

A woman wearing a colorful batik sarong and a red and white floral long-sleeved shirt is sitting on the ground in a lush green forest. She is smiling and looking towards the camera. In front of her is a green tray filled with palm fruit. The background is a dense forest with many trees and plants.

History of the Sustainable Jurisdictional Approach

Background

The Sustainable Jurisdictional Approach in Indonesia began in 2018 as the Terpercaya Initiative, an EU-funded initiative to track sustainable palm oil and define jurisdictional sustainability at scale. “Terpercaya” means trustworthy in Indonesian and the name reflected the initiative’s aim to generate credible information and analysis to improve mutual understanding and trust for the sustainability of Indonesian palm oil. Terpercaya was guided by the Terpercaya Advisory Committee, co-chaired by Bappenas and the European Union (EU), which became the Sustainable Jurisdictions Indicators Advisory Committee. Terpercaya was adopted by the Government of Indonesia as the Sustainable Jurisdictional Approach in November 2022.

Purpose and scope

The goal of the Sustainable Jurisdictional Approach is to promote a transition to sustainable commodity production by demonstrating Indonesian districts' progress towards sustainability and incentivising further progress by reinforcing trade in sustainable palm oil.

By measuring the performance of districts and communicating with policy makers and market actors, the initiative aims to strengthen efforts to overcome governance, regulatory and technical challenges to achieve sustainability.

By aligning district, national and international supply chain actors in their efforts, the initiative seeks to protect forests and provide inclusive benefits – to smallholders, companies and consumers alike.

Selecting and refining sustainability indicators

Through a multi-stakeholder dialogue, 23 Sustainable Jurisdictions Indicators (SJI) were selected and piloted to measure sustainable and inclusive commodity production at the district level. The indicators are grouped under environmental, social, economic, and governance pillars and are grounded in Indonesian laws and regulations. They complement the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO) certifications and align with international commitments such as the UN Sustainable Development Goals (SDGs) and the Nationally Determined Contribution (NDC) under the Paris Agreement.

Data collection and validation

The indicators were designed with an appreciation of data availability in Indonesia and, to the extent possible, national level datasets have been used to provide means of verification. To validate the data, focus group discussions were held at the national and local levels.



Multistakeholder dialogue

Stakeholder participation has been a key element in all activities. Through active engagement of stakeholders, ownership of the initiative and its outputs has been extended to many individuals and institutions along the palm oil supply chain.

Central to the dialogue is the multi-stakeholder Sustainable Jurisdictions Indicators Advisory Committee (AC), which is co-chaired by the National Development Planning Agency (Bappenas) and the EU. The AC is composed of representatives of central and district governments, civil society and industry. It serves to make sure that dialogue encompasses social, environmental and economic perspectives while also ensuring market acceptance.

The AC continues the previous tasks of the its predecessor, the Terpercaya AC, advising on implementation of the initiative and has had a key role in indicator design, data collection, and data dissemination while also providing policy relevant information.

Data platform for markets and government planning

An SJI data platform was developed with EU funding and handed over to Bappenas in November 2021. The SJI data platform can benefit both Indonesian and global market actors without significant cost or excessive administrative burden.

The system provides potential in relation to government processes, including development planning, budgeting, monitoring and evaluation to promote transition towards sustainability in both front-runner and less advanced jurisdictions. District governments can also assess their progress as a basis for development planning and budget allocation.

The platform further aims to support market actors in due diligence and making sourcing and investment decisions based on district sustainability performance.

Bappenas is further developing the platform to inform development planning processes, guide allocation of funding to support districts in improving their sustainability performance, and to attract green investment.

Additionally, the Ministry of Home Affairs is preparing to integrate SJI into the local government information system (Sistem Informasi Pemerintah Daerah/SIPD) for monitoring implementation of the regional sustainable palm oil action plan (RAD-KSB).



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Sustainable Jurisdictional Approach and KAMI

The KAMI project (Sustainability of Malaysian and Indonesian palm oil) aims to reinforce EU-Indonesia and EU-Malaysia partnerships by supporting national processes and international dialogue on sustainable palm oil. It builds upon the Terpercaya initiative, and works with stakeholders to develop information on palm oil production and traceability to reinforce supply chains for legal, deforestation free and sustainable palm oil.

In Indonesia, KAMI is supporting the SJI data platform to extend its functionality in meeting both domestic needs and international market requirements. In this context, KAMI supports the SJI Advisory Committee to build shared understanding of district sustainability and supply chain traceability in Indonesia, and to advise on implementation of activities approved by the KAMI Strategic Country Board.

KAMI also aims to support priorities identified by the Advisory Committee members and other palm oil supply chain actors to reinforce the credibility of the data platform. For example, in developing the following capabilities:

- A supply chain traceability module providing clear information on the origin of palm oil and its legal and deforestation-free production.
- A mechanism for monitoring and verification of indicator data to reinforce credibility among market actors and other users of information.

The KAMI and Sustainable Jurisdictional Approach websites provide additional information: <https://efi.int/partnerships/KAMI>.



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Added value

The Sustainable Jurisdictional Approach offers benefits to many stakeholder groups from smallholders to consumers, local to national governments, and producer and consumer countries. It stands apart from other sustainability efforts due to its national coverage and district focus, and its emphasis on adding value by complementing, not competing with, existing schemes and commitments. Specific areas where the approach can add value include the following:

- **Disseminating credible information** on district sustainability to international markets and to supply chain actors, including government and civil society stakeholders;
- **Strengthening multistakeholder engagement**, coordination and collaboration;
- **Complementing product sustainability certification** by providing information that covers all forests and all producers in a district, thereby reinforcing supply chains for sustainable palm oil;
- **Supporting farmer registration, resolution of land tenure legality issues** and reconciliation of spatial maps and plans with the situation on the ground;
- **Identifying and filling information gaps** in official sustainability and traceability data;
- **Identifying districts in need of support** in reaching sustainability goals, including in relation to independent smallholders.

Potential value addition for key stakeholders

Smallholders	By including all actors in a district and creating a level playing field, smallholders can benefit not just through access to supply chains for sustainable palm oil but also through the support that the private sector and national and local governments are incentivised to provide in improving the district's sustainability profile.
Subnational/ jurisdictional governments	Districts progressing towards sustainability can demonstrate their achievements and gain recognition for their efforts, reinforcing demand for sustainable palm oil. Districts trailing behind can also be supported in their efforts to improve sustainability.
National government	The Sustainable Jurisdictional Approach supports Indonesia's efforts in realising its commitments to sustainable commodity production, transparency and the SDGs.
Civil society organisations	CSOs can benefit by contributing to and accessing objective information on different elements of palm oil production sustainability in Indonesia, to help drive progress in raising social and environmental standards.
Industry actors/large producers	Since smallholder performance is a key element in district sustainability, large industry actors can benefit through the inclusive approach and the support the Sustainable Jurisdictional Approach can provide in helping companies to meet their sustainability commitments and levelling the playing field.
Buyers/traders	Providing buyers and traders with information on sustainability performance gives them the capability to purchase products from districts that are working towards widely agreed sustainability targets and goals that consumers also demand.

