

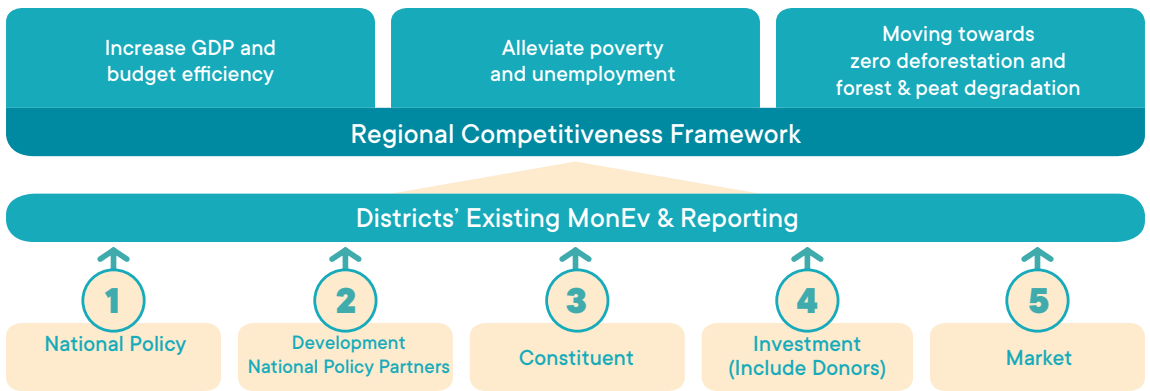
# REGIONAL COMPETITIVENESS FRAMEWORK



## I. BACKGROUND

Lingkar Temu Kabupaten Lestari (LTKL) is an association of Indonesian district governments which has declared itself in July 20017 to commit to accelerating the implementation of SDGs and reducing emissions through open government principles. Since then, LTKL members have agreed that measuring and reporting the progress of regional commitments is very important to constantly follow up upon. A credible regional reporting system will encourage regional competitiveness and attract sustainable potential incentives.

Although SDGs and reducing greenhouse gas emissions have been agreed upon as the 'main umbrella', LTKL agrees that the main focus now is on transforming the supply chains of several commodities such as Coffee, Non-Timber Forest Products, Cocoa, Palm Oil, Rubber, Spices and Coconut. Through the focus on commodities, districts are expected to be able to identify key elements related to sustainable jurisdictions which may be defined according to national policies and attract market and investment potential.

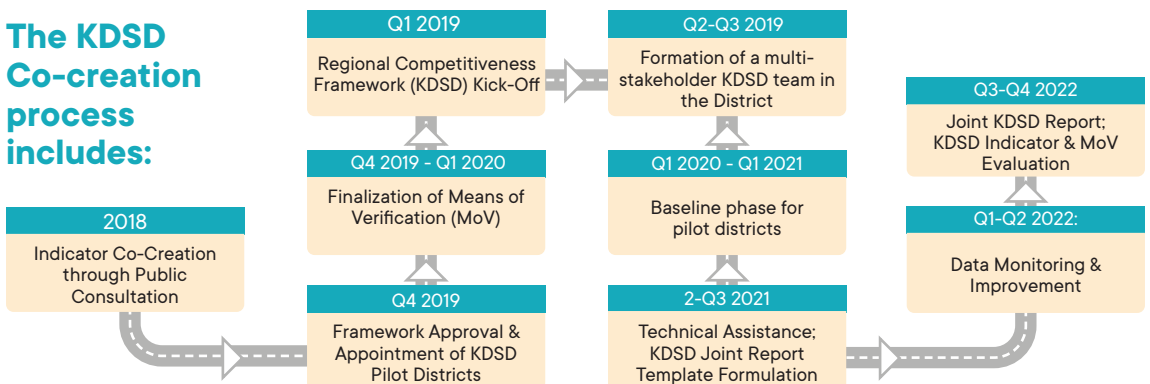


## II. KDSO CO-CREATION PROCESS

The LTKL Secretariat together with member districts and LTKL partner networks formulated the Regional Competitiveness Framework (KDSO), a summary of national policies and a market-based framework for increasing productivity of sustainable commodities, which is aligned with local policies. The main objective of KDSO is to simplify the measurement and reporting process within LTKL member districts. In addition, by summarizing the main criteria and framework, districts are expected to be able to implement a single process capable of covering various purposes.

The Regional Competitiveness Framework (KDSO) contextualizes supply chain transformation of related commodities (cocoa, coconut, palm oil, rubber, spices, coffee and non-timber forest products), into an object of assessment to prove the credibility of local governments in achieving the 2030 Sustainable Development Goals. KDSO Indicator Version 1.0 is summarized from several assessment scheme initiatives and sustainable jurisdictional rating instruments related to commodity market ecosystems, such as (i) RSPO Jurisdictional Certification, (ii) Global SDGs Indicator, (iii) TERPERCAYA – INOBU, (iv) Sustainable Landscape Rating Tools – CCBA & (v) SourceUp – IDH Sustainable Trade.

### The KDSO Co-creation process includes:



### III. KEY ELEMENTS



Planning & Goal Setting Aspect



Economic Resilience Aspect



Social Resilience Aspect



Environment Natural Resources Management Aspect



Incentives Aspect

**DATA TYPE:**

**1** Reports & Documents

**2** Statistics

**3** Spatial Data

### IV. IMPLEMENTATION & LEARNING PROCESS

LTKL General Assembly in 2019 & 2020 agreed upon five (5) member districts voluntarily committed to become the pilot districts of the Regional Competitiveness Framework: Gorontalo District, Sintang District, Siak District, Musi Banyuasin District, and Aceh Tamiang District. Each district, together with the LTKL Secretariat and development partners, will form a KDSD Team which functions to check data availability, produce baseline data, determine targets, and produce 2 (two) products: Jurisdiction Profile and KDSD Joint Report. KDSD targets will be integrated into district reporting systems on a voluntary basis to increase attractiveness for investors. The results of checking the availability of data and preliminary tests will assist in providing information to the national government and the market regarding the current state of the monitoring and reporting process in the regions. Thus, resulting in the garnering of greater collaboration in order to overcome existing limitations.

As for the final product, LTKL Members are expected to produce a KDSD Joint Report in order to show the progress of their commitments based on the KDSD assessment. The report is prepared voluntarily through multi-stakeholder collaboration and is addressed to stakeholders eager to provide sustainable incentives. To

ensure this, the formulation of the Joint Report format is carried out through multi-stakeholder co-creation to accommodate the interests of various related parties.

After its kick-off in 2019, the co-creation process will continue through the alignment of the KDSD Version 1.0 indicators with other reporting frameworks, which are tailored to the needs of the districts. Some of these include.

- Home Affairs Ministry's Local Governance Report (LPPD)
- LandScale – Rainforest Alliance
- Accountability Framework initiative (AFI)
- Alliance for Water Stewardship (AWS)
- International Social & Environment Accreditation & Labeling (ISEAL)
- Carbon Disclosure Project (CDP)
- Tropical Forest Champions.

At the end of the first cycle of KDSD implementation in the pilot districts, an evaluation of KDSD Version 1.0 will be carried out in order to adapt to lessons learned from implementation in the field and accommodate new frameworks, resulting in the formulation of sharper and more precise indicators & MoV.

