Dear Colleague,

We are pleased to include you on an email list of individuals and organizations interested in the “jurisdictional approach” (JA) to transformation of land-use in Indonesia, with a particular focus on the palm oil sector.

This is the second in a series of informal, periodic updates to share information within the nascent “community of practice” that is promoting various aspects of JA. Providing support to that community is one of the objectives of a modest project supported by the David and Lucile Packard Foundation. This message includes highlights from discussions that we held with many of you in Indonesia in October, as well as updates from other initiatives and links to useful resources that have come to our attention.

We welcome your feedback and suggestions for items to be included in future updates.

With warm regards,
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RECENT JA-RELATED DEVELOPMENTS

In late 2016, the David and Lucile Packard Foundation, in cooperation with the Climate and Land Use Alliance (CLUA), conducted a series of consultations with grantees and other partners to “refresh” the Foundation’s strategy for grant-making related to the palm oil sector in Indonesia. Consultations included two-day workshops with grantees in Jakarta and London. The refreshed strategy, which is expected to maintain a strong focus on the “jurisdictional approach” (JA) to transforming land-use, will be available by the end of February, and will be included in our next update.

On 17 and 20 October 2016, on the margins of the strategy refresh workshop in Jakarta mentioned above, the Foundation convened two separate small group meetings specifically focused on elements of a “value proposition” that could provide incentives to provincial and district leaders to promote forest conservation and lower emissions from the land-use sector (including the palm oil industry). The first meeting (on 17 October) brought together individuals from civil society organizations that are proponents of JA and others interested in the potential of fiscal policy reform to remove perverse incentives for forest conversion, and reward jurisdictions for maintaining forest cover. The second meeting (on 20 October) convened JA proponents from civil society and individuals from relevant private sector companies and certification initiatives to discuss the potential of preferential sourcing of commodities from high-performing jurisdictions as a way to motivate improved practice through market incentives. Summaries of highlights from each of the two meetings are in the Annex.

The Tropical Landscapes Finance Facility (TLFF) was launched in Jakarta on 26 October 2016, aiming to bring long-term finance to projects and companies that stimulate green growth and improve rural livelihoods. Kuntoro Mangkusubroto, Chairman of the Steering Committee, said at the launch that TLFF targets to raise USD1 billion from the private sector and USD100 million in development assistance. Key partners in the facility include UN Environment Program, which will manage the secretariat, BNP Paribas, and ADM Capital, which will act as fund manager for the loan fund. While the Facility is framed around “landscapes” rather than “jurisdictions”, it aspires to have “large-scale” impact. More information about the TLFF can be found here and here.

Also in November, JA efforts in East Kalimantan were featured at a session organized by The Nature Conservancy (TNC) on “Enhancing Multi-stakeholder Partnership and Commitments Towards Green Growth” at the Indonesian Pavilion at UNFCCC’s Conference of the Parties (COP) 22 in Marrakech. The session highlighted Governor Awang Faroek Ishak’s Green Growth Compact, which has been adopted by the province to transform the management of natural resources towards the protection of forests and slowing climate change. Speakers included Indonesia’s Minister of Environment and Forestry Siti Nurbaya Bakar, Australian Minister for Environment and Energy Josh Frydenberg, Senior Advisor to the Packard Foundation Frances Seymour, and the Governor himself. The session was moderated by TNC’s Terrestrial Program Director Herlina Hartanto.
Also on the sidelines of COP22, Earth Innovation Institute (EII) unveiled the first global exchange for sourcing sustainable commodities by jurisdiction. The Produce and Protect Platform connects companies and consumers seeking sustainably produced commodities with tropical forest jurisdictions where various commodities, including palm oil and soybeans, are sustainably produced. The platform also lets these jurisdictions show the world the progress they are making.

The beta version of a tool for improving the traceability of commodity flows developed by the Stockholm Environment Institute and the Global Canopy Programme was also released during COP22 in Marrakech. The “Transparency for Sustainable Economies” or Trase tool allows users to “map the movement of agricultural commodities from the places of production all the way to the country of consumption, identifying the key supply chain actors along the way.” While the beta version focusses on tracing soy from Brazil, the partnership plans to expand the tool to include data on other countries and commodities. A set of blogs elaborating on remarks made at the launch event by Frances Seymour (which focused on JA), Charlotte Streck of Climate Focus, and Rod Taylor of World Resources Institute can be found here.

Closing 2016, Lingkar Temu Kabupaten Lestari (Roundtable of Sustainable Districts) held its first Communication Forum on 19 and 20 December 2016 with representatives of eight districts across Indonesia and the Association of Indonesian District Governments (Apkasi). Lingkar Temu Kabupaten Lestari is a platform for district-level government leaders to advance sustainability objectives, and is supported by Perkumpulan Sawit Lestari in partnership with Rainforest Alliance, WRI Indonesia, SPKS, INOBU, IDH and others. The December meeting was a follow up to a gathering on the sidelines of the RSPO annual meeting in November 2016 of representatives from three districts aspiring to attain jurisdictional sustainability. In the Communication Forum, district representatives agreed on a draft common vision for the platform and a timeline of activities for 2017, which includes the signing of a collective declaration and a road map for action in the second half of the year. Read the media coverage here and here (in Indonesian) and see summary notes from the meeting and district profiles (see Annex).

Last but not least, during the World Economic Forum in Davos, the Government of Norway on 17 January 2017 announced the launch of a new USD400 million fund to kick-start investments in deforestation-free agriculture and aims to protect over 5 million hectares of forests and peatlands by 2020, including in Indonesia. Norway has put in USD100 million and plans to raise funding in partnership with the Global Environment Facility, UN Environment Programme, the Sustainable Trade Initiative (IDH) and major food companies and environmental NGOs. Unilever is the first corporate investor in the fund and has committed to invest USD25 million over a five-year period. Of particular relevance to JA, design of the fund is expected to include a “jurisdictional screen” to ensure that investments are targeted to enterprises operating in areas where government authorities are committed to reducing deforestation and peatland conversion.
PUBLICATIONS, VIDEOS, AND OTHER RESOURCES

- Introduction to landscape or jurisdictional initiatives in commodity agriculture, Proforest, 2016 (in Indonesian [here])
- A Profile of Small-scale Oil Palm Farmers and The Challenges of Farming Independently: The Case of Seruyan and Kotawaringin Barat Districts in Central Kalimantan, Indonesia, Institut Inovasi Bumi (INOBU), 2016
- Jurisdictional Approaches to Zero Deforestation Commodities, WWF, 2016 (see a YouTube video discussing the paper [here])
- End-of-Year Reflections: Progress on Oxfam’s FAIR Partnerships co-creation, Oxfam, 2016 (see Annex)
- Reporting Guidance for Responsible Palm, Ceres Inc., 2017 (in Indonesian [here])

LOOKING AHEAD

- EII and INOBU are expected to launch the “Jurisdictional Sustainability: Primer for Practitioners” on their websites in early February 2017 after incorporating inputs to the draft that was circulated in the last JA Update.
- In March 2017, we look forward to another intensive round of consultations in Indonesia, with meetings in Jakarta complemented by visits to one or more jurisdictions where JA initiatives are underway. We are actively exploring how we can be helpful in advancing the discussions about fiscal reform and jurisdictional sourcing kicked off in October, as well as new opportunities to support the JA community of practice, such as ensuring that JA initiatives are appropriately linked to efforts to promote indigenous peoples’ rights. We are open to your ideas.
Highlights on Discussions on Fiscal Incentives and Preferential Sourcing to Promote “Jurisdictional Approach” to Reducing Deforestation

Jakarta, 17 and 20 October 2016

Developed for the David and Lucile Packard Foundation
December 2016
Highlights from discussion on fiscal incentives to promote the “Jurisdictional Approach” to reducing deforestation

17 October 2016
Jakarta

On 17 October 2016, the David and Lucile Packard Foundation convened a small group of individuals from civil society, including organizations that are proponents of the “jurisdictional approach” (JA) to reducing deforestation and peatland conversion, in Jakarta. The purpose of the meeting was to discuss the potential of fiscal policy reform as a way to provide incentives to sub-national jurisdictions to pursue forest conservation and lower emissions from the land-use sector (including the palm oil industry). Guest speakers from the Ministry of Environment and Forests (MoEF) also provided information about the prospective regulation (Peraturan Pemerintah) on Economic Instruments for Environmental Protection. Highlights from the presentations and discussions are summarized below.

Next steps for moving forward:

Advocacy

• Agree on a policy advocacy strategy that could include pooling resources to identify and support sub-national government officials and agencies as an influential constituency to push for a reform of fiscal policy to include environmental performance.

• Develop a loose task force and advocacy team who can explore how to support leadership within the Ministry of Finance (MoF) on fiscal policy reform for environmental protection.

• Understand and articulate the implications of 2016 budget cuts for the adoption of sustainability indicators to generate and target new revenue streams.

Support for other actors

• Continue support for the Corruption Eradication Commission (KPK) to clean up the revenue system to allow effective use of fiscal incentives as a carrot, and to monitor how the relevant government agencies respond to KPK’s recommendations on the palm oil sector (see the recommendations in the “Possible involvement and support from other government actors” sub-section).

• CSOs need to be prepared to respond to the PP on Economic Instruments for Environmental Protection, and use the opportunities offered under the new regulation.

• Build capacity for fiscal policy analysis, planning, and budgeting at the local level.
Coordination

- Create a hub for the proponents of fiscal incentives/policy reform that regularly meets (every one or two months).
- Develop an informal fiscal experts network (including participants of the fiscal incentives meeting).

Studies needed

- A study tour to India for national and sub-national officials to talk with their counterpart government officials on the impacts of the introduction of environmental protection (e.g., forest cover) as a fiscal policy element.
- A study on what such environmental fiscal transfer will mean for forests – not just conservation areas – in Indonesia, following the example of India.
- A combined study linking REDD+ and conservation finance and market-based incentives.
- A study on the impacts of Indonesia’s Nationally Determined Contribution (NDC) for climate change efforts on the national and sub-national budgets. As the NDC is being ratified, we need to understand the gap between the emissions reduction that Indonesia has committed to and the financial resources available. This study can serve as an entry point to engage relevant government agencies, including the Ministry of Finance and the President’s Office.

Context and lessons learned:

- Ecological fiscal transfers have the potential to have a major impact on jurisdictions’ behaviour and behaviour change. India and Brazil have applied these instruments to varying degrees.
- In Indonesia, there are perverse incentives to clear forests in the current fiscal systems for local governments, e.g., the more forests are cut, the higher local revenue local governments will get, and the more degraded land, the more funding they will receive to restore that land.
- One way to get more revenue for conservation is by creating a local public service agency, or BLUD (e.g., in Raja Ampat National Park).
- Indonesia has declared several conservation district initiatives but all failed due to lack of financing. Even if the funding is available, the local capacity to absorb these funds might be limited. Therefore, capacity building in planning and budgeting for local governments is essential.
- Indicators used by progressive palm oil companies to implement their commitments, i.e., to No Deforestation, No Peat, No Exploitation (NDPE), and expanding social benefits, are easier for local governments to understand compared to indicators envisioned previously for REDD+; indicators related to forest carbon emissions were difficult to understand and trial due to their intangible nature and a lack of a robust baseline.
Influencing MoF and MoEF and engaging sub-national governments:

- The Fiscal Policy Agency (BKF) of the Ministry of Finance (MoF) is being supported by several organisations, e.g., INOBU and CPI. It could use assistance in convening other DGs at the MoF (which are responsible for making policy) and engaging with sub-national governments.
- The Ministry of Environment and Forestry (MoEF) as the technical ministry for environmental and forest protection needs to be engaged on fiscal policy reform to support efforts to reduce deforestation. Without their involvement, it is very difficult for MoF to push for the introduction of environmental performance-based fiscal incentives.
- There is a lack of understanding at the sub-national level, both within government agencies as well as CSOs, on how the fiscal system can support sustainability and climate change mitigation efforts. As such, there need to be more conversations at the sub-national level, including between proponents of REDD+ and forest conservation and private sector mechanisms/standards, for example in the palm oil sector. For example, while their end goals and potential impacts are quite similar, conservation districts are currently not in discussion with districts that want to get jurisdictional certification for their palm oil.
- Support from local governments needs to be cultivated to create demand for environmental performance-based incentives.
- One challenge for donors is the limitation on which government institution they have the mandate to cooperate with and support.

Possible involvement and support from other government actors:

- Support from the President’s Office for changing the formula in the “fiscal gap” calculation within the general allocation fund (DAU) in the budget would be important.
- Ministry of Villages and Ministry of Home Affairs can be entry points for influence, particularly where the Village Fund is involved.
- KPK is reviewing palm oil licenses in 12 provinces in Indonesia. It serves not only the enforcement function, but also corruption prevention, and provides recommendations on how to improve revenue sharing and use of public funds (e.g., CPO fund) in the palm oil sector. For example, KPK is encouraging the registration of smallholders, including those operating in the forests zone; creating a revenue sharing mechanism with palm oil producing provinces/districts to attain a better balance between national and sub-national revenues from the sector; and that the majority of CPO fund should be used for replanting and increasing smallholders’ capacity, instead of to subsidize biofuels.
- In terms of law enforcement, KPK plans to review 3 cases in every province and recommend how to address prevailing issues, such as when the areas are zoned by MoEF as industrial forests but in reality have been converted into oil palm plantations.
Government Regulation (PP) on Economic Instruments for Environmental Protection and other supporting regulations:

- The importance of fiscal policy for environmental protection has only been recently acknowledged in Indonesia. However, the Environmental Law actually has already provided space for market-based instruments.

- There are three clusters under the draft PP:
  - Environmental economics as part of the planning process (e.g., green growth);
  - Environmental economics as an environmental fund; and
  - Environmental economics as incentives/disincentives.

  Incentives could include tax and retribution, environmental labelling, green procurement, sustainable capital market and financial services – this has been designed with the Financial Services Authority (OJK) – payment for environmental services (PES), tradeable permits, environmental insurance and environmental awarding system (Kalpataru, PROPER etc.). The idea is that the revenues received through these instruments are spent for environmental purposes, including to support behaviour change.

- The current draft PP has been through three years of consultations (including one year when the Ministry of Environment and Ministry of Forestry were merged at the beginning of the current administration) and seven rounds of harmonisation meetings to ensure that it does not contradict other prevailing laws in Indonesia.

- The regulation is intended to be applicable at district levels, because district governments are the environmental managers.

- Support needed for the PP includes participation from stakeholders and support on how to get it implemented. Some instruments will need additional implementing regulations (at Ministerial level), but some can move forward once the PP is issued, as there are already implementing regulations in place. Local governments will also need support to measure their environmental performance and develop programs to maintain (and attain) the quality that they want.

- The Presidential Regulation (Perpres) on Environmental Funding Unit (BLU) is also being prepared and will be issued after the PP on economic instruments is signed. The BLU, which will allow transfer of funds to local government, will be under the MoF and will channel funding including from Norway and the World Bank. The funds channelled can be performance-based or grants. The donors can set the requirements, including the indicators for performance and methodologies used. For example, Norwegian funding might be earmarked for emissions reduction, while others could be for rhino protection.

- The MoEF is also developing an environmental quality index at the provincial level, which it is hoped can be included in the development plan for year 2020-2025.
### Annex 1

India’s and Brazil’s environmental fiscal transfer policies and Indonesia’s current fiscal transfer policy

<table>
<thead>
<tr>
<th></th>
<th>India</th>
<th>Brazil</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intergovernmental relation</strong></td>
<td>Agreement between union and states</td>
<td>Agreement between state and federal states</td>
<td>Agreement between national state and sub-national jurisdictions</td>
</tr>
<tr>
<td><strong>Constitutionality</strong></td>
<td>Very high</td>
<td>Very high</td>
<td>Very high</td>
</tr>
<tr>
<td><strong>Applicability</strong></td>
<td>All states</td>
<td>16 Brazilian states</td>
<td>All provinces, districts, and municipalities</td>
</tr>
<tr>
<td><strong>Form of Transfer</strong></td>
<td>Revenue sharing</td>
<td>Revenue Sharing</td>
<td>General-purpose transfer</td>
</tr>
<tr>
<td><strong>Source of Fund</strong></td>
<td>Taxes</td>
<td>Value-added taxes on sales of goods and services</td>
<td>Pooled revenues, undefined</td>
</tr>
<tr>
<td><strong>Explicit area-based ecological indicator</strong></td>
<td>Forest cover</td>
<td>Protected area indicator</td>
<td>Area indicator (terrestrial and marine area), needs calculation</td>
</tr>
<tr>
<td><strong>Weight</strong></td>
<td>7.5% of allocated fund</td>
<td>7.5% of allocated fund</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Co-Indicators</strong></td>
<td>value-added tax by derivation, other municipality determined indicators (e.g. water protection)</td>
<td>Population, human development index, gross regional product, cost index</td>
<td></td>
</tr>
</tbody>
</table>
Highlights from discussion on preferential sourcing to promote the “Jurisdictional Approach” to reducing deforestation

20 October 2016
Jakarta

On 20 October 2016, the David and Lucile Packard Foundation convened in Jakarta a small group of individuals from civil society -- including organizations that are proponents of the “jurisdictional approach” (JA) to reducing deforestation -- and representatives of private companies active in the palm oil supply chain. The purpose of the meeting was to discuss the potential of preferential sourcing as a way to provide incentives to sub-national jurisdictions to pursue forest conservation and lower emissions from the land-use sector (including, but not limited to, the palm oil industry). Highlights from the presentations and discussions are summarized below.

Next steps for moving forward:

- Collect indicators for jurisdictional sourcing under development from relevant stakeholders, e.g., RSPO, Unilever, and Governor’s Climate and Forests Task Force (GCF) and assess the potential for alignment.

- Support the construction of a platform for district heads (Bupati) that want to commit to sustainability and learn from each other as well as connect with key stakeholders, such as potential buyers, the RSPO, and the network of CSOs and donors that can assist them. [Additional note: Lingkar Temu Kabupaten Lestari, a platform to serve this function, has been established with support from Perkumpulan Sawit Lestari and CSOs including Rainforest Alliance, WRI Indonesia, SPKS, INOBU, and IDH, and was launched in December 2016.]

- Organize a follow-up sharing session with proponents which can be attended by interested Bupatis.

Local governments:

- The workshop reiterated the need to have the support and strong leadership from local governments for JA to succeed, as they have the mandate and power to convene key stakeholders in their areas. Jurisdictional sourcing can also increase local leaders’ awareness of how global commodity markets work.

- Proponents are exploring JA at various levels of administration: districts, sub-districts, and villages. Some countries, including Ecuador and several African countries (assisted by TFA2020), are interested in implementing principles of sustainable palm oil production at the national level.
Different district governments have different reasons to want to commit to sustainability, including increasing smallholders’ welfare (through mapping and efforts to secure legal status for their lands, e.g., in Seruyan District in Central Kalimantan), accessing the market (e.g., Sabah, whose production far exceeds local consumption and as such exports a significant portion of its output and could benefit from preferential sourcing), promoting data transparency (e.g., Musi Banyuasin District in South Sumatra), reducing fire, etc.

JA proponents should explore how to include other commodities in the value proposition for the jurisdiction. For example, in Lalan sub-district in Musi Banyuasin, rice and rubber are also key commodities.

**Preferential sourcing challenges:**

- A mismatch between buyers’ current supply areas and jurisdictions with committed Bupatis and ready partners. Buyers/companies may need help to put these pieces together.
- The small number of independent smallholders that have been RSPO-certified.
- The dichotomy between jurisdictional and supply-shed approaches. In the absence of jurisdictional certification, a supply-shed provides a unit for areas within jurisdictions to become RSPO-certified. However, it does not address the issue of other palm oil producers/suppliers outside of the supply shed, so is therefore insufficient to addressing leakage.
- How buyers need to support the shift of jurisdictions to sustainable practices, and not aim only to buy physically segregated oil. As a result, buyers will be unlikely to make big profits from jurisdictional sustainability (at least at the beginning).
- How to do a step-wise approach in efforts to attain jurisdictional certification, e.g., focusing first on legalization of smallholders, mapping, etc., keeping in mind the end goal of reducing deforestation and associated emissions.
- How to build the credibility of jurisdictions in the eyes of buyers.
- Although the jurisdictional approach is seen as part of the transformation towards sustainability, some participants said that jurisdictional sourcing may not work/be sufficient as a value proposition as there are still too many loopholes in the market. There remain many buyers that don’t insist on sustainable products – with a two-tier market, the progressive companies’ leverage against unsustainable suppliers is not significant.
- Potential blow-back if only one company announces that it is sourcing from one jurisdiction. It is important that preferential sourcing is framed as a “transformation” effort and that multiple stakeholders are involved to share the responsibility and improve the practice and image of palm oil production at a larger scale.

**Indicators for sustainable jurisdictions and jurisdictional certification:**

- The GCF Secretariat is developing indicators for jurisdictions and a draft is ready to be reviewed and commented on by the GCF provinces. The indicators are planned to be finalised by 2017.
• We need a study to collect indicators for jurisdictional sourcing from relevant stakeholders involved in indicator development efforts, e.g., RSPO, Unilever, and GCF, and assess the extent to which they are or can be aligned.

• It is essential that we keep in mind “No Deforestation” goals when we talk with counterparts and local governments and when developing these indicators.

Efforts to Strengthen Indonesian Sustainable Palm Oil (ISPO):

• A task force has been established and assigned to strengthen ISPO and is engaging CSOs and multiple stakeholders in the process. The task force is comprised of a technical group and advisory group. Diah Suradiredja from Indonesia Ecolabel Institute (LEI), formerly involved in the SVLK process, is co-chair of the task force.

• Workstreams in the task force include ISPO’s Principles & Criteria (P&C), development of a Presidential Regulation (Perpres) draft that will be cross-sectoral and less attached to the Ministry of Agriculture, and institutional infrastructure development (including decision-making processes and monitoring).

• One of the discussions on P&C and Perpres has led to a proposal to trial them at the jurisdictional scale, partly to address the problem of smallholders inside the forest zone, a bottleneck that can only be addressed by the government.

• Smallholder participation in ISPO will be voluntary.

• [Additional note: Head of ISPO Commission Secretariat Aziz Hidayat said the Perpres on ISPO will be issued in January 2017. See the link here (in Indonesian).]

Others:

• Incentives for second-tier companies (small, medium-sized companies) need to be developed to get them on board. These small and medium-sized companies currently do not see the benefits of applying sustainability practices beyond having good relationships with their buyers, e.g., GAR and Unilever.

• Availability of finance from the CPO Fund is a potential game changer, but is limited in several aspects: (i) most of the fund is earmarked to subsidise biodiesels; (ii) it currently only supports replanting by legal smallholders; and (iii) it doesn’t include commitment to No Deforestation as a requirement for eligibility to receive funds.
Profil Kabupaten Musi Banyuasin

Kondisi Umum

Kabupaten Musi Banyuasin merupakan salah satu kabupaten di Sumatera Selatan yang dilintasi oleh Sungai Musi. Motto kabupaten ini adalah *Serasan Sekate* yang artinya adalah bahwa masyarakat selalu mengutamakan kerukunan dan tetap memegang teguh azas musyawarah untuk mufakat yang dijiwai semangat gotong royong. Dibutuhkan waktu empat jam perjalanan dari Palembang untuk mencapai Sekayu, Ibu Kota Musi Banyuasin.

Secara geografis Kabupaten Musi Banyuasin terletak antara 1,3° sampai dengan 4° Lintang Selatan dan 103° sampai dengan 104° 45’ Bujur Timur, dengan luas wilayah 14.265,96 km² (1.426.596 Ha) atau sekitar 15 persen dari luas Propinsi Sumatera Selatan. Dari data tersebut, kawasan hutan di Kabupaten Musi Banyuasin tercatat seluas 714.440 Ha atau 50,43 % dari luas seluruh wilayah kabupaten. Sementara untuk luas kawasan bergambut di Kabupaten Musi Banyuasin mencapai 274.207,50 Ha atau hampir 25 % dari luas wilayah Kabupaten Musi Banyuasin.


Visi

Mewujudkan Penguatan Ekonomi kerakyatan, Religius, Mandiri, Adil dan Terdepan Maju Bersama (PERMATA) Musi Banyuasin
Program
Pembangunan database petani
Pembangunan Lanskap Lalan,
Sedang dalam proses mendapatkan dana dari CPO fund

Potensi Pengembangan Komoditi Perkebunan


Harapan dari Lingkar Temu Lestari
1. Support program kebakaran hutan/lahan
2. Support mekanisme insentif untuk meningkatkan pendapatan daerah
3. Masukan untuk RPJMD, Database dan kapasitas pengelolaan data terkait program strategis,
4. Peningkatan kapasitas pekebun.
5. Penyederhanaan mekanisme dukungan untuk re-planting
6. Mekanisme percepatan legalitas – i.e HGU,
7. Skema tata guna perkebunan di kawasan hutan [tmsk. Lindung]
Profil Kabupaten Siak

Kondisi Umum

Secara geografis Kabupaten Siak terletak pada koordinat 10° 16’ 30” — 00° 20’ 49” Lintang Utara dan 100° 54’ 21” - 102° 10’ 59” Bujur Timur, dengan luas wilayah 8.556,09 km² (855.809 Ha). Dari luasan wilayah tersebut, kawasan hutan di Kabupaten Siak mencapai 660.927,09 Ha atau 77,23 % dari luas wilayah Kabupaten Siak. Sementara untuk luas kawasan bergambut di Kabupaten Siak mencapai 735.835 Ha atau 85,98 % dari luas total wilayah Kabupaten. Secara fisik Kabupaten Siak memiliki kawasan pesisir pantai yang berdekatan dengan sejumlah negara tetangga dan masuk kedalam daerah segitiga pertumbuhan (growth triangle) Indonesia - Malaysia - Singapura.


Visi

Membangun Kabupaten Tanpa Merusak Lingkungan untuk Siak Hijau

Program

Tidak mengizinkan pembangunan di Sungai Siak; mengendalikan abrasi; program ruang hijau; program lembung air; kebijakan (zakat pohon, raperbup penebangan pohon; surat edaran
Dukungan saker untuk 1 soul 1 tree, aplikasi SEe Forest, RPJMD 2017-2021, green design, program pengelolaan sampah and air bersih.

**Potensi Pengembangan Komoditi Perkebunan**

Kabupaten Siak sangat potensial untuk pengembangan komoditi perkebunan. Tanaman perkebunan yang dikembangkan antara lain Kelapa Sawit, Karet, Kelapa, Sagu, Pinang, Kopi dan Kakao.


Luas area untuk pengembangan kelapa sawit di Kabupaten Siak sebesar 287,331 Ha dengan produksi mencapai 949.590 ton. Sayangnya terjadi pengurangan luas lahan kelapa sawit saat terjadi kebakaran hutan dan lahan seluas 703.07 Ha

**Harapan dari Lingkar Temu Lestari**

1. Formula untuk dapat mendorong pembangunan wilayah berkelanjutan
2. Mekanisme insentif dan akses pendanaan untuk wilayah berkelanjutan
Profil Kabupaten Rokan Hulu

Kondisi Umum


Luas kawasan hutan di Kabupaten Rokan Hulu mencapai 253,937.97 Ha atau 35 % dari luas wilayah Kabupaten Rokan Hulu. Sementara untuk luas kawasan bergambut di Kabupaten Rokan Hulu mencapai 117.645 Ha atau 16 % dari luas total wilayah Kabupaten

Visi

Membangun Desa, Menata Kota (Fokus di komoditas untuk masyarakat seperti sawit dan karet)

Program

1. Pengelolaan lahan gambut secara lestari dan memberi insentif
2. Pencegahan karhutla dan gambut
Potensi Pengembangan Komoditi Perkebunan


Tanaman perkebunan yang merupakan salah satu primadona komoditi perdagangan di Kabupaten Rokan Hulu antara lain karet dan kelapa sawit. Luas area untuk pengembangan kelapa sawit di Kabupaten Rokan Hulu sebesar 207,922 Ha dengan produksi mencapai 647.500 ton. Sementara Luas area untuk pengembangan karet di Kabupaten Rokan Hulu sebesar 56,510 Ha dengan produksi mencapai 57.092 ton

Harapan dari Lingkar Temu Lestari

Support untuk perencanaan, membangun mekanisme insentif - khususnya terkait sektor strategis, kebijakan untuk pencegahan karhutla
Profil Kabupaten Batang Hari

Kondisi Umum

Visi
Aturan main di tingkat lapangan perlu diperjelas untuk sektor strategis

Program
1. Meningkatkan dan mengoptimalkan pemanfaatan potensi perkebunan unggulan
2. Tahun 2016 ini akan menyalurkan 80,000 bibit sawit,
3. Pengembangan perkebunan karet di samping kebun sawit
Potensi Pengembangan Komoditi Perkebunan


Komoditas karet mengalami kenaikan produksi sebesar 0,001 persen, sementara komoditas kelapa sawit mengalami peningkatan yaitu sebesar 0,03 persen dibandingkan tahun 2014. Sedangkan komoditas lain mengalami penurunan produksi antara lain kelapa dalam (7,6 persen), kelapa hibrida (63,79 persen), aren (20,90 persen), kopi (46,47 persen), kapuk (11,53 persen), kemiri (12,5 persen), pinang (12,12 persen) dan kakao (30,95 persen).

Harapan dari Lingkar Temu Lestari

Aturan main di tingkat lapangan perlu diperjelas untuk sektor strategis
Profil Kabupaten Sintang

Kondisi Umum


Visi

Terwujudnya masyarakat Kabupaten Sintang yang cerdas, sehat, maju, religius, sejahtera yang didukung penetapan tata kelola pemerintah yang baik dan bersih pada tahun 2021.

Program

1. Membangun dari pinggiran
2. Pemekaran wilayah
3. Ketenaga listrikan
4. Hilirisasi produk
Potensi Pengembangan Komoditi Perkebunan

Hasil perkebunan yang diutamakan untuk menunjang keperluan industri yaitu tanaman karet dan kelapa sawit. Peningkatan produksi tanaman karet diusahakan melalui pola tanaman pengembangan Perkebunan Inti Rakyat dan Swadaya.


Untuk tanaman perkebunan kelapa sawit mengalami perubahan pendataan yaitu yang semula produksi kelapa sawit dihitung berupa Tandan Buah Segar (TBS), sedangkan tahun 2014 produksinya berupa CPO. Nilai produksi kelapa sawit tahun 2014 mencapai 193.226,22 ton, dengan luas area tanaman menghasilkan 67.269,10 Ha dan tanaman belum menghasilkan 65.481,55 Ha.

Selain dua komoditi utama di atas, produksi tanaman perkebunan lainnya mengalami peningkatan walaupun sumbangannya sangat kecil.

Harapan dari Lingkar Temu Lestari

Support untuk perencanaan, membangun mekanisme insentif - khususnya terkait sektor strategis, kebijakan untuk pencegahan karhutla
Dukungan untuk program peningkatan kapasitas petani swadaya | Energi Baru Terbarukan
Profil Kabupaten Sanggau

Kondisi Umum

Kabupaten Sanggau terletak di tengah-tengah Provinsi Kalimantan Barat, berada pada 1°0' LU - 0°06' LS dan 109°08' - 111°03' BT, dengan luas wilayah 12.857,70 km². Batas-batas wilayah Kabupaten Sanggau adalah sebelah Utara berbatasan dengan Malaysia (Negara Bagian Sarawak); sebelah Selatan berbatasan dengan Kabupaten Ketapang; sebelah Timur berbatasan dengan Kabupaten Sekadau; dan sebelah Barat berbatasan dengan Kabupaten Landak, Kubu Raya dan Kabupaten Pontianak. Kabupaten Sanggau terdiri dari 15 Kecamaatan, 6 Kelurahan, 162 Desa dan 672 Dusun.

Visi

Sanggau maju dan terdepan

Program

RPJM sedang direview, menggalakkan pembangunan taman dan hutan kota (25 ha), taman hiburan alam (33 ha). Untuk DAS, pengujatan tepi sungai, waterfront, dan fungsi wisata di dalam kabupaten

Potensi Pengembangan Komoditi Perkebunan

Harapan dari Lingkar Temu Lestari
Penguatan komunitas untuk pencegahan KARHUTLA dan manajemen data

Profil Kabupaten Sigi

Kondisi Umum
Kabupaten Sigi terletak antara 00° 52’ 16” LS – 20° 03’ 21” LS dan 1190° 38’ 45” BT – 1200° 21’ 24” BT dan memiliki wilayah seluas 5.196,02 kilometer persegi terdiri atas 15 kecamatan dimana Kecamatan Kulawi merupakan kecamatan terluas (1.053,56 km2) sedangkan kecamatan terkecil adalah Kecamatan Dolo yang hanya memiliki luas 36,05 km2.


Visi
Meningkatkan Pengelolaan Sumber Daya Alam dan Pembangunan Berkelanjutan Melalui Sigi Hijau

Program
1. Peningkatan sumber daya alam dan pembangunan berkelanjutan
2. Sudah ada perda RPJM, RTRW mau direvisi untuk pelepasan beberapa kawasan hutan, ada 226,000 warga mendiami kawasan TN.

**Potensi Pengembangan Komoditi Perkebunan**


Selain kakao, Kabupaten Sigi juga menghasilkan tanaman kelapa yang jumlahnya cukup banyak yaitu 2.677,5 ton. Produksi kelapa terbesar di kecamatan Dolo Selatan dengan total produksi 970,1 ton.

**Harapan dari Lingkar Temu Lestari**

Dukungan untuk program pemberdayaan masyarakat sekitar hutan | Membantu kawasan konservasi untuk mendapatkan support insentif dari anggaran nasional yang langsung dapat mendukung masyarakat sekitar.
Profil Kabupaten Labuhan Batu Utara

Kondisi Umum

Kabupaten Labuhanbatu Utara sebagai salah satu kabupaten yang berada kawasan Pantai Timur Provinsi Sumatera Utara yang terletak 99°25’00” - 100°05’00” Bujur Timur dan 01°58’00” - 02°50’00” Lintang Utara dengan ketinggian 0 – 2.151 meter di atas permukaan laut. Kabupaten ini memiliki wilayah seluas 354.580 Ha dengan batas-batas sebagai berikut sebelah Utara dengan Kabupaten Asahan dan Selat Malaka; sebelah Selatan dengan Kabupaten Labuhanbatudan Kabupaten Padang Lawas Utara; sebelah Barat dengan Kabupaten Tapanuli Utara; dan Kabupaten Toba Samosir; dan sebelah Timur dengan Kabupaten Labuhanbatu

Visi

Menggerakan ekonomi rakyat, dengan fokus perkebunan dengan kelola lestari

Program

Menciptakan kegiatan yang memberdayakan masyarakat dan bersinergi dengan pihak lain untuk mensejahterakan masyarakat melalui perkebunan yang berkelanjutan.
Potensi Pengembangan Komoditi Perkebunan

Luas areal tanaman kelapa sawit pada Tahun 2015 adalah 74.483,59 Ha, sementara untuk tanaman karet 30.741,50 Ha, dan kelapa 5,386 Ha,

Harapan dari Lingkar Temu Lestari

Sinergi untuk pembangunan kapasitas di tingkat masyarakat, interaksi dengan perusahaan dan komunikasi dengan stakeholders lebih lanjut di sektor strategis, rujukan lapangan untuk program berkelanjutan
MINUTA FORUM KOMUNIKASI LINGKAR TEMU LESTARI

Lingkar Temu Lestari Antar Kabupaten/Kota | Organisasi terbuka yang merupakan kemitraan berbasis keanggotaan Kabupaten/Kota yang didukung oleh pemangku kepentingan sebagai mitra untuk mendorong percepataan pembangunan wilayah secara berkelanjutan yang menyeimbangkan aspek ekonomi, sosial dan lingkungan, dengan fokus pada tata kelola lahan, baik di dalam dan/atau antar-Kabupaten/Kota melalui metode pelibatan inovatif.

Latar Belakang

Seiring dengan berkembangnya pembagian kewenangan pusat dan daerah di Indonesia, semangat yang tetap terjaga adalah posisi daerah sebagai suatu kesatuan masyarakat hukum dengan otonomi yang berwenang mengatur dan mengurus daerahnya sesuai dengan aspirasi dan kepentingan masyarakatnya sepanjang tidak bertentangan dengan kepentingan umum dan tatanan hukum nasional. Dengan aspirasi untuk mempertemukan visi pembangunan nasional dengan agenda pembangunan daerah yang meliputi pertumbuhan ekonomi yang pesat, pengurangan masalah sosial seperti kemiskinan dan pengangguran sekaligus pelestarian lingkungan, saat ini telah muncul berbagai komitmen dan konsep pembangunan daerah yang mengedepankan pendekatan pembangunan berkelanjutan khususnya pada tingkat Kabupaten/Kota. Meskipun pada tataran konsep, pendekatan ini telah dianggap mewakili aspirasi daerah sekaligus sejalan dengan berbagai komitmen nasional, proses pewujudan konsep tersebut tidak mudah. Dibutuhkan proses pengarusutamaan dalam dokumen perencanaan, basis legalitas yang kuat, mekanisme monitoring, dan kolaborasi antara seluruh pemangku kepentingan untuk mewujudkan berbagai program strategis berdampak nyata pada masyarakat.

Konsep & Visi


Prinsip Dasar Lingkar Temu Lestari

- **Kolaborasi** | Kerjasama strategis yang teintegrasi antara Kabupaten/Kota bersama para mitra pendukung dan pemangku kepentingan lainnya (Baik Kabupaten/kota yang lokasinya berdekatan atau anggota LTS)

- **Dampak Nyata** | Mengedepankan tercapainya dampak secara nyata dan terukur dalam rangka meningkatkan pelayanan dan kesejahteraan masyarakat dan menjaga fungsi lingkungan sesuai dengan kebutuhan masing-masing Kabupaten/Kota dan pemangku kepentingan

- **Keseimbangan** | Menyeimbangkan aspek ekonomi, sosial dan lingkungan dalam pembangunan yang berkelanjutan dan berkesinambungan.

Unsur Pokok Menuju Pembangunan Wilayah (Yuridiksi) Berkelanjutan

Rentang Waktu dan Kegiatan

Sebagai usulan rencana tindak lanjut, inisiatif Lingkar Temu Lestari akan difokuskan pada kegiatan: (i) Forum Komunikasi [tingkat Nasional & Kabupaten/Kota], (ii) Forum Perencanaan Strategis Kabupaten/Kota, (iii) Platform Basis Data Terintegrasi, (iv) Implementasi Program Kolaborasi dan (v) Forum Temu-Usaha. Berikut rentang waktu terkait:

<table>
<thead>
<tr>
<th>Aktivitas dilaksanakan pada tingkat Nasional dan/atau Kabupaten melalui kolaborasi Mitra:</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pengukuhan Visi Bersama &amp; Rencana Tindak Lanjut: Forum Komunikasi I</td>
<td>1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>2. Penyusunan Peta Jalan: Percepatan Yurisdiksi Berkelanjutan Tingkat Kabupaten/Kota</td>
<td></td>
</tr>
<tr>
<td>3. Penyusunan Basis Data: Profil Kabupaten/Kota, Profil Jejaring Mitra, Profil Kolaborasi</td>
<td></td>
</tr>
<tr>
<td>4. Peluncuran Deklarasi Bersama &amp; Peta Jalan Rencana Aksi Lingkar Temu Lestari Kabupaten/Kota</td>
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<tr>
<td>5. Implementasi Program Kolaborasi Kabupaten/Kota &amp; Jejaring Mitra</td>
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<tr>
<td>6. Pemantauan &amp; Pelaporan: Kemajuan, Kesempatan &amp; Tantangan Implementasi</td>
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<tr>
<td>7. Forum Komunikasi Nasional II: Up-Date &amp; Temu-Usaha</td>
<td></td>
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<tr>
<td>8. Stakeholder engagement (eksternal dan internal).</td>
<td></td>
</tr>
</tbody>
</table>

Program Prioritas

Berdasarkan diskusi Teknis dengan perwakilan 8 Kabupaten dalam Forum Komunikasi Nasional I, berikut adalah identifikasi program prioritas yang dirumuskan berdasarkan kebutuhan dan program seluruh Kabupaten: (i) Pencegahan Kebakaran Hutan & Lahan Gambut; (ii) Pengumpulan & Pengelolaan Data Strategis; (iii) Peningkatan Kapasitas Pekebun Kecil Swadaya [Sawit & Karet]; (iv) Perhutanan Sosial & NTFP; (v) Mekanisme Fiskal & Pengembangan Insentif; (vi) Resolusi Konflik; (vii) Konservasi & Restorasi; (viii) Energi & Ketenagalistrikan; (ix) Penguatan Kapasitas Desa; (x) Akses Pendanaan untuk Program Prioritas. Kesepuluh program tersebut telah diselaraskan dengan dukungan para mitra seperti SPKS, Winrock, WRI, Rainforest Alliance, INOBU, Elang, HAKI, Daemeter, IDH dan mitra lainnya.

Pokok Kesepakatan Forum Komunikasi Nasional I

Forum Komunikasi Nasional I melahirkan beberapa pokok kunci kesepakatan untuk perwujudan kolaborasi antar kabupaten yaitu:
- **APKASI** (Asosiasi Pemerintah Kabupaten Seluruh Indonesia) mendukung dan akan bekerjasama penuh dengan Lingkar Temu Lestari dalam usaha-usaha di tingkat nasional terkait regulasi, tata niaga, kelembagaan, sinergi program inovasi serta isu-isu strategis pembangunan berkelanjutan di kabupaten.
- Delapan Kabupaten anggota pendiri Lingkar Temu Lestari menyepakati untuk menjadi pelopor program prioritas yang dirumuskan dan didukung oleh mitra dengan penekanan pada intensifikasi komoditas yang menyeimbangkan aspek sosial, ekonomi dan lingkungan dengan fokus terhadap pemberdayaan masyarakat desa yang menggunakan inovasi teknologi dan energi bersih, pemahaman komprehensif atas karakteristik desa serta menyelaraskan upaya pembangunan berkelanjutan sesuai dengan SDGs dalam kolaborasi yang efektif dan transparan.
Demikianlah, apa yang termuat dalam minuta ini, sungguh-sungguh telah dipahami dan sudah sesuai dengan kenyataan, yang terjadi pada waktu berlangsungnya Forum Komunikasi Nasional 1 Lingkar Temu Lestari, dan ditandatangani oleh seluruh perwakilan organisasi/ pemerintah daerah yang menjadi peserta Forum Komunikasi Nasional 1 Lingkar Temu Lestari, 19-20 Desember 2016 di Jakarta.

Jakarta, 20 Desember 2016

Yang bertanda tangan di bawah ini,

<table>
<thead>
<tr>
<th>Kabupaten Batanghari</th>
<th>Kabupaten Labuhan Batu Utara</th>
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</thead>
<tbody>
<tr>
<td>Kabupaten Musi Banyu Asin</td>
<td>Kabupaten Rokan Hulu</td>
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<tr>
<td>Kabupaten Siak</td>
<td>Kabupaten Sanggau</td>
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<td>Kabupaten Sigi</td>
<td>Kabupaten Sintang</td>
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<tr>
<td>Asosiasi Pemerintah Kabupaten</td>
<td>Daemeter Consulting</td>
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<td>Hutan Kita Institute (HaKI)</td>
<td>IDH - The Sustainable Trade Initiative</td>
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<tr>
<td>Institute pendidikan Inovasi Bumi (INOBU)</td>
<td>Perkumpulan Elang</td>
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<tr>
<td>Rainforest Alliance</td>
<td>Serikat Petani Kelapa Sawit (SPKS)</td>
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<td>Winrock International</td>
<td>World Resources Institute Indonesia (WRI Indonesia)</td>
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<td>FPPD</td>
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<td>Yayasan KEHATI</td>
<td>Yayasan MADANI</td>
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<td>COPULA Indonesia</td>
<td>Solidaridad Network Indonesia</td>
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<tr>
<td>Tim Penguatan ISPO, Kemenko Perekonomian</td>
<td>Dirjen Perkebunan, Kementerian Pertanian</td>
</tr>
</tbody>
</table>
Introduction

Lingkar Temu Lestari (LTL), a new collaborative open organization that embodies partnership and innovative convening approach among districts and multi stakeholders that encourage sustainable regional development acceleration by balancing the economic, social and environmental aspects, with the focus on the land management, whether within and/or inter-Regencies/Cities, hosted the first Communication Forum on 19-20 December 2016, in Hotel Atlet Century Jakarta. The forum, attended by eight districts and fifteen partners from CSOs and government entities, was designed to foster the initial discussion of the LTL’s shared concept and vision, the core principles of partnership and collaboration, building blocks of priority programs as well as the interplay between strategic issues in sustainable growth needed by the member districts to push forward their future green growth’s targets.

With aspiration of uniting national development vision and regional development agenda which includes rapid economic growth, social problem alleviation such as poverty, unemployment and environment preservation, recently there have been various commitments and regional development concepts adopting sustainability and green growth approaches, especially at District/City level. Despite the fact that as a concept the approaches are considered in line with regional aspiration and national’s grand design, the materialization of such concept may not be an easy task. There is a dire need to establish succinct mainstreaming process in the district’s planning documents, strong legal basis, and effective monitoring mechanism as well as innovative collaboration among stakeholders to provide the districts with the required heights for real and tangible strategic programs to their people.

The two days forum was organized as a series of technical briefings in 19 December 2016, followed by a strategic panel discussion in 20 December 2016. The panel was attended by two District Head (Bupati) of Musi Banyu Asin district and Sintang District, One Wakil Bupati from Labuhan Batu Utara District and district government representatives from five districts: Sanggau, Siak, Rokan Hulu, Batanghari, and Sigi respectively. It was also attended by 15 local, national, and international CSOs, two national government entity from Energy and Agriculture Department, and the Secretary General of Association of District Government in Indonesia (APKASI). Below is a brief summary of the technical and panel discussions held for two days:

Summary of Technical and Panel Discussion

Concept and Vision  | In November 2016, Musi Banyuasin District, Seruyan District and Aceh Timur District held an initial meeting related to the implementation of vision of sustainable development which balances economic, social and environmental aspects. The meeting raised ideas to establish collaboration initiative among Districts/Cities with the same vision, namely Lingkar Temu Lestari. The Communication Forum then agreed that the initiative is expected to provide each District/City with opportunity to share its experiences, support and inspire regional governments with respect to the achievement target of commitment to the sustainability implementation. Collaboration between the committed regions is expected to receive technical capacity and expertise support through collaboration of partners from both civil and private community elements at District/City level. By adopting a strong shared vision related to the sustainable development commitment which is supplemented by regional context and local wisdom, Lingkar Temu Lestari initiative can encourage the creation of balance between synergized national and regional interests in the government administration at National and Provincial/District level.

Basic Principles of Lingkar Temu Lestari  | It is agreed in the forum that there are three key principles shall be embraced for ensuring the partnership poses as an effective and comprehensive instrument for realizing each district’s development goals (i) **Collaboration**  | Integrated strategic cooperation between Districts/Cities along with the supporting partners and other stakeholders (Districts/Cities which are located nearby or members of LTS);

(ii) **Actual Impact**  | To advance the achievement of actual and measured impact for the purpose of improving public services and prosperity as well as maintaining environment function in accordance with the needs of each District/City and stakeholder;

(iii) **Balance**  | To keep a balance of economic, social and environmental aspects in the continued and sustainable
development.

Key Elements for Jurisdictional Sustainable Development | To realize the continued vision, the forum agreed that there should be some key elements serving as the key stages, namely: (i) Database & Management of Data Management System, (ii) Planning Document, (iii) Policy & Regulatory Framework, (iv) Multi-Parties Collaboration Forum, (v) Technical Capacity, and (vi) Incentive Scheme for Sustainable Development, (vii) Monitoring and Evaluation Mechanism, (viii) Strategic Program including Community Empowerment.

Time Frame and Activities | As a proposed follow-up plan, Lingkar Temu Lestari initiative will be focused on activities as follows: (i) Communication Forum [National & District/City level], (ii) Strategic Planning Forum of Districts/Cities, (iii) Integrated Database Platform, (iv) Implementation of Collaboration Program, and (v) Business Meeting Forum. The time frame is as follows:

<table>
<thead>
<tr>
<th>Activities to be carried out at National and/or District level through Partner collaboration:</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Confirmation of Shared Vision &amp; Follow-Up Plan: Communication Forum I (Done in December 2016)</td>
<td>1</td>
</tr>
<tr>
<td>2. Preparation of Road Map: Sustainable Jurisdiction Acceleration at District/City Level</td>
<td></td>
</tr>
<tr>
<td>3. Preparation of Database: District/City Profile, Partner Network Profile, Collaboration Profile</td>
<td></td>
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<tr>
<td>4. Introduction of Joint Declaration &amp; Road Map of Action Plan of Lingkar Temu Lestari Kabupaten/Kota</td>
<td></td>
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<tr>
<td>5. Implementation of District/City &amp; Partner Network Collaboration Program</td>
<td></td>
</tr>
<tr>
<td>7. National Communication Forum II: Up-Date &amp; Business Meeting</td>
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<tr>
<td>8. Stakeholder engagement (external and internal).</td>
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</tbody>
</table>

Priority Programs | Following the first day technical discussion with representatives of 8 Districts in the National Communication Forum I, the priority programs were identified by conducting quick analysis and stocktaking of the districts’ overarching prominent issues, the programs are (i) Forest & Peat Land Fire Prevention; (ii) Strategic Data Collection & Management; (iii) Increase in Independent Smallholders Capacity [Palm Oil & Rubber]; (iv) Social Forestry & NTFP; (v) Fiscal & Incentive Development Mechanism; (vi) Conflict Resolution; (vii) Conservation & Restoration; (viii) Energy & Electric Power; (ix) Village Capacity Reinforcement; (x) Access to Funding for Priority Program. Those ten programs were aligned with the support of partners such as SPKS, yayasan Madani Winrock, WRI, Rainforest Alliance, INOBU, Elang, HAKI, Daemeter, IDH and other partners.

Key Agreements Achieved

Besides the above agreed points, the National Communication Forum I agreed on several key follow up action and general collaboration framework among districts as follows:

- APKASI (Asosiasi Pemerintah Kabupaten Seluruh Indonesia) supports and will fully cooperate with Lingkar Temu Lestari in efforts undertaken at national level related to regulation, trade administration, institutions, innovation program synergy and sustainable development strategy issues in district. **The APKASI offers to have more strategic and political roles for pushing LTL’s agenda forward and expand the membership to other districts with shared vision.**
- Eight Districts as founding members of Lingkar Temu Lestari agreed to become pioneer of priority program which is formulated and supported by partners with great emphasis on commodity intensification for keeping a balance of socio, economic and environmental aspects focusing on village community empowerment using technology innovation and clean energy, comprehensive understanding on village local characteristics as well as by aligning...
sustainable development efforts in accordance with SDG in the effective and transparent collaboration. The eight district government heads and relevant government units will also take ownership of LTL initiatives to ensure its sustainability and leverage.
THE RIGHT TIME OF YEAR FOR BEING A “REFLECTIVIST”

Thank you! With your interest and input we have made good progress on the building blocks for FAIR Partnership pilots. Instead of a long update, let us share the recent highlights of the co-creation. Here are some of our observations on palm oil trends and top line summaries.

“We activists need to become better ‘reflectivists’, taking the time to understand the system before (and while) engaging with it.”

MARKETS SHOW SUPPORT FOR SMALLHOLDER COMMUNITIES

There is final agreement on approaches to no deforestation – celebrated at RSPO's annual conference. Now parties have more space to consider how to achieve this with and for smallholders. Recent attention for human rights also underscores the need to look at land rights, labour and gender.

We are convening – vertical – international value chains for FAIR Partnerships to kick-start stakeholder engagement in the – horizontal – process at landscape level. Two pilot locations will be adopted by two coalitions of millers/traders (e.g. PT Musim Mas) and buyers (e.g. Unilever). Each coalition will define joint motivators which integrally include both business and social goals. We are receiving signals that confirm changes in trade and investment relations provide the incentive for changes in the company-community partnerships.

With specific coalitions we will follow up in 2017 from the October Amsterdam workshop.

SELECTION OF THE BEST LOCATIONS FOR A LANDSCAPE APPROACH REQUIRES MULTIPLE VIEWS

While acknowledging certification can create islands of success, the need arises for broader landscape level changes. Frontrunner companies recognise an interest for trade and investment with such wider joint responsibility.

From 10 long-listed locations for 2 pilot FAIR Partnerships we are back to 3 good candidates, based on our Oxfam's partner organisations preparations and interest from private sector workshops. A feasibility study is now looking deeper into the business case and social needs. We are getting a better picture of the various mills and other stakeholders in (sub)districts in Jambi (TanJaBar), Riau (Pelalawan) and West-Kalimantan (Sekadau).

In 2017 we will share latest overviews of assessment results and consult second opinions. Moreover, we will report progress on the capacity building activities by our civil society partners.

INNOVATIVE INVESTMENTS IN REPLANTING CAN PROVIDE NEW INCENTIVES

Investing in agriculture is back on the international agenda, no longer speculating with land assets but actually to contribute to longer term goals – certainly compared to some short-term commodity market dynamics – and sustainable development. How are we making small farmers interesting for sizable investors, while making large-scale investment interesting for smallholders?

We have interacted with mainstream bankers and impact investors (e.g. at Sankalp Forum) about FAIR Partnerships. This confirmed that it is essential to sort out land tenure and organise farmers. Pilots could be designed to prepare commercially viable smallholder replanting, as a reward on the horizon. This also allows time for structuring a suitable prototype blended-finance product.

UPSCALING STARTS DURING DESIGN

RSPO certification is no longer the only game in town. ISPO provides a legal compliance stepping stone. The Palm Oil Innovators Group promotes progressive approaches. The Tropical Forest Alliance 2020 is convening African governments behind sustainable palm oil. The Indonesian President has established a Peat Restoration Agency. All of these together should take along communities and (independent) smallholders in the transformation to sector-wide sustainability.
New Foresight offered us a pro-deo workshop in which we translated our upscaling ambitions back into pilot phase design choices. FAIR Partnerships must demonstrate the success of inclusive ways of doing business. Farmers should be telling their neighbours about it. Heads of district should be calling each-other. Bankers should see the dollar signs and positive ESG scores in it. Commodity buyers should see the opportunity to secure supplies and increase sales.

In 2017 we will submit our theory of change to donors. We will seek short term funding for an inception phase before moving to larger amounts for implementation support. Private sector contributions in-cash and in-kind are seen to provide leverage to various donor mechanisms.

**LET’S PREPARE FOR LEARNING BY DOING**

Oxfam convened a diverse group of NGOs on the eve of the Roundtable conference to exchange lessons about “the messy reality” of implementation of commitments to no deforestation, no peat, no exploitation. Both companies and NGOs admit the risk of becoming less transparent while trying to invent better practices and experiencing trade-offs. This most welcomed initiative identified the need to exchange practical challenges, failures and successes more than ever.

The two FAIR Partnerships pilots will be accompanied by strong monitoring, evaluation and learning (MEL – including measuring impacts on the various motivators). We will also set up knowledge and innovation management (KIM) to ensure exchanges with other projects which take a smallholder-inclusive and/or landscape approach. With apologies for the alphabet soup: we are regularly seeking synergies on specific challenges with RSPO, IDH, UNDP, ZSL, WRI and various MNCs.

**CONCLUDING 2016:**

Are we there yet? Are we not too ambitious? Are others not doing better? No, no, no. Our FAIR Partnerships should demonstrate a paradigm shift. We are lucky our donor supports co-creation. Workshops, bilateral conversations and email exchanges with a multi-stakeholder group of interested organisations – you! – have continuously encouraged us to keep going, to reflect and to get ready for the best possible start of our pilots. We will actively learn from and share lessons with others. Thank you for all feedback, questions and suggestions. In the new year we hope we can count on you again, with fresh and sustainable ideas. Happy 2017!

*Oxfam’s FAIR Partnerships team*