

## MINUTES OF MEETING

|                      |   |
|----------------------|---|
| <b>Date:</b>         | 2 July 2018   |
| <b>Time:</b>         | 9.00-13.00 WIB  |
| <b>Location:</b>     | EU Delegation Office, Jakarta   |
| <b>Participants:</b> | Rizaldi Boer, Irmijati R. Nurbahar, Silvia Irawan, Bernadinus Steni, Rio R. Bunet, Kiki Taufik, Sasmita Nugroho, Dian Mayasari, Zakki Hakim, Mardani, Fitriani, Edison Siagian, Ofra Shinta Fitri, Tiur Rumondang, Maria Chiara Ferriano, Wilistra Danny, Michael Bucki, Jeremy Broadhead, Midiati, Ramdhan Anjar, and Anggi Aran Putra |

### “Terpercaya” study and the Future of Indonesia’s Palm Oil

- The “Terpercaya” study aims to allay concerns over palm oil production in Indonesia and inform the dialogue between the EU and Indonesia so that EU investors and consumers feel more comfortable about their association with palm oil. The EU Trilogue made a decision to phase out certain biofuels according to criteria to be issued in February 2019 defining high-risk biofuels and related to indirect land use change (ILUC). The criteria will be revised in 2023 and those that are considered high risk by EU Member States biofuels will be phased out by 2030. The EU and Indonesia have discussed the importance of the SDGs and a broad range of goals in addition to forestry and climate change and a relevant definition of sustainability therefore already exists. It just remains for Indonesia to determine how SDG frameworks are integrated into national level systems and implemented.
- Indonesian government’s priorities are to develop a traceability system and determine the level of compliance between SDGs and ISPO criteria and indicators. Significant overlap between ISPO criteria and SDGs has been found and efforts are now being made to analysing the indicators too. Indonesian government would like to be involved in defining ILUC given the importance and extent of local knowledge on land use in Indonesia.

### Role of Advisory Committee to the “Terpercaya Study”

- The Advisory Committee is composed of 15 individuals including representatives of central and district governments, non-state actors and stakeholders articulating the “market acceptance” perspective. The Advisory Committee members will remain independent and will not be asked to endorse the study results.
- The role of the Advisory Committee is including to:
  - a) Share experience and institutional expertise to improve the quality, relevance and usability of the study results.
  - b) Engage, during sessions of the Advisory Committee, in discussions aimed at building shared understanding of an operational system for monitoring palm oil and jurisdictional sustainability.
  - c) Liaise with relevant stakeholders not participating in the Advisory Committee.
- It is expected that the Advisory Committee will be convened for in-person half-day sessions every two months until April/May 2019. The meetings of the Advisory Committee will be hosted by the EU Delegation

- Although EU policy may be informed by Terpercaya outputs which Advisory Committee members will contribute to, members agreed to act under Chatham house rules in their capacity as individuals rather than representatives of their respective institutions; despite their opinions may be based on institutional positions. However, invitations will continue to be sent to institutional addresses.
- The Contractor will meet individually with Advisory Committee members in the coming months prior to a second Advisory Committee meeting to be held provisionally in October. The location of the meeting will be discussed with Advisory Committee members.

#### **The Practical Guide for Sustainable Districts.**

The practical guide aims to provide information for private and international communities to understand how government systems work and how they can pursue sustainability in commodity production within their jurisdictions. The proposed outline of the practical guide was presented. See Presentation #2 attached to this Minutes. The draft of the Guide will be shared to the Committee to obtain inputs. The Guide will inform districts what can or cannot be done by district governments in pursuing sustainability based on regulations. It will not assess the implementation of the regulations. The assessment will be carried out in three selected districts after the indicators for sustainability at the district level in commodity production are proposed.

#### **Jurisdiction certification (sustainability) and NDC**

Jurisdictional certification needs to be consistent with national REDD+ policy and the financial mechanism being established will be used to make payments to subnational levels where progress is being made towards FREL targets. Payments will be based on project documents and only regions where a Safeguards Information System (SIS), Monitoring, Reporting and Verification (MRV) and REDD Strategies are implemented (following issuance of regional regulations). Several considerations when linking jurisdiction certification and NDC are proposed as follows:

- Definition of deforestation based on Forest Emission Reference Level (FREL) submitted to UNFCCC. So, one can propose for eligibility for district governments to be certified at the jurisdiction level based on their ability to reduce deforestation in their district below the FREL assigned to the districts. See Presentation #3 for details.
- Other eligibility criteria can also be based on the availability of the REDD+ strategy, SIS and MRV system.
- Additional eligibility that can be considered are: i) agricultural commodity plantations in forest areas – which can be defined as much as, for instance, less than 5% of the total forest areas; ii) percentage of smallholders' lands compared to the entire plantations – for instance, smallholders should cover >30% of the total plantation area; iii) the ratio of deforestation before and after the cut-off data, for instance, should be less than one. If greater than one, then remediation paid for by the subnational region in questions will be necessary before payment eligibility can be achieved.

#### **Framework for selecting jurisdiction sustainability indicators in Terpercaya**

There are important principles for selecting district indicators for measuring sustainability at the jurisdiction level are:

- The unit (scale) of measurement is a district, hence, it is not possible to use the indicators that are currently applied to confined agricultural production area such as plantation concessions.
- District governments have specific authorities that are clearly stipulated by the regulations, hence, they cannot pursue activities that are beyond their authorities.
- District governments work based on specific processes in terms of planning, budgeting and realization of development activities that are clearly stipulated by regulations. Activities that will be implemented by district governments should be integrated in the planning document, only then, they can be financed by the local budget.

Several considerations that are proposed as the framework for selecting jurisdiction sustainability include:

- Sustainability pillars: economic, social, environmental, and ethics (incl. good governance)
- Stepwise: process and outcome indicators
- Audience: indicators relevant to district governments, national government, EU consumers, etc.
- Feasibility including data availability and collection method: remotely sensed, secondary data, checks on government documents, surveys, etc.

#### **Input for Terpercaya and the Process within the Advisory Committee**

- The advisory committee's meeting needs to be organized with structured agenda.
- Terpercaya should investigate possible use of OneMap once it is completed;
- Transparency needs to be part of the indicator. Transparency is the backbone of the Paris Agreement. There are many information that are not accessible for public. An alternative way to convince the government to be transparent is to have the verifier sign the non-disclosure agreement; the information is accessed for the purpose of verification only, not for publication.
- It is important to not only track from the downstream to upstream, but also from land acquisition. By knowing how land was initially acquired, exploitations and any harm to or abuses of local people's rights can be identified.
- Ministry of Environment and Forestry use ecoregion approach. The ministry is developing socio-eco indicators. Is it possible to develop these indicators in the study - not only social, environment and economy indicators?
- How will Terpercaya solicit the commitment of the 171 new regional heads who have recently been elected in Indonesia and who will draft development plans and revise spatial plans within six months, given that it is not clear whether they were campaigning based on platforms that comply with current spatial plans?
- Given large number of Indonesian districts, it is not possible for the contractors of the study to reach out by visiting all districts. Connections, contacts and networks needed to open an initial communication with prospective district governments that are committed to and already making progress in promoting sustainability.

Prepared by Dian Mayasari (INOBU) on July 2, 2018

## #1 Presentation

EU REDD  
FacilityEuropean Forest Institute  
Indonesia

Jeremy Broadhead



## Main activities 2018

- 1 Defining and tracking "deforestation-free" palm oil
- 2 How legal frameworks can contribute to forest related NDC targets in Indonesia
- 3 West Papua monitoring system

## 1 Defining and tracking "deforestation-free" palm oil

- **Component 1** - Supply Chain Analysis (Trase: GC & SEI)
- **Component 2** - Analytical Study and Stakeholder Outreach (EFI & INOBU)
  - 'Tracking sustainable palm oil and jurisdictional sustainability at scale' or **'Terpercaya'**

## 2 How legal frameworks can contribute to forest related NDC targets in Indonesia

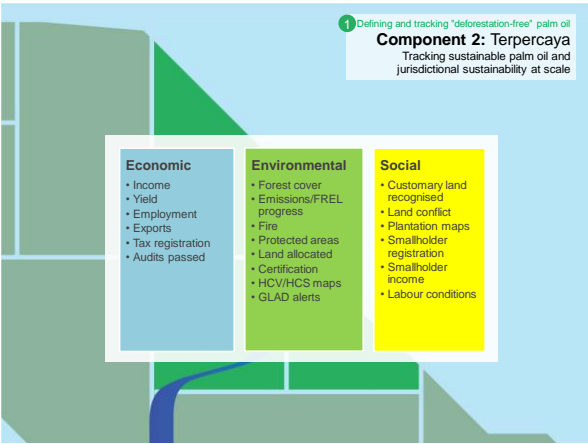
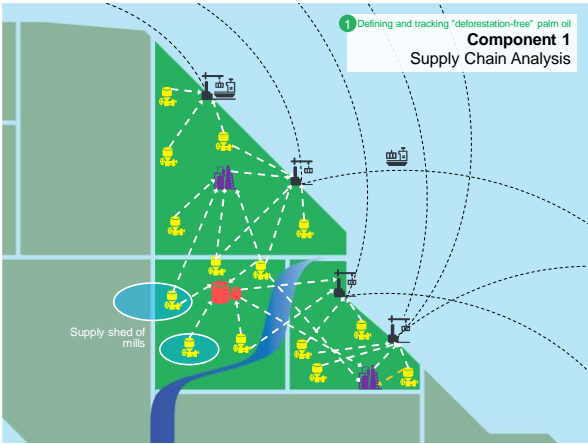
- Define legality scenarios regarding forest conversion

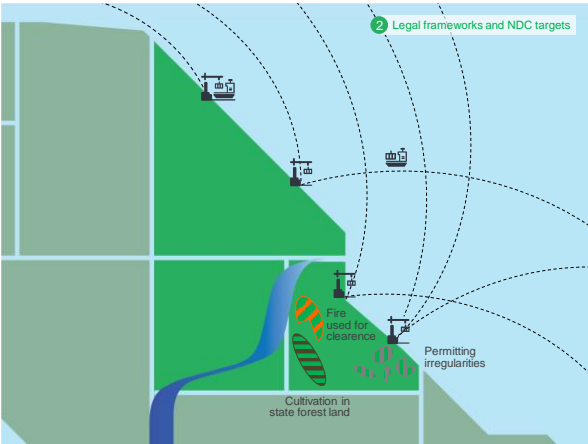
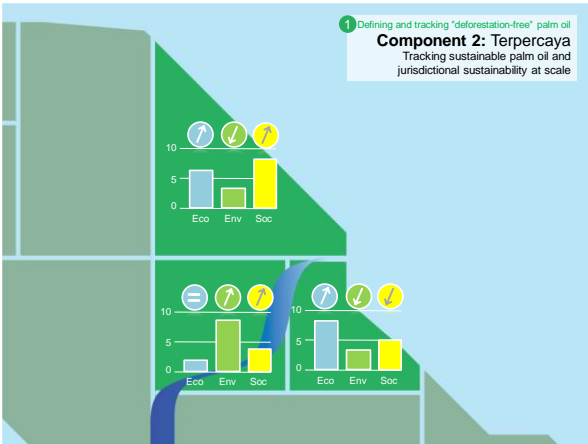
Land zoning

Permits

Land clearance methods

- Assess spatial extent of legal compliance in forest clearance under different scenarios in target districts
- Develop prototype jurisdictional indicators of forest clearance legal compliance





## Terpercaya

- ✓ The Terpercaya study, was launched through a stakeholder seminar on 23 April 2018.
- ✓ It was proposed to establish an Advisory Committee for the duration of the study.
- ✓ Stakeholder participation is central to Terpercaya's aim of facilitating shared understanding on the issue of monitoring sustainability across jurisdictions.

## Terpercaya Advisory Committee

- ✓ The Advisory Committee is composed of 15 individuals including representatives of central and district governments, non-state actors and stakeholders articulating the "market acceptance" perspective.
- ✓ Meetings of the Advisory Committee will be hosted by the EU Delegation.

## Terms of Reference

- ✓ Share experience and institutional expertise to improve the quality, relevance and usability of the study results.
- ✓ The Advisory Committee members will remain independent and will not be asked to endorse the study results.
- ✓ Engage, during sessions of the Advisory Committee, in discussions aimed at building shared understanding of an operational system for monitoring palm oil and jurisdictional sustainability.
- ✓ Liaise with relevant stakeholders not participating in the Advisory Committee.
- ✓ It is expected that the Advisory Committee will be convened for in-person half-day sessions every two months until April/May 2019.

## Roles of Advisory Committee

- ✓ Do you have any question regarding the role of the AC?
- ✓ Do you have any suggestion to add or delete from the list of roles of the AC?
- ✓ What do you think is required to ensure the participation from the AC?

## Framework for Selecting Indicators

- ✓ **Mandate aligned** – indicators collected according to existing/planned regulations
- ✓ **Reflect pillars of sustainability** - environment, social, economic, quality, ethic and integrity, legal/governance
- ✓ **Process & outcome** – incentivizing progress
- ✓ **Audience relevant** – indicators relevant to district governments, national government, EU consumers, etc.
- ✓ **Availability** - remotely sensed, documents checks, surveys, etc.

## Questions for Selecting Indicators

- ✓ What are your constituents' most important considerations regarding sustainability?
- ✓ Have constituents' considerations been followed in selecting the indicators?
- ✓ Suggestions for the process of selecting indicators for sustainable districts?



Thank-you!

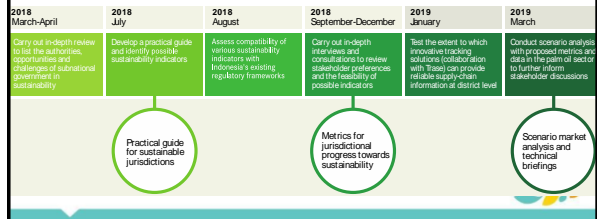




## #2 Presentation

### Making the transition to sustainability: a practical guidebook for district governments

#### Timeline of “Terpercaya” Study



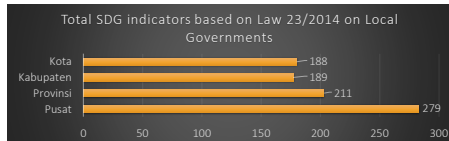
#### Practical Guide: Purpose

- **Make the case why and detail how** district governments can play a role to support commodity producers to transition towards sustainability considering *their authorities as stipulated by regulations*.
- Provide information for private and international communities to understand how government systems work and how they can pursue sustainability in commodity production within their jurisdictions.

#### Practical Guide: Outline

1. Defining Sustainability
2. The authorities and government processes as the starting point
3. Environmental indicators in sustainable commodity production within jurisdictions
4. Social indicators in sustainable commodity production within jurisdictions
5. Economic indicators in sustainable commodity production within jurisdictions

## 1. Defining sustainability



Source: Dirjen Bangda, Kemendagri, 2018

- What are the benefits of implementing sustainable development for district governments?
- What are the specific SDG targets related to sustainable commodity production?

## Sustainable Commodity Production in SDGs

- Goal #2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal #12: Ensure sustainable consumption and production patterns
- Goal #13: Take urgent action to combat climate change and its impacts
- Goal #15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

## 2. The authorities and government processes as the starting point

- District governments have a set of authorities that define what can or cannot be done at the district level.
- All activities that will be implemented should be integrated into government planning documents.
- Planning documents determine how government budget should be allocated and spent.
- How to integrate the SDGs, including sustainable commodity production, into the planning document?

## 3. Environmental indicators in sustainable commodity production within jurisdictions

### Principle 5.2:

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation on or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.

### Indicators:

Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).  
- Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.

### Translating sustainability to government terminologies

1. Good Land Governance including spatial planning (tata ruang), licensing (perizinan) and monitoring & law enforcement.

2. Biodiversity Management (Konservasi Sumber Daya Alam Hayati dan Ekosistemnya) Conservation Law 5/1990 & Presidential Decree 30/1990

### Possible Indicators:

1. Plan to Manage & Protect Environment (RPPLH) for the entire district, including the aspect of biodiversity management
2. Proper spatial plan (including strong strategic environmental assessment as the basis)
3. Strong implementation of Environmental Impact Assessment (AMDAL)

## Tools provided by the Environmental Law & the Development Process

| Planning   | Control   | Realization of Development Activities                                      |   |                              |
|--|---|--|---|------------------------------|
| Plan to Manage & Protect Environment (RPPLH) for the entire district | 1. Spatial Plan (RTRW)<br>2. Environmental Standards<br>3. Strategic Environmental Assessment | 1. Five year development plan (RPJMD)<br>2. Annual development plan (RKPD) | Realization of development activities in specific location:<br>1. Licensing<br>2. AMDAL | Monitoring & Law Enforcement |



## Common terminologies used by the Government (1)

| Government terminologies   | Principles & criteria of sustainable commodity certification   |
|--|--|
| Land Management consisting of planning, licensing, control, monitoring and law enforcement | <ul style="list-style-type: none"> <li>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation on or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</li> <li>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</li> <li>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values (HCVs).</li> <li>Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</li> </ul> |
| Waste Management & Pollution Control   | <ul style="list-style-type: none"> <li>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</li> <li>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner</li> </ul>  |

## Common terminologies used by the Government (2)

| Government terminologies                                     | Principles & criteria of sustainable commodity certification   |
|--|--|
| Reducing greenhouse gas emissions to mitigate climate change | <ul style="list-style-type: none"> <li>Efficiency of fossil fuel use and the use of renewable energy is optimised.</li> <li>Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</li> <li>Plans to reduce pollution on and emissions, including greenhouse gases, are developed, implemented and monitored.</li> <li>No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</li> <li>New plantation developments are designed to minimise net GHG emissions.</li> </ul> |
| Biodiversity management                                      | <ul style="list-style-type: none"> <li>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation on or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</li> <li>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values (HCVs).</li> </ul>  |



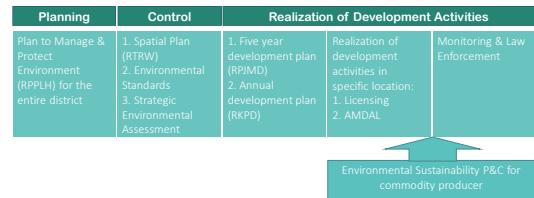
## Proposed Framework for Selecting District Indicators



## Sustainable Agriculture Commodity Production: Certification

- Over 250 standards with have over close to hundred principles and criteria (P&C) for commodity producers as the unit of measurement.
- The P&C can be classified into:
  - Environment
  - Social
  - Economic Growth
  - Quality
  - Ethics

## The position of sustainable commodity certification



## Principles for selecting district indicators

- The unit (scale) of measurement is a district
- Authorities of district governments as stipulated by regulations – defining what can or cannot be done
- Government planning, budgeting and realization of development activities – also stipulated by regulations
- Terminologies and concepts should be based on existing regulations

## Considerations for selecting district indicators

- **Sustainability pillars:** economic, social, environmental, and ethics (incl. good governance)
- **Stepwise:** process and outcome indicators
- **Audience:** indicators relevant to district governments, national government, EU consumers, etc.
- **Feasibility:**
  - Data availability and collection method: remotely sensed, secondary data, checks on government documents, surveys, etc.
  - Others?

#3 Presentation

# Jurisdiction Certification and NDC

Presented by  
**Rizaldi BOER**

At the First Meeting of Terpercaya Advisory Committee, 2<sup>nd</sup> July 2018  
Delegation of the European Union to Indonesia and Brunei Darussalam Intiland Tower, 16th Floor  
Jakarta

Photo: Rhett A. Butler

## Background: Indonesia NDC Target

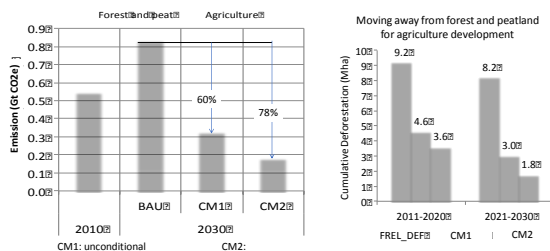
Table 1. Projected BAU and emission reduction from each sector category

| No    | Sector      | Level | GHG Emission (Gt CO <sub>2</sub> e) | GHG Emission Reduction (Gt CO <sub>2</sub> e) | % of Total BAU | Annual Average Growth BAU (2010-2030) | Annual Average Growth CM2 (2010-2030) |
|-------|-------------|-------|-------------------------------------|---|----------------|---------------------------------------|---------------------------------------|
| 1     | Energy*     |       | 1.1                                 | 0.11  | 11%            | 6.7%                                  | 4.50%                                 |
| 2     | Waste       |       | 0.05                                | 0.01  | 1%             | 6.3%                                  | 4.00%                                 |
| 3     | Industry    |       | 0.325                               | 0.01  | 0.11%          | 3.4%                                  | 0.10%                                 |
| 4     | Agriculture |       | 0.32                                | 0.01  | 0.13%          | 0.4%                                  | 1.30%                                 |
| 5     | Forestry**  |       | 647                                 | 217   | 17.2%          | 23%                                   | 0.5%                                  |
| TOTAL |             |       | 1,334                               | 2,034   | 1,117          | 29%                                   | 38%                                   |

\* Including fugitive  
Notes: CM1 = Counter Measure (unconditional mitigation scenario)  
CM2 = Counter Measure (conditional mitigation scenario)

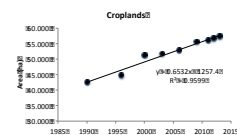
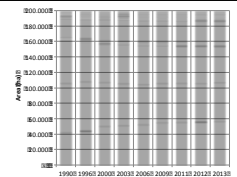
Emission reduction target will be reached mainly through 2 sectors: Land use, Land use change and forestry: **60%**; and Energy sector: **38%**

Main action is to reduce emission from deforestation and peat land

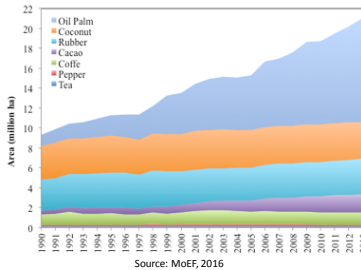


Land Cover Change 1990-2012:

- FAO ~ Agriculture causes 80% of deforestation in tropical countries
- Agriculture and forestry cannot be treated in isolation. Linking the two is imperative for socioeconomic development in the 21st century



### AGRICULTURE PLANTATION DEVELOPMENT



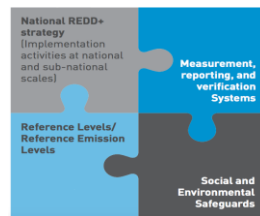
- Growth of palm oil plantation 0.571 million ha/year, while other relative constant except for cacao
- Palm oil is the main contribution to national GDP: 70% of national earning from agriculture plantation commodity export

### Sustainable Palm Oil

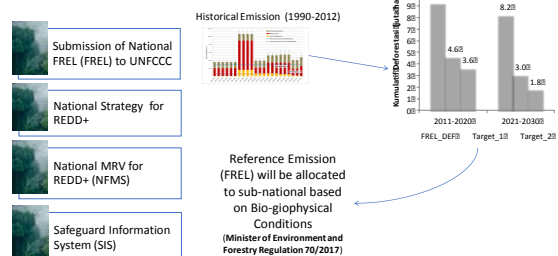
- **Consumer Goods Forum** commit to mobilize resource toward **zero net deforestation by 2020**.
- **Tropical Forest Alliance**, global private-public partnership, has voluntary commitment to deep cut tropical deforestation related to agriculture commodities, e.g. palm oil, soybean, pulp and paper
- Many of **agriculture commodity certifications** have included standard on GHG emission and deforestation
- RSPO proposed Jurisdiction Certification Approach
- Agreement reached by **HCS Convergence Working Group** in 2016 at Bangkok, method to calculate HCS toward zero deforestation should
  - be consistent with REDD+ national approach
  - support national strategy for reducing GHG emissions and NDC
  - be integrated with National MRV for REDD+
- By treating commodity certification as part of REDD+ strategy, development of jurisdiction certification has to be consistent with national policy in the implementation of REDD+

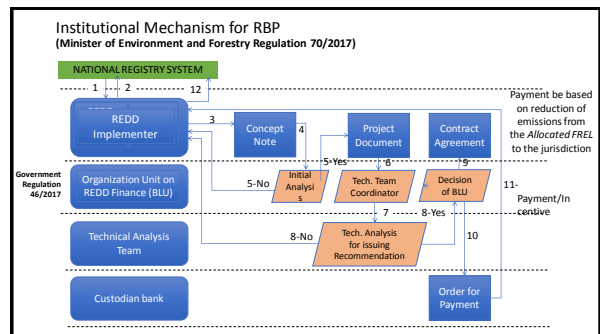
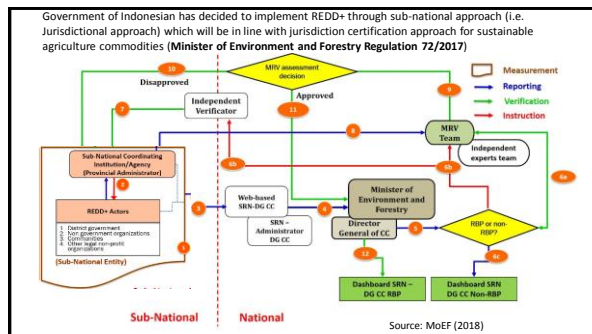
### REDD+ Elements (Cancun 2010)

1. National strategy or action plan
2. National/Sub-National forest reference levels
3. MRV (Forest monitoring systems)
4. System for reporting on social and environmental safeguards



### National REDD+ Policy





How to synchronize technical and non-technical aspects of Jurisdiction certification toward zero deforestation with those of REDD+

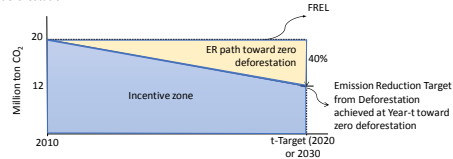
1. Definition of zero deforestation/forest definition. Consistency of this definition is very important to synchronize jurisdiction certification toward zero deforestation with national REDD+
2. *Eligibility criteria* of jurisdiction to participate in Jurisdiction certification
3. Standard and methodology to be used to evaluate and monitor sustainability issues at Jurisdiction level (PCI)
4. Institutional mechanism for the implementation of Jurisdiction certification consistent with existing regulations and policies

### Zero Deforestation Definition

- Indonesian REDD+, forest definition only refer to natural forest, which is in line with the COP decision Paragraph 2e in the Appendix 1 of Decision 1/CP.16, i.e. that REDD activities should not be used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of **natural forests**
- Zero deforestation means no more conversion of natural forest to other uses. Applying this definition may be difficult for jurisdiction that has not used their forest for development in the past
- Definition of “*zero deforestation*” may need to be adjusted to allow jurisdictions that are not used forest in the past to participate Jurisdiction certification toward zero deforestation

### Deforestation and Incentive in REDD+ Scheme

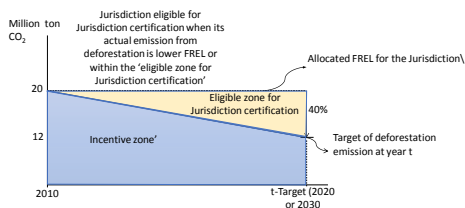
- Achievement in the implementation of REDD+ is measured based on reduction of emission from *Forest Reference Emission Level (FREL)* or how much the deforestation rate can be reduced from the baseline rate toward the **target** ~ This should also be considered in defining **zero deforestation concept** at Jurisdiction level
- Assumed Jurisdiction has FREL as 20 Million ton CO<sub>2</sub>e with target to reduce the emission by 40% at 2020. The Jurisdiction should plan through their actions to gradually reducing emission and by 2020 the emission level will reach 12 Million ton CO<sub>2</sub>
- Jurisdictions which are able to reduce emission toward the defined target is stated leading into 'zero deforestation'



### Main Eligibility Criteria for Jurisdiction to participate in Jurisdiction Certification

- Main eligibility criteria used Jurisdiction Certification should be in line with basic philosophy of REDD+ scheme
- Achievement in reducing emission from deforestation is measured based on the level of reduction of the emission from the reference level (FREL) through the implementation of various policy and programs in reducing the deforestation
- National Government has established National MRV System and SIS for REDD+

### Criteria 1: Rate of deforestation equal or lower than allocated FREL for the Jurisdiction



- National Government will allocate FREL to Sub-National based on its bio-geophysical condition (historical emission and remaining forest cover at the end of reference period)

### Eligibility Criteria for Jurisdiction Certification

- In line with the international requirements, in the implementation of REDD+, elements that need to be fulfilled aside from FREL is REDD strategy, MRV and SIS. Thus the other two main eligibility criteria
- Main Criteria 2: The presence of strategy for REDD (SRAP) or Local Action Plan for Mitigation (RAD GRK ~ Presidential regulation 61/2011)
- Main Criteria 3: The presence of MRV system
- Main Criteria 4: The presence of SIS



## Additional Eligibility Criteria

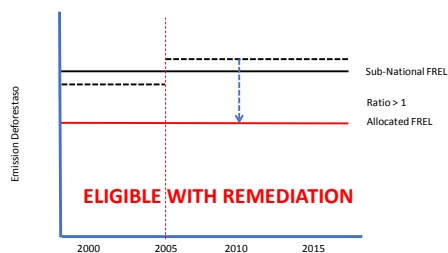
Additional Criteria to be used for Jurisdiction Certification for specific-commodity

1. The presence of plantation in forest area
  - This criteria requires jurisdiction to have small or big plantation in forest area of less than 5% of the area of forest ~ supported by document and field fact ~ Document IP4T-Inventarisasi Penguasaan Pemilikan Penggunaan dan Pemanfaatan Tanah, Pengukuhan Kawasan Hutan, Pelepasan Kawasan Hutan, dan Tukar Menukar Kawasan Hutan.
2. Percentage of community plantation-small holder farmers) to total plantation should be 30% minimum
3. Ratio of deforestation rate before and after cut-off date (year 2005)
  - This criteria is applicable for Jurisdiction in which its FREL is higher than the allocated FREL from National (Main Criteria 1)
  - Ratio should be  $< 1$  and if it is higher than 1, eligible with remediation

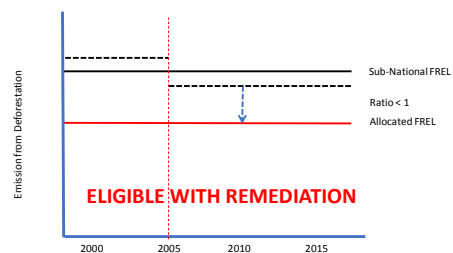
## Cut Off Date and its Application in Remediation Process

- Condition 1: **Ratio  $> 1$**  and proposed Sub-National FREL is **higher** than the allocated FREL from National
- Condition 2: **Ratio  $\leq 1$**  and proposed Sub-National FREL is **higher** than the allocated FREL from National
- Condition 3: **Ratio  $> 1$**  and proposed Sub-National FREL is **lower** than the allocated FREL from National but rate of deforestation after the cut off date is already **higher** than the allocated FREL
- Condition 4: **Ratio  $> 1$**  and proposed Sub-National FREL is **lower** than the allocated FREL from National but rate of deforestation after the cut off date is still **lower** than the allocated FREL
- Condition 5: **Ratio  $\leq 1$**  and proposed Sub-National FREL is **lower** than the allocated FREL from National

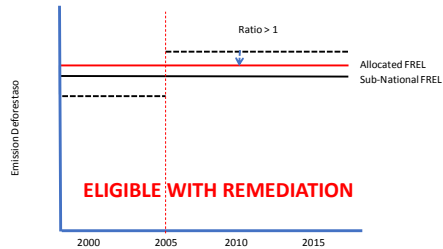
Condition 1: **Ratio  $> 1$**  and proposed Sub-National FREL is **higher** than the allocated FREL from National



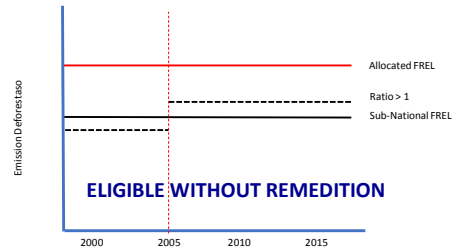
Condition 2: **Ratio  $\leq 1$**  and proposed Sub-National FREL is **higher** than the allocated FREL from National



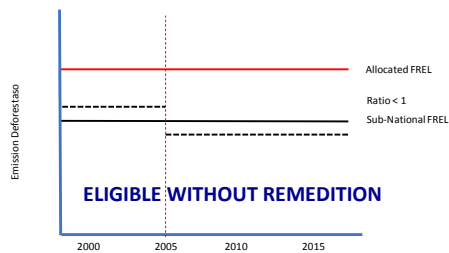
Condition 3: **Ratio > 1** and proposed Sub-National FREL is **lower** than the allocated FREL from National but rate of deforestation after the cut off date is already **higher** than the allocated FREL



Condition 4: **Ratio > 1** and proposed Sub-National FREL is **lower** than the allocated FREL from National but rate of deforestation after the cut off date is still **lower** than the allocated FREL



Condition 5: **Ratio <= 1** and proposed Sub-National FREL is **lower** than the allocated FREL from National



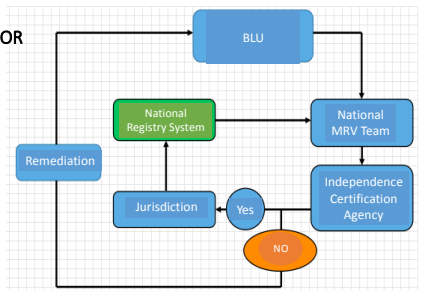
### PCI for Jurisdiction Certification

- Eligible Jurisdiction should follow PC that are used for sustainable commodities at individual farm/factory but adjusted to fit the Jurisdiction condition and in line with the PC of safeguard for REDD+ (SIS)

### INSTITUTIONAL MECHANISM FOR JURISDICTION CERTIFICATION

- **Certification Scheme:** Certification scheme can be proposed as standard design as defined in Act 20/2014 (stated as National Program for Program Formulating Standard (PNPS). PNPS as national standard (SNI) proposal from stakeholders
- **Certification Object:** product or several products covering certain administration area (district/province)
- **Characteristic of Certification:** Mandatory, to be implemented by Jurisdiction as strategy for reducing emission from deforestation, maintaining environmental quality, improving economic and social and complying with national regulation and the products can be accepted by international market
- **Cost for Certification:** By respective Jurisdiction represented by related Task Force at the jurisdiction
- **Certification Implementer:** Palm Oil - ISPO

### INSTITUTIONAL ARRANGEMENT FOR EVALUATING ELIGIBILITY FOR JURISDICTION CERTIFICATION



TERIMA KASIH