

Meeting of Sustainable Jurisdictions Indicators (formerly Terpercaya) Working Group Minutes of Meeting

Day/date:	Wednesday February 1, 2023
Time:	14:00 – 18:00 Jakarta Time
Venue:	Pullman Hotel, Jakarta
Moderator:	Pak Rully Amrullah (EFI)
Participants:	See Annex 1

Agenda

1. Welcome remarks
2. Presentation on KAMI work in Indonesia, and future support on sustainability and traceability in relation to the EUDR
3. Updates on work by KAMI partners:
 1. Surveyor Indonesia – Jurisdictional Sourcing & Traceability Information for Sustainable Palm Oil in Indonesia
 2. Javlec – Jurisdictional Support for Sustainable Palm Oil in Indonesia
 3. LPEM UI – Assessing anticipated EU market expectations and developing options for future palm oil opportunities
4. SJI Working Group communications coordination
5. Discussion session
6. Closing

1 Welcome remarks

The meeting was opened by Rully Amrullah (EFI-KAMI), who explained that the purpose of the meeting is to update members of the Sustainable Jurisdictions Indicators (SJI) Working Group (previously Terpercaya Working Group) on KAMI progress in Indonesia and to present a proposal for coordinating communications on SJI. He noted that Pak Anang Noegroho, Bappenas Director of Food and Agriculture, has emphasised to the SJI Working Group members the importance of formulating the right communication strategy to support uptake of SJI.

2 Presentation on KAMI work in Indonesia, and future support on sustainability and traceability in relation to the EUDR

Jeremy Broadhead (EFI-KAMI Project Manager) expressed gratitude to SJI WG members for attending the meeting and stated that the meeting will focus on how the SJI WG can formulate appropriate communication strategies in support of efforts to strengthen SJI and, in turn, palm oil governance in Indonesia.

Jeremy summarised recent activities implemented by the KAMI project in Indonesia, including the fifth KAMI Indonesia Strategic Country Board (SCB) meeting on 26 January where KAMI's progress in Indonesia in 2022 and draft work plan for 2023 was presented to the five Indonesian ministries and five EU services represented on the SCB.

Jeremy gave an overview of key features of the final text of European Union Deforestation Regulation (EUDR), which was published in December 2022 and explained that it includes a few amendments in

comparison to the proposal published in November 2021, such as the inclusion of rubber and more comprehensive coverage of indigenous rights. The regulation is expected to enter into force in June 2023, followed by an 18-month implementation period for larger stakeholders and a 24-month period for small and medium-sized enterprises (SMEs). This means that relevant systems to inform EU operators that the palm oil they are placing on the EU market is legal, traceable and deforestation free should be in place by 2025.

He further explained how KAMI's activities aim to expand potential sources of information in Indonesia that companies placing palm oil on global markets could access in relation to the EUDR and other global market requirements. He listed three key articles in the EUDR in relation to which information will be required:

- Article 9 on Information requirements (for due diligence).
- Article 10 on Risk assessment and risk mitigation (for due diligence).
- Article 27 on Assessment of countries (or parts thereof).

In relation to each of the articles, he noted where information from companies, traceability systems, ISPO/RSPo, district registries, SJI and proposed Global Markets indicators (GMI) could potentially play a role in informing EU operators and EU-Indonesia dialogues on sustainable palm oil.

Jeremy also identified potential challenges Indonesia could face in meeting the EUDR requirements in relation to deforestation, legality and traceability, along with possible solutions, as follows:

- Deforestation: the EUDR says no deforestation is allowed, even if it is considered legal under a country's legislation. Improved traceability and segregated supply chains could provide a solution.
- Legality: smallholders in forest areas don't always have legal land rights. Solutions include accelerating efforts to resolve land tenure issues and informing EU operators through district indicators demonstrating progress in resolving oil palm in the forest zone.
- Traceability: palm oil supply chain traceability systems only exist for some companies and include very few independent smallholders. Solutions could be through further development of palm oil traceability systems.

Jeremy summarised activities implemented by KAMI partners in Indonesia, namely Javlec, University of Indonesia, and Surveyor Indonesia and how these three partners collaborate in implementing SJI and supporting palm oil supply chain traceability work in Indonesia. He explained how project is aiming to complement ISPO certification in relation to EUDR requirements, particularly in relation to smallholders, and noted the continued importance of collaboration among SJI WG members in supporting SJI.

3 Updates on work by KAMI service providers

3.1 Surveyor Indonesia (Martinus Nata, team leader)

In his presentation, Martinus Nata outlined work being done by Surveyor Indonesia, especially in relation to development of the SJI data platform and traceability module. He also informed about Surveyor Indonesia's coordination and consultation efforts which have included a range of key stakeholders.

Areas of work covered in Nata's presentation included:

- Current status of the Sustainable Jurisdictions Indicators data platform and palm oil traceability module.
- Challenges in responding to EUDR requirements in Indonesia in relation to deforestation, legality and traceability.
- Solutions proposed, including further development of palm oil supply chain traceability systems.

- Transition Phase: Roadmap to Deforestation-free Commodities in Indonesia.

3.2 Javlec (Arifin Ma'ruf, team leader)

Pak Arifin outlined the various activities that have been implemented by Javlec in their two pilot districts, namely Katingan and Kotawaringin Timur (Kotim) in Central Kalimantan. He also outlined the challenges faced in carrying out various activities in the field and shared the follow-up plan that will be implemented to strengthen implementation and uptake of SJI in Katingan and Kotim.

Challenges faced by Javlec in implementing SJI and plans to address the challenges include:

- Smallholder registration
 - Very long process, almost two years in Kotawaringin Timur
 - The project contributes to drafting of the district's regulation to help accelerate the process
- Achieving sustainability certification
 - The process for obtaining ISPO and RSPO certification is quite complex
 - The project contributes to the acceleration of ISPO and RSPO certification, through training for smallholders
- Clarification of tenure and resolution of oil palm in forest area
 - The project will contribute to resolving tenure and oil palm issues in forest areas.
- Palm oil traceability
 - Absence of data and maps of smallholder oil palm plantations
 - Since 2018, Javlec has been conducting data collection and mapping of smallholder oil palm plantations

3.3 LPEM, University of Indonesia (Ibu Alin Halimatussa'diyah, team leader)

Ibu Alin explained that the purpose of the study being undertaken by LPEM UI is to develop options for future opportunities in Indonesia regarding palm oil sustainability, due diligence, traceability, and market acceptance, particularly in relation to smallholders. She noted that the main focus of the study is in relation to anticipated EU market expectations and the EUDR in particular.

She noted that in the study, gaps between Indonesian regulations and global market regulations (EUDR, also EU Corporate Sustainability Due Diligence and EU REDII) have been examined and that consultations with stakeholders show that their responses to coming global regulations, range from positive to pessimistic. The SJI were identified as a solution to many of the identified gaps, such as land legality and overlapping land claims. However, improvements could be made in the form of additional Global Market Indicators specifically tailored to the EU and other market requirements.

4 SJI Working Group communications coordination

Christine Cullen, KAMI Communications Expert, presented on the importance of closer collaboration on SJI communications. She noted that all SJI WG members share an objective of supporting Bappenas in its outreach about SJI, although within the framework of each respective project. Ensuring a consistent, agreed message and description of SJI is also important, as is working together to avoid duplicating efforts or communications products. And cooperation would also allow us to leverage each other's networks to better maximise outreach.

Christine shared an overview of EFI-KAMI's proposed SJI communications strategy, including its objectives of informing on SJI, showcasing the value of SJI to both domestic and international audiences, and encouraging districts to actively support SJI. The main target audiences will be district governments, palm oil industry actors and civil society organisations. She also briefly outlined the roles of each group in the communications process, including Bappenas, the EU (as KAMI funder), KAMI and the SJI WG members.

Christine gave a short overview of the proposed communications products and activities that EFI-KAMI is proposing for Indonesia in 2023, based on and identified need and the agreement of the Indonesia Strategic Country Board. These include an SJI web section on the Bappenas website, flyers, an SJI video, briefs based on technical reports by KAMI service providers, op-eds/'inforials', and event support.

Feedback: SJI WG members generally supported the idea of developing joint key messages and wording describing SJI, requesting EFI-KAMI to circulate a first draft. The idea of co-branding some SJI-focused communications products was also supported, with SJI WG members suggesting EFI-KAMI to develop a draft brief on this topic. Feedback also centred around smallholders in Indonesia, with SJI WG members suggesting that more should be done to communicate with them on the EUDR and how SJI can strengthen their position in sustainable palm oil supply chains.

5 Discussion session (covering all presentations and topics)

5.1 Questions/comments

Pray, USAID SEGAR: USAID SEGAR has one flyer for each of their supported districts and produced a promotional video and infographic on SJI. The SJI platform is considered a communications tool but more explanation is needed on the platform, such as how districts can achieve sustainability.

Abi Wirawan, Proforest: for the implementation of the SJI assessment process which institution has the authority to decide whether a district it has met the grade and how often will the indicator assessment be updated or carried out? Is there a strategy to communicate to the countries other than the EU that together consume 88% of palm oil?

Andy, LTKL: LTKL has developed and initiated the KDS (regional competitiveness framework) especially for districts that are members of LTKL. How to ensure or create a strategy to integrate the indicators present in KDS with the SJI indicators?

Desriko, LTKL: Similar to what Abi from Proforest asked, who has the authority to assess a district's achievements in implementing SJI? What is the solution if data owned by the district is different from the data owned by the province and/or Ministry?

Rukaiyah Rafiq, FORTASBI: How can SJI contribute to the welfare of smallholders? What is the strategy prepared by EFI-KAMI? How can the communication strategy also provide space to voice the interests of the very large number of smallholders in Indonesia who still require a lot of support from various parties?

Heriyadi, ISPO National Secretariat: The ISPO national secretariat has and continues to strive to develop and strengthen the ISPO certification process, particularly for smallholders. But the process is not easy. SJI is expected to help accelerate ISPO certification to meet the President's target of certifying 100% of producers by 2025. A more intense coordination and consultation process is needed to ensure that SJI can make a real contribution to accelerating ISPO certification, especially for smallholders.

Sabar, SPKS: In previous years, there have been many programs created by the Government in collaboration with CSOs to help strengthen palm oil governance (i.e.: e-STDB programme) but many have failed and the BDPKS allocation for promoting palm oil in global markets is not working. How to make sure SJI is different from previous programmes? Also, smallholders need information on the EUDR; how can KAMI help with this?

Ino Safaat, Pisagro: There is a lot of pessimism within the private sector in Indonesia regarding implementation of the EUDR and potential impacts. How does EFI-KAMI address this? Regarding palm oil supply chain traceability, almost all palm oil companies already have systems in place. It would be very good if Bappenas with the support of SJI WG members could coordinate more intensely with the private sector and smallholders regarding traceability.

Anton, KEHATI: In some areas there are oil palm plantations in forest areas that have been managed for 10 to 20 years. How to respond to this situation, especially in relation to the implementation of EUDR in Indonesia? It is very important to ensure that the EUDR contributes

positively to the welfare of smallholders, of which there are very large numbers in Indonesia, and that smallholders are communicated with.

Hendy, Pisagro: This year Indonesia took the chairmanship of ASEAN. Are there any plans for SJI to also be implemented in other ASEAN Member States?

5.2 Responses (Jeremy Broadhead, KAMI Project Manager)

Thank you. All of the inputs, suggestions, and feedback are extremely useful.

The SJI platform was officially handed over to Bappenas in November 2021, and Bappenas would therefore take a lead role in assessing the implementation of SJI by district governments. The aim has always been to use objective data that can be independently verified so a district's progress could be assessed by anyone with access to the platform.

Regarding the frequency of assessment, the aim is for indicator data to be updated annually. Districts could thereby show trends towards sustainability including through the support of appropriate interventions. Bappenas also plans to use the SJI platform to inform distribution of their Special Allocation Fund (DAK) to districts and thereby further incentivise progress towards sustainability.

Since the beginning of this initiative, SJI (previously Terpercaya indicators) have been integrated into KSD indicators. LTKL did an extensive analysis of different indicators in use in Indonesia and combined different sets of indicators from several sources in the KSD indicators so there should be no conflicts.

In accordance with the regulations and policies of the Indonesian government, data that will be included in the SJI platform is from Ministries and districts. If there are data discrepancies, there will need to be a reconciliation process. Surveyor Indonesia is preparing a mechanism to address such eventualities and future input from SJI WG members could be very important in this respect.

Through a number of indicators focussing on smallholders, SJI have a important role to play in demonstrating how districts are working to include smallholders in supply chains for sustainable palm oil and building smallholder capacity, especially resolving legality issues and becoming certified. Closer collaboration with smallholder associations, such as FORTASBI and SPKS, is very important in this respect.

Closer cooperation and collaboration with ISPO, through the national secretariat is being pursued by KAMI together with Surveyor Indonesia to further strengthen support for and inclusion of smallholders in supply chains for sustainable and deforestation free palm oil. Work has also been initiated on traceability systems that include smallholders.

Regarding the future of the SJI initiative and the fate of previous initiatives, the hope is that through the efforts made by Bappenas in institutionalising SJI and working with other supportive ministries, the system will grow to become the official system of the Indonesian government. Currently, two ministerial decrees are being prepared by Bappenas to strengthen SJI. It is hoped that these will continue to strengthen implementation of SJI in the districts and that the benefits related to sustainable commodity sourcing and investment as well as governance, welfare and environmental improvements will propel the initiative further forward. Stakeholder engagement including through the SJI WG is also very important in this respect and we very much appreciate the continued interest and support from members.

Related to oil palm plantation areas that have long since been established in designated in forest areas, different Indonesian agencies are working on solutions and resolution of tenure conflicts will certainly help in promoting Indonesian palm oil supply chains in global markets. Consultation and coordination with the Ministry of Environment and Forestry (KHLK) is continuing and we hope that through SJI it will be possible to show progress in resolving tenure issues in forest areas regarding oil palm.

Regarding work in other ASEAN Member States, KAMI has provided input to the Joint Working Group on Palm Oil between the EU and ASEAN Member States and is EFI testing jurisdictional approaches a few countries.

The KAMI communication strategy for Indonesia, once endorsed by Bappenas and EU should indeed provide space for increased communication with smallholders in Indonesia. Stories and good examples that include smallholder could also be communicated friends.

6 Closing

Rully Amrullah – Today's discussion has been very productive and constructive and several important points necessary for the further development of the communication strategy have been noted:

- The need for periodic meetings facilitated by KAMI.
- The need to form a WhatsApp group or other method for communications related exchange among SJI WG members.
- KAMI/EFI should circulate draft key messages on SJI for consultation/comment
- KAMI/EFI/Surveyor Indonesia should improve the performance of the SJI data platform as communications tool, e.g. more self-explanatory and provide info on what district need to do to improve standing.
- KAMI/EFI should provide information for government, CSO, private sector and smallholders on the EUDR.
- SPKS and FORTASBI, which have around 25 thousand farmer members, will coordinate more with other SJI WG members to jointly share the 'voice' of smallholders and are ready for closer collaboration, especially with KAMI, regarding socialization of the EUDR and SJI in relation to their work in Indonesia.

This has been a very fruitful discussion, thanks to all for the inputs and feedback

Meeting minutes prepared by EFI.

20 February 2023.

Annex 1: List of Participants

No	Name	Gender	Institution
1	Abi Rahman	M	Proforest
2	Desriko	M	LTKL
3	Andy M	M	LTKL
4	Anton S	M	Kehati
5	Yoga Utama	M	USAID SEGAR
6	Pray Putri	F	USAID SEGAR
7	Sabar H	M	SPKS
8	Heriyadi	M	ISPO National Secretariat
9	Dwiyana	F	ISPO National Secretariat
10	Ino Syafaat	M	PisAgro
11	Hendry M	M	PisAgro
12	Dewi S	F	CDP
13	Putri Utami	F	CDP
14	Rukaiyah Rafiq	F	FORTASBI
15	Dini M	F	FORTASBI
16	Alin Halimatussadiyah	F	LPEM UI
17	Nia Kurnia S	F	LPEM UI
18	Faradina A.M.	F	LPEM UI
19	Muh. Adriansyah	M	LPEM UI
20	Roes Ebara Gifani Lufti	M	LPEM UI
21	M. Nur Ghiffari	M	LPEM UI
22	Rafika	F	LPEM UI
23	Andra Andrian Hidayat	M	Javlec
24	Arifin Ma'ruf	M	Javlec
25	Mukhlis Sai	M	Javlec
26	Martinus Nata	M	Surveyor Indonesia
27	Erwin Widodo	M	Surveyor Indonesia
28	Dewi Febrianti	F	Surveyor Indonesia
29	Hafizh Farhan	M	Surveyor Indonesia
30	Hadityo Fuad	M	Surveyor Indonesia
31	Satria Gundara	M	Surveyor Indonesia
32	Jeremy Broadhead	M	EFI
33	Rully Amrullah	M	EFI
34	Christine Cullen	F	EFI