

Terpercaya study

Why jurisdictional sustainability matters for commodity producers and how it can be measured in Indonesia

For many consumers and civil society organisations, palm oil, along with other agricultural commodities, has become synonymous with tropical deforestation, biodiversity loss and social conflict. By contrast, producers and government agencies in the tropics tend to view such commodities as valuable engines of economic growth and poverty reduction, especially for smallholder farmers and rural communities. With positions on both sides of the argument showing little sign of softening, the result could be an unproductive stalemate.

A mutually beneficial solution is, however, possible. By transparently measuring the performance of jurisdictions where agricultural commodities are produced, smallholders, companies and producer governments can demonstrate sustainable and inclusive commodity production. And consumers can continue to benefit from versatile and valued products sustainably produced from high yielding crops.

The [Terpercaya study](#) led by the European Forest Institute's EU REDD Facility and Inovasi Bumi (INOBU) is working towards that goal by assessing jurisdictional approaches to demonstrating sustainability of palm oil production in Indonesia. The study takes its name from the Indonesian word *terpercaya*, meaning 'trustworthy', as it aims to generate credible information and analysis. This briefing outlines the rationale for taking a jurisdictional approach, then describes the indicators selected to track progress and how they differ from other standards. It ends by describing the approach taken to develop a consensus on the indicators, through the involvement of a multistakeholder advisory committee.

Commodity producers and the challenges of sustainability

For commodity producers, as well as downstream industries, sustainability certification has been the dominant approach for improving supply chain sustainability and promoting associated products. The certification approach holds companies directly responsible for the social and environmental impacts of commodity production within their supply chains.

Commodity producers, however, face a range of challenges. Increasingly they are held responsible for deforestation, fire or other environmental degradation in or near concessions, regardless of whether or not they are directly to blame. Meanwhile, supply chains that rely on commodities from multiple producers are deemed to be unsustainable unless every unit of production can be traced to the farm of origin. In situations where smallholders, and other actors, lack documentary proof that they are farming legally and sustainably, supply chains may be considered unsustainable by default.

Although there has been significant uptake of commodity certification, in particular that of the Roundtable on Sustainable Palm Oil, the reputation of palm oil remains unremarkable. Consumers and civil society organisations continue to blame the commodity rather than the producers, and there is no differentiation among regions of production.



Aerial view of oil palm plantation

Photo: t4nkyong ►

Why the Terpercaya indicators are important

There are growing efforts to adjust the focus from holding the commodity or company responsible, to understanding where and how the commodity was produced. These approaches focus on the entire commodity production landscape or jurisdiction and thereby include responsibilities held not only by companies operating in the area but also by other stakeholders.

The Terpercaya project aims to build shared understanding of what jurisdictional sustainability is in Indonesia, and what indicators can best measure and track progress towards jurisdictional sustainability in a transparent way. The 22 selected indicators are grounded in Indonesian law. They are designed to both evaluate the performance of the jurisdictions and demonstrate the benefits of sustainable and inclusive commodity production.

The indicators are grouped into environmental, social, economic and governance categories (Figure 1; see also Annex 1 for more details) and reflect the priorities and concerns of consumers, and of the Indonesian government, people and producers. As such, they represent a means for promoting and improving market access, while supporting sustainable and inclusive economic growth throughout Indonesia.



Rubber tapping:
Incisions on the
trunk of the tree
exude latex which
runs into small
collection bowls

◀ Photo: Tanya Hendel

Figure 1. Draft list of Terpercaya indicators for tracking progress towards jurisdictional sustainability. Annex 1 provides details on each indicator.



* Indonesian Sustainable Palm Oil and Roundtable on Sustainable Palm Oil standards

Measuring jurisdictional sustainability supports local and global progress

Measuring jurisdictional sustainability in a transparent and accessible way can support progress towards both global and local benefits (Figure 2). For example, it demonstrates that the protection and sustainable management of the environment is not only beneficial in relation to global concerns, such as biodiversity protection and climate change mitigation, but also has local benefits.

Regarding the socioeconomic impacts of commodity production, although global concerns focus on human rights, and land rights of indigenous communities in particular, the local social and economic benefits extend to smallholders and many other members of rural and urban communities. The Terpercaya social and economic indicators are therefore designed to measure both kinds of benefits and communicate them in a transparent way to global markets and consumers as well as local governments, civil society organisations and communities.

The social indicators, for instance, are designed to measure both the protection of rights and level of tenure security, especially among smallholders and indigenous communities, as the basis for sustainable investment and production. An indicator showing the proportion of smallholder production of commodities is also included to demonstrate the equitable use of land.



**Woman working
with coffee beans**

◀ Photo: Ariane Citron

Meanwhile, the economic indicators are designed to measure improvements in smallholder production and economic participation, as well as industry compliance with certification standards. These indicators are useful for demonstrating the local economic benefits of commodity production.

Finally, the governance indicators are designed to measure aspects of commodity production concerned with transparency, principles of good land management and use of appropriate safeguards. The component elements are beneficial to both global and local actors.

Figure 2. The global and local benefits that measuring jurisdictional sustainability can promote

	Global Benefits	Local Benefits
Environmental	Protection of forests and biodiversity, including flagship species such as orangutans and tigers, mitigation of climate change and reduced transboundary haze.	Ecosystem services, such as soil protection and water regulation, and improved local welfare through reduced fires and haze and improved water quality.
Social	Protection of human rights, including customary rights, and safeguards ensuring legality of production and social justice.	Improved tenure for local and indigenous communities, formalised participation of smallholders in the economy, and improved workers' rights.
Economic	Inclusive production of valuable commodities in both upstream and downstream industries.	Increased benefits for rural communities, in particular smallholders, from participation in commodity production, and from maintained market access and prices.
Governance	Transparent and improved governance of commodity supply chains to ensure the sustainable and inclusive commodity production.	Improved governance of commodity supply chains and associated improvements in efficiency, equity and conflict reduction.

Why the Terpercaya indicators are different

There are many standards for evaluating the sustainability of commodity production. The indicators developed by the Terpercaya project are different for five main reasons:

1. **Scale:** The indicators measure sustainability at the district level, although some of the indicators are under the authority of the provincial government. This scale specifically aligns with the delegated authority of Indonesian local governments, which have the authority and resources to achieve sustainability.
2. **Legality:** The indicators are aligned with Indonesian laws and regulations as well as the policy priorities of the Indonesian government. Thus, they build on national priorities and the domestic legal framework rather than imposing an alternative system.
3. **Legitimacy:** The indicators were developed through a comprehensive multistakeholder consultation process (see below). The indicators therefore reflect the consensus of a broad range of actors with interests in the sustainable and inclusive production and consumption of commodities.
4. **Mutual benefits:** The indicators were designed to align with the Sustainable Development Goals and ensure that jurisdictional sustainability contributes to the achievement of these goals. This approach departs from traditional approaches to measuring sustainability that only reflect the demands of consumers and civil society organisations in industrialised countries.
5. **Availability of data:** The indicators were chosen considering the availability of data for regular tracking of progress to meet the needs of multiple supply-chain actors. The Terpercaya project is likely to adjust its list of indicators after testing them with real data, combined with supply-chain information.¹

¹ On supply-chain information, Terpercaya benefits from a collaboration with the Trase (Transparent supply chains for sustainable economies) initiative, which is developing a comprehensive tracking system for the palm oil sector in Indonesia. This system would be capable of tracking the supply-chain connections that link individual palm-oil-producing Indonesian districts to destination markets around the world.

The Terpercaya Advisory Committee

In July 2018, the project set up a multistakeholder Advisory Committee to ensure that the indicators reflect the interests and aspirations of diverse groups and can be used effectively. The committee represents the major actors with an interest in sustainable commodity production. Its sessions have been co-chaired by Indonesia's Coordinating Ministry of Economic Affairs and the Delegation of the European Union to Indonesia and Brunei Darussalam.

Jurisdictional sustainability builds on the authority of local governments. To understand the scope of their authority and their constraints, and how these align with national policies and priorities, the Terpercaya process has engaged with various ministries. The Ministry of Home Affairs, the Ministry of Environment and Forestry, the Coordinating Ministry of Economic Affairs and the Ministry of Agriculture are represented on the Advisory Committee. The perspective of local governments has come notably through district government representatives and the Sustainable Districts Network (Lingkar Temu Kabupaten Lestari – LTKL).

Producing and purchasing companies also have representatives on the Advisory Committee. This is also the case for civil society organisations, representing indigenous peoples and farmers, in particular the Alliance of Indigenous Peoples of the Archipelago (AMAN) and the Oil Palm Smallholder Network (SPKS). The Roundtable on Sustainable Palm Oil (RSPO) also participates in Advisory Committee meetings to ensure the alignment with its own principles, criteria and standards. Finally, domestic non-government organisations, such as Yayasan Keanekaragaman Hayati Indonesia (KEHATI; the Indonesian Biodiversity Foundation) and international non-governmental organisations, such as the World Resources Institute and the Sustainable Trade Initiative (IDH), are also represented.



Oil palm fruit

Photo: Carsten
ten Brink

Annex 1. Detailed information on indicators of jurisdictional sustainability

This list of indicators is not definitive but provides a basis for discussing, refining and understanding stakeholders' priorities and points of convergence on jurisdictional sustainability. The use of some indicators listed here, despite their appreciation among stakeholders, is conditional on the participation of one or more institutions that have a mandate for managing or collecting the related data. In some cases, while the preferred option of using official data is unavailable, alternative data sources may be identified and used on an interim basis.

Sustainability dimension	Indicator		Smallest possible jurisdiction
Environmental	1	Permanent forest protection	Province
	2	Protection of areas important for ecological services	District
	3	Fire prevention	District
	4	Peatland protection	District
	5	Climate change mitigation	Province
	6	Production forests managed sustainably	Province
	7	Water and air pollution control	District
Social	8	Free Prior and Informed Consent	District
	9	Customary rights recognition	District
	10	Conflict resolution	District
	11	Smallholder share	District
	12	Smallholder registration	District
Economic	13	Smallholder productivity	District
	14	Smallholder organisation	District
	15	Smallholder support	District
	16	Responsible palm oil industry (including ISPO and RSPO)	District
	17	Rural employment	District
Governance	18	Proportion of district budget allocated for sustainability	District
	19	Public information access	District
	20	Multi-stakeholder participation in planning	District
	21	Complaint mechanism	District
	22	Sustainable land-use planning	District

Environmental indicators

Indicator 1. Permanent forest protection		By province
Description	% of Conservation Forests (KSA/KPA), Protection Forests (HL) that remain.	
Legal basis	The Forestry Law 41/1999; Conservation Law 5/1990; Eradication of forest destruction Law 18/2013; Spatial Planning Law 26/2007; Environmental Law No. 32/2009; Forest Use Government Regulation 104/2015; Guidance for Forest Allocation and Forest Function Government Regulation 105/2015, Moratorium for new concessions Presidential Instruction 6/2017; Moratorium for New Oil Palm Licences and the Evaluation of Existing License Presidential Instruction 8/2018.	
Related SDG targets	15.1.1 Forest area as a proportion of total land area. 15.5.1 Red List Index.	
Means of assessment and data sources	<ul style="list-style-type: none"> - Remote sensing data on forest cover (Ministry of Environment and Forestry [MoEF]; Hansen) overlaid with licences (Ministry of Agriculture; Provincial agencies). - Forest Cover Index (Index Kualitas Tutupan Lahan or IKTL) as reported in Sub-national Environmental Status Report (Status Lingkungan Hidup Daerah or SLHD). 	

Indicator 2. Protection of areas important for ecological services		By district
Description	% of additional forests protected (forests found in HPK and APL categories) and Kawasan Lindung (area outside state forests that should be protected).	
Legal basis	The Forestry Law 41/1999; Conservation Law 5/1990; Spatial Planning Law 26/2007; Environmental Law 32/2009; Government Regulation 28/2011 Nature Reserve Area and Nature Conservation; Government Regulation 57/2016 Protection and Management of Peatland Ecosystem; Government Regulation 104/2015 Forest Use; Government Regulation 105/2015 Guidance for Forest Allocation and Forest Function; Moratorium for new concessions Presidential Instruction 6/2017, Water and Soil Conservation Law 37/2014; Presidential Decree 32/1990 The Management of Protection Area.	
Related SDG targets	15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type. 15.9.1 Progress towards national targets established in accordance with Aichi Biodiversity Target 2 of the Strategic Plan for Biodiversity 2011–2020.	
Means of assessment and data sources	Forest Cover Index (Index Kualitas Tutupan Lahan or IKTL) together with remote sensing analysis (MoEF; Hansen).	

Indicator 3. Fire prevention		By district
Description	Fire density (number/area of fires per year per 1000 sq km).	
Legal basis	Environmental Law 32/2009; Development Planning Guidance, MoHA Regulation 86/2017. The handling of fired area within forest concessions MoEF Regulation 77/2015: Procedures revoking Business Use Licence on burned area – Head of Land Agency Regulation 15/2016. The Acceleration of Fire Control Presidential Instruction No. 11/2015.	
Related SDG targets	<p>3.9.1 Mortality rate attributed to household and ambient air pollution.</p> <p>15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation neutral world.</p> <p>15.5.1 Red List Index.</p>	
Means of assessment and data sources	Hotspot and burn scar analyses (MODIS remote sensing data).	

Indicator 4. Peatland protection		By district
Description	Peatland area protected in % of total peat area.	
Legal basis	Water and Soil Conservation Law 37/2014; Government Regulation 57/2016 Protection and Management of Peatland Ecosystem; Presidential Instruction 8/2018 Suspension and Evaluation of Oil Palm Licences; MoEF Regulation 16/2017 Technical Guidance on the Recovery of Peat Ecosystem Function; MoEF Regulation 14/2017 Guidance for the Inventory and the Establishment of Peat Ecosystem Function.	
Related SDG targets	<p>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p> <p>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p>	
Means of assessment and data sources	Spatial plan and Environmental Management Plan; Moratorium monitoring (MoEF).	

Indicator 5. Climate change mitigation		By province
Description	Reduced deforestation and peat loss in comparison to the FREL.	
Legal basis	Spatial Planning Law 26/2007; Environmental Law 32/2009; Ratification of Paris Agreement Law 16/2016; Government Regulation 15/2010 on Spatial Planning Management; MoEF Regulation 70/2017 on Guidance for REDD+; Presidential Regulation 61/2011 National GHG Inventory; Presidential Regulation 71/2011 Management of GHG Inventory.	
Related SDG	Goal 13 Take urgent action to combat climate change and its impacts.	
Means of assessment and data sources	Forest cover and deforestation monitoring (MoEF).	

Indicator 6. Production forests managed sustainably		By province
Description	% of production forests managed under PHPL Certification in a district or province.	
Legal basis	Forestry Law 41/1999; Government Regulation Number 6/2007 concerning Forest System and Establishment of Forest Management Planning and Forest Use; Presidential Decree Number 121/P of 2014 concerning Voluntary Partnership Agreement between the Republic of Indonesia and the European Union on Forest Law Enforcement, Governance and Trade in Timber to European Union; MoF Regulation 8/2014 on the Size Limitation for the Forest Concession Area; MoEF Regulation P.30/MenLHK/Setjen/PHPL.3/3/2016 Performance Assessment of Sustainable Production Forest Management and Timber Legality Verification on License Holders, Rights Management, or On Private Forest.	
Related SDG	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.	
Means of assessment and data sources	Under discussion (Terpercaya Advisory Committee).	

Indicator 7. Water and air pollution control		By district
Description	Water and air pollution are reduced and controlled at safe levels.	
Legal basis	Environmental Law 32/2009; Government Regulation 41/1999 on Air Pollution Control; Government Regulation 82/2001 on Management of Water Quality and Water Pollution Control; MoE Regulation 1/2010 on the Direction for Water Pollution Control; MoE Regulation 12/2010 on the Direction for Air Pollution Control to sub-national Government; MoE Regulation 5/2014 on the Water Quality Standard.	
Related SDG	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	
Means of assessment and data sources	Water & Air Quality Index in Sub-national Environmental Status Report (Status Lingkungan Hidup Daerah or SLHD).	

Social indicators

Indicator 8. Free prior and informed consent (FPIC)		By district
Description	FPIC is integrated in the process of applications for plantation permits, which begins with the location permit.	
Legal basis	Ratification of Convention on Biological Diversity Law 5/1994; Environmental Law 32/2009; Plantation Law 39/2014; Government Regulation No. 68/2010 on Community Participation in Spatial Planning Design; Government Regulation No. 27/2012 on Environmental Permit; Regulation of Head of the National Land Agency No. 14/2018 on the Location Permit.	
Related SDG target	1.4.2 Proportion of total adult population with secure tenure rights to land, (a) with legally recognised documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure.	
Means of assessment and data sources	Standard Operating Procedure (SOP) of the location permits and how the issues of FPIC being accommodated not only right to lands but long-term benefits for communities.	

Indicator 9. Customary rights		By district
Description	Customary lands recognized as customary villages, customary forests or customary land integrated in medium-term development targets in % of total claims.	
Legal basis	Village Law No 6/2014; Constitutional Court Ruling on Customary Forests No. 35 of 2012; Forestry Law No. 41/1999; Agrarian Law 5/1960; Presidential Regulation No. 88 of 2017 on the Settlement of Rights to Land Within Forest Area; Presidential Regulation No 86/2018 Agrarian Reform; MoHA Regulation No 52/2014 on the Guidance of Recognition and Protection of Indigenous People; Ministry of Agrarian and Spatial Planning Regulation 10/2016 on the Guidance of Communal Rights Recognition; MoEF Regulation No 17/2018 Guidance to Relinquish Forest for Agrarian Reform; MoEF Regulation 21/2019 on Customary Forests and Private Forests.	
Related SDG target	1.4.2 Proportion of total adult population with secure tenure rights to land, (a) with legally recognised documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure.	
Means of assessment and data sources	Customary land titles issued, and maps of customary lands, spatial plan.	

Indicator 10. Conflict resolution		By district
Description	Proportion of plantation-related conflicts and violations related to labour law resolved.	
Legal basis	Cultivation Systems Law 12/1992 (Articles 16, 60 and 61); Labor Law 13/2003; Industrial Dispute Resolution Law 2/2004; Plantation Law No. 39/2014; Social Conflict Settlement Law No 7/2012; Government Regulation No 2/2015 on the Implementation of Social Conflict Settlement Law, Presidential Regulation No. 45/2015 on the Ministry of Agriculture (Protection Directorate is designated to Document and Facilitate the Plantation Conflict Settlement); Ministry of Manpower and Transmigration Regulation PER.31/MEN/XII/2008 on the Guidelines for Resolving Bipartite Industrial Relations Disputes.	
Related SDG targets	<p>8.7.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age.</p> <p>8.8.1 Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status.</p> <p>8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status.</p>	
Means of assessment and data sources	Registry of plantation conflicts from the Ministry of Agriculture.	

Indicator 11. Smallholder share		By district
Description	Plantations area managed by smallholders in % of total area of plantations.	
Legal basis	Plantation Law No. 39/2014; Protection and the Empowerment of Farmers Law 19/2013; MoA Regulation No 21/2017 on the Guidance for Plantation Licence (revision of MoA Regulation 98/2013); MoA Regulation 67/2016 The empowerment for Farmers Organisation; Presidential Regulation 9/2016 on One Map Policy; Presidential Instruction 8/2018 Suspension and Evaluation of Oil Palm Licences.	
Related SDG target	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	
Means of assessment and data sources	Smallholder maps and concessions data (Ministry of Agriculture).	

Indicator 12. Smallholder registration		By district
Description	Proportion of smallholders mapped and registered.	
Legal basis	Plantation Law No. 39/2014; Protection and the Empowerment of Farmers Law 19/2013; MoA Regulation No 21/2017 on the Guidance for Plantation Licence (revision of MoA Regulation 98/2013); MoA Regulation 11/2015 ISPO; MoA Regulation 67/2016 The empowerment for Farmers Organisation; Regulation of Plantation DG No 105/2018 Guidance for Issuance of STDB (Farmers Registration Letter).	
Related SDG target	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	
Means of assessment and data sources	E-STDB Database, Ministry of Agriculture.	

Economic indicators

Indicator 13. Smallholder productivity		By district
Description	Evolution of the average (palm oil) productivity of smallholders.	
Legal basis	Cultivation Systems Law 12/1992; Micro, Protection and the Empowerment of Farmers Law 19/2013; MoA Regulation 67/2016 The empowerment for Farmers Organisation; Presidential Instruction 8/2018 Suspension and Evaluation of Oil Palm Licences (Moratorium).	
Related SDG targets	<p>2.3.1 Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size.</p> <p>2.3.2 Average income of small-scale food producers, by sex and indigenous status.</p> <p>2.4.1 Proportion of agricultural area under productive and sustainable agriculture.</p>	
Means of assessment and data sources	Smallholders database used to support smallholders ISPO certification; Crop Estate Statistics of Indonesia: Palm Oil (Directorate General of Estate Crops).	

Indicator 14. Smallholder organisation		By district
Description	Number of functioning cooperatives per 1000 smallholders.	
Legal basis	Small and Medium Enterprises Law 20/2008; Protection and the Empowerment of Farmers Law 19/2013; MoA Regulation 67/2016 The empowerment for Farmers Organisation; Presidential Instruction 8/2018 Suspension and Evaluation of Oil Palm Licences (Moratorium), Ministry of Cooperative, Small and Medium Enterprise Regulation 9/2019 on the Organizing and Empowering Cooperatives.	
Related SDG target	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	
Means of assessment and data sources	Statistics Indonesia (District or Regency in Numbers). Cooperatives Database (Ministry of Cooperatives, Small and Medium Enterprise): District Cooperatives, Small and Medium Enterprise Office.	

Indicator 15. Smallholder support		By district
Description	Number of agricultural extension programmes per 1000 smallholders.	
Legal basis	Small and Medium Enterprises Law 20/2008; Protection and the Empowerment of Farmers Law 19/2013; MoA Regulation 67/2016 The empowerment for Farmers Organisation; Presidential Instruction 6/2007 on the Acceleration Policy for Empowerment of Micro, Small and Medium Enterprise; Ministry of Cooperative, Small and Medium Enterprise Regulation 4/2018 Qualification for Facilitator of Empowerment for Micro, Small and Medium Enterprise.	
Related SDG target	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	
Means of assessment and data sources	Ministry of Agriculture; District plantation office. Ministry of Cooperative, Small and Medium Enterprise; District Cooperatives, Small and Medium Enterprise Office.	

Indicator 16. Responsible industry (incl. ISPO)		By district
Description	Proportion of ISPO and RSPO certified area, and of PO industrial facilities (mills & refineries) compliant with best practices for energy use, pollution control and waste management.	
Legal basis	Environmental Law 32/2009; Government Regulation 47/2014 Corporate Social and Environmental Responsibility; MoA Regulation 11/2015 ISPO.	
Related SDG	Goal 12: Ensure sustainable consumption and production patterns.	
Means of assessment and data sources	ISPO commission & RSPO website.	

Indicator 17. Rural employment		By district
Description	Rate of employment in the rural economy.	
Legal basis	Protection for Sustainable Food Crops Farmland Law 41/2019; Food Law 18/2012; Protection and the Empowerment of Farmers Law 19/2013; Village Law 6/2014; Government Regulation 43/2014 the Implementation of Village Law; Presidential Regulation 59/2017 Implementation of SDGs; MoEF Regulation 43/2017 on the Community Empowerment Around Nature Reserve Areas and Nature Conservation Areas; MoEF Regulation 83/2016 on Social Forestry.	
Related SDG targets	<p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p> <p>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.</p>	
Means of assessment and data sources	Statistics Indonesia (District or Regency in Numbers and National Socio-Economic Survey data).	

Governance indicators

Indicator 18. Proportion of district budget allocated for sustainability		By district
Description	Budget allocated for District Environmental Agency.	
Legal basis	Government Regulation 46/2017 on the Environmental Economic Instrument; Ministerial Regulation of the Ministry of Home Affairs 86/2017 on the Method for Planning, Managing and Evaluating Regional Medium-term Development Plans.	
Related SDG targets	<p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p> <p>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p>	
Means of assessment and data sources	Annual budget allocations.	

Indicator 19. Public information access		By district
Description	Existence of a district Public Information Committee with operating budget.	
Legal basis	Public Access to Information Law No. 14/2008; Government Administration Law No. 30/2014; Public Information Commission Regulation 1/2010 Service Standard for Public Information; Supreme Court Decision No. 121 K/TUN/2017, 6 March 2017.	
Related SDG targets	<p>16.6.2 Proportion of population satisfied with their last experience of public services.</p> <p>16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group.</p>	
Means of assessment and data sources	<p>1) the Public Information Commission at the district level is established;</p> <p>2) the local government budget allocated for the Commission;</p> <p>3) number of complaints regarding access to information handled by the commission (Komisi Informasi).</p>	

Indicator 20. Multi-stakeholder participation in district planning		By district
Description	SOP for community participation in spatial planning and development planning.	
Legal basis	Regional Autonomy Law 23/2014; Government Administration Law No. 30/2014; Government Regulation 45/2017 on the Community Participation in Government Management System; Government Regulation 68/2010 Community Participation in Spatial Planning; Government Regulation 8/2008 Guidance of Formulation, Control and Evaluation of Subnational Development Plan; MoHA Regulation 86/2017 Guidance Formulation, Control and Evaluation of Sub-National Development Plan.	
Related SDG targets	<p>16.6.2 Proportion of population satisfied with their last experience of public services.</p> <p>16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group.</p>	
Means of assessment and data sources	(1) SOP to ensure community participation is available to the public, (2) system of documentation of participation such as minutes of meeting (Berita Acara), letter of approval and recommendation.	

Indicator 21. Complaint mechanism		By district & province
Description	Audit rules and regulation to resolve complaints on violation regarding good governance.	
Legal basis	Ombudsman Law 37/2008; Public Service Law 25/2009; Government Administration Law No. 30/2014; Government Regulation 96/2012 on the Implementation of Public Service Law; Presidential Regulation 76/2013 on the Arrangement Mechanism for Public Complaint.	
Related SDG targets	<p>16.6.2 Proportion of population satisfied with their last experience of public services.</p> <p>16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group.</p> <p>16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months.</p> <p>16.5.2 Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months.</p>	
Means of assessment and data sources	SOP of steps to submit and resolve the complaints are publicly available.	

Indicator 22. Sustainable land-use planning		By district & province
Description	Jurisdictional plan developed to protect and manage the environment including climate mitigation and adaptation.	
Legal basis	Spatial Planning Law 26/2007; Environmental Law 32/2009; Government Regulation 16/2003 on the Land Use Management; Government Regulation 15/2010 Spatial Planning Management.	
Related SDG target	15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.	
Means of assessment and data sources	Existence of Environmental Carrying Capacity Assessments (DDDT-LH) and Environmental Management and Protection Plan (RPPLH) documents from the Ministry of Environment and Forestry.	

Cover image: Deforestation. Oil palm plantation at rainforest edge in Southeast Asia. Photo: Richard Carey

More information at info.terpercaya@efi.int

Disclaimer

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