



**Oil Palm Development Plasma Program**

Country	Indonesia – South Sumatra Provinces
PPP typology	Value chain/subsector development
Subsector and commodity	Oil palm
Partnership duration	2002–2006
Overall objective	Enhance the prosperity of farmers by improving their knowledge in the oil palm cultivation and management as well as empowering the Village Unit Cooperative (KUD)'s functions and roles
Investments	Total: US\$16.7 million (Public: 37%; Private: 63%)
Public partners	<p><b>Local Estate Crops Agency</b> Role: Process land's permit licensed and certification; Supervise plantation development</p> <p><b>South Sumatra Province District Government; National Land Agency</b> Role: Land-use rights</p> <p><b>Bank BRI</b> Role: Fund under a subsidized loan scheme; Monitor &amp; Evaluate implementation of plantation development; Disseminate the credit program to farmers; Provide banking services to farmers</p>
Private partners	<p><b>PT. Sampoerna Agro tbk</b> Role: Guarantee fund; Technical services; Training</p> <p><b>Cooperatives/KUDs</b> Role: Conduct palm estate development; Training; Transfer of palm cultivating technologies to farmers; Buy farmers' harvesting products; Assist farmers</p> <p><b>Farmers</b> Role: Palm trees maintenance; Sell harvesting products to the nucleus company; Conduct harvesting according to instructions and technical guidance from the nucleus company</p>
Intermediaries partners	N/A
Beneficiaries	2 500 Farmers
Main driver of the PPP	Local Village Agency, Local Estate Crops Agency, PT. Sampoerna Agro Tbk
Activities	Development and management of Oil Palm Estate; Provision of raw materials to the private company
Results to date/Impacts	<ul style="list-style-type: none"> <li>• Improved farmers standards of living;</li> <li>• Farmers' children could afford to continue in higher education;</li> <li>• Small villages became growing economic centers.</li> </ul>