



NARRATIVE REPORT

Civic Engagement Alliance 2018

In cultivation, production, post-harvest handling and marketing of commodities, farmers and small traders dealing with the applicable standards to ensure product quality received by consumers. The capacity (knowledge) strengthening and financial access for smallholders is very important for the sustainability of agricultural and plantation commodities production.

EXECUTIVE SUMMARY

A respect for Human Rights (HAM) must be fulfilled in the commodity of value chain. In a value chain, consist of many parties and interest. But of the many parties in the value chain, the farmers and small traders are community groups vulnerable as victims of Human Rights in conducting business which in a while has not been too involved in realize the implementation of a Human Rights on perspective business. In a commodity of value chain, producers until exporters must comply with applicable standards. This standards not only regulate the cultivation techniques but also regulate the social behaviour of farmers. The fulfillment of standards by the entire of value chain is needed to convince prospective customers that the product or commodities they buy are safe for consumption and through a mechanism that meets the requirements.

Along with the responsible business practices in according to UN Guiding Principles (UNGPs) on Business and Human Rights, so strengthening of farmers in the development of the agricultural sector is a requirements, especially if the commodities produced are traded on a global scale. Pathway 3 on Civic Engagement Alliance (CEA) has goals to strengthen the welfare of farmers in the value chain of commodity business with a Human Rights perspective. Pathway 3 mission is to strengthen andd empower the smallholder in the commodity ssupply chain of nutmeg, rice, and horticulture in order to have farming business governance that has a Human Rights perspective.

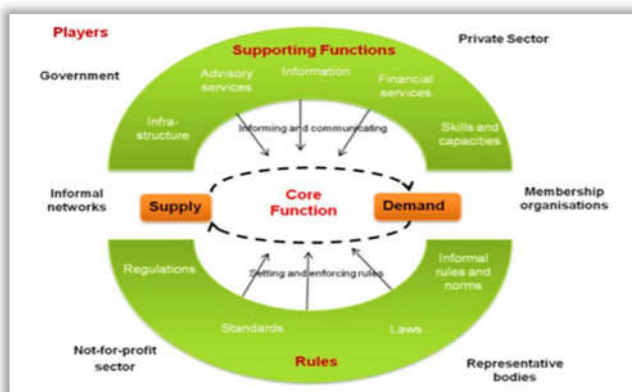
In 2018, Penabulu manages the implementation of the CEA program to advocate for the goals of Pathway 3, namely strengthening the small farmers position in the value chain; empowering smallholders and stakeholders in agribusiness and commodity networks to improve and provide consistent product; and to encourage product diversification in the frame work of respect and compliance with values and principles of Human Rights. In relation to international trade, then traded food products must meet the applicable requirements in the export destination country, including requirement for quality, safety, environmental, health and etc. In an effort to increase exports, so it is expected that export products have conformance to quality standards with the standards set by the destination country.

In the course of implementing the program to achieve goals its main activities, Penabulu collaborates with (i) Dashboard for Excellence Quality and Productivity Improvement (DEQPI) Economics and Business Faculty of The UGM to conduct standard research commodity and commodity of value chain; (ii) Koalisi Rakyat untuk Kedaulatan Pangan (KRKP) in conducting rice value chain studies and developing campaign strategies for rice advocacy; (iii) Perkumpulan Swara Nusantara Indonesia (PSNI) in lobbying and advocating for spices; (iv) PT Ewindo to strengthen the capacity of horticulture farmers in utilization of information technology; (v) TEMPO Institute in strengthening the capacity of CEA partners for writing report in the Story of Change form; (vi) PT Alam Sari Interbuana dan PSNI in developed nutmeg post – harvest guidelines.

SECTION 1: DESCRIPTION OF PROGRESS AGAINST INDICATOR

One of the most significant changes in the discourse and practice of Human Rights (HAM) in the last years has been a matter of relationship between business and Human Rights. The issue about business and Human Rights is the subject of a rapidly developing discussion, both in the empirical and academic world. The relationship between corporation and Human Rights is difficult to assess. Human Rights are often ignored in decision making, strategic views, even in business planning. Some findings states that business implementation tends to record the happened of Human Rights infractions in each chain of value with various forms of infractions.

In the food business based on agricultural commodities, in the upper course sector is the main pole. A various standards and certification are prerequisite and evidence of commodity product in each value chain that are worth trading on a large scale. The fulfillment of standards by the entire of value chain is needed to convince prospective customers that the product or commodities they buy are safe for consumption and through a mechanism that meets the requirements. There are certain standards that it a procedure infraction is found in the value chain, the commodity in relevant will not be accepted by the next value chain. Since the release of the UNGPs on Business on Human Rights, the Human Rights aspect has become an important part in the traceability of a commodity. That commodities circulating in the market must be free from Human Rights infraction since from the garden or rice fields.



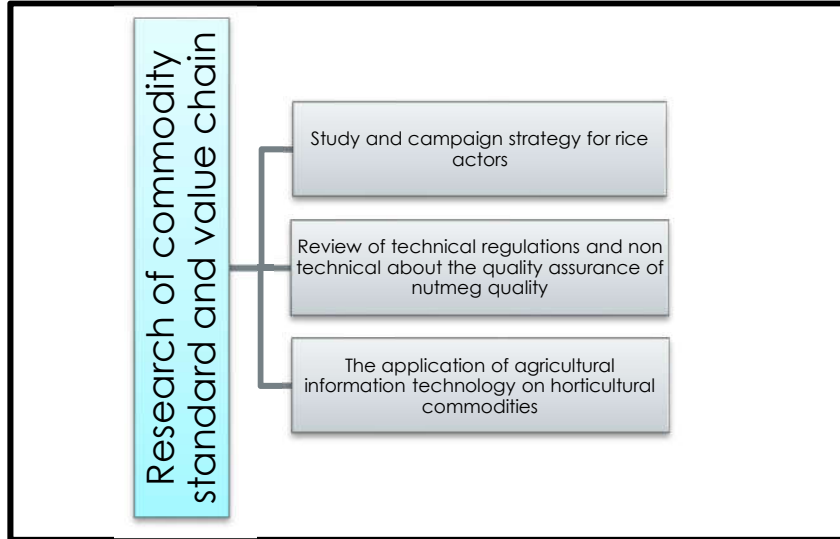
Penabulu involvement as a partner of Civic Engagement Alliance (CEA) Indonesia in Pathway 3 focused on Smallholders Empowerment. The Smallholders, in this case farmers and small traders are an important part of the business chain. In the CEA framework, Pathway 3 works based on the M4P approach especially on the regulation framework, which will consider and strengthen regulatory

factors and laws, standards, and traditional / informal norms that affect the value chain. To realize empowered smallholder and have a good / strong bargaining position, along with respect for Human Rights in every value chain, then the strategy taken is lobbying and advocacy on the stake holder, businessmen, farmers, and consumers.

What needs to be known together is that all this time the tradition of farming has been derived from previous generations, even though it's limited to cultivation. The big challenge for farmers now is to find the right sources and apply the knowledge about good commodity cultivation, post – harvest handling, until marketing stable and continuity. So understanding the reality of farmers and small traders along with agricultural and commodity based value chain networks and commodities means understanding internal and external strengthen controlling of change in the strength of *rooted community*. The value chain network that is able to balance business results while being able to meet the needs of its stake holders must be able to meet the needs, desires, and hopes of the stake holders and the parties with interest in commodity product by

providing products and services that meet the standards of advisability. In the other words, the standards application of advisability must be understood and implemented from the upper course commodity.

In implementing the program, the activities carried out by Penabulu are as follows :



Picture 1. The main activities for implementing CEA by Penabulu

To implement the program implementation in lobbying and advocating Pathway 3, Penabulu collaborates with some parties who support the achievement of results, namely :

- (i) *Dashboard for Excellence Quality and Productivity Improvement (DEQPI)* Economy and Business Faculty of the UGM to conduct the research of commodity standard and value chain;
- (ii) *Koalisi Rakyat untuk Keadaulatan Pangan (KRKP)* in conducting rice value chain studies and developing campaign strategies for rice advocacy;
- (iii) *Perkumpulan Swara Nusantara Indonesia (PSNI)* in lobbying and advocating for spices in the Indonesian Spice Council (DRI) and Directorate General of Plantation (Ditjenbun) of the Ministry of Agriculture;
- (iv) *PT Ewindo* in the SmartSeeds program scheme to strengthen the capacity of horticulture farmers in the use of information technology;
- (v) *TEMPO Institute* in strengthening the CEA partners capacity for writing report in the Story of Change form; and
- (vi) *PT Alam Sari Interbuana and PSNI* in developed a nutmeg post-harvest guideines.

In the following matrix, summarized the result of activities carried out by Penabulu in the framework of lobbying and advocating Pathway 3 to empower the farmers and small traders :

Results Achievement Matrix of Penabulu in the Implementation of Pathway 3

No.	Main Activities	Achievement Results	Indicator of Success
MAIN ACTIVITIES			
1.	Commodity research is divided into two studies: a. Desk study about comparison of commodity standards production practices b. Research of value chain in nutmeg, rice, and horticulture commodity	a. There is a match between UNGPs on Business on Human Rights with standards commodity production (<i>on farm</i> and <i>off farm</i>). Comparison is done with three main pillars on UNGPs on Business and Human Rights they are <i>protect (by state)</i> , <i>respect (by corporate)</i> , and <i>remedy (by victim)</i> . Based on these three pillars the superiority of one pillar is <u>respect-corporate</u> which is suitable with the purpose of the research, namely empowerment for farmers and small traders in agriculture and commodities. b. Using the tetrapreneur analysis method is found if there is an influence about the application of main standardization of commodities with the value chain, with the trade system and review the understanding of farmers and small traders along with the stake holders about regulations and standards implementation. In cultivation, production, packaging and distribution of commodities dealing with the applicable standards to ensure product quality received by consumers. The acceptance or rejection of a commodity in trade very influential on small holders welfare.	a. Comparative research document UNGPs on Business on Human Rights with ISO 26000, ISO 9001, SNI, G.A.P of Organic Rice, G.A.P of Nutmeg, and G.A.P of Horticulture. b. Research document in the commodity of value chain as a material for plans implementation in lobbying and advocacy
2.	Preparation of campaign strategies in rice advocacy	Through the study of rice actors to identify the interest and strengths of each the value chain actors, until a strategy can be formulated that used by the parties to realize for the sustainability of rice and rice business practices. The police in the rice sectors is mainly related to the price of rice which involved to many parties who influence policies and those who are influenced by the policy. The position of farmers as a subject who has the highest interest in the price of rice, but also a part that is influenced by the price policy. So, the farmers need to be strengthened in order to be	a. Study report of rice actors b. The media coverage : - https://bisnis.tempo.co/read/u54837/sebut-petani-saat-ini-tak-sejahtera-krkp-jelaskan-indikatornya - http://amp.kontan.co.id/news/yang-produksi-beras-petani-yang-untung-besar-pedagang

No.	Main Activities	Achievement Results	Indicator of Success
		involved in policy making. Beside encouraging the price policy strategy it also necessary for a rule that structurally it can improve the fair trade system for both the farmers and the other parties. This form of rule and structure can be a partnership farming model or existence of institutions as a means of control on policies relating with production and rice prices.	- http://villagerspost.com/to-days-feature/daulat-pangan-swasembada-beras-saja-tak-cukup-petani-padi-wajib-sejahtera/
3.	Review of regulations and standards about quality assurance of nutmeg commodity	<p>In the 7 years period (since 2011) Indonesian nutmeg notified to contain fungus. A various technical guidelines have been published to be a guide for producers in producing commodities and post-harvest handling. But the tight standards and feasibility of products in the global market need to be balanced with clearly of rules to applied from the upper course sector.</p> <p>In various multi-stakeholder dialogues (Penabulu, PSNI, Indonesian Spice Council, Ditjenbun, spice trader), agree to motivate the emergency of the Minister of Agriculture Regulation that regulating the implementation of standards quality nutmeg. Together with Ditjebun, Penabulu and PSNI plan a draft regulation of the Minister of Agriculture about the Implementation of Standards Quality Nutmeg to become the Government's agenda in 2019.</p>	Minutes of the preparation of proposals for the draft Minister of Agriculture Regulation on the Implementation of Nutmeg Quality Standards.
4.	Utilization of information technology for strengthening horticultural farmers	Improving the welfare of horticulture farmers can be done by using information as a way to ensure the origin of the vegetable and fruits commodities. The development of the SIPINDO platform, is one of the realization of support for Human Rights respect for smallholders in information openness on production and marketing of commodities. By the SIPINDO platform it's hoped that the horticultural farmers will experience improved to information and knowledge, so that will have an impact on increasing agricultural production and farmers income.	Consultation report on program implementation
SUPPORTING ACTIVITIES			
5.	FGD of the Policy on Quality Assurance System for Indonesian Nutmeg Implementation	In order to return the glory of Indonesian spices and minimize the notification of <i>Rapid Alert System for Food and Feed</i> (RASFF) about Indonesian spices especially nutmeg. The activities of FGD are organized by the Directorate of Processing and Marketing of plantation products, Directorate General of Plantations, Ministry of Agriculture in collaboration	Minutes and plans for Implementing an Assurance System of Quality Nutmeg

No.	Main Activities	Achievement Results	Indicator of Success
		with the Directorate of Exports Agricultural and Forestry products, Directorate General of Foreign Trade, Ministry of Trade. The purpose of FGD are formulating agreement with spice stakeholders about Assurance System of Quality Nutmeg in Indonesia, in guarding the implementation of Assurance System of Quality Nutmeg in Indonesia. The output from FGD activities this is the creation of an understanding of each stakeholder about nutmeg commodity in the implementation of Assurance System of Quality Nutmeg in Indonesia to realize the quality indonesia nutmeg according with quality standards that apply in globally.	
6.	Workshop of Agribusiness Development on Cinnamon	There is explanation and discussion about the potential for center of cinnamon commodities in the Kerinci District, but it still happens that <i>false cinnamon</i> due to the lack of attention from the government (central and regional) in the development of cinnamon in Jambi Province and Kerinci District which become the center, especially about improving quality product from cultivation, harvesting, post-harvest, and marketing.	Minutes of workshop
7.	The 14 th Asia Pacific Roundtable for Sustainable Consumption and Production (14 th APRSCP) Expo	ICCO and Penabulu also took a part in the expo with served innovation products in the form of a SIPINDO application from Geodata for Agriculture and Water (G4AW) program, premium rice products from the Facility for Sustainable Entrepreneurship and Food Security (FDOV) program, also a brief explanation of lobbying and advocacy for Smallholders Empowerment carried out in the Civic Engagement Alliance (CEA). Visitors who are pay visit and attention to the activities carried out by Penabulu and ICCO on this support for the sustainability of the production of farmers and small traders. Small discussions were built between expo visitors with Penabulu and ICCO about occurred program and plans development program to support the achievement of SDGs Goal 12.	a. Documentation of activities b. List of visitors at the exhibition stand
8.	Making video guide on post-nutmeg harvest	Starting from discussion and reflection on books and videos of post-harvest handling and marketing of nutmeg to published from the TSP II program. The book was actually compiled to help the farmers and small traders in dealing with nutmeg that match with the standards of global trade. But the video is considered lack of communicative and the language used in the book is not understood as a guide for farmers and small traders. So, as a contribution in Pathway 3 in strengthening the capacity of farmers and nutmeg of smalltraders, video guiding on post-nutmeg harvest were	Video guide on post-nutmeg harvest

No.	Main Activities	Achievement Results	Indicator of Success
		developed based on empirical experience from the Sangihe Organic Farmers Association (APO Komasa), on the recommendation of the Indonesian Spice Council and the Kehati Foundation. Hoped, video guide on post-harvest handling of nutmeg can be a media for wider lobbying , especially for stake holders to published the national-scale regulations for handling Indonesian spices.	
9.	Assesment of the cultivation of Turmeric marketing	<p>Assessment of the cultivation and marketing of Turmeric was done in Kulon Progo District and Gunungkidul District what is known as a supplier of turmeric is by tracing the farmers, traders, turmeric processor and traditional market sellers. Beside it the sample from each region were taken to simplicia experiment and quality of curcumin experiment in turmeric. This is done because the content of curcumin and turmeric rendemen that influenced by the soil culture, cropping pattern and harvest pattern.</p> <p>Experiment result of curcumin and turmeric rendemen :</p> <ul style="list-style-type: none"> - Turmeric from Tepus (Gunungkidul) with measure medium containing curcuminoid 8,91 % b/b. - Turmeric from Girimulyo (Kulon Progo) with measure medium containing curcuminoid 8,82 % b/b. - Turmeric from Kedungsari (Kulon Progo) with measure large containing curcuminoid 7,17 % b/b. - Turmeric from Karangsari (Kulon Progo) with measure small containing curcuminoid 11,22 % b/b. <p>From the resut of these experiment it can be concluded that the turmeric has the highest Curcuminoid content, which is from Karangsari, suitable to be developed with turmeric flour products. While turmeric from Tepus, Girimulyo, and Kedungsari, has a medium and large measurement can be developed for refreshing drink and seasoning.</p>	Assessment report
10.	Workshop of writing report "Story of Change"	The method of writes the "Story of Change" to help catch the true story about the changes experienced and photographing the dynamics of knowledge from customer segments program, put the customer segments as an important material in program implementation, and the synergy of the program implementor with stakeholders. There are many stories in	a. Activity report b. Documentation of activities

No.	Main Activities	Achievement Results	Indicator of Success
		<p>CEA program implementations, but is not be able to be inform in an interesting and inviting for the readers (publics).</p> <p>This approach of writing report method “Story of Change” is an interesting method to involved the stakeholders and external audience to understood the progress/ changes that occur through a story, by prioritizing the perspective and experiences of parties directly involved in the activity process.</p>	
11.	Workshop on the arranging of information system framework in integrated commodities	<p>The spice trade chain is quite long, remember that this commodity is trade until the export market. The speed of information between value chain is often barriers by distance and time, consider the the upstream commodity is far from the center of economic matters and the Indonesian government. The low understanding of farmers and traders at the local (village) level on commodity standards production that contribute to the low quality of life the <i>smallholders</i>.</p> <p>The need for a data system and integrated of commodity information is very large to answer the challenges in global trade. In the workshop a data framework was formulated and needed to ensure productivity and quality control in sustainable marketing of commodities. If the data development system and commodity information can be realized, can be connected to the regulation on implementation of standards quality commodity, so that all concerned parties in the commodity of value chain can used data system and information on these commodities.</p>	Minutes meeting

SECTION 2: COMMUNICATION UPDATE



In implementing of CEA program on Pathway 3, Penabulu is supported by many parties who have concern and interest in the issue of empowering farmers and small traders, especially in the rice, spices and horticulture sectors. The UNGPs on Business on Human Rights requires principle **protect** carried out by the government, **respect** carried out by the businessmen in business chain, and **remedy** given to victims of Human Rights infraction. In Pathway 3, the program's success point is when it can lobby the government that should be able to issue protection policies for selected on commodity smallholders, and lobbying for businessmen in order to be able for apply the standards applied in global trade because if will have an impact on the welfare of farmers and small traders.

The success experienced by Penabulu in achieving the program objectives are :

1. **Stakeholders support** in the form of data and formal information to support studies and lobbying in encouraging policy improvements in order to strengthen the position of smallholders in the commodity of value chain. As an organization that is learning about Human Rights issues in business, Penabulu began to be involved in the process of accurately quality standards of spice commodity and sharing ideas in discussion forums at the District Government level and Ditjenbun for improving the welfare of spice farmers, especially nutmeg commodity of smallholders.
2. **Academics support** in the form of research collaboration with researchers from IPB, UGM, and Politeknik Padamara can improve the capacity of Penabulu along with consortium in research development, both in terms of science and tools. The sharing knowlegde can help the Penabulu to be more confident in conducting research or studies, especially in the field of Human Rights and commodity business.
3. **The another institution support** that strengthen the achievement of Pathway 3 goals for empowering smallholders. In addition to the consortium especially with KRKP and PSNI, penabulu developed a relations with the Indonesian spice council (which later formed new networks with researchers from Ghent University, PT Alam Sari Interbuana, Kehati Foundation , INOBU) and through KRKP collaboration with

Indonesian Farmers Alliance (API) which has a mission to encourage the birth of national rice platform.

Relations and communication with these parties can help achieve the pathway 3 goals in the implementation of 2018. Penabulu realizes that the established network isn't yet optimal and effective in lobbying and advocating. This needs to be strengthened by Penabulu and CEA partners in implementing the program to realize business applications that prioritize respect for Human Rights since the upper course sector.

SECTION 3: LESSON LEARNED

CEA as a program whose implementation is related with many parties, both formally and informally, giving learning to the implementor. Penabulu conducts internal reflections to evaluate the program implementation. In specific, Penabulu entered a new phase as an organization terms of lobbying and advocacy. The staff involved in this CEA program, slowly getting a way to approach many parties and finding parties who are willing to collaborate in seeking respect and strengthening Human Rights for smallholders in the business chain. Collaboration between parties in the implementation of CEA 2018 strengthens networks in institutions. In the lobbying and advocacy scheme, Penabulu specifically involved the KRKP and PSNI to strengthen lobbying efforts for parties *concerned* in the field of rice and spices. This is done because the two institutions have a special field experience in the two main commodities which are the focus of pathway 3.

The issue of UNGPs on Business and Human Rights is new to many parties, so it needs more effort in lobbying and advocacy to provide explanations to stakeholders and program stakeholders, as well as giving understanding and awareness to smallholders. Lobbying and advocacy in both of these uses a different approach. At the stakeholder level, this approach is carried out in a structured manner at the village until national level, because bureaucratically there is a standard mechanism. The mechanism indeed sometimes causes the lobbying process to run slowly. While at the level of smallholders, the approach is taken to prioritize effort for adjust behaviour in the commodity business of value chain. Because in general, agriculture is still regarded as a hereditary tradition carried out with the norms of ancestors heritage. Whereas in global trade, there are standards that must be applied to ensure *quality control, food security, and traceability*.



Partnerships built to achieve the CEA goals include the NGO, government, and public sector. Lobbying effort have been made to various companies, commodity councils, labor unions, up to various levels of government institutions. But there are many challenges faced by CEA

partners in lobbying and advocating on the application of Human Rights in the business sector. Experience in the implementation of CEA 2018, making special learning for Penabulu become a foothold in the implementation of the next year, and can be duplicated in the other programs.

SECTION 4: BARRIERS, ISSUES AND PROBLEMS ENCOUNTERED

In the implementation of the program, the implementor is often faced with external barriers which if not resolved or unable to adapt, will foil the program objectives. There are some main barriers faced in the field, including :

1. Lobbying and determining the right parties, especially in strengthening the capacity and bargaining position of smallholders in the value chain needs precision and patience. The issue of UNGPs on Business and Human Rights which hasn't been understood by stakeholder resulting in lobbying and advocacy seem slow. So far the issue of Human Rights is still understood as *non-violence*, so that in elaborating an explanation of the relevance of Human Rights in the business chain need experts and master the situation faced by selected commodity smallholders. That the welfare of farmers as commodity producer, and the traceability of information the origin and quality of commodities are part of the realization of Human Rights in business.
2. In research, at the time of data collection from government institutions, information obtained tends to be normative and data isn't as accurate conditions in the field. So, needed a stronger approach strategy, for example it involves academics who are often more trusted by government institutions, so that the informant are more opened.
3. The time management of the parties included in the program collaboration. The realization of program implementation is often not appropriate from the agreed time. This is influenced by the institutional cycle, the formal agenda of government institutions, and matters relating to social customs. Dealing this, a new agreement is needed that can adjust to each other achievement of objectives.

To resolve these barriers, there needs to be more solid collaboration among CEA partners who focus on pathway 3, so that the partners can carry out lobbying and advocacy that fill and strengthen each other in achieving program objectives.

SECTION 5: CONCLUSION AND RECOMMENDATION

In cultivation, production, post-harvest handling, and marketing of commodities, the smallholders are dealing with the applicable standards to ensure product quality received by the consumers. The existence of the UNGPs on Business and Human Rights as one of the non-technical standard references, which determines the acceptance or rejection of commodities in the export market it's unknown to many parties, both the farmers, traders, and government officials. The capacity (knowledge) strengthening and financial access for smallholders is very important for the sustainability of agricultural and plantation commodities production.

The Pathway 3 with a focus on empowering the smallholders aims to strengthen the value chain that supports the commodity business with a perspective of Human Rights in Indonesia since the lowest chain (upper course sector). In developing empowerment for smallholders, this program seeks to encourage the businessmen in the supply chain of nutmeg, rice and horticulture commodities become the strengthening target in the capacity of a farming business management with a Human Rights perspective. This is based on the assumption and consideration that farmers and small traders is a community group which is easy to be victims of Human Rights in business implementation.

Strengthening the position of farmers and small traders can be done with a policy-making strategy that can their involved. So, there needs to be another strategy to encourage the other parties to be involved in determining standards quality and commodity prices. Besides it also needed a structural agreement that can improve the trade system of rice, nutmeg, and horticulture commodity that is fair both for farmers and another parties in the commodity of value chain. The agreement can be in the form of an integrated commodity trading system that allows opened the financial access and sustainable marketing.(*)



ANNEX

Annex 9.1. Lobby Chain & Positioning

Annex 9.2. Plan for next quarter (if applicable)

Annex 9.3. Lobby Log Book (from start date to end date)

Annex 9.4. List of Outputs (products, guideline, toolkits, list of news link/ social media updates, booklets etc in soft copy)