

REPORT ON VALIDATION OF TERPERCAYA INDICATORS AT DISTRICT LEVEL

March 2021

A. Background

Two activities were carried out to validate the Terpercaya indicators and methodology that have been developed as well as to cross-check availability of data at the district level: (1) focus group discussions (FGDs), followed up with (2) interviews with relevant officials at selected districts. This short report explains the selection process of the case study districts, as well as feedback received from the FGDs and interviews, in relation to the twenty-two (22) indicators, methodology and data availability.

B. Selecting Districts as Case Study

Four districts were selected to be the case study for validating the methodology. These are Rokan Hulu in Riau, Kotawaringan Barat and Seruyan in Central Kalimantan, and Morowali Utara in Central Sulawesi.

The four districts were selected based on several considerations. *First*, the districts have large plantation areas, particularly palm oil as the main commodity. *Second*, INOBU and/or the partner organisation (SPKS) are present as the district government's partners. This is crucial because in the future these districts will likely continue to be engaged and serve as pilot areas for the Terpercaya program.

Third, because of the direction given by the Terpercaya Advisory Committee (AC) members. In the first AC Meeting (of Phase 2), Lingkar Temu Kabupaten Lestari (LTKL) as one of the AC members suggested that Terpercaya choose districts that are different to those of LTKL. If Terpercaya were tested in LTKL's pilot areas, there was a possibility of redundancy. This request resulted in the dropping of several districts in Riau, where SPKS has a strong presence. Another direction was given by Bappenas, which suggested to include Manokwari Selatan as one of the case studies. Despite not having large palm oil estates, Manokwari Selatan can likely demonstrate the situation in the eastern part of Indonesia, which still has relatively large forest areas.

Fourth, the Secretariat considered the reliability of internet connection to facilitate communication with stakeholders at the district. Travelling has been limited since the Covid-19 pandemic began, and thus FGDs and interviews had to be mainly conducted online. This consideration prompted the Secretariat, with approval from Bappenas, to drop Manokwari Selatan and replaced it with Morowali Utara, as a representative of the eastern part of Indonesia, and added Seruyan into the mix.

C. Focus Group Discussions (FGDs)

Four virtual FGDs attended by high-level local officials and national-level officials were conducted, one for each district (Table 1). The Director of Food and Agriculture from Bappenas led the FGDs directly, accompanied by the Director of Subnational Governance Synchronisation (SUPD) I from the Ministry

of Home Affairs (Kemendagri). From the districts, high-ranking officials attending the meeting include the District Secretary, Head of Bappeda (Planning Agency), and Head of DPRD (Local Assembly).

Table 1
List of District-level FGDs on Terpercaya Indicators

No.	Location	Date/Time	Lead
1.	Kotawaringin Barat	12 June 2020 09.00 – 11.00 WIB	National: Director of Food and Agriculture Bappenas, Director of SUPD I Kemendagri, Representative from the Directorate-General of Estate Crops Ministry of Agriculture (Kementan) Local: District Secretary and Vice-Chair of DPRD
2.	Rokan Hulu	15 June 2020 13.50 – 15.30 WIB	National: Director of Food and Agriculture Bappenas, Director of SUPD I Kemendagri, Representative from the Directorate-General of Estate Crops Ministry of Agriculture (Kementan) Local: District Secretary, Head of DPRD, Head of Riau Customary Group Association (Lembaga Adat Masyarakat Riau)
3.	Seruyan	27 July 2020 08.45 – 11.30 WIB	National: Director of Food and Agriculture Bappenas, Director of SUPD I Kemendagri, Representative from the Directorate-General of Estate Crops Ministry of Agriculture (Kementan) Local: District Secretary, Head of DPRD
4.	Morowali Utara	19 August 2020 08.45 – 11.30 WIB	National: Director of Food and Agriculture Bappenas, Director of SUPD I Kemendagri, Representative from the Directorate-General of Estate Crops Ministry of Agriculture (Kementan) Local: Deputy District Secretary, Head of Central Sulawesi Ombudsman

In general, stakeholders attending the FGDs welcomed Terpercaya and were grateful for the selection of their district as a case study for Terpercaya. The participants provided constructive feedback to the initiative and its indicators. The discussions were mostly centred on clarifying several indicators and data availability at the district level.

Below is the summary of the discussions that took place regarding several indicators.

C. 1. Input on Indicators

- **Indicator 1 Permanent Forest Protection**

The Head of the Seruyan Environmental Agency said that there is a limit to the district government's power because the authority regarding forest areas rests with the provincial government. There could be an issue, for example, in measuring district performance based on this indicator and other indicators linked to the Environmental Performance Index (IKLH), because the Forest Cover Quality Index is part of the IKLH calculation. Therefore, there should be a condition attached to the indicator.

- **Indicator 2 Protection of Areas Important for Ecological Services**

This is considered as an important indicator because at the ground level, there are plantations that have received RSPO/ISPO certificates but do not sufficiently protect ecologically essential area within their concessions (mentioned by Head of Conservation of Natural Resources Agency (BKSDA) during the Kotawaringin Barat FGD).

- **Indicator 10 Customary Rights Recognition**

Officials from Kotawaringin Barat dan Seruyan indicated strong approvals for this indicator due to its important value for different purposes and to different stakeholders. For investors, it could help reduce conflicts due to the uncertainty of land tenure, for customary people it acknowledges the importance of giving them legal certainty, and for the environment, it could help reduce drivers of deforestation rooted from tenurial insecurity.

Nevertheless, there seemed to be different understandings of what constitutes customary communities. In Kotawaringin Barat, the district government considers customary communities to be those who are still isolated, both socially and in terms of location. Thus, they urged to revisit whether the proxy currently used to measure this indicator, i.e. the existence of local government regulation to recognise customary communities, can be applied in Kotawaringin Barat.

- **Indicator 11 Smallholder Shares**

Several questions came up during the FGDs regarding the definition of smallholders. In Kotawaringin Barat, one of the participants asked whether there is any differentiation between local and non-local (transmigrant) smallholders. The secretariat responded that there is no disaggregation for the two groups because the data from the Ministry of Agriculture do not make such differentiation. The district government also stated that they have no data that could help differentiate between the two groups.

- **Indicator 13 Smallholders Productivity**

During the FGD at Morowali Utara, it was implicitly suggested to measure how farmers have access to seeds and fertilizers. This is because in Morowali Utara the productivity of smallholders is considered low because the use of fertilization depends on government subsidies, and unfortunately such subsidies are limited. This is different from smallholders in plasma plantations under large companies whose conditions are often better.

- **Indicator 21 Complaint-handling Mechanism**

There was a clarifying question asked during the FGD in Kotawaringin Barat, i.e. whether this indicator requires specific complaint-handling mechanisms for plantation-related issues. The secretariat explained that the indicator will only check whether a district government has a complaint mechanism in place. The Kotawaringin Barat government further informed that they use the People's Online Aspirations and Complaints Service (LAPOR!) as their generic complaint mechanism system and that they have formed a Land Dispute Resolution Team (*Tim Penyelesaian Perselisihan Pertanahan*), which is comprised of all relevant agencies in the district, although there is no specific SOP for complaint handling in the plantation sector.

C.2. Proposed additional indicators suggested during the FGDs

1. Legality of plantation permits (especially those over 25 Ha). This was suggested in the FGD in Rokan Hulu.
2. Welfare of farmers. During the FGD in Rokan Hulu, there was a suggestion to add a specific indicator to measure the welfare of farmers or smallholders. There were two proxies suggested. First is land ownership by farmers (in order to further support the policy for farmers to own their land). The other proxy is availability of social security, as a form of protection against social risks that are detrimental to the welfare for farmers, i.e. as social safeguards.

C.3. Other aspects

1. Morowali Utara welcomes the notion of using the specific allocation fund (DAK) linked to Terpercaya indicators as a policy approach. Agriculture is not categorised as a mandatory affair, therefore the DAK will help provide support and strengthened focus on the important sector of agriculture.
2. During the FGD in Seruyan, the District Government mentioned the difficulties they encountered when accessing data in the shapefiles (SHP) format, making it difficult for them to perform analysis of forestry data.

D. Interviews

The interviews were conducted by field researchers using the guidelines for Terpercaya indicator data collection at the district level as a framework. To ensure that the interviewees have a comprehensive understanding, they received online trainings on the guidelines before the interviews took place. Furthermore, the field researchers/interviewees also had real-time contact with the lead researcher at the national level when the interviews took place, such that the lead researcher may give clarification immediately when needed.

The main focus of the interviews was to clarify the availability of data at the district level, for at least 14 indicators, as discussed below.

- **Indicator 7** requires water and air quality information that might be available in the district-level 'State of Environment Report'. In Kotawaringin Barat and Morowali Utara, the requested data are available, although the Secretariat has not received it from Morowali Utara. Meanwhile, Seruyan and Rokan Hulu district governments said that they do not have the data.

- **Indicator 8** requires information on the SOP for Free, Prior, and Informed Consent (FPIC). Only Morowali Utara said that they have such data, however, and these have not been shared with the Secretariat.
- **Indicator 9** requires a list of District Head Decrees (SK Bupati) or local regulations (Perda) on the recognition of customary communities. Only Seruyan said they did not have such a regulation. Morowali Utara said they have it, but has not given further information to the researcher team, so it is difficult to verify the claim. It also appears that Kotawaringin Barat and Rokan Hulu have not exactly given a recognition of the customary territory. Instead, they recognized customary institutions, such as Kelembagaan Adat Dayak in Kotawaringin Barat and Lembaga Adat Melayu in Rokan Hulu.
- **Indicator 10** requires reports of registered conflicts. Each district said they have collected data on conflicts. However, there is no common format used to register the conflicts, perhaps because there is no national guidance on this matter. There seems to be a variety of institutions that collect such data. In Kotawaringin Barat, conflict-related data are collected by the agency on housing (*Dinas Perumahan Rakyat dan Kawasan Pemukiman*), while in Rokan Hulu the data are collected by the Local Land Office (*Kantor Pertanahan*). In Seruyan, data were registered by the Governance desk (*Tata Pemerintahan*) in the office of the District Secretariat (Sekda).
- **Indicator 12** requires data on the number of smallholders in possession of cultivation registration letters (STDB). The data are available in all districts but Morowali Utara. Even for districts that already have the data and the system to record the data, only a small number of smallholders have been registered and obtained the STDB. At the national level, the system to register STDB electronically is being developed.
- **Indicator 14** requires data on the number of Gapoktan (farmers/smallholders groups). On this matter, the Secretariat found out that the data have been submitted regularly through a system called Agricultural Extension Services Information System (Simluhtan) to the Ministry of Agriculture. The data are available for all districts at the national level.
- **Indicator 15** requires data on the number of extension service officers for each district. Similar to that of indicator 14, such data have also been collected nationally and reported via a national database, hence there is no need to collect this data locally.
- **Indicator 16** requires data on the number of farmers/smallholders that have been granted ISPO/RSPO certificates. All districts but Morowali Utara have the data, and the data can also be collected at the national level through the ISPO and RSPO secretariats. However, our research at local level indicates some discrepancies between data at the local level with the data provided by the national government. For example, for ISPO data, local governments registered a larger number of farmers with ISPO certificate in comparison to the data provided by the ISPO secretariat to Bappenas/Terpercaya Secretariat.

- **Indicator 19** requires data on the appointment of Information and Documentation Management (PPID) Officer. All districts do have an appointed official, although the person is appointed for the whole district government and there is no specific officer for each district-level agency, as was previously assumed.
- **Indicator 20** requires data that can be used to verify public participation on planning process. Only Rokan Hulu and Morowali Utara have a specific SOP on this issue (although the SOP from Morowali Utara data has not been given to Secretariat for verification). In the SOP provided by Rokan Hulu, public consultation is mentioned as part of the planning process, but there is no direction on who should be invited in such consultations.

Later, the FGD at the national level with the Ministry of Home Affairs revealed that such SOP is not required, but all local governments shall provide some evidence as part of the approval process of the mid-term local development planning (RPJMD) that public participation has taken place. Because there is no clear guidance on who should be invited in the process, in practice each district has invited different stakeholders. Thus, it is more of a 'ticking the box' exercise that all districts have complied to (otherwise their RPJMD cannot get approval from the national government).

- **Indicator 21** needs data on standard operational procedure for handling complaints. Some districts, such as Kotawaringin Barat and Morowali Utara, have a centralized complaint handling mechanism. However, the relevant agency (e.g. Plantation Agency) also handles complaints that are directed to the agency, but there is no mechanism or SOP in place to ensure all of these complaints are then being processed through the main, centralized system. We also found through the discussion at the national level with the Ombudsman of the Republic of Indonesia (ORI) that in general complaint-handling in all levels of the Indonesia government has been weak and that there is no standardized SOP for complaint handling that comes from the national government. In the future, ORI plans to conduct regular monitoring and reporting for handling complaints, which can potentially be used by Terpercaya.
- **Indicator 22** needs data on the environmental carrying capacity produced by the district government. Some districts, such as Rokan Hulu, produce such a report, while others do not.

A recapitulation of detailed findings for each indicator mentioned, as well as interview reports and notes in Bahasa Indonesia, are available upon request.