

Sustainability and Value Added in Agricultural Supply Chains in Indonesia (SASCI+)

Increasing the sustainability of the cocoa, coffee, palm oil and natural rubber supply chains in Indonesia

Part of the Global Programme “Sustainability and Value Added in Agricultural Supply Chains”

The global programme promotes sustainability in agricultural supply chains. It aims to make these fair, sustainable and free of deforestation. For this sake, the programme cooperates with market drivers in cotton, coffee, cocoa, natural rubber, palm oil and soy supply chains. Together with global companies, international standards organisations, and national partners. It implements project activities in ten countries (Uzbekistan, India, Colombia, Ecuador, Brazil, Indonesia, Ethiopia, Cameroon, Cote D'Ivoire, and Burkina Faso), with most currently phasing out.

The Context

Indonesian agricultural workers make up to 30% of the Indonesian workforce.¹ However, with Indonesian families living in poverty depending on agriculture; smallholder farmers often fail to generate living incomes as they obtain a marginal share of value added, leaving them vulnerable to fluctuating commodity prices. This situation is further exacerbated as unsustainable production methods often used by Indonesian smallholder farmers hamper productivity of commodities mid- and long-term.

As customers become increasingly aware of the pressing sustainability issues in global supply chains, multinational enterprises and big brands are expected to ensure that their products are sourced and produced sustainably. At the same time, countries—including Germany and Indonesia—are regulating their markets to ensure more sustainability in agricultural supply chains. Indonesian smallholder farmers face challenges to fulfill the related ecological and social standards to access global markets.

SUSTAINABLE DEVELOPMENT GOALS



Project Name	Sustainability and Value Added in Agricultural Supply Chains (SASCI+)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Co-financed by	Swiss State Secretariat for Economic Affairs (SECO)
Implementing Organisation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Project Region	West Kalimantan (Kapuas Hulu and Sanggau), Central Sulawesi (Lore Lindu), Lampung, West Java, and East Kalimantan
Political Partners	Indonesian Ministry of Agriculture
Duration	August 2020–March 2028
Financial volume	EUR 18,480,606

The global programme is part of the BMZ's special initiative “Transformation of Agricultural and Food Systems” with the goal to generate income in rural regions, create jobs and improve food security. This makes an important contribution in combating the causes of migration. Conflicts, environmental destruction, and disasters can trigger hunger—and vice versa. That is why investments in rural development, sustainable agriculture and food security are so important to stabilize regions. The programme will contribute to achieving the sustainable development goals above.

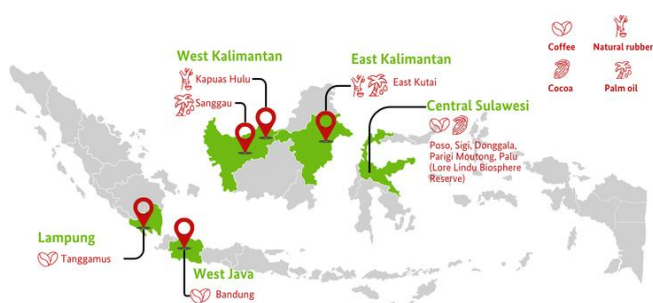


Photo left: SASCI+ Project Locations

Photo right: Woman coffee farmer in Lore Lindu Biosphere Reserve © GIZ/Leslie Searles



Photo left: Coffee from assisted plantation in Central Sulawesi © Ismet Khaeruddin/GIZ

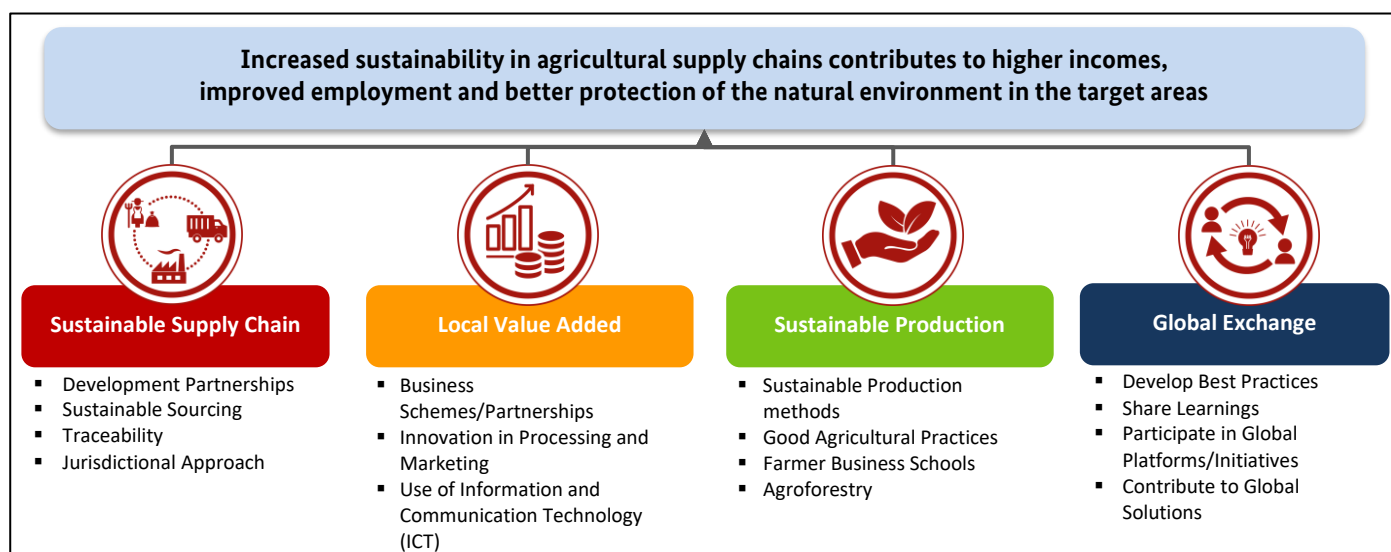
Photo right: Rubber harvesting in Kapuas Hulu ©Canopy Indonesia/GIZ

The Approach

SASCI+ focuses on natural rubber, palm oil, cocoa, and coffee in West Kalimantan (Betung Kerihun and Danau Sentarum Kapuas Hulu Biosphere Reserve and Sanggau District), Central Sulawesi (Lore Lindu Biosphere Reserve), Lampung, West Java, and East Kalimantan. SASCI+ works together with the Indonesian Ministry of Agriculture as its Political Partner. It builds on and complements existing bilateral project regions.

By increasing the sustainable production of agricultural commodities and strengthening downstream processing and market linkages, the project aims to increase the farmers'

incomes, safeguard natural resources, and establish sustainable supply chains. SASCI+ follows a jurisdictional approach trying to align the interest of multiple stakeholders including governments, business, local communities, and NGOs. Coordination among stakeholders in our working areas contributes towards conservation and sustainability of the supply chain. Using this approach, the project aims to establish long-term market access and security of supply.



SASCI+ Field of Action

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