

Second Terpercaya Advisory Committee Meeting (Phase 2)



Minutes of Meeting

Date:	Wednesday, February 26, 2020
Time:	09.00-12.15
Venue:	Hotel Pullman – Jakarta
Moderator:	Josi Khatarina (INOBU)
Participant:	Bappenas, EU Delegation, Ministry of Home Affairs, Ministry of Agriculture, Embassy of Germany, Embassy of France, GIZ, TFA, TRASE, KEHATI, EFI, WRI, Epistema, AMAN, SPKS, INOBU, Unilever, April, Musim Mas/GAPKI, Bumitama Agri, Envitec Biogas, Bluenumber (See Annex I)

I. Opening Remarks and Presentation

- The meeting was chaired and opened by Director of Food and Agriculture, Bappenas. The Director conveyed several important points, as follows:
 - The Government of Indonesia is highly committed to sustainability in agricultural production; this includes paying attention to social, environmental, and governance aspects as demanded by the market.
 - One of the efforts in this area is advancing the jurisdictional sustainability approach together with partners and stakeholders; the jurisdictional approach has been included in the 2020-2024 National Medium-Term Development Plan (RPJMN), officially promulgated via Presidential Regulation No. 18 of 2020 on the 2020-2024 RPJMN.
 - To further institutionalize the jurisdictional sustainability approach, the 22 Terpercaya indicators would be tested out as an instrument through which the government could evaluate development progress, especially in the food and agriculture sector, including palm oil.
 - Multiple approaches and certification schemes can serve to clarify palm oil supply chain sustainability and help monitor value addition through, e.g. oleochemical production, which is also a consideration in development planning and monitoring.

- Following piloting at the district-level and further alignment with the indicators listed in the 2020-2024 RPJMN, the Terpercaya indicators could be linked to incentives for regional development.
- Around 200 from 400+ districts in the country could benefit from incentives associated with sustainable food and agriculture development practices, especially in the palm oil industry.
- The Directorate of Food and Agriculture at Bappenas controls the Special Allocation Fund (DAK) for food and agriculture given to subnational governments, which currently amounted to approximately USD 200 million annually. One criterion for DAK allocation is the existence of regional government's bylaws to prevent land conversion. Other criteria could be added (e.g. from Terpercaya). One idea is for the district governments to report their progress in relation to the selected indicators for DAK allocation through a web-based platform.
- Terpercaya could help improve communication between Indonesia as a producer country and the market, including the EU, because Terpercaya helps create common knowledge and exchange corridor between various parties involved in the commodities trade.
- Head of EFI's Asia Regional Office expressed his appreciation for Bappenas' leadership in the jurisdictional approach, particularly through Terpercaya. Elements in Terpercaya concerning measurement of on-the-ground facts and available data mirror the SVLK and VPA processes (in which EFI has long been involved in Indonesia), where the aim is to support improved design and implementation of legal frameworks and raise market awareness of changes in the producer country. The lessons learned from SVLK can be used as an example in the development of Terpercaya, especially in relation to the forest area conversion, transparency, and communication. The government's efforts on this could be communicated to markets to complement private sector approaches.
- Executive Director of INOBU delivered a presentation on the following points:
 - Progress of Terpercaya data collection at the national level:
 - Several data sets from Ministries/Agencies could not be accessed yet, including data from the Ministry of Agriculture, Ministry of Environment and Forestry, and Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN);
 - Several data sets were not available at the national level, such as High Conservation Value (HCV) Maps, Free Prior and Informed Consent (FPIC), cultivation registration letter (STDB), information on multi-stakeholder participation in planning, information on complaints mechanisms, environment carrying capacity documents (DDTLH) and Environmental Protection and Management Plan (RPPLH) in each district.
 - A mock-up of web-based Terpercaya platform was presented. The mock-up displayed existing data from the Province of Central Kalimantan. Currently, the results for each indicator were divided into 3 groups: i) average; ii) below average; and, iii) above average. It was expected that in the future, the platform could be accessed via www.bappenas.go.id/Terpercaya. The mock-up platform could allow user to:
 - Display district indicator data in map format;
 - Plot indicators against one another;
 - Weight social, economic, environmental and governance indicator group;

- Define indicators thresholds and select districts making the minimum requirement;
 - Apply criteria to select groups of districts.
- Discussion questions raised to advisory committee members were:
 - Should Terpercaya be used as a standard or only as a data sharing platform?
 - Should thresholds/minimum requirements be set and if so, how?
 - How should the Terpercaya platform be designed to accommodate the options above?

II. Feedback

II.A. General

- In general, all parties welcomed and appreciate the leadership of Bappenas in encouraging a jurisdictional approach. Some notable comments include:
 - EU Delegation Representative: i) this meeting gives confidence that there is continued real progress made by the Government of Indonesia to improve and realise sustainable plantation management through Terpercaya, which at the moment is in the second stage; ii) the third stage of Terpercaya, known as Keberlanjutan sAwit Malaysia-Indonesia (KAMI), is in the process of being finalized; iii) the EU does not have a specific policy on palm oil, but has policies related to climate change, public health, fair trade, bioenergy, etc. The main policies in place are the EU Green Deal and the EU's aim to be carbon neutral in 2050. Terpercaya could be one of the policy steps showcasing the commitment of the Indonesian government; it is also not specifically related to oil palm and could be used for various other commodities.
 - Ministry of Agriculture: supports Terpercaya as an initiative developed by Bappenas
 - Ministry of Home Affairs: supportive and would help ensuring the integration of Terpercaya indicators with Regional Government Work Plan (RKPD).

II.B. Data, Methodology and Web-based Platform

- Director of Food and Agriculture, Bappenas: i) Bappenas will use Terpercaya as a standard to benchmark districts, the results of which could help investors in making investment plans and help local governments improve their performance; ii) Planning should be spatially based according to a 2017 regulation and with results from the current phase of Terpercaya expected in March 2021, we have a roadmap to show the way; iii) Terpercaya, which would start with platform development and move towards a standard, could be part of this roadmap towards standardization; iv) data-related policies would be based on the Satu Data Presidential Decree (i.e. on integrated data management service) with Bappenas as the focal point. Well-coordinated data sets and data-based policies (e.g. open data sharing) are among the government's focus at the moment. Terpercaya could be part of this effort.
- EU Delegation: the web-based Terpercaya platform has a huge value as a data-sharing platform (by also including data from civil society); Terpercaya was not meant to be a standard but could help inform existing certifications/standards, such as ISCC, ISPO,

RSPO, MSPO. Thus, Terpercaya indicators should also be in line with the existing standards. Nonetheless there is value in discussing how thresholds could be set. In connection, Terpercaya should identify front-runner districts, a second tier of districts that can reach the first tier with appropriate support and a third tier for which policy responses need to be devised. EU policies are evolving but there is a long-standing realisation of the need to include smallholders given that certification has mostly been towards companies and mills. One lesson from FLEGT is that it is difficult to open discussions along length of the supply chain but it is necessary to get different inputs on criteria and thresholds and, in relation, the Terpercaya platform should allow collation of user feedback.

- Ministry of Agriculture: some of the data not yet acquired are available in the Ministry of Agriculture, such as the number of independent smallholder organization (gapoktan), data on conflicts, etc., yet these data sets are still scattered in various units; the Secretary of DG Plantation would coordinate the internal data collection process before handing the data to Bappenas as part of the Terpercaya process.
- The Ministry of Home Affairs: i) inquired whether the indicators would apply to all regions; ii) process indicators are needed because it would help local governments in developing the local government's work plan (RKPD); RKPD is both an indicator and a target to be implemented by the region based on the stipulated RPJMN; iii) The Ministry of Home Affairs could help to incorporate Terpercaya indicators into the RKPD provided that the indicators are applicable to all commodities and all regions.
- TRASE: i) preferred to have Terpercaya as a data-sharing platform considering the plethora of existing standards and the need for good data at the moment; ii) based on the experience of Sustainable District Association/LTKL in developing the Regional Competitiveness Framework (KDSD), the quality of regional data is still far from good. Further, sustainability reports are rarely read by decision makers; iii) for indicators related to forest and land fires, it was proposed to reflect from previous experiences rather than using burnt scar and hotspots data;
- The European Business Chamber of Commerce (EuroCham) conveyed that from the perspective of European business sector: i) palm oil is a much-needed product; ii) a feature for tracking history/timeline is needed, so that progress can be identified from each region.
- Tropical Forests Alliance (TFA) and Kehati preferred Terpercaya to be an information-sharing platform. Kehati further said that such a platform is needed to display comparative data produced by civil society actors.

II.C Other Concerns

- Ministry of Agriculture: proposed that Indicator 11 related to smallholders be aligned with Regulation of Minister of Agriculture No. 01/2018 on Guidelines for Determining the Price of FFB Purchase, which was an instrument for smallholders protection that had often been ignored by employers. On the other hand, Mr. Togar (Musim Mas/Gapki) conveyed his understanding that the respective price was only binding for farmers who partnered with the company. It was proposed that the 20% obligatory criteria could be fulfilled not only from land allocation but also from general partnerships with smallholders, which could help reduce deforestation.

- Musim Mas raised several issues: i) traceability has been a major problem due to differences in spatial planning documents and designation of forest areas; ii) replanting has not been well-budgeted because of issues with the Plantation Fund Management Agency (BPDP); and iii) STDB fees, which in practice is expensive and could reach up to 200 thousand rupiahs per letter. In reply, the Director of Food and Agriculture, Bappenas stressed the need for various agencies at the national level (including BPDP) to sit together so that existing data and instruments (including in relation to replanting and STDB) could be used optimally within the framework of the RPJMN. INOBU mentioned that potentially the Terpercaya platform could be used to address such issues. For example, districts that have made STDB free of charge could be given the green colour.
- Unilever reiterated its existing cooperation with INOBU in Central Kalimantan and mentioned its work/focus in Riau, Aceh, South Sumatra, Central Kalimantan, and Sabah. Unilever would be interested in exploring how indicators could help them in planning investments and obtaining supplies from well-performing regions based on the developed indicators.
- TFA mentioned that there would be an annual TFA meeting attended by global investors and business entities on 30 June - 2 July in Jakarta. Initiatives showcasing leadership from the government, such as Terpercaya, could be presented at the meeting or associated forum.
- AMAN said there were indications of improper “trade” of certain areas’ designation based on the needs of plantation companies. On the other hand, recognition of indigenous territories has still been very difficult to obtain. There is also a suspicion that the operational details of many plantation concessions are not the same as what is written in their business licenses. Bappenas’ Director of Food and Agriculture replied that the alignment of certain data would help solve the issues.
- Musim Mas expressed a concern regarding central government’s authority at the subnational level, as the Constitutional Court has revoked the central government’s authority in cancelling regional bylaws. The Ministry of Home Affairs responded that there are many other authorities of the central government, including those related to the alignment of the Regional Medium Term Development Plan (RPJMD) with the National Medium Term Development Plan (RPJMN) facilitated by the Directorate General of Regional Development, Ministry of Home Affairs. Likewise, the regional obligation to formulate Sustainable Palm Oil Regional Action Plan (RAD) should also be aligned with the Sustainable Palm Oil National Action Plan (NAP), in accordance to the Presidential Instruction 6/2019.

III. Conclusions and Follow Up Plans

- Director of Food and Agriculture, Bappenas remarked that: i) the day’s discussion has been a very open-minded one; discussions conducted with an open-mind, in a constructive manner, and involving many stakeholders need to be continued, and hopefully will bring forth “open heart” and further, “open will”; ii) the use of the DAK budget as an incentive for subnational governments to implement sustainable plantation policies could begin as early as June-August 2021.
- EFI thanked participants for their continued involvement and highlighted the need outlined by Bappenas for Terpercaya to focus on high-quality data as a foundation for evidence-based policy making and means to encourage progress as well as demonstrate achievement.

- Most participants suggested that data sharing shall be a primary goal of Terpercaya, while it is still important to maintain flexibility regarding the possibility of defining indicator thresholds, and indicator groupings relevant for different standards, regulations and policies, and/or developing Terpercaya as a standard.
- Regional FGDs to try out the indicators and obtain data not available at the national level would be held in Rokan Hulu, South Manokwari, and West Kotawaringin in the March-April 2020 period.
- FGDs at the national level would be conducted to discuss the methodology for each indicator in detail, including process indicators, which would help the Ministry of Home Affairs provide directives for local governments in preparing RPJMD and RKPD.

Annex I Agenda

Time (WIB)	Activity	Presenter
09.30 – 09.45	Opening remarks	Anang Noegroho (Bappenas) Alexander Hinrichs (EFI) Facilitator: Josi Khatarina
09.45 – 10.00	<u>Presentation</u> Development of Terpercaya Trial: Data collection and design from web-based platform	Silvia Irawan Facilitator: Josi Khatarina
10.00 – 12.00	<u>Discussion</u> <ul style="list-style-type: none"> • Development of data collection and assessment methodologies for each indicator • Identify the need for a web-based platform 	<u>Facilitator:</u> <u>Josi Khatarina</u>
12.00 – 12.15	Conclusion and follow-up measures	<u>Facilitator:</u> <u>Josi Khatarina</u>
12.15	Closing remark	Anang Noegroho

Annex II Attendance List

Name	Gender	Institution	Email
Adinda Laily M.	F	Bangda, Kemendagri	dindalailym@gmail.com / pertanianpangan.supd1@gmail.com
Alexander Hinrichs	M	EFI	alexander.hinrichs@efi.int
Alina Moser	F	German Embassy	ku-hosp1@jaka.auswaertiges-amt.de
Anang Noegroho	M	Bappenas	anang.noegroho@bappenas.go.id
Desi M.	F	Epistema	desi.vitasari@epistema.or.id
Elvyrisma	F	Ditjenbun	elvyrisma@gmail.com
Gina Karina	F	WRI	gina.karina@wri.org
Giorgio	M	TRASE	giorgio.gbi@gmail.com
Haris	M	Ditjenbun	pemasaranbun@yahoo.com
Hendi Sumantri	M	Bappenas/GIZ	hendi.sumantri@yahoo.com
Janne Siregar	F	TFA	janne.tfa@ibcsd.or.id
Jansen T	M	EFI	jtangketasik@gmail.com
Jeremy Broadhead	M	EFI	Jeremy.Broadhead@efi.int
Josi Khatarina	F	INOBU	jkhatarina@yahoo.co.uk
Katryn Pasaribu	F	INOBU	kpasaribu@inobu.org
Lana Kristanto	F	Unilever	lane.kristanto@unilever.com
Ludovic Maria	M	French Embassy	ludovic.maria@dgtresor.gouv.fr
Mardani	M	AMAN	amankobar@gmail.com
Metia Lembasi	F	KEHATI	metia.lembasi@kehati.or.id
Michael Bucki	M	EU	Michael.BUCKI@eeas.europa.eu
Midiati	F	INOBU	midiatiedward@gmail.com
Muhammad Adli Pramana	M	INOBU	mpramana@inobu.org
Saeshaputi	F	Bumitama Agri Ltd.	saeshaputi.rahmanita@bumitama.com
Sangkai	M	AMAN	-
Satrio Wicaksono	M	EFI	Satrio.Wicaksono@efi.int
Silvia Irawan	F	INOBU	sirawan@inobu.org
Thomas Wagner	M	EnviTec Biogas AG / European Business Chamber of Commerce (Eurocham)	T.Wagner@envitec-biogas.com
Togar Sitanggang	M	Musim Mas/GAPKI	togar.sitanggang@gmail.com
Ziv Rogawsky	M	Bluenumber	ziv@bluenumber.org