems** (virtual portal, policy building, capacity building)

2. Project applicant, implementer and other partners

Project Applicant Details & Contact Persons	
Full name of organization	Fedepalma – Colombian Oil Palm Growers Federation
Legal form of entity	Non-for-profit organization
Full name & position legal representative	Jens Mesa Dishington, Executive President
Address of the organization	Calle 98 No. 70 - 91, Floor 14-15, Bogotá, Colombia.
Name/data of contact person	Ximena Mahecha , Sustainable Palm Oil Program Director / jmahecha@fedepalma.org , Mob. +57 318 8030233
Financial contact person responsible for reporting to IDH	Freddy Olaya, CFO
Financial auditor of the Applicant and contact details	Crowe Co. (Auditing - https://www.crowe.com/co)
Main role and responsibilities in the project	Fedepalma is the lead implementation partner, contributing with institutional capacity for regional implementation, technology transfer and steering sector sustainability investments, also providing the framework for public and private funding leverage.
Experience in similar projects and please describe how that experience relates to this proposed project	<p>Since 1963, Fedepalma has developed projects for promotion and development of the Palm Oil Sector in the Colombian regions.</p> <p>Sustainable production practices have been developed and applied in the Palm Oil zones through projects like:</p> <ul style="list-style-type: none"> • Biodiverse Palm Oil Landscapes: A set of sustainable agribusiness practices to close environmental gaps focused on the particularities of the Colombian context, in collaboration with BID, WWF and GEF (36 Mio EUR). • Establishment of an institutional model at regional level to support Colombian Palm Oil Agroindustry: Project co-funded by BANCOLDEX (Colombian development bank) aiming to strength capacities of Fedepalma and its associates to formulate and develop projects focused on increasing productivity and sustainability. • Palma Futuro: Implementation of good labour practices pilots in Colombia and Ecuador aiming at raising compliance with agroindustrial labour standards required by the Free Trade Agreements. Partners are Partners of The Americas (POA), Sustainable Accountability International, J.E. Austin and USDOL. (6 Mio. USD) <p>More under www.fedepalma.org and Annex 2.</p>
List the name and position of staff assigned to this project	<ul style="list-style-type: none"> • Ximena Mahecha, Sustainable Palm Oil Program Dir. • Andres Garcia, Sectoral Planning and Sustainable Development Director • Juan Fernando Lezaca, Institutional Affairs Director • Maria Rueda, Social Leader • Patricia Diaz, Palm Oil Sector Delegate for North Zone • Juan Carlos Espinosa, Environmental Leader

Project Partner 1	
Full name of organization	CENIPALMA – Colombian Palm Oil Research Corporation
Legal form of entity	Non-for-profit organization
Full name & position legal representative	Alexandre P. Cooman, General Director.
Address of the organization	Calle 98 No. 70 - 91, Floor 14-15, Bogotá, Colombia.
Name/data of contact person	Elzbieta Bochno, General Secretary, ebochno@cenipalma.org
Main role and responsibilities in the project	Cenipalma is the implementation / scientific partner, contributing with knowledge generation, technology transfer and technical assistance.
Experience in similar projects and please describe how that experience relates to this proposed project	<p>Cenipalma is the knowledge partner in all Fedepalma projects. Key current technological projects for this proposal are updated best practice guidelines for:</p> <ul style="list-style-type: none"> • Water management technology in Oil Palm crops. • Best nutrition and harvesting practices in Oil Palm crops. • Best health and plague control practices in Oil Palm crops. • Agribusiness management for small, medium and large Palm Oil producers. <p>Concrete project sample:</p> <ul style="list-style-type: none"> • Biomass Valorisation: Long-term science and innovation collaboration between Colombia and The Netherlands with focus on developing innovative solutions for sugar cane and oil palm by-product management. 201X and 2017, with Cenipalma, Cenicaña, Wageningen Food and Biobased Research (WUR) and private Colombian organizations. • Smart Climate PO: Technical Support for Strengthening the Adoption of Sustainable and Smart Climate Practices in Palm Oil Production in Colombia in collaboration with WWF. <p>More under: www.cenipalma.org and Annex 2</p>
List the name and position of staff assigned to this project	<ul style="list-style-type: none"> • Alcibiades Hinestroza, Head of Promotion and Technical Assistance • Carolina Obando, Responsible for Sustainability Practices Strategy • 28 technicians from Cenipalma assigned to extension services and research to support technology transfer and field implementation in the project / sourcing area.

3. Project description and work plan

3.1 Project area context

Map



Production and protection land targeted by project

Size of area (ha)		Land-use/land cover	Legal status	What part of the area is directly targeted by the project?	Other relevant information
TOTAL Project Area	148,152 Ha in total	Permanent Oil palm croplands, 86% smallholders.	No legal licence required as per Colombian law	148,152 ha	1,642 Producers organized in 11 NúcleosPalmeros
	1.043.254 Ha in total	Protected areas	State conservation unit	1.043.254 Ha in total	Commitment to zero deforestation
CESAR	94.426 Ha in Cesar	Permanent Oil palm croplands	No legal licence required as per Colombian law	94.426 ha	765 Producers organized in 5 NúcleosPalmeros
	312.806 Ha Cesar	Protected areas	State conservation unit	312.806 Ha in total	Commitment to zero deforestation
MAGDALENA	53.727 Ha in Magdalena	Permanent Oil palm croplands	No legal licence required as per Colombian law	53.727 ha	877 Producers organized in 6 NúcleosPalmeros
	730.448 Ha Magdalena	Protected areas	State conservation unit	730.448 Ha in total	Commitment to zero deforestation

ANNEX 3. DETAILED SCOPE INFORMATION OF SELECTED AREAS - North Zone / Magdalena and Cesar

CRITERIA	Magdalena	Cesar (North)	Total Phase 1 NZ
Municipalities	3	3	6
	Zona Bananera, Aracataca, Ciénaga	Codazzi, El Paso, El Copey	
PO Cluster (One CPO extraction mill per cluster)	6	5	11
Hectares in Palm	53.727	94.426	148.153
Potential Ha. in Palm	656.363	810.723	1.467.086
TON CPO/year (2017)	206.325	149.820	356.145
Protected areas Ha. in the region	730.448	312.806	1.043.254
Potential Protected areas Ha. in the region	380.729	81.575	462.304
PO Mills (Anchor companies)	6	5	11
PO Refineries and other processors	14	23	37
PO Producers (Smallholders, medium and large growers)	877	765	1.642
Direct jobs	N/A	N/A	N/A
Extension technicians / officers	16	12	28
Departmental Population (# people)	1.298.562	532.819	1.831.381

Importance of project area in wider landscape

The work carried out in 2019 by IDH from *AgroColombia Sostenible y Productiva* as well as by Fedepalma/ Cenipalma with the Strategy for a Sustainable Palm Oil with a clear differentiation for Colombia as an origin, came together in several agreements like the public-private commitment towards ‘Zero Deforestation in the Colombian PO Sector’ and the Fedepalma-IDH MoU to define the landscape approach in selected territories.

Palm Oil production in Colombian is organized around *NúcleosPalmeros* in 4 Zones (North, Central, South-West, East). The NúcleosPalmeros are local consolidated multi-stakeholder strategic alliances, bringing together producers, processors and public & civil support organizations around one Palm Oil extraction mill that works as anchor company. The selected NúcleosPalmeros have operating governance structures in place, ensuring participation and inclusion at local level, as well as long-running contact and collaboration with key local stakeholders, including local and regional governments, NGOs, environmental authorities and community leaders. Fedepalma has a coordinating and convening role while Cenipalma supplies tailor-made extension services through interdisciplinary teams with the capacity to provide technical assistance, training, knowledge and technology transfer, social accompaniment etc.

The project area is located in the North Zone, encompassing **11 selected NúcleosPalmeros in Magdalena and Cesar** that account for a large share of the PO supply in Colombia (38% of the crude Palm Oil (CPO) national production).

- **Magdalena:** 6 NúcleosPalmeros account for the production of 206,325 tons CPO in 2017, representing 52% of total North Zone production and 50% of regional agricultural GDP (2016). They generate 18.000 jobs and are linked to 3 Municipalities: Zona Bananera, Aracataca and Ciénaga.

- **Cesar (north):** 150,000 hectares are grown in 5 NúcleosPalmeros with 5 millers and a biofuel plant in vertical integration. Palm Oil production accounts for 92% regional agricultural GDP (2018). It covers 3 municipalities in the north of the department: Codazzi, El Paso and El Copey.

These **11 NúcleosPalmeros were selected** because of their capacity to ensure the inclusion of a representative number of producers, processing companies and governmental players, that can support the development of the sustainability strategy at regional level.

Key selection criteria and rational:

- **Feasible collaboration:** Acceptance and interest in the strategy implementation by the local stakeholders, securing commitment and participation in the design, piloting, monitoring and learning activities, as well a higher success rate for convening and partnerships.
- **Landscape identity:** The 11 NúcleosPalmeros have similar geographic, agronomic and cultural conditions, which increases the options for successful business collaboration and coordination as sourcing area.
- **Identified common challenges and opportunities:** The NúcleosPalmeros accept and understand that to solve their social (rural poverty), environmental (water balance and biodiversity loss) and trade (reputational attacks) challenges, there is no other way but working together.
- **Strong implementers:** The NúcleosPalmeros have consolidated collaborative, participative, administrative and technical structures, including good collaboration with Fedepalma and Cenipalma, securing effective implementation of the project as replicable business model.
- **Relevant commercial players:** several participant companies are committed to the project, securing back-up for local implementation as well as a build-in replicability strategy, as they are present in other

regions and will automatically share lessons learned and successful models there.

- **Public support and commitment:** Relevant local and regional governments are aware and supportive of the project, being willing to align relevant policies for strategy development.
- **Investment capacity:** Basic investment capacity to co-finance local implementation from local players and Fedepalma.
- **Model zone:** Diverse productive conditions that allow comparison and consideration of relevant sustainability features that are important for the Palm Oil growing Zones in Colombia.

Link between Deforestation and the Palm Oil Sector

The development and growth of Palm Oil plantations in Colombia cannot be compared to the schemes followed in other PO producing countries. The characteristics of soil and altitude in addition to the legal agricultural boundaries (over 40 million hectares in total, of which 5 million are highly suitable for palm oil) demonstrate that oil palm cultivation in Colombia has not been associated with deforestation of natural forests, as concluded by various studies and the deforestation baseline prepared by official sources (IDEAM²) that were recently disclosed in the framework of the *Zero Deforestation Agreement* for the oil palm value chain:

Palm Oil crops are located in low altitudes, while Colombian main natural forests are located in higher altitudes, in consequence:

- Palm Oil doesn't need to destroy forest to establish crops.
- Deforestation in higher altitudes caused by other sectors (dairy, coffee, cacao, etc.) or by the pressure of illegal crops.

- This is the largest threat to Palm Oil communities and production, since it reduces the hydric balance resulting in social conflicts associated to access to water for rural population and irrigation.
- *An organized and strong Palm Oil sector serves as social and economic stabilization factor that contributes to prevent and reduce pressure on tropical natural forests.*

Despite an advanced environmental legal framework and the zero-deforestation agreement, *Colombia does face a serious threat of deforestation*, primarily associated with illegal actors seeking to monopolize and illegally exploit protected territories. Agribusiness chains are not immune to this risk, since these actors often seek to hide their illegal actions by planting crops like rubber, coffee, cocoa, palm oil, and cattle ranching.

Therefore, supply chains must be shielded by establishing mechanisms and protocols that guarantee that products come from a sustainable origin.

For the Colombian palm sector, the consolidation of sustainable supply chains implies strengthening the model of the NúcleosPalmeros in order to ensure that they can fulfil the Zero deforestation commitment and further environmental plans. Anchor companies (extraction mills) need to know in detail the geographical location of their suppliers, analyse the history of land use on their farms, monitor their practices and manage information systems that allow traceability of the fruit and oil.

For this, Fedepalma and Cenipalma have been developing different strategies, such as the **APSColombia protocol** within the PO Sustainability Strategy.

² IDEAM – Colombian Government Agency – Institute of hydrology, meteorology and environmental studies.

3.2 Description of the main issues

The Colombian palm oil sector faces environmental, social and economic challenges emerging from the global climate crisis, demographic changes and technological transformation, which also apply at regional level. Finding appropriate solutions will be determinant for the short, middle and long-term development and feasibility of the Palm Oil segment in the country in general and in Magdalena and Cesar in particular. Associated Palm Oil farmers and producers in these regions identified their need to define and adopt a coherent governance, production and marketing strategy that builds long-term capacity to improve quality, productivity and income generation across the value chain. The main issues behind this insight can also be seen as development opportunities for the sector, as presented in the following analysis:

a. Responsible supply chains through Self-regulation and governance for sustainability: Competing as bulk commodity in a price and volume driven market reduces revenues for producers and industries, affects profitability of the agribusinesses and restricts access to market. Moreover, the trend is clear towards increasing sustainability & quality compliance requirements for producers. The large-scale campaigns against Palm Oil production and consumption based on public attention and concern to deforestation and human rights violations, particularly in Asia, have as consequence growing barriers for market access through stronger regulation and scrutiny, like the EU resolution to ban palm oil for biodiesel by 2030. These campaigns and policies affect trust in all producer countries. If the farmers, specially the 83% small and medium holders, are not able to demonstrate their good practices across the supply chain, they will be hindered to access and gain good market conditions, with potential export market loss of over 60%.

In the search for green growth, accountability and fair and legal trade of commodities, the adoption of voluntary and binding regulations for products & businesses is increasing around the world, **as base to ensure good governance and stewardship within the sectors and supply chains.** The Colombian Palm Oil sector needs to define specific norms and standards for its production and trade that are applicable and suitable for the different production zones. The sector in Magdalena and Cesar expressed commitment to work in this direction and has isolated improvement initiatives, but still lacks comprehensive stakeholder official coalitions and framework agreements to support it. The systems to track and trace progress on adoption and compliance with good practices are still weak, affecting decision-making processes, planning and transparency at sector and at business level.

b. Agricultural transformation gaps for consolidation of sustainable production, ecosystem protection and inclusion in Oil Palm NúcleosPalmeros and producing areas: Large scale industrial agriculture accounts for 1/3 of climate change GHG emissions. At the same time, sustainable managed perennial agricultural systems restore degraded soils & ecosystems, are excellent CO2 sinks and activate rural economies. Oil Palm is the most efficient vegetable oil crop, being 8-10 times more productive per hectare of land than the alternatives. In the project area of Magdalena and Cesar, Palm Oil is the first agricultural product, directly securing livelihoods to **1,642 farmers** with **148,153 hectares** in palm crops located in **6 municipalities**, but only around 28% are certified as sustainable.

Main issues affecting the productive ecosystems that support sector development and growth in Magdalena and Cesar are **water imbalance, with alternating scarcity and floods every year and**

biodiversity loss, generating up to 30% lost yields per year. Rural poverty and weak social structures also reduce competitiveness with reduced security, quality labour and mobility.

Colombia has shown progress in research and development of techniques and technologies to improve productivity, quality, disease management and environmental performance in Palm Oil production and processing, including ground breaking technologies for biodiversity and water management in Palm Oil Landscapes which have also been tested by pioneer producers in Magdalena and Cesar with the support of Cenipalma and Fedepalma. However, the adoption level remains low as the farmers and mills in the NúcleosPalmeros need training, technical support and funding to upgrade and transform their production from a traditional extractive system to productive, protective and inclusive agribusinesses. To scale up Good Agricultural Practices (GAP) adoption, the Palm Oil producers in the project area (86% smallholder farmers) require knowledge, support and technology to secure the transition towards modern agriculture that fits local conditions.

To achieve this goal, **coordinated and well-structured improvement plans around the APSColombia sustainability protocol are needed**, ensuring effectiveness, feasibility of adoption in the long term by upgrading and raising capacity of the existing extension services in the NúcleosPalmeros.

- c. Product & Origin differentiation and positioning:** The competition as bulk commodity in a price and volume driven market reduces revenues for producers and industries and affects profitability of the agribusinesses from Magdalena and Cesar, which have higher cost than Asian competitors, due to superior social and environmental

practices they apply. But the communication and marketing strategies at sector and business levels in the region are still not aligned and equipped to position, promote and defend the origin as an articulated value chain and sourcing area initiative. Colombian Palm Oil and its co-products could stand-out and create added value across the value chain, highlighting unique trajectory and progress in implementation of ecological and social practices with positive impact for people and planet. For example, Palm oil sector generate over 90% formal employment and have agreements in place to protect high-lands forests as watershed and biodiversity conservation measure.

Up taker companies need to increase procurement of sustainable palm oil to reach their sustainability commitments. They are interested in identifying and establishing trade relations with transparent and verifiable sustainable origins, also beyond certification models.

- d. Capacity building and institutional service development for sustainability:** The Colombian Palm Oil institutions organized around Fedepalma and Cenipalma have limited resources to respond to stakeholder expectations, training, capacity building and convening needs as well as political pressure through multiple interests. The sector still lacks efficient and cost-effective communication and learning service delivery systems for the benefit of the sector stakeholders. These could be implemented through information and communication technologies applied to decentralized and efficient services, tailor-made to the needs and requirements of the different groups and regions. Magdalena and Cesar require collaborative information and learning platforms for the sourcing area that can be deployed and customized to each NúcleoPalmero.

3.3 Objectives

Long-term Impact Summary

- Contributing to global nutrition, green growth and deforestation-free agriculture with an estimated potential supply of 3,6 Million TON crude Palm Oil per year at national level that is recognized as sustainable, as per suitable area for Palm Oil production in the long-term. The annual produce in 2019 in Magdalena and Cesar was around **310.000 TON CPO valued in 192 million USD**.
- **1,679 stronger agri-businesses (farmers and mills) with improved Palm Oil quality, productivity and environmental management**, estimating a potential improvement on ecosystem health in the palm zones by 60% and increased farmer income by 20 to 30% within 5 years.
- **Stronger value chains for Sustainable Palm Oil** -cleaner, transparent, traceable and verifiable-, generating trust and good trade conditions in Colombia and around the world, with around 50% for export, of which over 60% goes to Europe.
- **Stronger collaboration, governance and policies**, through an international partnership for Sustainable Palm Oil aligned to the global development and climate action agendas.
- Enabling competitive **production, supply and consumption of Sustainable Palm Oil from the Magdalena and Cesar jurisdictions, differentiated by:**
 1. Adopting cleaner, transparent, traceable and verifiable production and processing practices.
 2. Setting viable economic options for farmers and agribusinesses.
 3. Generating high environmental and social impacts optimizing the cost-benefit ratio.
 4. Influencing policies contributing to increase sustainability of Palm Oil production and improved management of natural resources.

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This is a **purpose** driven project aiming at implementing and adopting of the APSColombia Protocol for production, protection and inclusion in the Magdalena-Cesar Palm Oil sourcing area, as means for field adoption of the Palm Oil sector green growth strategy, serving as demonstration case of a new business model based on positive differentiation and value generation along the supply chain that contributes to better rural livelihoods, food security and business performance. The Palm Oil Sector exercises its leadership to attract further sectors and expand to other regions.

The **general objective** is to implement the APSColombia Strategy in 11 NúcleosPalmeros in Magdalena and Cesar with the Protocol as regional agreement on sustainable Palm Oil production coupled to effective adoption mechanisms and connection to sustainable markets, ensuring sustainability, value creation and inclusion across the supply chain.

The project has 4 **specific objectives** to effectively address the regional challenges by setting the institutional, business and productive conditions within 2 years, based on the preparation work already in implementation by Fedepalma, Cenipalma, the NúcleosPalmeros and IDH.

APSColombia Result Chain

Focus	Challenges / Issues	Specific Objective / Expected Result	Strategies
Engagement & Governance	The region lacks effective self-regulation and governance structures to drive sustainability in the Palm Oil Sector.	1. Establish Self-regulation for Sustainable Origin: The Colombian Palm Oil sector adapts and adopts APSColombia as its own verifiable regulation framework for sustainability & responsibility in 11 representative NúcleosPalmeros in Magdalena and Cesar in one year.	Self-regulation for Sustainable Origin 1. APSColombia Palm Oil Self-regulation scheme 2. Governance & Rules of Engagement 3. M&E - Trace, Track & Trust
Water & Biodiversity	The region needs to identify the agricultural gaps and baseline for consolidation of sustainable production, ecosystem protection and inclusion in Oil Palm NúcleosPalmeros and producing areas.	2. Roadmap for Sustainable Palm Oil Landscapes: Due diligence and roadmap with KPIs to foster Sustainable Palm Oil supply chains and healthy ecosystems in the Palm Oil sourcing area of Magdalena and north Cesar established in 2 years.	Sustainable Palm Oil Landscapes 1. Sustainability Index assessment 2. Extension Service Plan (including TA and training and complete set of KPIs) 3. Water and biodiversity Management improvement plans in Palm Oil Landscapes
Market Access	Low farmer incomes enhanced by poor Product & Origin differentiation and positioning.	3. Develop Sustainable Business Models: Marketing and Communication strategic guidelines to support the APSColombia sustainability claim, market entry and uptake rate of Sustainable Palm Oil defined in 1,5 years.	Sustainable Business 1. Differentiation Marketing 2. Market access strategy
Institutional Capacity	Limited capacity and institutional service delivery in the regions.	4. Enhancing Service Delivery Systems: Stronger learning and collaboration systems are designed to support effective implementation in the Palm Oil Sourcing Area of Magdalena and Cesar in 1,5 years.	Service Delivery Systems 1. Colombian APSColombia.co Portal 2. Policy building platform 3. PalmAcademy ³

³ Temporary given name, currently under definitions and development.

3.4 Concept or approach

Alignment to IDH Programs

PPI Impact by the project:

- Production: Higher sustainability standards for PO production in the Magdalena and Cesar jurisdictions.
- Protection: Good management of productive ecosystems and natural resources associated to Palm Oil (specially water and biodiversity); reduced and prevented pressure over protected areas and raised capacity to application of voluntary and legal environmental regulations, including agreements for zero-deforestation in the Colombian Palm Oil sector.
- Inclusion: Plans and service systems that benefit all PO producers in the clusters, with more than 86% smallholders.

The project objectives and strategies are aligned with IDH’s Landscape purposes and program results to contribute to systemic change in Palm Oil:

1. **Change in Business Practices:** Introduces sustainable practices in the Palm Oil Sector as part of a new business model for Colombian produce, influencing policy through key agricultural platforms like *AgroColombia Productiva y Sostenible, SAC, Comité Intergremial (among others)*.
2. **Improved sector landscape governance:** Develop and enhances participative, decision making and transparency structures and processes in the Palm Oil Sector at local and national level.
3. **Improved field sustainability:** Defines long term improvement plans and service delivery systems to adopt and improve palm oil sustainability in the field.

For more information, see annex 1

This initiative has a demonstrative piloting character, aiming to learn about the effects of integrated agribusiness management in rural territories. Taking Palm Oil as leading product can contribute to attract participation of further agricultural products and stakeholders in the PPI *Compacts of Magdalena and Cesar* managed by IDH, increasing the potential to consolidate long-term rural development plans that may lead to the constitution of *Verified Sourcing Areas*.

The project is embedded in the official green growth plan of the Colombian Palm Oil sector: *The Sustainability Strategy for the Colombian Palm Oil Sector*. This is a holistic, long-term and innovative initiative to articulate trade, production and institutional mechanisms required to

ensure verifiable sustainable palm oil productive and commercial systems that increase value, welfare and resilience across the supply chain, motivated in contributing and taking the opportunities of a growing demand for agriproducts that are environmentally friendly and socially equitable.

3.4.1 Key models & approaches applied to the project strategy:

1. **Landscape Approach:** The specific action plans are tailor-made to the Magdalena-Cesar territories, considering the social, environmental and institutional aspects of these regions to generate systemic solutions to their specific challenges and opportunities. It considers

the community and bio-characteristics of the region, deploying strategic long-term alliances between producers, processors, public and civil support organizations that are present and have interests in local development.

2. **Multiscale linking:** While the solutions are local, they operate within regional, national and international collaboration networks and platforms to secure access to knowledge, technology, markets and institutional resources as well as to increase resilience, replicability and policy influencing potential of success models and lessons learned. Key platforms supporting the project are Fedepalma (as sector convening institution) and AgroColombia Productiva y Sostenible (IDH’s Collaboration Platform in Colombia).
3. **Produce, Protect, Include (PPI) approach:** The Project will trigger the development, adoption and implementation of practices and technologies for higher productivity and quality in Palm Oil production that secure protection of sensitive ecosystems for water and biodiversity and improvement of labour and social conditions in rural areas with formal jobs and community participation, regarding also excluded and vulnerable populations.
4. **Supply Chain Approach:** The project integrates key players of the Palm Oil supply chain and aims at generating value from farmer to consumer, by increasing transparency, participation and recognition of sustainable products available in the market. The action plan directly integrates producers, processors and traders.
5. **Multistakeholder Collaboration:** All strategies consult and involve diverse stakeholder groups, articulating their strengths and capacities around common interests and goals. By using the Palm Oil NúcleosPalmeros as basic local implementation unit, the project

benefits from Fedepalma’s existing multistakeholder coalitions, which are leaders and integrators for the regional agricultural sector.

6. **Business Model:** The project deploys a profitable and self-sustaining business with social, environmental and financial long-term benefits for the palm oil sector, the communities and its partners, by diversifying and enhancing income and funding sources, e.g. through added value products, access to better market niches; higher price recognition, access to impact and sustainable funds etc.

3.4.2 Impact Program and Policy Alignment

Contribution to the Sustainable Development Goals

- **SDG 2 – Zero Hunger:** Improves production and supply conditions of Palm Oil in the region and in Colombia, as key ingredient for food preparation and a nutritious diet.
- **SDG 12 - Responsible production and consumption:** Promotes mainstream adoption of sustainability standards in the Palm Oil value chain.
- **SDG 13 - Climate Action:** Enables adoption of agricultural practices to guarantee zero deforestation, recover degraded ecosystems in high conservation value areas (HCVA), reduce GHG emissions and foster climate change adaptation and mitigation actions.
- **SDG 8 - Decent work and economic growth:** Fosters adoption of labour formalization and work safety practices in Palm Oil agri-businesses.
- **SDG 17- Partnerships for the Goals:** Promotes PPP and sector convening for landscape management and value chain sustainability.

Public-Private Agreement for Zero Deforestation in the Colombian Palm Oil Supply Chain: This project supports the national commitment of the signatory companies and governmental bodies for palm oil production and supply chain free from deforestation of natural forests.

Global Climate Change Agreement: This is a low carbon development program by promoting environmental management in complex agricultural systems aimed at reducing emissions along the Palm Oil supply chain.

European Green Growth Policies & Programs: The strategy fosters embedding sustainability at corporate level with differentiation and value generation to drive sustainable market development in Europe. It promotes the offer of Palm Oil products and by-products of primary production that allow recycling, reuse and waste management along the lifecycle, contributing to transitioning towards circular economy and bio economy.

Main Palm Oil Sustainability Standards: The self-regulation framework references best practices and recommendations from the leading voluntary and mandatory certification and verification standards in the world that are applicable to Palm Oil production and processing like RSPO, RFA and ISCC.

Colombian National Development Plan 2018-2022 policy: This project contributes to the “Produce conserving and preserve producing” policy of the Colombian Ministry of Agriculture by promoting the creation of sustainable palm territories with ecosystem management and conservation approach.

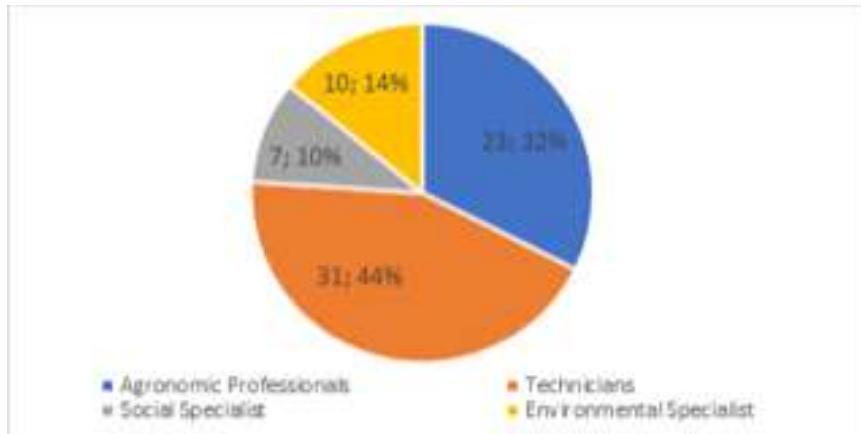
3.4.3. Implementation Approach

Fedepalma will be in charge of the implementation of the project through a general coordination team accountable for the overall planning and financial management. Local execution teams will be the Extension Services provided by the NúcleosPalmeros to the producers in their area of influence.

The **NúcleosPalmeros (NP)** are local consolidated multi-stakeholder strategic alliances/clusters, bringing together producers, processors and public & civil support organizations around one Palm Oil extraction mill that works as anchor company. The NúcleosPalmeros have operating governance structures in place, ensuring participation and inclusion at local level, as well as long-running contact and collaboration with key local stakeholders, including local and regional governments, NGOs, environmental authorities and community leaders. Fedepalma has a coordinating and convening role while Cenipalma supplies tailor-made extension services through interdisciplinary teams with the capacity to provide technical assistance, training, knowledge and technology transfer, social accompaniment etc.

Based on their structure and strong connection to the local stakeholders, the NúcleosPalmeros have a major role at field level. They have extension service teams that are responsible for providing technical assistance to the smallholders and medium size growers. These long-term embedded services have demonstrated to be the most effective mechanism to reach and serve the farmers.

To provide Technical Assistance (TA) services, the NúcleosPalmeros have developed different schemes according to their capacities and local conditions. As per their preferences and individual possibilities, some Núcleos have their own TA Units’ with different levels of progress. Others operate through outsourced services or alliances with independent associations. The following chart presents the composition of the TA teams registered by Cenipalma in 2019:



The structures of the Extension Services are constantly adapting to current needs and requirements, so the TA plans to be executed under the project have not been defined yet but are one of the main activities of **Work Package 2, which consists on defining the extension plan** with and for each NúcleoPalmero. This includes determining the specific team composition, dedication plan and operation scheme.

3.5 Work Plan

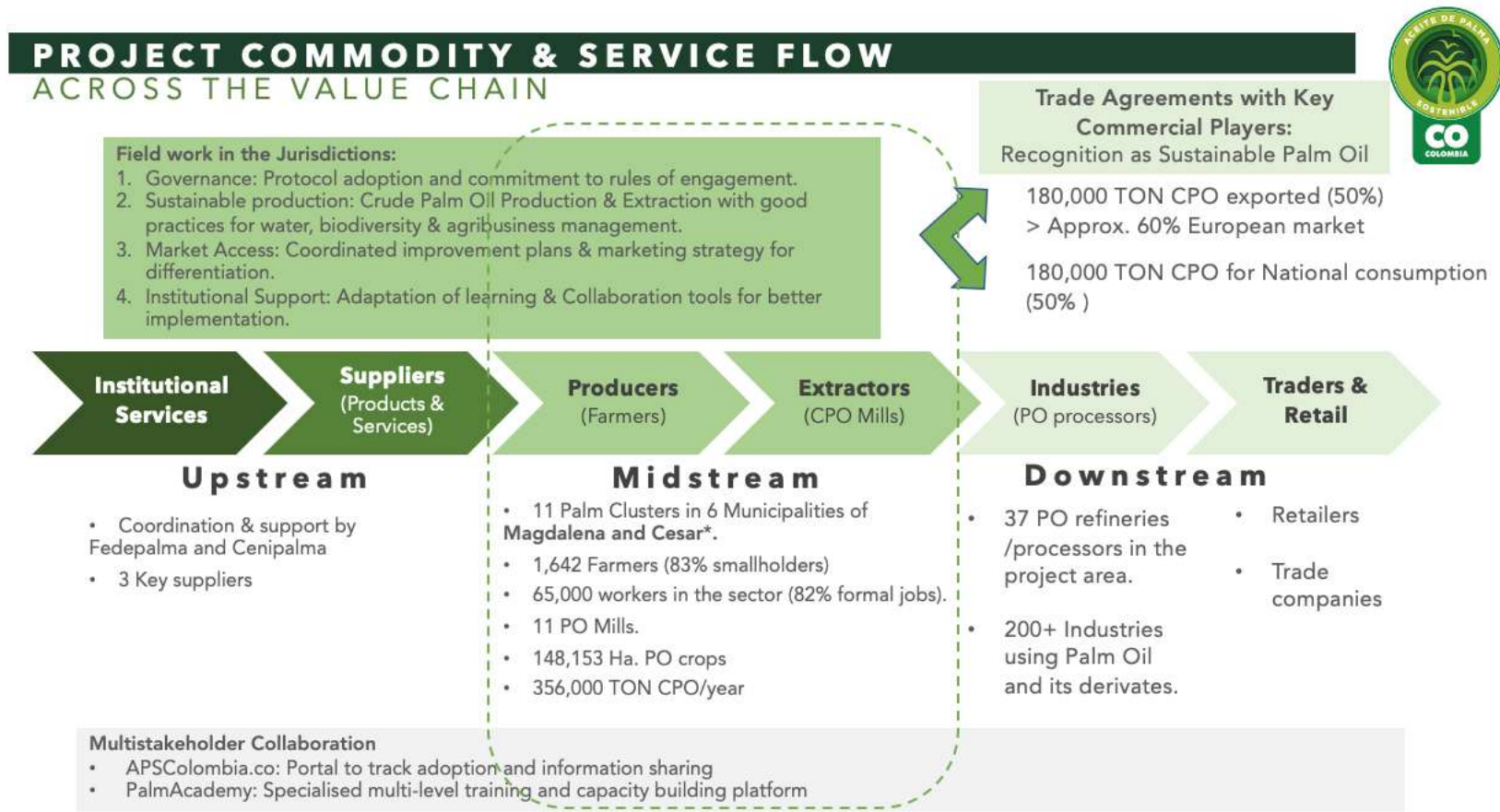
Work packages	Activities that are part of the work package	Key deliverables or milestones (Outputs)	Implementation Timeline											
			2020				2021				2022			
			Q1*	Q2*	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Work Package 1: 1. Self-Regulation Framework for Sustainable Origin Agreement and adoption of Sustainable Palm Oil Self-Regulation System of Magdalena and Cesar	1.1. Establish and approve APSColombia Protocol adapted to Magdalena and Cesar Landscape conditions, as pilot scheme.	1.1. APSColombia Protocol - voluntary sustainability principles and criteria for sustainability in Magdalena and Cesar.	X	X	X	X	X							
	1.2. Design a sectoral regulatory scheme to provide sound basis for legal compliance	1.2 Self-Regulatory scheme designed and adopted in Magdalena and Cesar.			X	X	X	X	X					
	1.3. Design and define engagement & governance structures and mechanisms for Sustainable Palm Oil Sourcing Area in Magdalena and Cesar.	1.3. Governance scheme & rules of engagement for multistakeholder participation and adoption of the APSColombia Protocol in Magdalena and Cesar.	X	X	X	X	X							
	1.4. Deployment of engagement process by the NúcleosPalmeros in Magdalena and Cesar	1.4. Letters of Intent – 11 NúcleosPalmeros in the PO Jurisdictions engaged to the APSColombia Protocol and action plan.			X	X	X	X						
	1.5. Design mechanism to track and verify adoption of APSColombia Protocol in Magdalena and Cesar, as basis to establish a Verified Sourcing Area in the future.	1.5. M&E – Adoption tracking mechanism designed for Magdalena – Cesar PO Jurisdictions.	X	X	X	X	X	X	X					
Work Package 2: Sustainable Palm Oil Landscape. Roadmap with KPI to foster Sustainable Palm Oil value chains and healthy ecosystems in Colombian Palm	2.1 Apply index due diligence for Palm Oil sustainability in Magdalena and Cesar Palm Oil Jurisdictions.	2.1. Sustainability index assessment of attributes and best practices in Magdalena and Cesar PO Jurisdictions.				X	X	X	X	X				
	2.2 Establish NúcleoPalmero improvement plan with focus on water & biodiversity management.	2.2 Landscape improvement plans for APSColombia adoption in 11 NúcleosPalmeros of Magdalena and Cesar.				X	X	X	X	X				

Work packages	Activities that are part of the work package	Key deliverables or milestones (Outputs)	Implementation Timeline											
			2020				2021				2022			
			Q1*	Q2*	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Landscapes, starting in the Jurisdictions Magdalena -Cesar.	2.3 Define extension plan for technician & farmers in Magdalena and Cesar Jurisdiction.	2.2 Extension service plan to close Protocol adoption & improvement plan gaps in Magdalena and Cesar (includes TA & training).				X	X	X	X	X				
Work Package 3: Sustainable Marketing. Differentiation and market access to Sustainable Palm Oil from Magdalena and Cesar.	3.1. Define APSColombia marketing & communication guidelines, including trademark and seal option for Magdalena and Cesar.	3.1 APSColombia Marketing & Communication guidelines & Tools defined and tested in Magdalena and Cesar.			X	X	X	X	X					
	3.2. Design market access, lobby and positioning plan for the Jurisdictions, increasing negotiation power for uptake of larger SPO volumes.	3.2 Identified market scope, opportunities and key up takers for sustainable Palm Oil from Magdalena and Cesar.				X	X	X	X	X				
	3.3. Negotiate uptake conditions with large commercial player for sustainable palm oil from Magdalena and Cesar with the support of IDH as ground to generate a VSA.	3.3 Pilot trade agreement for palm oil from Magdalena and Cesar that is recognized and sold as sustainable.				X	X	X	X	X				
Work Package 4: Service Delivery System Learning and collaboration systems designed to support effective implementation of Sustainable Palm Oil Jurisdictions and VSA in Magdalena and Cesar.	4.1 Design and test APSColombia.co portal with a pilot in Magdalena and Cesar Jurisdictions, as means to facilitate the implementation of the VSA.	4.1 APSColombia.co Portal support implementation, collaboration and trade in the jurisdictions and potential VSA.			X	X	X	X						
	4.2 Participate in relevant policy and dialog platforms (AgroColombia, NúcleosPalmeros etc).	4.2 Influencing changes at policy & regulatory level to increase sustainability in Palm Oil production in Magdalena and Cesar.				X	X	X						
	4.3 Design test plan for multilevel learning curriculum for Cesar and Magdalena.	4.3 Scope and structure of multilevel learning system for Magdalena and Cesar.			X	X	X	X	X	X				

* Activities in Q1 and Q2 2020 correspond to preparation and design action started by Fedepalma and Cenipalma on the ground of the MoU signed with IDH in November 2019 and are within the scope of Fedepalma's financial contribution. Estimated dates for agreement is August 2020 and start of project implementation September 2020.

3.6 Business model and scalability

3.6.1 Commodity and service flows



* Estimated projection during the project. May variate as per changes in the size and scope of the Colombian Palm Sector.

Production and trade of Sustainable Palm Oil has positive impact on agribusinesses, communities and consumers in Colombia and around the world, as it improves ecosystem conditions in the producing territories that secure an important source for nutrition and biomaterials for multiple industries that contribute to ecosystem health and market prosperity:

- Palm Oil is a basic nutrient present in the diet of over 7 billion people around the world. It is used as key ingredient in every second food product in the shelves.
- Over 6,500 Palm growers in Colombia and 1,600 in the Magdalena-Cesar area (86% smallholders) earn a living from Palm Oil Production. They must cope with growing supply chain risks, together with around 900 small, medium and large businesses operating in the country in a wide range of food, consumer goods and energy sectors.
- 7.6 million people in Colombia living in the rural areas of the Palm Zones rely on ecosystem health and resilience for their livelihoods.

Market Scoping for Sustainable Palm Oil: One goal of the APSColombia strategy is meeting the needs of the global and the internal market, securing and increasing the competitive offer and market participation of Colombian Palm Oil that is recognized as sustainable. There is a considerable demand for this product, which is expected to grow by 5% to 10% annually as consumer behaviour and legal requirements continue to increase interest in sustainably produced basic products. Colombia aims at consolidating its presence in international Palm Oil markets, especially in Europe, which represents 60% of exports, reaching buyers and consumers in 27 countries. Over 90% of this vegetable oil goes to the

food industry, which is undertaking serious efforts to strengthen sustainable supply chains for its key ingredients, like Palm Oil.

Counting only the currently established crops, Colombia has a potential of producing 1,7 to 2 Million TON Sustainable crude Palm Oil per year (TON SCPO/Year, with a 10 fold growth potential over the next 20 years, as the sector has still room to expand the oil palm productive area to 5,2 million hectares within the Colombian agricultural boundaries and maintaining its zero deforestation goal.

38% of the current CPO is produced in the Magdalena and Cesar jurisdictions, being the main producing area in Colombia. This volume secures a good value proposition and negotiation position for Sustainable Palm Oil from this origin to the national and international markets. As growth potential, there are 1.467.086 Ha. that are apt for Palm Oil production in the selected NúcleosPalmeros.

Local capacity and empowerment: While APSColombia is a national Framework, the adoption and implementation of the Protocol is made at local level through the NúcleosPalmeros (NP), securing that the investments directly benefit the producers and go to the “tip” of the chain.

This project will achieve the design of improvement plans to secure adoption of the APSColombia Protocol in the NúcleosPalmeros, including actions at producer, farm and mill level, as well as necessary system improvements in the sector to secure delivery capacity.

The NP are in charge of the implementation of the improvement plans through their dedicated Extension Service teams, which have the capacity

and resources to attend the producers and the mills. They can also guarantee the long-term implementation of the project and the plans, as they have ownership for the actions and can leverage local resources for implementation, thus avoiding that plans remain unexecuted due to lack of resources.

Eventually, additional external resources for field implementation may be leveraged, as per specific investment plans and regarding the situation of each NP / extension service, which could be affected by the current covid19 & economic crisis.

3.6.2 Innovation and Scaling strategy

Vision and target of the project's scaling strategy

Direct Impact Scope in Magdalena and Cesar: The project involves and benefits people and organization across the value chain to enhance the regional Palm Oil sector capacity to supply high-quality and sustainability compliant products. Key users and beneficiaries in the Compact are:

- **11 Palm Oil NúcleosPalmeros, including 1,600 Growers and 11 Palm Oil Mills**, sign a Letter of Intent engaging to the APSColombia. Protocol & Code of Conduct, including the commitment and guidelines to adopt and verify best sustainable palm oil production and extraction models in the territories and access better markets and prices for their differentiated products.
 - The project benefits from the beginning all NP members through stronger capacity to improve market access and delivery systems > 1,600 farmers and 11 mills in 6 municipalities.

- The scope of the extension plans on specific producers will be defined through the project through the NP baseline and the improvement plans.
- **25 Technicians and experts** of the sector institutional services build capacity to support and implement sustainability strategies in the selected NúcleosPalmeros.
- **3 Key NúcleosPalmeros suppliers** of specialized agricultural products and services are engaged to generate the conditions for sustainable palm oil production in the territories.
- **200 Palm Oil industries and traders** in Colombia, including **37 Palm Oil refineries and other processors** in the area, improve sourcing strategies and purchasing agreements to increase use of sustainable raw materials and promote sustainable consumption, having access to APSColombia origin, product and market information.
- **Palm Oil global commercial players** signalize interest and commitment to recognize and purchase Sustainable Palm Oil from Colombia (focus in Europe Green Markets) to meet their sustainable sourcing goals.

National impact scaling through build-in replication mechanisms:

Through this project, the Partners establish the conceptual, methodological and institutional Framework to support the implementation of the Sector's Green Growth Strategy, starting in 11 selected NúcleosPalmeros located in the departments of Magdalena and Cesar with the potential to establish a Sustainable Palm Oil Verified Sourcing Area. The established tools and frameworks will be directly validated in further representative NúcleosPalmeros in the North, Central, East and South West PO Zones to ensure sector inclusion, acceptance and political support.

- **Short-term:** Intra-company synergies will speed protocol adoption within regions, as key Palm Oil companies in Cesar and Magdalena are also present or have collaborations in other regions.
- **Middle-term:** The regional application of the Protocol will support decision-making and technical planning of specific improvement actions and research lines, that will also allow to adapt the strategy to be applied in other regions and NúcleosPalmeros, aiming to reach 100% of Colombian producers and industries by 2030.
- **Long-term:** The results and reports will impact agriculture, trade and environmental policy in Colombia, by contributing with solid

information to support decision-makers on revision and adjustment of public instruments for sustainability, social equity and economic stability, in order to comply with international development and climate commitments.

Further areas will be involved gradually, expecting to have all NúcleosPalmeros adopting the APSColombia Protocol by 2023 for 100% Sustainable Palm Oil from Colombia in 2030. The expansion depends on readiness and feasibility assessments, seeking to ensure the capacity and commitment to adopt the Protocol in the active PO NúcleosPalmeros.

Table. APSColombia Scaling Plan

Timeline	2020 - 2021		2022 - 2023		2025 - 2030
	Phase 1		Phase 2		TOTAL
PO Zone	North Zone Demonstration	National Validation	Scaling-up		on-going
			Group 1	Group 2	
North	5 in Cesar and 6 Magdalena	3 in Bolivar and 1 in Antioquia	Follow up	Follow up	15
Central		1 in Cesar, 1 in Sant. and 1 in N. Santander.	5	7	16
East		3 in Meta	9	20	32
South West		1 in Nariño	2	4	7
NúcleosPalmeros	11	12	16	31	70
Total/Phase		23	39	70	

* Pre-selected NúcleosPalmeros. May variate during the detailed planning and baseline process.

The Innovation Model

This project introduces several innovations in good agricultural practices, good governance, digitalization and market trust that contribute to better production, protection and inclusion:

Innovation for Production:

- **Renewed agricultural approach & techniques:** APSColombia triggers and facilitates the adoption of good agricultural techniques, practices and technologies for Oil Palm crop management and Palm Oil production and extraction, introducing newest soil, water & biodiversity techniques with a systemic and landscape approach that have been developed by Cenipalma in collaboration with scientific allies around the world. This project will establish the specific action plan to adopt and implement the technologies and extension methods to meet the regional needs for good water and biodiversity management, to contribute to stable and protected agricultural ecosystems that a food security, circular economy and climate resilience.

Innovation for Protection:

- **Participative design and business definition from the Origin:** The Colombian Strategy for Sustainable Palm Oil is the first initiative to set framework conditions and a business model for raising sustainability standards across the Palm Oil supply chain that is driven and designed by the producers at the origin, not by industry & governmental requirements like the standard certification frameworks and official normativity. The Colombian Palm Oil producers are presenting their own route map to achieve sustainable use of natural resources and ecosystem management as per the country's specific characteristics, challenges and opportunities and generating an added value proposition for their stakeholders around the world.

This include the local commitment to care, restore and protect the natural resources and agricultural ecosystems by adopting good agricultural practices, respecting the agricultural frontier, avoiding deforestation and supporting protected areas.

Innovation for Inclusion:

- **Multistakeholder participation and good governance for sustainability and food security:** The transition towards sustainable agriculture requires multisector engagement, alignment and collaboration. The Colombian Strategy introduces and pilots through this project, new schemes for supply chain collaboration that allow public, private, civil and knowledge players, at national and international level, to participate and contribute as per their interest and possibilities, generating win-win situations that favour effective action to achieve sustainable production & consumption and further SDGs.
- **Market mechanism for value transfer:** APSColombia drives the recognition of the effort, progress and achievements on sustainability at local and country level to differentiate the Colombian Palm Oil, including the national commitment to ZERO DEFORESTATION in the sector, thus adding value across the supply chain through better access and positioning in the market. Key mechanisms are the *Colombian Palm Oil Sustainability Code of Conduct, Protocol & Index*, which serve as self-regulation framework to guide and monitor the implementation of sustainable agriculture and trade practices along the PO Supply Chain. This provides a trustworthy method to steer sector transformation, support product sustainability claims and build relationships for high value markets. The verifiable progress can be

reported and used for communication, marketing and client relationship purposes, hence strengthening sustainable market development. It complements rather than competes with certifications, paving the path and reducing costs for interested players to access such mechanisms. PO traders and retail customers will be involved in the definitions, to ensure engagement and strengthening of sustainable sourcing commitments and mechanisms.

The APSColombia Protocol is NOT a certification, the recognition begins with Colombian producers adopting the protocol as a tool to scaling up the sustainability level at national level. The international recognition is something that will be developed as the Protocol evolves, as part of the broader strategy for Sustainable Palm Oil that has been approved and is being implemented by the PO Sector.

- **Applied digitalization:** The Strategy is supported on a digital platform introducing new tools for marketing, communication, training, and

collaboration for the Palm sector, that enable functions like marketing & trade; technical planning & execution and better decision making at policy, business and community level, increasing reach and inclusion in the supply chain.

- **Geo-referenced traceability:** The **APSColombia Protocol and Index** verification mechanisms will be supported on geo-referencing & digital technologies, to generate effective transparency and traceability. The digital platform will display e.g. geo-referenced protocol adoption data and implementation level; aggregated sustainability index assessments per NúcleosPalmeros, region and zone to compare and validate progress; agri-business profiles etc.
- **Open-source learning & TA tools:** the PalmAcademy⁴ will facilitate access, sharing and development of training tools that are tailor made for the education needs of the Palm Oil stakeholders, activating collaboration with key knowledge sources around the world.

The enabling conditions

Drivers	Barriers
<ul style="list-style-type: none"> • New market restrictions and requirements. • Growing demand for sustainable products. • Need to build local & national resilience vs. climate change and another global crisis/threads. • Sector decision and motivation to evolve and grow in a sustainable way. 	<ul style="list-style-type: none"> • Field work can be affected by physical distance rules due to COVID19. • Slow field implementation to cope with cultural mindset by some stakeholders. • Short term investment priority directed to coping with current economic crisis. • Low education level and weak social structures in the rural communities may difficult technology and GAP adoption.

⁴ Temporary given name, currently under definitions and development.

Key intermediating and supporting institutions to enable implementation and scaling-up of the Compact in Magdalena and Cesar are:

Type	Group	Characteristics	Role
Business & Field: Palm Oil Agribusinesses in the NúcleosPalmeros (Private)	1,642 Producers (small, medium and large) 11 Palm Oil mills and 37 refineries (CPO extraction industry)	Middle stream in the domestic value chain. Define the 11 Palm Oil NúcleosPalmeros which are members of Fedepalma.	Participate in the Strategy definition, system design and landscape implementation. Execute and co-invest in the improvement plans for Protocol adoption.
Field: Expert NGOs (Civil Society)	Solidaridad	Expert organization working with Cenipalma at local level with and existing agreement.	Partner for implementation of 'Extension Solutions App' for collection of Index data in the field.
Governance + Policy: Regional and local Governments (Public)	2 Department Governments and 6 Major Offices in the Palm Oil growing zones.	Execute public policies and development plans at regional and local level.	Support local and regional economic, environmental and social actions.
Governance + regulation: Regional Autonomous Corporations (Public)	Cormagdalena and Corpocesar	Environmental authorities. Implement and regulate natural resources managing programs in the regions.	Provide technical guidelines for implementation of productive, extractive and waste management activities at local level.
Governance + Policy: National Government (Public)	Ministry of Agriculture (MADR); Ministry of Environment (MADS) and Ministry of Trade and Information Technology (MCIT).	Government bodies in charge of agroindustrial, environmental, rural development and trade policy at country level.	Provide rules and support strategies for agricultural and market development as per public policies and legal frameworks.
Strategic Advising (Private)	Herencia – Value your Legacy -	International specialized consulting company.	Strategy advisor, advocacy and convening services.

3.7 Exit strategy

Phasing over: After the end of the project, Fedepalma will receive the transfer of all project results, assuming the responsibility for the administration and development of the Strategy for Sustainability in collaboration with the local NúcleosPalmeros and communities. The strategy includes auto-financing & funding leverage and collaboration mechanisms, to secure continuity and feasibility of the support systems.

- **The NúcleosPalmeros & PPP coalitions**, under the leadership of Fedepalma, will be in charge of implementing the ‘Landscape improvement plans’ at local level, receiving technical and institutional support from Cenipalma and international specialized organizations like Solidaridad, CECO and WWF, as well as national NGOs collaborating with the Palm producers and companies with influence in the regions, which will contribute and leverage the required funds for field investments.
- **The APSColombia Direction** will be in charge of the overall Strategy management, in coordination with the Strategy and Sustainability Directors at Fedepalma. Specific functions are:
 - Informing over and promoting the adoption of the APSColombia Protocol in the region through the established engagement and governance mechanisms.
 - Oversee its adoption and status through the application of M&E tools at aggregated levels.
 - Designing and overseeing the sector’s support systems for visibility and collaboration purposes, including the APSColombia.co Portal.

- Oversee the formulation and planning of field actions for strategy deployment with its partners and the overall coordination of strategy development.

- **Fedepalma’s Marketing Direction** will support the implementation of the communication & marketing strategies at sector level, linked to the use of the APSColombia.co Portal. It will also oversee the negotiations for positioning and trade of Sustainable Palm Oil.
- **Cenipalma and Fedepalma**, in collaboration with academic institutions will feed the PalmAcademy learning platform, by producing and linking relevant training materials and tools.
- **Fedepalma’s sustainability extension service** will support the Protocol’s local adoption and oversee the implementation of improvement plans, collaborating with Cenipalma for technical planning and technology transfer.

Key considerations for the long-term deployment of the Strategy are:

- a) **Protocol Engagement Policy:** The Self-regulation framework instruments will be available for adoption to Palm Oil producers and processing companies in Colombia. The producers & processors, on individual, group or cooperative basis, will be invited and entitled to adopt the Sustainability Protocol and its support tools, including the monitoring Index and the visibility and marketing guidelines for product differentiation and added value.
- b) **Self-financing mechanism:** To secure financial feasibility, the Protocol engagement and its support services shall have incentives

and access/payment plans to value chain players that are seeking to further commit to the Strategy’s development.

- c) **Scope of Traceability Systems:** The extent of external verification and implementation of track and traceability mechanisms depend on client requirements and specific agreements for each business.
- d) **Technology adoption and ownership:** The deployment of local improvement plans as per Protocol’s good practices, will depend on the engagement and participation of the palm oil producers and businesses. They will receive knowledge and support to make the investments and will own the results in their farms and facilities.

This project provides a framework for long-term collaboration between the Colombian Palm Oil Sector and IDH. Eventual future joint project fields could be such as:

- Field level projects for implementation of specific improvement plans towards compact and/or VSA development.
- Policy and Sustainable market development for Palm Oil.
- Model replication to other PO regions.

Post-project collaboration opportunities with IDH:

3.8 Value for money and cost benchmark

This project focuses on activities for compact and service definition to secure long-term sustainability of productive systems in the Jurisdictions, not in production. We propose following indicators for more accurate to evaluation of the value for money relation:

Indicator (proposed)	Amount in EUR
Cost of compact and system definition activities per farmer	€ 654
Cost of compact and system definition activities per hectare	€ 7
Cost of compact and system definition activities per hectare of protected area	€ 1

Note: KPI to be developed within the specific NúcleoPalmero improvement plans.

Indicator	Amount in EUR
Cost of production activities per farmer	tbd with the project
Cost of production activities per hectare	tbd with the project
Cost of forest (peat) protection activities per hectare	tbd with the project
Cost of restoration per hectare	tbd with the project

3.9 Gender

Violence and discrimination against women remain a problem in Colombia, particularly in Magdalena and Cesar rural areas. Although women enjoy the same legal rights as men, gender inequality manifest in insufficient access to education, employment, justice, health care services and participation opportunities.

The farming structures in the project region are mainly family-owned crops, where women participate in the maintenance and administration process, but lack access to the benefits, governance and decision-making structures, mostly because palm oil production is seen as male-dominant. The result is that women that play a key role as field labour force but are underpaid, excluded from social security systems and from economic decision-making at home and the farms, due to the nature of the family farm structure and the male ownership of land (father or husband). In spite of this traditional practices, there is an emerging group of women who are farm owners and entrepreneurs and are gaining acceptance in the Palm Oil sector. This trend includes female heads of family, as a side effect of rural violence that left widows and daughters that had to assume family businesses.

The project has a gender-specific strategy that contributes to reduce gender inequalities in rural areas, by closing cultural, capacity, support, recognition and participation gaps for women. The strategy has been designed based on long-term experience working with rural communities and women. Key aspects are:

1. Female empowerment to participate in decision-making on home and productive matters.

2. Increase recognition for the work and contribution of women, promoting access to income and social security.
3. Promoting a gender inclusion approach in the training systems, to facilitate female participation and cultural shift.

The governance scheme and the landscape improvement plans will promote active participation of female Palm Oil farmers in the compact definition and Protocol Adoption processes and increase the visibility of women in the Palm Oil NúcleosPalmeros as well as in the capacity building and TA activities to gain management and productive skills with an inclusive gender approach in the design of the curriculum and didactic materials for the capacity building and extension plan.

These actions strengthen individual and collective capacities, empower women, and trigger cultural transformation by sensitizing peers and communities for more recognition of women and their role in family, farm and society. Concrete results will be increased women's access to businesses and more appreciation and participation in leadership roles in the agri-businesses and the farmer associations.

Note: We would like IDH to contribute to development and implementation of good gender practices through this project.

4. Key performance indicators & monitoring

Reference to objectives (3.3) or deliverables (3.5)	Key Performance Indicator	Project baseline value at the start of the project	Project target value at the end of the project	Data collection method & frequency	Means of verification/evidence
Outcomes (KPI to objectives in 3.3)					
1. Self-Regulation Framework for Sustainable Origin	1.a. APSColombia serves as voluntary regulation of sustainable Palm Oil production for Magdalena and Cesar.	11 NúcleosPalmeros operating in Magdalena and (north) Cesar	11 NúcleosPalmeros adopt APSColombia as self-regulation framework for sustainability	Document revision annually	Signed Letters of Intent/commitment to APSColombia
	1.b. APSColombia as framework to implement self-regulation for sustainable origin	Current regulatory conditions	Magdalena and Cesar adopt the APSColombia self-regulatory scheme for sustainable origin	Document revision annually	Copy of report on regulatory scheme pilot
	1.c. Sustainability embedded at corporate level in NúcleosPalmeros of Magdalena and Cesar.	11 NúcleosPalmeros in Magdalena and Cesar interested in increasing sustainability.	11 NúcleosPalmeros establish specific APSColombia Protocol adoption plan	Document revision annually	Copy of specific APSColombia Protocol adoption plans
	1.d. Satisfaction of NúcleosPalmeros stakeholders joining the Compact for Sustainable Palm Oil in Magdalena and Cesar	All NúcleosPalmeros report interest in adopting sustainability strategies in their executive boards.	100% NúcleosPalmeros agree with proposed strategy	Survey on NúcleosPalmeros Board decisions, biannually	NúcleosPalmeros Board decision survey.
2. Sustainable Palm Oil Landscape	2.a Landscape improvement plans developed to be operationalized PO NúcleosPalmeros of Magdalena & Cesar.	Technical plans per NúcleosPalmeros	11 Landscape improvement plans developed to be operationalized PO NúcleosPalmeros of Magdalena & Cesar	Document revision annually	Copy of Landscape improvement Plan Document with KPI and baseline data.
	2.b. Farmland area where trained practices are applied.	2 NúcleosPalmeros and 1 research facility with demonstrative plots for pilot training activities.	11 NúcleosPalmeros and 1 research facility with demonstrative plots for pilot training activities.	Field observation, annually	Field visit / pictures of demonstrative plots
	2.c. # of processing facilities with sustainable production practices and social standards Protocol	1.642 producers and 11 mills linked to the NúcleosPalmeros	1.642 producers and 11 mills engaged to APSColombia Protocol	Monitoring database, biannually	Protocol adoption monitoring register.
3. Sustainable Business	3.a. Improved conditions to increase uptake rate of sustainable production from Magdalena and Cesar.	311.777 TON COP total production (in 2019)	50% uptake as sustainable production by 2023	Monitoring database, biannually	CPO uptake register
	3.b. Participation in relevant landscape and commodity initiatives and/or platforms.	Commitment with AgroColombia, SAC, EPOA, RSPO, Zero Deforestation.	Positioning of Sustainable Palm Oil from Colombia in at least 3 platforms.	Presentation register, annually	Copy of presentation and platform meeting / event list.

Reference to objectives (3.3) or deliverables (3.5)	Key Performance Indicator	Project baseline value at the start of the project	Project target value at the end of the project	Data collection method & frequency	Means of verification/evidence
4. Service Delivery System	4.a. Virtual platform in place to increase sector collaboration, participation and sustainable trade.	General Fedepalma/Cenipalma web landing pages.	Pilot virtual platform in place to increase sector collaboration, participation and sustainable trade in Magdalena and Cesar.	Document revision annually	Copy of collaboration platform architecture.
	4.b. Up-dated systems to increase adoption rate by producers, workers and community of improved practices and business models.	General extension plan at NúcleosPalmeros level.	Pilot systems to increase adoption rate by producers, workers and community of improved practices and business models in Magdalena and Cesar.	Document revision annually	Copy of adoption model up-date plan document
Output (KPI to activity deliverables in 3.1)					
1.1. APSColombia Protocol - voluntary sustainability principles and criteria for sustainability in Magdalena and Cesar	Pilot APSColombia Protocol articulated to Magdalena and Cesar Landscape structures.	Model self-regulation framework developed by Fedepalma.	APSColombia Protocol adapted to Magdalena and Cesar Landscape conditions.	Document revision annually	Copy of adapted self-regulation framework to be shared
1.2 Regulatory scheme designed and tested in Magdalena and Cesar.	One regulatory scheme design tested in Magdalena and Cesar.	Conceptual and benchmarking analysis of current regulatory conditions	Regulatory scheme designed and tested in Magdalena and Cesar.	Document revision annually	Copy of regulatory scheme design document
1.3. Governance scheme & rules of engagement for multistakeholder participation and adoption of the Sustainable PO Protocol in Magdalena and Cesar.	Governance and rules of engagement defined for Magdalena and Cesar jurisdictions.	Model governance and rules of engagement developed by Fedepalma.	Governance and rules of engagement defined for Magdalena and Cesar PO Jurisdictions.	Document revision annually	Copy of adapted Governance and rules of engagement to be shared
1.4. Letters of Intent – 11 NúcleosPalmeros in the PO Jurisdictions engaged to the Protocol and action plan.	NúcleosPalmeros in Magdalena and Cesar sign Letter of Intent for APSColombia in the Compact jurisdictions.	11 NúcleosPalmeros operating in Magdalena and (north) Cesar.	11 NúcleosPalmeros in Magdalena and Cesar sign Letter of Intent for APSColombia in the Compact jurisdictions.	Document revision annually	Signed Letters of Intent
1.5. M&E – Adoption tracking mechanism designed for Magdalena and Cesar PO Jurisdictions.	Design of tracking mechanism designed for Magdalena and Cesar PO Jurisdictions.	No M&E mechanism for sustainable production in place.	Design of tracking mechanism designed for Magdalena and Cesar PO Jurisdictions.	Document revision annually	Copy of adapted tracking mechanism model to be shared

Reference to objectives (3.3) or deliverables (3.5)	Key Performance Indicator	Project baseline value at the start of the project	Project target value at the end of the project	Data collection method & frequency	Means of verification/evidence
2.1. Sustainability index assessment of attributes and best practices in Magdalena and Cesar PO Jurisdiction.	# producers/mills in 11 NúcleosPalmeros reached by sustainability index assessment.	Sustainability index assessment scheme developed by Cenipalma.	200 producers/mills in 11 NúcleosPalmeros reached by pilot sustainability index assessment through the project	Assessment, annually	Index monitoring assessment report
2.2 Landscape improvement plans for APSColombia adoption in NúcleosPalmeros of Magdalena and Cesar.	# of producers/mills in 11 NúcleosPalmeros included in sustainable production, environmental and social sustainability plans in Magdalena and Cesar.	1.642 producers and 11 mills in 11 NúcleosPalmeros of Magdalena and Cesar.	100% of producers/mills in 11 NúcleosPalmeros included in sustainable production, environmental and social sustainability plans in Magdalena and Cesar	Monitoring database, annually	Improvement Plan monitoring register.
2.2 Extension service plan to close Protocol adoption & improvement plan gaps in Magdalena and Cesar.	# of producers/mills, of whom x% are women, in 11 NúcleosPalmeros included in sustainability extension plan for Magdalena and Cesar.	1.642 producers (x% women) and 11 mills in 11 NúcleosPalmeros of Magdalena and Cesar.	100% of producers/mills (xx% women) in 11 NúcleosPalmeros included in sustainability extension plan for Magdalena and Cesar.	Monitoring database, annually	Extension plan monitoring register.
3.1 APSColombia Marketing & Communication guidelines & Tools defined and tested in Magdalena and Cesar.	Defined APSColombia marketing and communication strategies for Magdalena and Cesar PO Jurisdictions.	APSColombia trademark (logo + name) are created and reserved.	Defined APSColombia marketing and communication strategies Magdalena and Cesar PO Jurisdictions.	Document revision annually	Copy of marketing and communication strategies to be shared
3.2 Identified market scope, opportunities and key up takers for sustainable Palm Oil from Magdalena and Cesar.	Market research and scoping study for Sustainable Palm Oil from Magdalena and Cesar.	General Palm Oil market analysis by Fedepalma.	Market research and scoping study for Sustainable Palm Oil from Magdalena and Cesar	Document revision annually	Copy of Market research and scoping study to be shared
3.3 Roadmap to establish trade agreements for palm oil from Magdalena and Cesar recognized and sold as sustainable.	Relevant SPO up takers approached to establish trade agreements.	IDH network with Sustainable Palm Oil Up takers	Relevant SPO up takers approached to establish trade agreements.	Presentation register, annually	Copy of presentation and platform meeting / event list.
4.1 APSColombia.co Portal support implementation, collaboration and trade in	Pilot APSColombia.co portal version for Magdalena and Cesar in place.	APSColombia.co web address, trademark (logo + name) are reserved.	Pilot APSColombia.co portal version for Magdalena and Cesar in place.	Document revision annually	Pilot web platform architecture

Reference to objectives (3.3) or deliverables (3.5)	Key Performance Indicator	Project baseline value at the start of the project	Project target value at the end of the project	Data collection method & frequency	Means of verification/evidence
the jurisdictions and potential VSA.					
4.2 Influencing changes at policy & regulatory level to increase sustainability in Palm Oil production in Magdalena and Cesar.	Model project presentation and knowledge sharing in key platforms & networks.	Seat in AgroColombia, CECODES, EPOA, RSPO and Zero Deforestation Agreement	Model project presentation and knowledge sharing in at least 3 key platforms & networks.	Presentation register, annually	Copy of presentation and platform meeting / event list.
4.3 Scope and structure of multilevel learning system for Magdalena and Cesar.	PalmAcademy ⁵ model design for Magdalena and Cesar.	General training and technical assistance concept in Fedepalma/Cenipalma	PalmAcademy* model definition as up-dated extension concept to support protocol adoption in the zone	Document revision annually	Copy of adapted tracking mechanism model to be shared

⁵ Temporary given name, currently under definitions and development.

5. Project budget and contributions

5.1 Project budget 2020 - 2021

Budget in EUROS - Planning Exchange Rate 4.300 COP per EUR.

Contributions	Cash	In-kind	Total EUR	%
Fedepalma	€ 288.372	€ 428.222	€ 716.594	67%
IDH	€ 369.070	€ 0	€ 369.070	33%
Total	€ 667.440	€ 428.222	€ 1.085.564	
% of Total	60%	40%		

Per Impact Lines / Components	Personnel	Travel and accommodation	Equipment	Other Project Cost (logistic)	Total EUR	%	Cost Description
1. Sustainable Origin	€ 213.416	€ 9.070	€ 2.326	€ 3.953	228.764 €	21%	Own and external expert staff, travel expenses, communications, IT equipment stationery.
2. Sustainable Landscapes	€ 306.628	€ 6.977	€ 2.326	€ 2.326	318.256 €	30%	Expert and technical staff, travel expenses, IT equipment, services and event logistics.
3. Sustainable Business	€ 174.215	€ 18.605	€ 0	€ 13.953	206.773 €	19%	Own and external expert staff, travel expenses, communications and stationery.
4. Service Delivery Systems	€ 317.685	€ 2.326	€ 0	€ 0	320.010 €	30%	Own and external expert staff, travel expenses, communications, stationery, IT design.
5. Audit fees	€ 0	€ 0	€ 0	€ 11.860	11.860 €		
Total	€ 1.011.943	€ 36.977	€ 4.651	€ 32.093	€ 1.085.664	100%	
%	94%	3%	0,4%	2%			

Detailed budget presented in Excel attachment to this document.

Notes to the budget:

- Draft budget to be further detailed in agreement and with the advice of IDH.
- Financial execution years are 2020 and 2021.
- 57% of IDH contribution would be executed in 2020. 34% could be allocated in 2020 through a budget quota for specific activities with 2020-2021 duration **(to be confirmed by IDH financial officer)**. The remaining (9%) would be allocated and executed in 2021.
- The investments made by Fedepalma during the years of the contract (i.e. since January 2020) are recognizable as financial contribution – **(to be confirmed by IDH financial officer)**.
- Fedepalma and Cenipalma act for this project as one organization. Fedepalma will centralize fund management and audits.

- Audit costs will be included once IDH and Fedepalma perform the selection protocol and the auditing firm is chosen.
- Consultant Fees are allocated under personnel as indicated by IDH.
- *Personnel*: Since major costs are associated to staff, the budget includes a chart (Staff calculations) to provide the details on time allocation and costs associated to technical and professional team. Please note that Fedepalma/Cenipalma's staff costs are defined on monthly basis, not per hour. All reports and support documents will follow this definition.
- *Cash/In-kind*: 60% of Fedepalma contribution is in-kind, including all Personnel costs. All other costs covered by Fedepalma are cash contributions.

5.2 Fixed assets

No fixed assets are considered for this project.

6. Risk and risk mitigation

Risk cause (what might happen) and risk consequence (what would be the result)	Risk probability	Potential impact	Mitigation measures
Preventable Risks (arising from within)			
Low interest/capacity of stakeholders to adopt the Protocol and sign the Protocol.	medium	medium Lower Protocol adoption.	Communication strategy based on impacts and benefits of the strategy.
Strategy Risks (taken for innovative and strategic returns)			
Difficult access to reliable info & data on sustainability status, processes and technologies along the chain.	medium	Medium - Partial deployment of the M&E and traceability systems.	Information management and confidentiality agreements to design verification schemes.
Interest and capacity of communities to participate and deliver key information for Strategy design.	medium	High - Limited access to project information and local data	Community support and confidential information management.
External Risks (uncontrollable)			
Budget reduction due to regulatory and macroeconomic changes.	medium	High - Reduce strategy scope.	Budget control and leveraging strategies.
Climate variability and extreme weather events affect mobility and/or field activity execution.	medium	Low - Adjustment to implementation schedule and /or target results.	Consider weather forecasts and reports for activity planning.
COVID19 impact on the PO supply chain	high	Medium - May reduce readiness for adoption.	Project serves covid19 impact mitigation strategy in the region. Adjusting field implementation plans to biosecurity measurements.

Table of abbreviations and acronyms

APSColombia	Colombian Sustainable Palm Oil Program	MADS	Ministry of Environment and Sustainable Development
CAR	Regional Autonomous Corporation	MADR	Ministry of Agriculture and Rural Development
Cenipalma	Colombian Palm Oil Research Corporation	MCIT	Ministry of Commerce, Industry and Tourism
CECODES	World Business Council for Sustainable Development – CO Chapter	NPD	National Development Plan
Corpamag	Regional Autonomous Corporation of Magdalena	NúcleosPalmeros (NP)	Palm Oil Clusters - for all purposes the term used and understood by palm producers will be the reference.
COMPACT	Joint agreement with the actors of a given jurisdiction that has three main pillars: Production, Protection and Inclusion	PPI	Produce, Protect and Include
CPO	Crude Palm Oil	PO	Palm Oil
CSR	Corporate Social Responsibility	POMCA	Local Watershed Management Plan
CWRM	Comprehensive water resources management	RSPO	Roundtable of Sustainable Palm Oil
ESG	Environmental, Social, Governance	SDG	Sustainable Development Goals
Fedepalma	Colombian Oil Palm Growers Federation	SENA	Colombian Technical Training Services
GDP	Gross Domestic Product,	VSA	Verified Sourcing Areas
HCVA	High Conservation Value Areas	TA	Technical Assistance
HVL	Herencia - Value your Legacy -		
IDH	The Sustainable Trade Initiative		
LMT	Landscape Management Tools		

Annex 1: IDH Result Measurement Framework – Key Performance Indicators

Note: In green – KPI to be developed (tbd) within the specific NúcleoPalmero improvement plans.

Key Performance Indicator	Unit of measurement	Gender segregation
Output Indicators		
(Market share by program (project) partners) 32% share of national PO production by 11 NúcleosPalmeros	% national production share by NúcleosPalmeros	
11 Business cases & improvement plans developed within the IDH program to show the potential of sustainable practices (1 per NúcleoPalmero)	Business Case	
1,642 PO producers and workers in 11 NúcleosPalmeros trained on key subjects for sustainable production, environmental and social sustainability (male/female tbd)	# Producers/ workers/ community members	M/F
1,642 PO producers, 11 PO Mills and 37 PO refineries reached by service delivery (male/female)	# of producers/ workers/ community enterprises	M/F
Input services (planting material, fertilizer, crop protection products etc.) - tbd with improvement plans	#	
Financial services (inputs on credit, cash advances, pre-harvest finance) - tbd with improvement plans	#	
Value adding services (e.g. mechanization, processing, storage) - tbd with improvement plans	#	
1,413 PO smallholder producers organized/aggregated by the program (male/female tbd) / 86% of total producers are smallholders	# of smallholder producers	M/F
28 of extension service technicians trained in the program (male/female tbd)	# trainers, auditors, and/or government staff	M/F
356.145 MT/year sustainably produced Palm Oil from Magdalena and Cesar	MT/year	
11 NúcleosPalmeros develop infrastructure facilities – specific # tbd with improvement plans	# NúcleoPalmero	
Protection and conservation infrastructure <name> - tbd with improvement plans	#	
Water infrastructure and devices <name> - tbd with improvement plans	#	
Waste management infrastructure <name> - tbd with improvement plans	#	
Production and/or restoration infrastructure <name> - tbd with improvement plans	#	

Outcome Indicators		
Sustainability embedded at corporate level 11 NúcleosPalmeros establish specific APSColombia Protocol adoption plan <i>Note: The project fosters the adoption of sustainability systems at corporate level in key regional and national sector players, through adoption of the self-regulation framework, signing the letter of intent and commitment for the APSColombia Code of Conduct and Protocol.</i>	# Letter of intent / commitment to APSColombia	
Uptake rate of sustainable production by program partners 50% uptake of PO from Magdalena and Cesar as sustainable production by 2023 <i>Note: IDH will support the negotiation and collaboration with key buyers to increase uptake of Colombian Sustainable Palm Oil.</i>	% uptake	
Development of and compliance with voluntary and legal standards on sustainable commodity production 1 Self-regulation framework for sustainable Palm Oil origin in Colombia: APSColombia 2 Colombian regions (Magdalena and Cesar) adopt APSColombia self-regulation framework for sustainability <i>Note: The project ensures applicability and adoption of APSColombia in Magdalena and Cesar.</i>	# Self-regulation framework	
Landscape plans developed and operationalized 11 Landscape improvement plans developed to be operationalized PO NúcleosPalmeros of Magdalena & Cesar	# Landscape improvement plans	
Changes at policy and regulatory level contributing to increased sustainability of commodity production and improved management of natural resources Presentation in at least 3 key platforms to influence changes at policy & regulatory level to increase sustainability in Palm Oil production in Magdalena and Cesar.	# presentations in influencing platforms	
Adoption rate by producers/ workers/community members of improved practices - tbd with improvement plans	%	M/F
148.153 ha Farmland where trained practices are applied	Ha	
# of hectares where protection and restoration interventions are implemented - tbd with improvement plans	Ha	
Protection	Ha	
Conservation	Ha	
Rehabilitation	Ha	
Restoration	Ha	

1.043.254 ha Avoided deforestation	Ha	
(Illegal) deforestation rate <change to definition> - tbd with improvement plans	0 %	
148.153 ha where sustainable production interventions are implemented	Ha	
Area (ha) under improved land tenure arrangements (smallholders or communities with better owner or user rights OR official protection status for forest/peatland) - tbd with improvement plans	Ha	

Annex 2: Summary of Background Projects from Fedepalma and Cenipalma

Biodiverse Palm Oil Landscapes

Partners: Fedepalma, BID, WWF and GEF

Budget: 36 Mio EUR.

Summary: Pilot project to test the impact of sustainable agribusiness practices to close environmental gaps focused on the particularities of the Colombian context. The project involved: a) Management of High Conservation Value Areas b) Implementation of tools for the management of the landscape and c) Assessment of the eco-systemic services. 134 farms were selected for its potential for escalating it to 6.000 producers.

<https://www.dropbox.com/s/bkr82tde3yt8hz7/2018%20PPB%20Documento%20Narrativo.pdf?dl=0>

Establishment of an institutional model at regional level to support Colombian Palm Oil Agroindustry

Partners: Fedepalma, BANCOLEX (Colombian development bank)

Budget: 300.000 USD

Summary: Strengthening capacities of Fedepalma and its associates to formulate and develop projects focused on increasing productivity and sustainability.

<https://www.dropbox.com/s/3a8pdofbyhvi8wz/convenio%20BANCOLDEX%20INNPULSA.pdf?dl=0>

Palma Futuro Project

Partners: Fedepalma, Partners of The Americas (POA), Sustainable Accountability International and J.E. Austin

Funding: \$6,000,000 (U.S. Department of Labour)

Summary: The aim was to raise capacity to comply with higher agroindustrial labour standards **required** by the Free Trade Agreement through the implementation of good labour practices in Colombia and Ecuador, replicating the experience in Peru and Brazil.

The companies Biocosta and Palmas del Cesar in Colombia are implementing the Pilots with POA and SAI, including activities like workshops, advance impact and status studies of child labour and forced labour and ground preparation for SA8000 (SAI), childcare campaigns, promotion of good labour practices, labour formalization. JE Austin is responsible for making case studies and recommendations to the agribusinesses. It also collaborates with Harvard University's agroindustrial forum.

Biomass Valorisation

Partners: Cenipalma, Cenicaña, Wageningen Food and Biobased Research (WUR) and private Colombian organizations.

Budget: 300.000 EUR

Summary: Long-term science and innovation collaboration between Colombia and The Netherlands with focus on developing innovative solutions for sugar cane and oil palm by-product management. 201X and 2017. <https://www.dropbox.com/s/avqkozi1lkxdg2h/Final%20report%20Wageningen.pdf?dl=0>

Technical Support for Strengthening the Adoption of Sustainable and Smart Climate Practices in Palm Oil Production in Colombia:

Partners: Cenipalma, WWF

Budget: 100.000 EUR

Summary: Collaboration on testing implementation of low carbon practices in palm oil production (plantations and mills) and creating instruments to measure GHG emissions.

<https://www.dropbox.com/s/mbxvc1oh2lvuviv/Gu%C3%ADa%20Mejores%20Pr%C3%A1cticas%20Bajas%20en%20Carbono.pdf?dl=0>

Annex 3. Glossary of Key Project Terms and Concepts

IDH	Fedepalma / Cenipalma
<p>Compact: Joint agreement with the actors of a given jurisdiction that has three main pillars: Production, Protection and Inclusion for sustainability in a specific region</p> <p>Jurisdiction: A given territory with clear boundaries established</p> <p>Verified Sourcing Area (VSA): Area that guarantees that commodities production follows common standards in environment protection, sustainable production and producers and communities welfare</p>	<p>APSColombia: Colombian Sustainable Palm Oil strategic framework, including self-regulation, landscape improvement, differentiation marketing, and service delivery mechanisms.</p> <p>Extension Services: Involve services provided by Cenipalma, NúcleosPalmeros and other allies. Cenipalma defines and promotes the sectoral strategy for technical assistance and builds capacity for implementation in the NúcleosPalmeros. Cenipalma also designs technology transfer and training programs that complement TA. These programs are developed through joint efforts with academy and other stakeholders at national and regional level.</p> <p>NúcleosPalmeros (NP): <u>local consolidated multi-stakeholder strategic alliances/clusters</u>, bringing together producers, processors and public & civil support organizations around one Palm Oil extraction mill that works as anchor company. The NúcleosPalmeros have operating governance structures in place, ensuring participation and inclusion at local level, as well as long-running contact and collaboration with key local stakeholders, including local and regional governments, NGOs, environmental authorities and community leaders. Fedepalma has a coordinating and convening role while Cenipalma supplies tailor-made extension services through interdisciplinary teams with the capacity to provide technical assistance, training, knowledge and technology transfer, social accompaniment etc.</p> <p>Technical Assistance (TA): In the Colombian PO sector TA is focused on field actions to transfer and promote the adoption of good agroecological, social and business practices by smallholders, medium and large size producers. This task is performed by technical units at the NúcleosPalmeros with the orientation and support of Cenipalma.</p>