

**WILMAR SMALLHOLDERS SUPPORT HONDURAS PROGRAMME**

**First Progress Report February - May 2016**

**1. WISSH Programme Background**

Honduras is the third largest palm oil producer in Latin America and an important palm oil supplier to Europe. Smallholders play an important role in the total palm oil production of Honduras, owning more than 40% of total area planted. In this regard, Wilmar Europe and The Industrial Association of Palm Oil Producers in Honduras (AIPAH<sup>1</sup>) have established a partnership to strengthen good agricultural and environmental practices of palm oil smallholders in Honduras.

**Empowering Smallholders & Improving Livelihoods.** The WISSH Programme (Wilmar Smallholders Support in Honduras) was therefore created with the aim to enhance smallholders' knowledge technical capacity on best agricultural management practices that incorporate principles of environmental stewardship, which will eventually lead to improved crop yields and income of smallholders. WISSH builds upon the criteria in Wilmar's "No Deforestation, No Peat and No Exploitation" policy.

The WISSH training programme has a cascade structure: the objective is to train supervisors at the eight mills under the AIPAH group, who will subsequently train conjointly with the WISSH trainer, 4000 of their supplying smallholders during the period of 2016 to 2018. The eight mills represent 60% of the total national palm oil production, processing about 1.1 million tons of fresh fruit bunches from smallholders. The 4,000 smallholders represent approximately 25% of all smallholders in Honduras which consists of 2,300 affiliated<sup>2</sup> and 1,700 independent smallholders. In order to verify their progress, a component of a Monitoring & Control System for mills will be developed under the WISSH project.

Through the palm oil export of AIPAH to Europe, the smallholders' produce will actually end up in European final products.



<sup>1</sup> Aceydesa, Palmasa, Salamá, Coapalma, Hondupalma, Palcasa, Honducaribe and Coinsu are the mills joining WISSH Programme.

<sup>2</sup> Affiliated Smallholders: smallholders who are related to the mill through a) belonging to a cooperative that owns the mill, b) being a shareholder of the mill c) being a supplier who receives benefits such as loans, training etc. The mill is not necessarily responsible for the smallholders' farm practices

## 2. WISSH programme Kick off

The WISSH programme kicked-off in the first week of February 2016. Each of the eight mills appointed supervisors who will form the technical team responsible for rolling out the programme. During the launch, Wilmar met with the eight managers of the AIPAH mills and the in total 43 supervisors to inform them on the stepwise components of the programme. The schedule of activities for each component was also defined, which included:

- 1) Mapping
- 2) Knowledge Transfer, and
- 3) Monitoring and Control.

Following the kick-off meeting, Wilmar conducted two days of meetings with the supervisors to determine their level of knowledge, strengthen their understanding and provide training skills to further develop the programme under the cascade methodology.

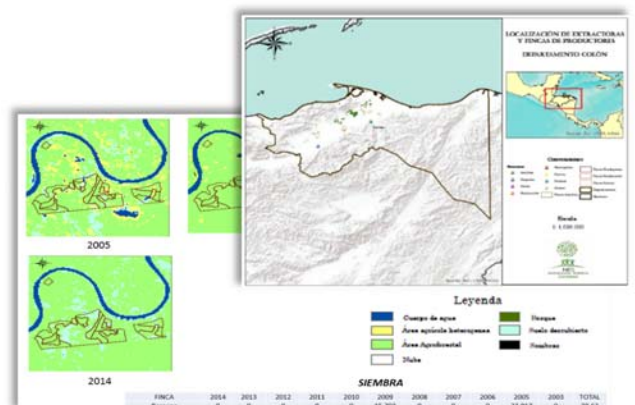


During this first session, Wilmar's No Deforestation, No Peat and No Exploitation (NDPE) Policy was strongly emphasized together with the benefits of sustainable production not just for the local people, but also for the environment. In this regard, the significance of working together on the development and implementation of good agricultural and environmental practices were recognized by the mills.

The national media was also present on the first day of the launch event to learn about the WISSH project as well as interview the participants. (Please see [https://www.youtube.com/watch?v=UmOf\\_1YKbtE](https://www.youtube.com/watch?v=UmOf_1YKbtE))

## 3. Smallholders Mapping

From the start of the WISSH programme, we have been focusing on mapping the affiliated smallholders by getting their coordinates and mapping their farm perimeters. This basic mapping allows definition of the farm location according to the mill receiving the FFB and also allows WISSH to have a basic understanding on land use changes. WISSH targets to map out all affiliated smallholders, followed by independent smallholders GPS coordinates in the second year.



In the first four months of WISSH, Wilmar has mapped out more than 30% of smallholders affiliated to the eight mills, including basic information on land-use change.

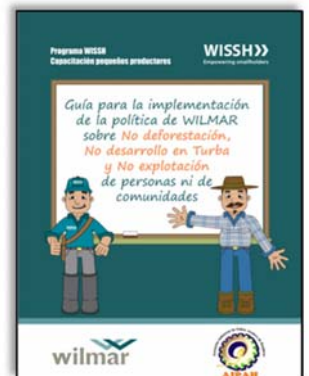
**4. “Train the Trainers” Workshop.**

Following the kick-off meeting, a “Train of Trainers” workshop was organized in La Ceiba, Honduras, from 11-15 April 2016. Attended by 43 agricultural supervisors from eight mill members of AIPAH, the training focused on building the capacity of the supervisors so they can in turn transfer knowledge to the smallholders and at the same time facilitate their relationship with the smallholders and their communities.

In addition to emphasizing the key tenets of Wilmar’s NDPE Policy and sustainable agricultural management practices, the training programme also included leadership, communication and entrepreneurship components.



At the workshop, participants brainstormed and exchanged new and innovative ideas on how best to transfer knowledge to the smallholders of their experience and challenge faced on the ground; and the idea “Pocket Guidebook” was conceived. The content of the Pocket Guidebook, which included best management practices guidelines and Wilmar’s NDPE Policy, was a collective effort of all the participants, and will be distributed to the smallholders to guide them in the field.





## 5. Next steps

The first smallholder training is planned for the last week of May. About 840 smallholders are expected to undergo training from the WISSH trainer of NES NATURALEZA<sup>3</sup> and the 43 supervisors who have already been trained previously. These supervisors will subsequently also train another 1,500 smallholders, using the cascade approach for knowledge dissemination. In total, we are expecting to train close to 2,300 affiliated smallholders in 2016. More details of this smallholder training will be provided in the next progress report.

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Mapping of affiliated smallholders of AIPAH mills will continue.

Additionally, a survey questionnaire will also be developed to collect baseline data of smallholders for benchmarking and evaluation purposes.

WISSH will also develop a protocol of non-compliance to track breaches of Wilmar’s NDPE Policy.

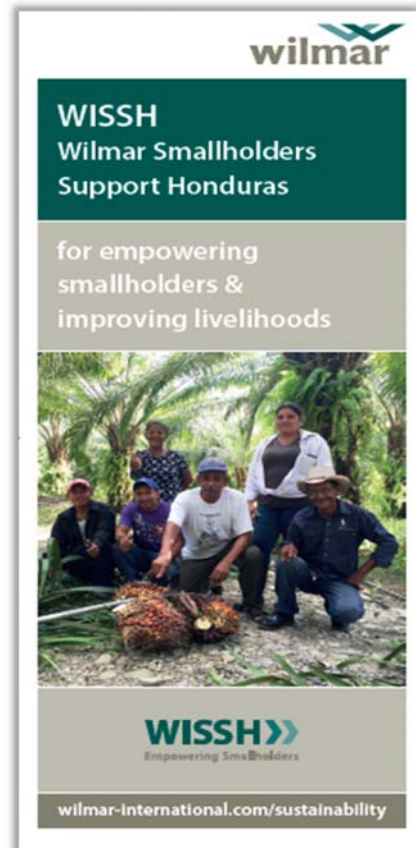
Developments of these next steps will be reported in the next progress report.

## 6. Partnerships

**Implementation partner.** Wilmar has selected NES Naturaleza (NES) to be the implementation partner of the WISSH programme for its extensive experience in the oil palm sector in Latin America. NES is a Colombia-based organisation that strives to create value in rural areas and to improve communities’ livelihood through a balanced equation between the environmental, social and economic perspectives.

Wilmar aims to replicate this programme to other regions in Latin America, albeit with adaptation, if it is proven successful.

**Sponsor.** Olenex is a partnership established by Archer Daniels Midland Company (ADM) and Wilmar International Limited (Wilmar) to sell and market refined vegetable oils and fats to the European Economic Area (EEA) and Switzerland. Olenex is a sponsor of WISSH, providing financial support as well as business and downstream supply chain expertise.



<sup>3</sup> See section 6 Partnerships