

## First Terpercaya Advisory Committee Meeting (Phase 2)

### Minutes of Meeting

Day/date:	Wednesday, November 13, 2019
Time:	10.00 am-12.00 pm
Place:	Doubletree Hotel - Jakarta
Moderator:	Josi Khatarina (INOBU)
Participants:	Anggoro Hadi P., Elis Yuningsih, Saipulloh, Gliddheo, Ribut Purwanti, Arief Wijaya, Michael Bucki, Ann-Cathrin Jost, Thomas Sembres, Eva Novianty, Adinda Laily M., Zakki Hakim, Anita, Leony Aurora, Hendi Sumantri, Lenida Ayumi, Naomi, Anang Noegroho, Erwin Widodo, Giorgio, Nurdiana Darus, Tiara Yasinta, Sofi, Andry, Jeremy Broadhead, Satrio Wicaksono, Silvia Irawan, Bernadinus Steni, Josi Khatarina, Wim Nursal, Mei Mei Meilani, Midiati

#### I. Opening and Presentation

- The meeting was opened by Mr. Anang (Director of Food and Sustainable Agriculture - Bappenas). His main point was that Terpercaya is expected to assist the government in monitoring, evaluating, and budget planning at the local and national levels. Mr. Anang stated that Bappenas is currently finalizing the 2020-2024 National Medium Term Development Plan (RPJMN), which has seven national priorities. Terpercaya is part of efforts to realize the jurisdictional approach placed in National Priority (PN) 1 (Strengthening Economic Resilience for Quality Growth), 2 (Regional Development to Reduce Inequality and Ensuring Equal Distribution), and 6 (Building the Environment, Improving Disaster Resilience, and Climate change). This strategy is intended to mainstream the approach into various development sectors and to 'localize' SDG, integrate the mandate to achieve SDGs into regional development. Terpercaya is expected to assist Bappenas in upholding SDG principles in the planning and supervision of regional development to ensure sustainability of food and agriculture development. Mr Anang invited Mr Michael Bucki (EU), as representative of the party who prepared Terpercaya in its initial stage, to convey his views.
- Mr. Michael Bucki expressed his gratitude to Bappenas for officially endorsing Terpercaya on behalf of the Indonesian government. Mr. Bucki also expressed his appreciation that under the directive of the Directorate of Sustainable Food and Agriculture of Bappenas, Terpercaya would be developed to assist the government in planning and overseeing regional development, especially in food and sustainable agriculture. According to Mr. Bucki, this is important to the EU because there is a 2024 target under the Second Renewable Energy Directive (RED II) to ensure the sustainability of Indonesian palm oil products used as biofuel in the EU. Terpercaya is expected to help the Indonesian Government in screening districts for sustainable production and may provide space for all parties, including smallholders, to benefit from the global palm oil market.

- After the opening, a presentation on the activity plan for Phase II of Terpercaya was delivered by Josi Khatarina from INOBU. There were three main points in the presentation: first, a reminder of Terpercaya indicators and their potential benefits, second, the plan to test the indicators over the next 18 months, and finally, selection of pilot districts for indicator testing.

## **II. Input**

Based on the presentation during the opening session, the participants raised various questions and provided inputs, as described below.

### **II.A. General**

- Mr. Anang stated that if the initial objective of Terpercaya was to focus on oil palm, this focus remains within the mandate of his unit given by the Minister of PPN/Bappenas. Regarding palm oil, his unit was assigned by the Minister of PPN/Bappenas to be responsible for 1.9 million independent smallholders, traceability of Indonesian palm oil products, and achievement of the B100 target. It is expected that Terpercaya can provide assistance to achieve these targets, including in achieving 'extreme traceability' of Indonesian palm oil products.
- Mr. Anang also mentioned that Terpercaya was expected to be able to help in measuring/tracking the achievement of SDGs in at the sub-national level.
- Ms. Eva, representing the Director (Ministry of Home Affairs), expressed her support and hope that Terpercaya could assist the government to implement the medium-term development plan (RPJMN). With Terpercaya included in the RPJMN, it should be easier for regions to interpret and implement the initiative. Ms. Eva also stated that the Ministry of Home Affairs has the duty to evaluate the Strategic Plan and Preliminary Draft of the Medium-Term Development Plan (RPJMD) and Terpercaya could be mainstreamed in the regions through both documents.
- Ms. Ade (Unilever) expressed support for Terpercaya because it could be used by the business sector in assessing whether an area was investible or not.
- Mr Bucki (EU) said that one of the strengths of the jurisdictional and Terpercaya approach was the fact that it did not put any blame on any party. This aligns with the EU view of not focusing on blame attribution but rather on solutions to eliminate problems.

### **II.B. Indicators**

- Leony (LTKL) conveyed that there are other indicators in the scope of the jurisdictional approach, namely indicators developed by LTKL known as the Regional Competitiveness Framework (KSDS). The KSDS includes a variety of indicators including from Terpercaya, to help prevent LTKL regions from becoming confused with various sets of indicators. At the moment, KSDS is on trial in Siak and Sintang Districts and it is expected that results will be delivered in March. Therefore, it was recommended that Terpercaya should be not carried out in those districts because the assessment will already have been carried out through the assessment carried out via KSDS.
- Ms. Ade (Unilever) suggested to assess rubbish and plastic waste considering as associated responsibility is at the district level. In addition, Terpercaya could also assess

local government commitment to help businesses assess whether an area is suitable for investment.

- Ms. Elis (Ministry of Agriculture) and Arief Wijaya (WRI) noted that attention should be given to the validity of the prospective data, use of data from NGOs as blank data fillers and as for verification, and the lack of data related to independent smallholders. Ms. Elis also noted the need for clarity in the indicators used, for example, regarding fulfillment of customary rights or types of conflict resolution considered effective and ineffective.

### **II.C. Pilot Regional Selection**

- Mr Bucki said that the EU is developing a program that can be used as an incentive for local governments to be part of Terpercaya implementation. For this reason, it was recommended to have an open call for voluntary participation, to help incentivise districts that have a commitment to sustainability. Decisions on local government involvement could not only be made at the central level and the commitment of local governments to get involved is considered important. The use of funding as an incentive for local involvement is something for the Indonesian government to decide based on their needs.
- It was proposed for Riau to become one of the pilot areas for Terpercaya indicator testing considering past forest fires and widespread conflict, along with its large area of oil palm plantations and peatland.
- The reason for Fakfak being proposed as one of the pilot areas for indicator testing was questioned as the Ministry of Agriculture statistics did not indicate presence of oil palm plantations in the area.
- It was proposed that Sintang and Siak not be included as pilot districts for Terpercaya indicator data testing as they are included in the KSDS program initiated by LTKL.
- Mr. Anang (Bappenas) said that for the selection of the pilot areas, as stated by the INOBU team, one of the main considerations was the presence of researchers in the field. In principle, Bappenas approved the selected region. In addition to Fakfak, the government agreed because Bappenas already had an MoU on low carbon development. Riau should be considered particularly if there is cost sharing, which would also allow testing in other area.

### **III. Conclusions and Follow Up Plans**

- All parties supported the second phase of the Terpercaya initiative under the direction of Bappenas. It is expected that Terpercaya will be a useful instrument to help various parties not only problems detect but also demonstrate regional progress. With data from Terpercaya, various parties could benefit. For example, the central government could use data to plan and oversee development programs, businesses could assess investment plans, and oil palm buyers could determine where to buy based on commitment to sustainability as part of their governance effort.
- It is important to ensure that Terpercaya can help realize traceability for oil palm products and measure the achievement of SDGs in each region.
- The Terpercaya team will continue to coordinate with related institutions, such as LTKL, to avoid overlapping assessments.
- Furthermore, the technical team will work to collect preliminary data and will submit data collection results in early February 2020 at the next meeting.

## Attachment I. Agenda

Time	Agenda
09:45 to 10:15	<b>Opening by the Director of Food and Agriculture, Bappenas</b> <b>- Jurisdictional Approach under the RPJMN Framework 2020-2024</b>
10:15 to 10:30	<b>Terpercaya Trial (Inobu and EFI)</b>
10:30 to 11:45	<b>Focused Group Discussion:</b> <ul style="list-style-type: none"><li data-bbox="531 483 1398 640">- <b>Main Outputs of Terpercaya Trial Program</b><ul style="list-style-type: none"><li data-bbox="627 528 1398 562">○ Flashback on 22 Indicators</li><li data-bbox="627 566 1398 600">○ Discussion on database and selection of pilot sites</li><li data-bbox="627 604 1398 638">○ Agreement on trial process</li></ul></li><li data-bbox="531 645 1398 678">- <b>Timeline of Terpercaya Trial Program</b></li></ul>
11.45 - 12.00	<b>Summary and Conclusion</b>