

KEMENTERIAN PERENCANAAN PEMBANGUNAN NASIONAL/
BADAN PERENCANAAN PEMBANGUNAN NASIONAL
REPUBLIK INDONESIA

NOTA DINAS

NOMOR: *243* /Dt.8.1.ND/11/2017

Yth. : Direktur Pendanaan Luar Negeri Multilateral.
Dari : Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan
Hal : Tanggapan Terkait *Agricultural Value Chain Development Project (Loans) and Inclusive and Climate Resilient Coffee Value Chain (TA)*
Tanggal : *6* November 2017

Berdasarkan Nota Dinas Saudari No. 464/Dt.8.4.ND/10/2017 tanggal 31 Oktober 2017 perihal Permohonan Tanggapan Terkait *Agricultural Value Chain Development Project (Loans) and Inclusive and Climate Resilient Coffee Value Chain (TA)*, dapat kami sampaikan sebagai berikut:

1. Pemberian pinjaman dan hibah ADB kepada pihak privat/swasta (PT Dharmapala Usaha Sukses (PT. DUS) anak Perusahaan *Olam International Limited* (OIL) Singapura) tidak diatur dalam PP No.10/2011 Tata Cara Pengadaan Pinjaman Luar Negeri dan Penerimaan Hibah Pemerintah, karena pinjaman dan hibah tersebut merupakan *window private* ADB kepada privat/swasta di Indonesia.
2. Namun demikian, pengadaan pinjaman dan hibah ini perlu menjadi perhatian Kedeputan/Direktorat sektor terkait, karena ruang lingkup yang dikerjasamakan berhubungan dengan upaya perencanaan target SDGs di Indonesia.

Demikian disampaikan, atas perhatian dan kerjasama Saudari diucapkan terima kasih.

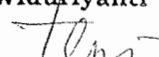


Teni Widuriyanti *TW*

Tembusan Yth.:
Direktur Pangan dan Pertanian

LEMBAR EDARAN

DIREKTORAT PERENCANAAN DAN PENGEMBANGAN PENDANAAN PEMBANGUNAN, BAPPENAS

Nomor Agenda	Diterima Tanggal	Tingkat Surat
1478/Dt.8.1/11/2017	01 Nopember 2017	Rahasia / Segera / Biasa
Diterima dari : Direktur Multilateral No. / Tgl Surat : 464/Dt.8.4.ND/10/2017 31 Oktober 2017 Perihal : Permohonan Tanggapan Terkait Agricultural Value Chain Development Project (Loan) and Inclusive and Climate Resilient Coffee Value Chain (TA)		
Diteruskan Kepada :		Disposisi :
<input checked="" type="checkbox"/> 1. Tati Lies Aryati <input checked="" type="checkbox"/> 2. Riza Hamzah <input type="checkbox"/> 3. Mukhtiali <input type="checkbox"/> 4. Sugeng Wahyu Hendarto <input checked="" type="checkbox"/> 5. Beby Hanzian <input type="checkbox"/> 6. Yustina Handayani Wijayanti <input type="checkbox"/> 7. Tien Iswartini <input type="checkbox"/> 8. Dadan Kusdarsana <input type="checkbox"/> 9. Ino Sutrisno Staf Pendukung <input type="checkbox"/> 1. Firman Perangin-angin <input type="checkbox"/> 2. Adi Nurhadi <input checked="" type="checkbox"/> 3. Eftin Ula Kurnia <input checked="" type="checkbox"/> 4. Sahna Putri Aselira <input checked="" type="checkbox"/> 5. Bonataon M.T.V. Simandjorang <input type="checkbox"/> 6. Pristi N.K. Panggabean <input type="checkbox"/> 7. Kristianto Wibowo <input checked="" type="checkbox"/> 8. Muhammad Faisal Siddiq <input type="checkbox"/> 9. Derry Afriandri <input type="checkbox"/> 10. Reezali Raharjaya <input type="checkbox"/> 11. Faizah Aulia Rahmah		<input type="checkbox"/> Untuk Diselesaikan <input type="checkbox"/> Untuk Dikoreksi <input type="checkbox"/> Teliti/Pendapat dan Laporkan <input type="checkbox"/> Siapkan Jawaban <input type="checkbox"/> Dibahas Bersama <input type="checkbox"/> Untuk Diketahui <input type="checkbox"/> Untuk Dipergunakan <input type="checkbox"/> Ikuti Perkembangan <input type="checkbox"/> Copy dan Kembalikan <input type="checkbox"/> Hadiri/Wakili <input type="checkbox"/> Untuk di File
Catatan : <p>o) Ini proses program window private ADB & private di Indonesia. Pemerintah gak mengizinkan private to private, alahikan mengacu pada operasi investasi yg ada.</p> <p>o) tugas pemerintah mensinkronkan program yg diinap klm kmtan.</p> <p>o) catat mekanisme ini yg jd masukkan Rencana Strategis DS</p> <p style="text-align: right;">Teti Widuriyanti  2/11/2017</p>		

KEMENTERIAN PERENCANAAN PEMBANGUNAN NASIONAL/
BADAN PERENCANAAN PEMBANGUNAN NASIONAL
REPUBLIK INDONESIA

NOTA DINAS
NOMOR : 464/Dt.8.4.ND/10/2017

Kepada Yth. : 1. Direktur Perencanaan & Pengembangan Pendanaan Pembangunan
 2. Direktur Pangan dan Pertanian
Dari : Direktur Pendanaan Luar Negeri Multilateral
Perihal : Permohonan Tanggapan Terkait *Agricultural Value Chain Development Project (Loans) and Inclusive and Climate Resilient Coffee Value Chain (TA)*
Tanggal : 31 Oktober 2017

Sehubungan dengan Surat dari Badan Kebijakan Fiskal Kementerian Keuangan tanggal 23 Oktober 2017 No. S-328/KF.6/2017 (terlampir), perihal rencana pinjaman sebesar USD 30 juta dari *Asian Development Bank* (ADB) untuk PT Dharmapala Usaha Sukses (PT DUS), perusahaan produsen gula rafinasi di Indonesia yang merupakan anak perusahaan *Olam International Limited* (OIL) yang berbasis di Singapura, kami mohon masukan/tanggapan untuk kesesuaian dengan peraturan yang berlaku untuk hal tersebut dan prioritas Pemerintah untuk sektor pertanian sesuai dengan RPJMN dan pencapaian target *Sustainable Development Goals*.

Sebagai informasi, kegiatan tersebut merupakan kegiatan dari *Private Sector Operation Departement* ADB-Manila (HQ) yang selama ini menangani kerjasama langsung antara ADB dengan pihak swasta.

Demikian, atas perhatian dan kerjasamanya diucapkan terima kasih.



Agustin Arry Yanna

Tembusan Yth.:
Deputi Bidang Pendanaan Pembangunan



KEMENTERIAN KEUANGAN REPUBLIK INDONESIA
BADAN KEBIJAKAN FISKAL
PUSAT KEBIJAKAN PEMBIAYAAN PERUBAHAN IKLIM
DAN MULTILATERAL

GEDUNG R.M. NOTOHAMIPRODJO LANTAI 5, JL. DR. WAHIDIN RAYA NOMOR 1, JAKARTA 10710
TELEPON (021) 34831678; FAKSIMILE (021) 34831677; SITUS www.fiskal.depkeu.go.id

Nomor : S- 328 /KF.6/2017 23 Oktober 2017
Sifat : Segera
Lampiran : Satu Berkas
Hal : Permohonan Tanggapan terkait *Agricultural Value Chain Development Project (Loans) and Inclusive and Climate Resilient Coffee Value Chain (TA)*

Yth. 1. Direktur Pendanaan Luar Negeri Multilateral, Kementerian PPN/Bappenas
2. Direktur Pinjaman dan Hibah, DJPPR, Kementerian Keuangan
3. Kepala Departemen Pengawasan Pasar Modal 1A, Otoritas Jasa Keuangan
Jakarta

Sehubungan dengan surat dari *Asian Development Bank-Indonesia Resident Mission (ADB-IRM)* tanggal 11 Oktober 2017 terkait permintaan persetujuan atas *Agricultural Value Chain Development Project (Loans) and Inclusive and Climate Resilient Coffee Value Chain (Technical Assistance)*, dapat kami sampaikan beberapa hal sebagai berikut:

1. ADB berencana memberikan pinjaman sebesar USD65 juta pada *Olam International Limited (OIL)*, perusahaan agribisnis yang berbasis di Singapura dan pinjaman sebesar USD30 juta dalam mata uang dolar Amerika Serikat dan rupiah pada PT Dharmapala Usaha Sukses (PT DUS), perusahaan produsen gula rafinasi di Indonesia yang merupakan anak perusahaan dari OIL. Selain itu, ADB juga berencana memberikan bantuan teknis sebesar USD3 juta pada OIL untuk mendukung pengembangan kapasitas petani kopi di Indonesia, Vietnam, Timor Leste, dan Papua Nugini.
2. Ouput yang akan dihasilkan dari proyek tersebut adalah pengembangan operasional agribisnis, khususnya rantai pasok pertanian yang inklusif dan berkelanjutan serta pelatihan metode pertanian yang produktif dan berkelanjutan untuk petani-petani di Indonesia, Vietnam, Timor Leste, dan Papua Nugini. Pinjaman dan bantuan teknis ADB tersebut akan diimplementasikan oleh *ADB's private sector (non-sovereign) operations department*. Dengan demikian, diharapkan proyek tersebut dapat mendukung pencapaian beberapa target dari *Sustainable Development Goals*, diantaranya (i) meningkatkan produktivitas pertanian dan pendapatan produsen makanan skala kecil; (ii) menjamin sistem produksi makanan yang berkelanjutan dan implementasi praktik ketahanan pangan; dan (iii) meningkatkan jumlah ekspor negara-negara yang sedang berkembang secara signifikan.
3. Berkenaan dengan hal-hal tersebut di atas, kami mohon masukan dan tanggapan dari unit kerja Saudara terkait rencana ADB dimaksud, khususnya informasi mengenai usaha dari PT Dharmapala Usaha Sukses serta informasi lain terkait dengan aturan pemerintah Indonesia yang sekiranya berguna dalam penerbitan *No Objection Letter*. Selanjutnya, masukan dan persetujuan tersebut akan menjadi dasar pertimbangan bagi penerbitan *No Objection Letter* dari Pemerintah. Kami harap masukan dan tanggapan tersebut dapat kami terima paling lambat tanggal 27 Oktober 2017. Informasi dan komunikasi lebih lanjut dapat menghubungi Sdri. Retno Maruti melalui nomor telepon 021-34831674 atau pos-el: rmaruti@fiskal.depkeu.go.id/maruti.retno@gmail.com.

Atas perhatian dan kerjasama Saudara, kami ucapkan terima kasih.



Tembusan:
Kepala Badan Kebijakan Fiskal
Kp.: KF.6/KF.642/2017



INDONESIA RESIDENT MISSION

11 October 2017

Prof. Suahasil Nazara
Head, Fiscal Policy Office
Ministry of Finance
Gedung R.M. Notahamidprodjo, 2nd Floor
Jl. Dr. Wahidin 1, Jakarta Pusat

Dear Prof. Nazara:

**Agricultural Value Chain Development Project (Loans) and
Inclusive and Climate Resilient Coffee Value Chain (Technical Assistance)
– Request for No Objection**

The Asian Development Bank ("ADB") is considering a loan of up to US\$65 million to Olam International Limited ("OIL"), a leading agribusiness and public limited company incorporated in Singapore, and a loan of up to US\$30 million equivalent in US dollars and rupiah to PT Dharmapala Usaha Sukses ("PT DUS"), a sugar refinery and subsidiary of OIL incorporated in Indonesia.

The objective of the loans is to support inclusive and sustainable agricultural value chains with higher local value addition in ADB's developing member countries in Southeast Asia and the Pacific, including Indonesia. In Indonesia, the proceeds of the loans will be used for the purpose of supporting the expansion of OIL and PT DUS operations. ADB is also considering a technical assistance ("TA") of up to US\$3 million to OIL which will complement the loans by providing capacity building support to smallholder coffee farmers in the project countries, including Indonesia. The loans and TA would be implemented by ADB's private sector (non-sovereign) operations department.

Consistent with the provisions of the Agreement Establishing the Asian Development Bank, ADB will not finance any project in the territory of Indonesia, if the Government of Indonesia (the "Government") has any objection to it, and ADB hereby requests the Government's no objection to the proposed loans and TA. Pursuant to the terms of the letter agreement bearing the heading "No-Objection Letters regarding Private Sector and Non-sovereign Projects and Non-sovereign Technical Assistance" dated 17 November 2011 and confirmed by the Fiscal Policy Office of the Ministry of Finance on 30 December 2011, if you do not advise ADB of your objection to the investment within 15 calendar days of the date of this letter, the Government shall be deemed to have confirmed that it has no objection to the proposed loans and TA.

Please let us know if you need any additional information. All communications on this matter may be addressed to Mr. Juhyun Jeong, Private Sector Operations Department of ADB, by email to jjeong@adb.org, or by phone at +632-683-1501.

Sincerely,

Winfried F. Wicklein
Country Director
Indonesia Resident Mission

JJ

JJ/JL:uh

ASIAN DEVELOPMENT BANK
INDONESIA RESIDENT MISSION
The Plaza Office Tower, 11th floor
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We confirm that we have no objection to the inclusion of the Republic of Indonesia in the Agricultural Value Chain Development Project (Loans) and Inclusive and Climate Resilient Coffee Value Chain (Technical Assistance)

On behalf of the Government of Indonesia

Name and Signature: _____

Designation: _____

Date: _____

bcc: Mr. Ramesh Subramaniam, Director General, SERD, ADB
Mr. Michael Barrow, Director General, PSOD, ADB
Christopher Thieme, Deputy Director General, PSOD, ADB



Report and Recommendation of the President to the Board of Directors

Project Number: 51139-001
October 2017

Proposed Loan
Olam International Limited
Café Outspan Vietnam Limited
PT Dharmapala Usaha Sukses
Agricultural Value Chain Development Project
Viet Nam, Indonesia, Timor-Leste, and Papua New
Guinea

This RRP contains information that is subject to exceptions to disclosure set forth in ADB's Public Communications Policy 2011. Recipients should therefore not disclose its contents to third parties, except in connection with the performance of their official duties. Upon Board approval, ADB will make publicly available an abbreviated version of this RRP, which will exclude confidential business information and ADB's assessment of project or transaction risk.

CURRENCY EQUIVALENTS

(as of 14 August 2017)

Currency unit	–	Singapore dollar (S\$)
S\$1.00	=	\$0.7343
\$1.00	=	S\$1.362

ABBREVIATIONS

ADB	–	Asian Development Bank
COVL	–	Café Outspan Vietnam Limited
DMC	–	developing member country
OIL	–	Olam International Limited
PT DUS	–	PT Dharmapala Usaha Sukses
TA	–	technical assistance
TPA	–	tons per annum

NOTE{S}

In this report, "\$" refers to US dollars.

Vice-President	D. Gupta, Private Sector and Cofinancing Operations
Director General	M. Barrow, Private Sector Operations Department (PSOD)
Director	C. Thieme, Deputy Director General, PSOD
Team leader	J. Jeong, Investment Specialist, PSOD
Project advisor	M. Lemoine, Principal Investment Specialist, PSOD
Team members	P. Bailet, Senior Counsel, Office of the General Counsel
	E. David, Investment Officer, PSOD
	E. Enkhbold, Investment Officer, East Asia Department
	S. Estacion, Senior Operations Assistant, PSOD
	D. Freedman, Country Economist, PARD
	L. Johannes, Senior Results Management Specialist, PSOD
	T. Khimasia, Senior Guarantees and Syndications Specialist, PSOD
	M. Manabat, Senior Investment Officer, PSOD
	M. Manguiat, Safeguards Officer, PSOD
	M. Principe, Senior Social Development Officer (Safeguards), PSOD
	A. Singh, Senior Safeguards Specialist, PSOD
	C. Tienzo, Project Analyst, PSOD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

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I. THE PROJECT

A. Project Identification and Description

1. Project identification

1. **Agriculture key to fight poverty.** Agriculture in Southeast Asia and the Pacific is primarily characterized by unorganized, small-scale farming. Most smallholder farmers are not included in formal value chains and face challenges that include lack of access to finance and quality inputs, low yields, lack of storage and market infrastructure, limited local value addition, and dependence on middlemen. As smallholder farmers make up the majority of the poor in the region, agricultural development is a key to eradicating poverty and creating conditions for sustainable and equitable growth in Southeast Asia and the Pacific.

2. **Persistent rural poverty in Southeast Asia.** The agriculture sector in Viet Nam and Indonesia has made significant progress but its smallholder farmers have been left behind. Viet Nam's agriculture sector constitutes about 20% of gross domestic product (GDP) and 25% of exports, and provides employment for 70% of rural households. Yet, for example, in Viet Nam's Central Highland Provinces,¹ one of the country's main agricultural regions, where 71% of the population are smallholder farmers, the poverty rate is at 22%, over twice that of the nationwide rate. In Indonesia, the vast majority of food crop producers are either landless or cultivate small landholdings. These landless or smallholder farmers tend to earn low incomes and many fall into and out of poverty which contributes to Indonesia's rural poverty rate of 14%, which is significantly higher than the 8% poverty rate of the urban population.

3. **Widespread rural poverty in the Pacific.** In Timor-Leste and PNG, poverty in rural areas amongst smallholder farmers is highly predominant. In Timor-Leste, 60% of smallholder farmers live below the poverty line.² In PNG, 91% of people living in rural areas are poor.³ In both countries, most farming households have minimal engagement with agricultural markets and can be characterized as low-input, low-output producers. The proximate factors that contribute to low productivity include poor infrastructure and connectivity, limited availability of extension services, low usage of agricultural inputs, and low uptake of improved crop varieties. At the same time, agriculture is a dominant sector in both countries with much potential. For example, in Timor-Leste, coffee is the country's largest non-oil export and is grown by 38%⁴ of all households. Similarly, in PNG, agriculture contributes to one-third of its GDP with 75% of the population relying on agriculture for its main livelihood. Improvements in agricultural production and processing offer one of the clearest pathways for poverty reduction and growth of the non-extractives economy in Timor-Leste and PNG.

4. **Climate change and environmental challenges.** Climate change is a serious threat to countries in Southeast Asia and the Pacific, especially in the agriculture sector. Viet Nam has been listed by the World Bank as one of the five countries that will be worst-affected by climate

¹ Dak Lak, Dak Nong, Gia Lai, Kon Tum, and Lam Dong provinces

² World Bank. 2008. *Timor-Leste: Poverty in a Young Nation*. Washington, DC. A national household income and expenditure survey was conducted in 2011 but no official poverty estimate was produced. A national survey of living standards was completed in 2015 and updated poverty estimates are expected in 2016.

³ ADB. 2015. *Country Partnership Strategy: Papua New Guinea, 2016-2020*. Manila.

⁴ Government of Timor-Leste. 2016. *Timor-Leste Population and Housing Census 2015*. Dili.

change given its high exposure to floods and storms.⁵ Additionally, the overuse of fertilizers in Viet Nam is a cause of water pollution and soil degradation.⁶ Indonesia will see temperature increase up to 3.9°C and precipitation decrease up to 12% by 2100 according to the Intergovernmental Panel on Climate Change. Timor-Leste and PNG are the two most vulnerable countries to climate change in the Pacific when measured by economic losses (as proportion of GDP), with losses from climate change expected to reach 10% of Timor-Leste's annual GDP and 15% of PNG's by 2100.⁷

5. **Global value chain inclusion.** Inclusion of smallholder farmers in formal value chains can help address the challenges of persistent rural poverty, climate change, and environmental pressure. Formal value chains are typically developed by large corporate buyers who vertically integrate to source directly from the farm gate to secure long-term access to quality products and build strong relationships with farming communities. Large global agribusinesses in particular can lead significant investments in agriculture value chains that benefit smallholder farmers by increased access to new export markets and linking them with consumers who are willing to pay a premium for traceability and certification. Agricultural investment has been shown to be one of the most effective and least-cost strategies to reduce poverty and hunger.⁸ Also, investment into agricultural value chains is one of the least-cost climate change adaptation investments as it helps increase yields, reduces the pressure of bringing new lands into agriculture, and improves efficiency in terms of the use of inputs such as water, power, and fertilizers.⁹

6. **Government policy alignment.** The governments of the four countries included in the project scope prioritize inclusive value chains by linking farmers with global value chains involving the private sector. In Viet Nam, in 2013, the Prime Minister issued a decision approving the Agricultural Restructuring Plan for improving added value and sustainable development of the sector.¹⁰ The Government of Indonesia's 2015–2019 National Medium-Term Development Plan highlights the agriculture sector's distinct role in developing higher value cropping to improve rural livelihoods.¹¹ Timor-Leste's Strategic Development Plan 2011–2030 highlights the need to increase coffee production and develop other cash crop exports.¹² The goals of PNG's National Agriculture Development Plan (2007–2016) are to reduce costs of production, improve quality of agricultural produce for both domestic and international markets, and increase income earning opportunities of those dependent on agriculture.¹³

7. **Project selection.** ADB has been supporting agriculture value chain development with targeted support to governments and local agribusinesses. There is an opportunity to achieve a wider impact across multiple developing member countries by supporting global agribusinesses which have the ability to deploy funds in several countries at the same time. OIL and its subsidiaries (Olam) is well positioned to benefit from economies of scale and share best practices across countries, and given its commitment to the highest standards of sustainability and inclusiveness, can be instrumental in the development of inclusive and sustainable agricultural value chains with higher local value addition.

⁵ World Bank. 2010. *Vietnam: Economics of Adaptation to Climate Change*. Washington DC.

⁶ K. Propsom. 2016. *Sustainable Horticultural Crop Production in Viet Nam*. Saint Paul.

⁷ ADB. 2014. *The Economics of Climate Change in the Pacific*. Manila.

⁸ FAO. 2012. *State of Food Insecurity in the World*. Rome.

⁹ Lobell et alii. 2013. *Climate Adaptation as Mitigation: The Case of Agricultural Investments*. Bristol.

¹⁰ World Bank. 2016. *Viet Nam Development Report 2016: Transforming Vietnamese Agriculture: Gaining More from Less*. Washington DC.

¹¹ Government of Indonesia. 2015. *National Medium Term Development Plan 2015-2019*. Jakarta.

¹² ADB. 2015. *Growing the Non-Oil Economy: A Private Sector Assessment for Timor-Leste*. Manila.

¹³ Ministry of Agriculture and Livestock, Papua New Guinea. 2007. *Papua New Guinea National Agriculture Development Plan*. Port Moresby.

2. Project Design

8. The project will support Olam's investment plan in Viet Nam, Indonesia, Timor-Leste, and PNG during 2017-2019 by financing midstream coffee and sugar processing expansions and permanent working capital investments for smallholder farmer supply. As such, the project will promote inclusive and sustainable agricultural value chains with higher local value addition across a variety of products including coffee, sugar, cashew, cocoa, and pepper.

9. **Higher local value addition.** The project will help Olam develop primary and secondary processing plants in origin markets closer to smallholder farmers and in destination markets closer to the customer, adding more value in local markets and further integrating agricultural value chains. In Viet Nam, OIL's subsidiary COVL has been operating a soluble coffee manufacturing facility since 2010 as part of Olam's strategy to expand into midstream coffee processing. The plant sources coffee beans from Robusta smallholder farmers in Viet Nam and Indonesia and exports soluble coffee primarily to Japan, Russia, and Southeast Asian countries. In Indonesia, PT DUS, an OIL subsidiary, operates a sugar refinery in Cilacap, Central Java. Raw sugar is typically sourced from Thailand and Australia and refined sugar is sold to food and beverage companies in Indonesia. In Timor-Leste, Olam's planned investment will help upgrade the coffee primary processing and storage assets that Olam acquired from Timorcorp in 2015. In PNG, Olam plans to expand its coffee operations by expanding primary processing facilities and storage capacity, enabling increase in market share.

10. **Inclusive value chains.** The project includes permanent working capital investments for smallholder farmer supply in Viet Nam (coffee, cashew,¹⁴ and pepper), Indonesia (coffee and cocoa), Timor-Leste (coffee), and PNG (coffee and cocoa). Permanent working capital includes inventory of raw agricultural products procured from farmers and advances to farmers, which will allow Olam to increase its sourcing volumes from smallholder farmers.¹⁵ The project will augment the direct benefits to smallholder farmers by leveraging existing Olam sustainability programs that provide agricultural extension services, training, and livelihood support to smallholder farmers.¹⁶ The proposed transaction technical assistance (TA) will complement the project by providing capacity building support to about 13,000 smallholder coffee farmers that Olam sources from across the project countries. The TA will help smallholder coffee farmers, particularly women, fully benefit from their inclusion in the coffee value chain by meeting international certification standards and improving the productivity and quality of crops. The TA will also ensure that these farmers are better prepared to cope with environmental degradation and the negative consequences of climate change.

11. **Climate-resilient and environmentally sustainable value chains.** A key component of the TA will be to provide training in Climate-Smart Agriculture practices including adaptation strategy for temperature increase and precipitation change, water harvesting and drip irrigation, and conservation agriculture. The TA will also focus on training in good agricultural practices such

¹⁴ Olam is one of the largest global suppliers of organic cashew, with procurement in Cambodia and processing plant in Gia Lai (one of Viet Nam's Central Highland Provinces) dedicated for organic production.

¹⁵ The portion of working capital that is considered permanent is the minimum investment required in working capital irrespective of any fluctuation in business activity and is typically funded by long-term debt.

¹⁶ Olam provides assistance to smallholder farmers through the Olam Livelihood Charter, which assures Olam customers that their product is sustainable, traceable, and helping rural communities. The Olam Farmer Information System works with smallholder farmers by using mobile technology to survey and register their farms and local social infrastructure.

as integrated pest management, intercropping, and harvest and post-harvest solutions; and environmentally sustainable agricultural practices such as innovative technologies for resources conservation, use of agri-chemicals and organic inputs, and pollution control. In addition, collaboration with the Asia-Pacific Climate Finance Fund is being explored to provide weather insurance to smallholder farmers through Olam as an aggregator.

3. The Borrowers

12. The borrowers are OIL, a public limited company incorporated in Singapore, and two of its subsidiaries: COVL, a soluble coffee plant incorporated in Viet Nam, and PT DUS, a sugar refinery incorporated in Indonesia. OIL is a leading agribusiness providing an end-to-end supply chain solution for a variety of agricultural raw materials and food ingredients. OIL has direct presence in 70 countries and has over 23,000 customers worldwide which include multi-national food companies, textile manufacturers, wood and furniture component industries, importers and distributors. It differentiates itself by focusing on niche commodities and businesses, buying from growers and village level agents at the farmgate, and providing value added solutions and services to customers (e.g., traceability guarantees). OIL's integration strategy of investing in the upstream as well the midstream and downstream parts of the value chain has enabled the company to gain greater control over its supply chain and reduce earnings volatility.

13. Temasek Holdings, the Singapore sovereign wealth fund, became the majority shareholder of OIL in 2014, owning 52.1% of OIL. Mitsubishi Corporation, a global integrated business enterprise headquartered in Japan, took a 20.0% equity stake and became the second largest shareholder of OIL in 2015. OIL's key management team has a 6.5% ownership in the company. The 11-member Board includes the CEO, the CFO, 2 Mitsubishi nominees, and 7 independent directors. Integrity due diligence was conducted in accordance with ADB's Integrity Due Diligence Guidelines for Nonsovereign Operations.¹⁷ No significant or potentially significant integrity risks were identified. Tax integrity due diligence was also conducted.¹⁸

B. Development Impact, Outcome, and Outputs

14. **Impact.** The project will contribute to at least three targets of the Sustainable Development Goals: (i) double the agricultural productivity and incomes of small-scale food producers through inputs, knowledge, markets, and opportunities for value addition and non-farm employment (Target 2.3); (ii) ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change (Target 2.4); and (iii) increase significantly the exports of developing countries (Target 17.11).¹⁹

15. **Outcome.** The project's outcome is inclusive and sustainable agricultural value chains with higher local value addition in Viet Nam, Indonesia, Timor-Leste, and PNG scaled-up.

16. **Outputs.** The outputs are: (i) Viet Nam value-added agribusiness operations expanded, (ii) Indonesia value-added agribusiness operations expanded, (iii) Timor-Leste value-added agribusiness operations expanded, (iv) PNG value-added agribusiness operations expanded, and (v) training on productive and sustainable farming methods for smallholder farmers in Viet Nam, Indonesia, Timor-Leste, and PNG provided.

¹⁷ ADB. 2015. *Integrity Due Diligence Guidelines for Nonsovereign Operations*. Manila.

¹⁸ Integrity and Tax Due Diligence Disclosure (accessible from the list of linked documents in Appendix 2).

¹⁹ United Nations. Sustainable Development Knowledge Platform. <https://sustainabledevelopment.un.org>

C. Alignment with ADB Strategy and Operations

17. **Consistency with ADB strategy and country strategy.** The project is aligned with the ADB Midterm Review of Strategy 2020, which emphasizes the need to invest in agriculture to increase productivity, strengthen links with local value chains, promote food safety and quality standards, and improve the resilience of the sector to the impacts of disasters and climate change.²⁰ The project is also consistent with ADB's country partnership strategies for Viet Nam,²¹ Indonesia,²² Timor-Leste²³, and PNG.²⁴ As a regional project benefiting four DMCs and non-DMC regional members, the project is fully aligned with ADB's Operational Plan for Regional Cooperation and Integration, which highlights the importance of "Raising Competitiveness in Connected Markets (Operational Direction 2) including through promoting and facilitating the participation in global and regional value chains by small and medium enterprises and small holder farmers."²⁵

18. **Consistency with sector strategy and relevant ADB operations.** The project is fully aligned with ADB's Operational Plan for Agriculture and Natural Resources, 2015–2020, which recommends greater private sector agribusiness investment by ADB, in particular by working with strong agribusiness sponsors adopting best practices.²⁶ The project will complement ADB's sovereign assistance programs in the four targeted DMCs. In Viet Nam, ADB provided sovereign assistance to updated productive rural infrastructure to increase agricultural productivity in 13 provinces the central provinces.²⁷ In Indonesia, ADB is supporting the government to improve irrigation services in 74 districts to increase agricultural productivity and provide an incentive to diversify from low-value to high-value crops.²⁸ In Timor-Leste, ADB is supporting the government develop a national coffee sector development plan to improve the volume and quality of coffee produced by smallholder farmers.²⁹ In PNG, ADB is supporting the rehabilitation of the Highlands Highway that will improve transport logistics and services and strengthen agricultural value chains for domestic and international trade.³⁰

²⁰ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

²¹ The project is aligned with three of the four priorities of the Viet Nam country partnership strategy: (i) innovation, productivity, and increased employment; (ii) improved environmental sustainability and climate change response; and (iii) accelerate and maximize benefits of regional coordination and integration. ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016—Fostering More Inclusive and Environmentally Sustainable Growth*. Manila.

²² The Indonesia country partnership strategy calls for support to agricultural commercialization as one way to achieve higher and more inclusive growth, for improvements in irrigation to support an environmentally sustainable growth, and for solutions involving advanced technology to add value. ADB. 2016. *Country Partnership Strategy: Indonesia 2016—Towards a Higher, More Inclusive, and Sustainable Growth Path*. Manila.

²³ The Timor-Leste country partnership strategy highlights that agriculture offers the clearest opportunities for widespread poverty reduction and sustainable and inclusive growth will require the development of more productive agriculture and a vibrant private sector. ADB. 2016. *Country Partnership Strategy: Timor-Leste, 2016–2020*. Manila.

²⁴ An operational priority of the PNG country partnership strategy is to increase job and livelihood opportunities, particularly in agriculture. ADB. 2015. *Country Partnership Strategy: Papua New Guinea, 2016–2020*. Manila.

²⁵ ADB. 2016. *Operational Plan for Regional Cooperation and Integration: Promoting Connectivity, Competitiveness, Regional Public Goods, and Collective Action for Asia and the Pacific (2016–2020)*. Manila.

²⁶ ADB. 2015. *Operational Plan for Agriculture and Natural Resources: Promoting Sustainable Food Security in Asia and the Pacific in 2015–2020*. Manila.

²⁷ ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Loan for Additional Financing to the Socialist Republic of Viet Nam for Integrated Rural Development Sector Project in the Central Provinces*. Manila.

²⁸ ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loans to the Republic of Indonesia for the Integrated Participatory Development and Management of Irrigation Program*. Manila.

²⁹ ADB. 2017. *Support for Preparation of a National Coffee Sector Development Plan for Timor-Leste (draft)*. Manila.

³⁰ ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to Papua New Guinea for the Sustainable Highlands Highway Investment Program*. Manila.

D. Implementation Arrangements

19. Table 3 summarizes the implementation arrangements.³¹

Table 3: Summary of Implementation Arrangements

Aspects	Arrangements
Regulatory framework	Olam is subject to the general laws regulating private sector enterprises in the countries it operates in, and, as an agribusiness company, benefits from incentives in Singapore, Viet Nam, Indonesia, Timor-Leste, and PNG. Olam is subject to the international trade laws, including import duties.
Management	OIL's key management each have over 15 years of experience in the agribusiness industry and international markets. Sunny Verghese, CEO of Olam, has nearly 30 years of experience in agribusiness and has been recognized with various awards. Olam's key management team has a 6.5% ownership in the company.
Implementation period	Olam plans to complete the midstream processing expansions by the end of 2019. The permanent working capital increase will occur gradually in response to increasing orders.
Construction arrangements	Procurement of equipment and civil works will be carried out in line with ADB requirements. ADB's independent consultant advised that project costs are in line with market benchmarks.
Operations arrangements	The project will rely on Olam, which is already operating similar facilities in Asia and other regions, and its local partners for its successful operation and maintenance. For COVL, all major equipment is designed and installed by the suppliers' expert teams. For PT DUS, expansion has been planned to ensure the proposed equipment will fit in with the current systems.
Performance monitoring	Olam will report on key performance indicators on (at a minimum) an annual basis, including financial, safeguards, gender, and development indicators, and output and outcome targets.

ADB = Asian Development Bank, CEO – chief executive officer, COVL = Café Outspan Vietnam Limited, Olam = Olam International Limited, PNG = Papua New Guinea, PT DUS = PT Dharmapala Usaha Sukses.
Sources: Olam International Limited and Asian Development Bank.

E. Unique Features

20. The project will support inclusive and sustainable agricultural value chains with higher local value addition in Southeast Asia and the Pacific and will have a widespread impact on the livelihoods of 13,000 farmers in four DMCs. The project will be ADB's largest nonsovereign exposure to the agriculture sector to date and the first nonsovereign assistance directly cofinanced by JICA. The project is also ADB's first direct nonsovereign assistance in Timor-Leste, the first nonsovereign agribusiness investment in PNG, and first local currency nonsovereign loan for the agriculture sector in Indonesia. The project is classified as an inclusive business project.³²

II. THE PROPOSED ADB ASSISTANCE

A. The Assistance

21. ADB proposes to provide a loan facility of up to \$100 million to OIL and two of its subsidiaries, COVL and PT DUS. The facility will include (i) a loan of up to \$65 million to OIL with tenor of up to 5 years, including a grace period of up to 3 years; (ii) a loan of up to \$5 million to COVL with tenor of up to 7 years, including a grace period of up to 1 year; (iii) a loan of up to \$30 million equivalent in US dollars and rupiah to PT DUS with tenor of up to 7 years, including a grace period of up to 1 year. The JICA parallel loan of up to \$75 million to COVL will have a tenor likely to be up to 7 years. ADB and JICA will benefit from an unconditional and irrevocable guarantee from OIL (the listed holding company), which will guarantee the payment obligations of COVL and PT DUS in relation to the ADB and JICA loans. The rupiah denomination is justified since PT DUS's production will be for the Indonesia domestic market and revenues are collected in rupiah.

³¹ Details of Implementation Arrangements (accessible from the list of linked documents in Appendix 2).

³² ADB. 2017. *Standard Explanatory Data Indicator Definitions*. Manila.

B. Value Added by ADB Assistance

22. ADB assistance will add value in three areas:

- (i) **Diversified funding base.** Olam has primarily financed its growth through equity and medium-term debt from commercial banks and the bond market. As Olam seeks to grow not only its product and geographic base but also its reach into the upstream and mid/downstream segments, it needs to further diversify its funding base. As an alternative source of long-term financing, ADB is in a unique position to offer funding as a development finance institution that understands the agriculture sector in Asia and the Pacific and can partner with Olam on a common sustainability agenda targeting smallholder farmers in DMCs.³³ The JICA cofinancing will further diversify Olam's funding base.
- (ii) **Sustainability best practices.** ADB's investment will validate and further refine Olam's business model that helps include smallholder farmers into the global agriculture value chain which will increase and protect their incomes. Through the TA, ADB will ensure that smallholder farmers improve their productivity, fully benefit from their inclusion in the global agricultural value chain, and are better prepared to cope with risks stemming from climate change and environmental degradation. Additionally, ADB will enhance Olam's environmental and social standards through the implementation of international safeguard standards.
- (iii) **Stakeholder alignment.** ADB, through its direct loans to Viet Nam and Indonesia, will help mitigate political risk by help aligning the interests of government with the benefits from the project. Through the TA, ADB will also help Olam balance the interests of other stakeholders, including smallholder farmers that Olam sources from, the rural communities that Olam operates in, and customers.

C. Risks

23. **Commodity risk.** Supply and demand dynamics affect the volume and price of agricultural products being traded. To manage this risk of futures traded products (e.g., coffee, sugar, cocoa), Olam hedges all physical trades with corresponding futures contracts which are closely monitored to ensure they are within approved limits. The price risk for non-futures traded products (e.g., rice, cashew) is controlled through exposure limits on size and tenor and forward contracts. Olam's integrated business model, risk management system,³⁴ and high diversification across geographies, products, and value chain segments further mitigate commodity risk.

24. **Competition risk.** Olam faces competition in its various product and geographic markets ranging from global trade houses to local distributors and buying agents. In most cases, such competition is fragmented. Additionally, Olam gains competitive advantage by focusing on niche commodities and businesses where it has a leadership position (i.e., largest global trader in cocoa, almond, and cashew, and the second largest global trader in coffee, rice, and cotton).

25. **Refinancing risk.** Olam relies on short-term loans and bullet loans that need to be perpetually refinanced. Olam is able to refinance these loans due to its (i) committed but unused

³³ Olam has received financing in the past from other development finance institutions such as the International Finance Cooperation (e.g., \$175 million loan in 2016 to operations in Nigeria and India), the African Development Bank (e.g., \$62 million loan in 2016 to operations in Africa), and the European Bank for Reconstruction and Development (e.g., \$128 million loan in 2011 to operations in Eastern Europe).

³⁴ Client Information (accessible from the list of linked documents in Appendix 2).

bank lines, (ii) access to new lines from its relationship banks, (iii) registered notes, and (iv) strategic actions to conserve cash.

26. **Regulatory risk.** Agricultural production and trade flows are significantly affected by government policies and regulation. Olam's geographic diversification and commitment to sustainable development mitigate regulatory and political risks.

III. POLICY COMPLIANCE

A. Safeguards and Social Dimensions

27. **Corporate audit.** ADB's loan facilities will be used to support the capital expenditure and permanent working capital investments of COVL, PT DUS, and OIL's subsidiaries in Viet Nam, Indonesia, Timor-Leste, and PNG. A corporate audit was undertaken by an external third party³⁵ in accordance with SPS requirements. The corporate audit assessed that the current environmental and social (E&S) systems, processes, and practices of the companies³⁶ are largely in compliance with national statutory requirements and commensurate with the risks and impacts associated with their respective businesses and operations. In addition, OIL's facility in Viet Nam and Indonesia are also certified for ISO³⁷ systems, while Indonesia facility plans to apply for the same ISO certifications, demonstrating its willingness to adopt and move towards meeting international standard requirements. The project is classified as category B for environmental impacts and category C for Involuntary Resettlement (IR) and Indigenous People (IP) impacts pursuant to the Safeguard Policy Statement (2009) of ADB.

33. **Environmental safeguards.** The due diligence noted that key environmental impacts from Olam's operations include generation of fugitive emission from coal storage, air emission and noise from boiler operations at sensitive receptors, odor, and health risk due to poor ventilation and inadequate occupational management procedures,³⁸ and fire safety risks. Corrective actions have been undertaken by PT DUS for improvement of its operations since its acquisition, and is committed to implement additional corrective actions from the environmental audit conducted to meet ADB SPS requirements. COVL also continuously aims to improve its process operation, including resource efficiency. Potential environmental impacts associated with the expansion of the facilities can be mitigated by following engineering international best practices (e.g., new boiler design to meet IFC EHS Guidelines specification for small combustible facilities) and implementing the appropriate environmental management plan, included in the Initial Environmental Examination (IEE). In compliance with ADB SPS, COVL and PT DUS updated its current environmental assessment reports to meet ADB SPS requirements on IEE³⁹. Timor-Leste and PNG facilities' expansion will be mainly on hard surfaces for drying pads and storage areas, which are anticipated to have minimal environmental impacts. Both facilities are also committed to meet environmental best practices aligned with ADB SPS requirements.

34. **Social safeguards.** The facilities of COVL, PT DUS, and OIL's subsidiary in PNG are located in industrial parks, and the facilities of OIL's subsidiary in Timor-Leste are located on leased lands. The expansion facilities will be constructed within existing premises of the subsidiary companies. These lands do not have any legacy or current risks associated with land acquisition and resettlement. The independent audit has also assessed that the operations of the

OIL subsidiaries do not result in impacts on indigenous people. Hence, no involuntary resettlement or indigenous people issues are envisaged for the project on account of its operational and expansion plans

35. **Corrective action plan.** The corporate and sub-project audits have recommended a set of measures and actions to ensure alignment and compliance with the ADB SPS and other social requirements. These have been documented and agreed in a corrective action plan for the project. As part of the corrective action plan, OIL, COVL, PT DUS, TL and PNG existing facilities will strengthen its existing E&S systems and processes satisfactory to ADB before ADB's first disbursement. They will also enhance their institutional capacities and train staff on the ADB SPS and ESMS requirements. Olam will report on an annual basis to ADB on ongoing compliance with the ESMS and ADB SPS and other social requirements.

36. **Gender mainstreaming.** The project is categorized as effective gender mainstreaming. Olam (including COVL and PT DUS) has committed to implement the gender action plan.⁴⁰ Olam will comply with national labor laws and, pursuant to ADB's Social Protection Strategy (2001), will take measures to comply with the internationally recognized core labor standards.⁴¹ The borrower will report regularly to ADB on its and its contractors' compliance with such laws and the measures taken.

KEMENTERIAN PERENCANAAN PEMBANGUNAN NASIONAL/
BADAN PERENCANAAN PEMBANGUNAN NASIONAL
REPUBLIK INDONESIA

NOTA DINAS

NOMOR: 241 /Dt.8.1.ND/11/2017

Kepada Yth. : 1. Bapak Deputy Bidang Pendanaan Pembangunan
2. Bapak Deputy Bidang Kemaritiman dan Sumber Daya Alam
Dari : Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan
Hal : Laporan Pelaksanaan Pertemuan *the 6th Session of the Assembly and 10th Session of the Council of GGGI* di Addis Ababa, Ethiopia
Lampiran : -
Tanggal : 2 November 2017

Sehubungan dengan pelaksanaan pertemuan *Global Green Growth Week 2017 (GGGW)* dan *the 6th Session of the Assembly and 10th Session of the Council of Global Green Growth Institute (GGGI)* di Addis Ababa, Ethiopia, pada tanggal 17–20 Oktober 2017 bersama ini dengan hormat kami laporkan kepada Bapak Deputy sebagai berikut:

1. GGGW adalah program *flagship* GGGI yang diselenggarakan setiap tahun dan merupakan pertemuan antar pemangku kepentingan (pemerintah, pihak swasta, dan *civil society*) yang mendiskusikan *platform green growth* untuk mendapatkan solusi yang inovatif untuk mencapai pertumbuhan yang kuat, inklusif, dan berkelanjutan secara global. Dalam pertemuan GGGW 2017 terdapat berbagai sesi yang mendiskusikan kebijakan dan pembiayaan untuk pertumbuhan hijau serta gambaran ke depan mengenai pembangunan hijau.
2. Dalam rangkaian kegiatan GGGW 2017 turut diselenggarakan pertemuan *the 6th Session of the Assembly and 10th Session of the Council of GGGI* yang dihadiri oleh delegasi negara-negara anggota GGGI, dengan 7 (tujuh) agenda utama, yaitu: (1) *Report of the Management and Program Sub-Committee (MPSC)*; (2) *Update on Bankable Projects and National Financing Vehicles*; (3) *Independent Evaluation Report*; (4) *Refreshed Strategic Plan 2015-2020 and Resource Mobilization*; (5) *Reformed Work Program and Budget*; (6) *Approval of the Revised Staff Regulations and Rules*; dan (7) *Effective and Inclusive Governance Organs*.
3. Sebagai salah satu *founding member* dan *contributing member* GGGI, Pemerintah Republik Indonesia (RI) turut berpartisipasi dalam rangkaian kegiatan GGGW dan pertemuan *Joint Session of the Assembly and Council of GGGI*. Dalam kesempatan tersebut Delegasi Pemerintah Republik Indonesia (Delri) diwakili oleh Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan dan Kasubdit Pengembangan dan Konservasi Energi dari Kementerian PPN/Bappenas yang merupakan *focal point* kerja sama Pemerintah RI dan GGGI. Selain itu, anggota Delri juga terlibat pada dua sesi GGGW yaitu Sesi *Green Climate Fund* oleh Kepala Subbidang Pendanaan Pembiayaan Perubahan Iklim Lainnya Kementerian Keuangan dan Sesi *Green Growth Index* oleh Kepala Seksi Statistik Lingkungan Badan Pusat Statistik. Beberapa hal pokok yang disampaikan Delri pada *Joint Session Assembly and Council* adalah sebagai berikut:

- a) Pentingnya untuk merujuk pada prioritas nasional dan konteks lokal masing-masing negara dalam menyusun program dan kegiatan kerja sama dengan GGGI untuk meningkatkan efektivitas dan kepemilikan (*ownership*) terhadap program, kegiatan, dan termasuk *earmark funding* dari negara donor, seperti Norwegia.
 - b) Mewujudkan kegiatan konkrit GGGI dalam bentuk *bankable project* dan *national financing vehicles* yang berwawasan hijau di Indonesia. Saat ini terdapat 24 proyek yang difasilitasi GGGI, dan 10 diantaranya dalam proses mendapatkan pembiayaan pihak swasta, serta 2 diantaranya berada di Indonesia. Proyek pertama adalah ***Island Solutions for Indonesia*** yang mengembangkan model bisnis komersial senilai 15 juta USD untuk pulau terpencil di NTT. GGGI telah melaksanakan penilaian teknis dan finansial secara mendetail, *project structuring*, dan mendukung penyiapan regulasi yang diperlukan dalam rangka investasi swasta pada proyek pembangkit hibrid antara diesel dan *solar photovoltaic (PV)* tersebut. Untuk proyek kedua, ***Indonesia Solar Photovoltaic PV for Special Economic Zones*** di Mandalika, GGGI berkolaborasi dengan PT. SMI dan *Indonesia Tourism Development Corporation (ITDC)* mengembangkan pembangkit tenaga surya berkapasitas awal 10 MW yang nantinya dapat dikembangkan hingga 100 MW. Proyek senilai 12-15 juta USD ini akan menjadikan Mandalika sebagai Kawasan Ekonomi Khusus pertama dengan sumber energi terbarukan.
4. Tim Delri Bappenas berkesempatan melakukan pertemuan bilateral dengan Direktur Jenderal GGGI, Dr. Frank Rijsberman, pada 19 Oktober 2017. Pertemuan ini membahas antara lain: (a) komitmen kontribusi RI yang akan berakhir tahun ini; (b) kemajuan proses penyusunan *Host Country Agreement (HCA)*; (c) fokus dan pendekatan pelaksanaan program kerja sama *green growth* di Indonesia; (d) peluang kerja sama antar negara anggota GGGI; (e) rencana *engagement* dengan OECD; dan (f) inisiatif *New Climate Economy (NCE)*. Pada pertemuan ini, Dirjen GGGI menekankan pentingnya peran Indonesia di dalam organisasi GGGI baik dalam hal kontribusi maupun program. GGGI berkomitmen akan mengalokasikan pendanaan yang lebih fleksibel untuk program di Indonesia untuk periode mendatang. Sementara Pihak Delri menyampaikan agar GGGI dapat memainkan perannya dalam *leveraging* kerja sama pembangunan untuk membuka kesempatan pembiayaan pembangunan yang lebih luas melalui pelibatan pihak swasta.
 5. Berdasarkan rangkaian pertemuan selama 4 hari di Addis Ababa, terdapat beberapa hal yang harus dipersiapkan Kementerian PPN/Bappenas ke depannya sebagai berikut:
 - a) Melakukan revaluasi kerjasama Pemerintah RI dengan GGGI sebagai dasar dalam menentukan berlanjut atau tidaknya kontribusi finansial RI;
 - b) Mendorong percepatan proses penyelesaian HCA, termasuk ratifikasinya;
 - c) Merevisi dokumen revisi *Reformed Work Program and Budget* yang akan disampaikan Sekretariat dan menyampaikan persetujuan secara tertulis paling lambat sebelum pertemuan MPSC pada bulan April 2018;
 - d) Menyampaikan pencalonan untuk anggota *Council GGGI* dari *Expert and Non-State Actors* dari Indonesia selambat-lambatnya pada akhir Desember 2017;
 - e) Konsolidasi pelaksanaan program *green growth* di Indonesia, terutama untuk memfokuskan kegiatan sesuai dengan *Country Planning Framework 2016-2020* dan *Green Growth Phase II Program Document*; dan
 - f) Mempersiapkan partisipasi Delri dalam pertemuan *the 7th Session of the Assembly and The 11th Session of the Council* pada bulan Oktober 2018 di Seoul, Korea Selatan.

Selanjutnya, bilamana Bapak Deputi berkenan, bersama ini terlampir disampaikan konsep nota dinas bersama dari Bapak Deputi kepada Bapak Menteri Perencanaan Pembangunan Nasional/Kepala Bappenas melaporkan beberapa poin penting pertemuan tersebut beserta laporan lengkap pertemuan GGGW 2017.

Demikian kami sampaikan, mohon kiranya arahan dari Bapak Deputi lebih lanjut. Atas perhatian Bapak Deputi kami ucapkan terima kasih.



Teni Widuriyanti

Tembusan Yth.:

1. Direktur Sumber Daya Energi, Mineral, dan Pertambangan
2. Direktur Pendanaan Luar Negeri Multilateral

**KEMENTERIAN PERENCANAAN PEMBANGUNAN NASIONAL/
BADAN PERENCANAAN PEMBANGUNAN NASIONAL
REPUBLIK INDONESIA**

NOTA DINAS

NOMOR: /D.8.ND/11/2017

NOMOR: /D.3.ND/11/2017

Kepada Yth. : Bapak Menteri Perencanaan Pembangunan Nasional/Kepala Bappenas
Dari : 1. Deputi Bidang Pendanaan Pembangunan
2. Deputi Bidang Kemaritiman dan Sumber Daya Alam
Hal : Laporan Pelaksanaan Pertemuan *the 6th Session of the Assembly and 10th Session of the Council of GGGI* di Addis Ababa, Ethiopia
Lampiran : -
Tanggal : November 2017


Sehubungan dengan pelaksanaan pertemuan *Global Green Growth Week 2017 (GGGW)* dan *the 6th Session of the Assembly and 10th Session of the Council of Global Green Growth Institute (GGGI)* di Addis Ababa, Ethiopia, pada tanggal 17–20 Oktober 2017 bersama ini dengan hormat kami laporkan kepada Bapak Menteri sebagai berikut:

1. GGGW adalah program *flagship* GGGI yang diselenggarakan setiap tahun dan merupakan pertemuan antar pemangku kepentingan (pemerintah, pihak swasta, dan *civil society*) yang mendiskusikan *platform green growth* untuk mendapatkan solusi yang inovatif untuk mencapai pertumbuhan yang kuat, inklusif, dan berkelanjutan secara global. Dalam pertemuan GGGW 2017 terdapat berbagai sesi yang mendiskusikan kebijakan dan pembiayaan untuk pertumbuhan hijau serta gambaran ke depan mengenai pembangunan hijau.
2. Dalam rangkaian kegiatan GGGW 2017 turut diselenggarakan pertemuan *the 6th Session of the Assembly and 10th Session of the Council of GGGI* yang dihadiri oleh delegasi negara-negara anggota GGGI, dengan 7 (tujuh) agenda utama, yaitu: (1) *Report of the Management and Program Sub-Committee (MPSC)*; (2) *Update on Bankable Projects and National Financing Vehicles*; (3) *Independent Evaluation Report*; (4) *Refreshed Strategic Plan 2015-2020 and Resource Mobilization*; (5) *Reformed Work Program and Budget*; (6) *Approval of the Revised Staff Regulations and Rules*; dan (7) *Effective and Inclusive Governance Organs*.
3. Sebagai salah satu *founding member* dan *contributing member* GGGI, Pemerintah Republik Indonesia (RI) turut berpartisipasi dalam rangkaian kegiatan GGGW dan pertemuan *Joint Session of the Assembly and Council of GGGI*. Dalam kesempatan tersebut Delegasi Pemerintah Republik Indonesia (Delri) diwakili oleh Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan dan Kasubdit Pengembangan dan Konservasi Energi dari Kementerian PPN/Bappenas yang merupakan *focal point* kerja sama Pemerintah RI dan GGGI. Selain itu, anggota Delri juga terlibat pada dua sesi GGGW yaitu Sesi *Green Climate Fund* oleh Kepala Subbidang Pendanaan Pembiayaan Perubahan Iklim Lainnya Kementerian Keuangan dan Sesi *Green Growth Index* oleh Kepala Seksi Statistik Lingkungan Badan Pusat Statistik. Beberapa hal pokok yang disampaikan Delri pada *Joint Session Assembly and Council* adalah sebagai berikut:

- a) Pentingnya untuk merujuk pada prioritas nasional dan konteks lokal masing-masing negara dalam menyusun program dan kegiatan kerja sama dengan GGGI untuk meningkatkan efektivitas dan kepemilikan (*ownership*) terhadap program, kegiatan, dan termasuk *earmark funding* dari negara donor, seperti Norwegia.
 - b) Mewujudkan kegiatan konkrit GGGI dalam bentuk *bankable project* dan *national financing vehicles* yang berwawasan hijau di Indonesia. Saat ini terdapat 24 proyek yang difasilitasi GGGI, dan 10 diantaranya dalam proses mendapatkan pembiayaan pihak swasta, serta 2 diantaranya berada di Indonesia. Proyek pertama adalah ***Island Solutions for Indonesia*** yang mengembangkan model bisnis komersial senilai 15 juta USD untuk pulau terpencil di NTT. GGGI telah melaksanakan penilaian teknis dan finansial secara mendetail, *project structuring*, dan mendukung penyiapan regulasi yang diperlukan dalam rangka investasi swasta pada proyek pembangkit hibrid antara diesel dan *solar photovoltaic (PV)* tersebut. Untuk proyek kedua, ***Indonesia Solar Photovoltaic PV for Special Economic Zones*** di Mandalika, GGGI berkolaborasi dengan PT. SMI dan *Indonesia Tourism Development Corporation* (ITDC) mengembangkan pembangkit tenaga surya berkapasitas awal 10 MW yang nantinya dapat dikembangkan hingga 100 MW. Proyek senilai 12-15 juta USD ini akan menjadikan Mandalika sebagai Kawasan Ekonomi Khusus pertama dengan sumber energi terbarukan.
4. Tim Delri Bappenas berkesempatan melakukan pertemuan bilateral dengan Direktur Jenderal GGGI, Dr. Frank Rijsberman, pada 19 Oktober 2017. Pertemuan ini membahas antara lain: (a) komitmen kontribusi RI yang akan berakhir tahun ini; (b) kemajuan proses penyusunan *Host Country Agreement* (HCA); (c) fokus dan pendekatan pelaksanaan program kerja sama *green growth* di Indonesia; (d) peluang kerja sama antar negara anggota GGGI; (e) rencana *engagement* dengan OECD; dan (f) inisiatif *New Climate Economy* (NCE). Pada pertemuan ini, Dirjen GGGI menekankan pentingnya peran Indonesia di dalam organisasi GGGI baik dalam hal kontribusi maupun program. GGGI berkomitmen akan mengalokasikan pendanaan yang lebih fleksibel untuk program di Indonesia untuk periode mendatang. Sementara Pihak Delri menyampaikan agar GGGI dapat memainkan perannya dalam *leveraging* kerja sama pembangunan untuk membuka kesempatan pembiayaan pembangunan yang lebih luas melalui pelibatan pihak swasta.
 5. Berdasarkan rangkaian pertemuan selama 4 hari di Addis Ababa, terdapat beberapa hal yang harus dipersiapkan Kementerian PPN/Bappenas ke depannya sebagai berikut:
 - a) Melakukan reuiu kerjasama Pemerintah RI dengan GGGI sebagai dasar dalam menentukan berlanjut atau tidaknya kontribusi finansial RI;
 - b) Mendorong percepatan proses penyelesaian HCA, termasuk ratifikasinya;
 - c) Mereviu dokumen revisi *Reformed Work Program and Budget* yang akan disampaikan Sekretariat dan menyampaikan persetujuan secara tertulis paling lambat sebelum pertemuan MPSC pada bulan April 2018;
 - d) Menyampaikan pencalonan untuk anggota *Council GGGI* dari *Expert and Non-State Actors* dari Indonesia selambat-lambatnya pada akhir Desember 2017;
 - e) Konsolidasi pelaksanaan program *green growth* di Indonesia, terutama untuk memfokuskan kegiatan sesuai dengan *Country Planning Framework 2016-2020* dan *Green Growth Phase II Program Document*; dan
 - f) Mempersiapkan partisipasi Delri dalam pertemuan *the 7th Session of the Assembly and The 11th Session of the Council* pada bulan Oktober 2018 di Seoul, Korea Selatan.

Bersama ini terlampir dengan hormat disampaikan kepada Bapak Menteri detail laporan pelaksanaan pertemuan yang dimaksud, mohon kiranya arahan dari Bapak Menteri terhadap beberapa tindak lanjut yang diperlukan di atas.

Demikian disampaikan, atas perhatian Bapak Menteri diucapkan terima kasih.

 Kennedy Simanjutak

Arifin Rudiyanto

Tembusan Yth.:

1. Sdr. Sekretaris Kementerian PPN/ Sekretaris Utama Bappenas
2. Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan
3. Direktur Pendanaan Luar Negeri Multilateral
4. Direktur Sumber Daya Energi, Mineral, dan Pertambangan

Laporan Pelaksanaan Pertemuan the 6th Session of The Assembly and 10th Session of the Council of GGGI di Addis Ababa, Ethiopia, 17-20 Oktober 2017

I. PENDAHULUAN

Sesuai dengan penugasan yang diberikan oleh Bapak Menteri PPN/Kepala Bappenas, Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan dan Kasubdit Pengembangan dan Konservasi Energi telah menghadiri *Global Green Growth Week 2017* (GGGW) yang diselenggarakan pada tanggal 17-20 Oktober 2017 di United Nations Conference Center, Addis Ababa, Ethiopia. Acara ini diselenggarakan oleh GGGI bekerja sama dengan Pemerintah Ethiopia.

GGGW adalah program *flagship* GGGI yang diselenggarakan setiap tahun dan merupakan pertemuan antar pemangku kepentingan (pemerintah, pihak swasta, dan *civil society*) yang mendiskusikan *platform green growth* untuk mendapatkan solusi yang inovatif untuk mencapai pertumbuhan yang kuat, inklusif, dan berkelanjutan secara global. Dalam pertemuan tersebut terdapat berbagai sesi yang mendiskusikan kebijakan dan pembiayaan untuk pertumbuhan hijau serta gambaran ke depan mengenai pembangunan hijau.

Pada rangkaian GGGW tersebut, Delegasi Pemerintah Republik Indonesia (Delri) dari Kementerian PPN/Bappenas diwakili oleh Direktur Perencanaan dan Pengembangan Pendanaan Pembangunan dan Kasubdit Pengembangan dan Konservasi Energi dari Kementerian PPN/Bappenas yang merupakan *focal point* kerja sama Pemerintah RI dan GGGI, turut hadir dalam pertemuan *The 6th Session of The Assembly and 10th Session of the Council of GGGI* dan pertemuan bilateral dengan Direktur Jenderal GGGI, Dr. Frank Rijsberman, pada 19 Oktober 2017. Selain itu, anggota Delri juga menjadi pembicara pada dua sesi GGGW yaitu Sesi *Green Climate Fund* oleh Kepala Subbidang Pendanaan Pembiayaan Perubahan Iklim Lainnya Kementerian Keuangan dan Sesi *Green Growth Index* oleh Kepala Seksi Statistik Lingkungan Badan Pusat Statistik.

II. PELAKSANAAN PERTEMUAN

A. *Joint Session of The Assembly and Council of GGGI*

Pertemuan dipimpin oleh Menteri Lingkungan Hidup, Kehutanan, dan Perubahan Iklim Ethiopia, Dr. Gemedo Dalle, sebagai Pelaksana Tugas *Chair of the Council* dan diikuti delegasi negara-negara anggota GGGI dan *observer* dari negara-negara calon anggota dan organisasi internasional lainnya. Pertemuan memiliki 7 (tujuh) mata agenda utama sebagai berikut: (1) *Report of the Management and Program Sub-Committee (MPSC)*; (2) *Update on Bankable Projects and National Financing Vehicles*; (3) *Independent Evaluation Report*; (4) *Refreshed Strategic Plan 2015-2020 and Resource Mobilization*; (5) *Reformed Work Program and Budget*; (6) *Approval of the Revised Staff Regulations and Rules*; dan (7) *Effective and Inclusive Governance Organs*. Agenda 5, 6, dan 7 dibahas terbatas hanya untuk negara-negara anggota. Beberapa hal pokok dalam pertemuan tersebut adalah sebagai berikut:

1. Pertemuan diawali dengan **Laporan Kemajuan yang disampaikan oleh Direktur Jenderal GGGI, Dr. Frank Rijsberman**. Dalam setahun terakhir, GGGI telah membantu 10 negara mitra dalam menyusun 14 kebijakan, peta jalan, dan strategi sektoral. Selain itu, GGGI juga telah membantu mengembangkan beberapa *bankable projects*, termasuk di Indonesia. Dilaporkan pula mengenai perkembangan ekspansi keanggotaan terutama untuk negara-negara berkembang dan *least developed countries* (LDCs). Terkait dengan laporan ini, kami menyampaikan pentingnya untuk merujuk pada prioritas nasional dan konteks lokal masing-

masing negara dalam menyusun program dan kegiatan kerja sama dengan GGGI untuk meningkatkan efektivitas dan kepemilikan (*ownership*) terhadap program dan kegiatan tersebut. Selain itu, kami menekankan pentingnya GGGI untuk dapat mewujudkan kegiatan yang konkrit dalam bentuk *bankable project* yang berwawasan hijau di Indonesia. Kami sampaikan pula bahwa saat ini Pemerintah RI sedang dalam proses penyelesaian kontribusi tahun ketiga, sesuai dengan komitmen yang telah diberikan sebelumnya (2015-2017).

2. Pada agenda pembahasan ***Report of the Management and Program Sub-Committee***, peserta pertemuan menyetujui usulan pengembangan sistem pelaporan "*traffic light*" terhadap kemajuan penyiapan proyek-proyek yang *bankable* oleh GGGI. Topik lain yang menjadi pokok pembahasan adalah kemitraan dengan sektor swasta. Hal ini sesuai dengan salah satu prinsip dalam *Sustainable Development Goals* (SDGs) yang memandatkan keterlibatan sektor swasta dalam pelaksanaan maupun pembiayaan (*financing*) kegiatan.
3. Agenda ***Update on Bankable Projects and National Financing Vehicles*** membahas kemajuan dan refleksi dalam mempromosikan investasi dan pembiayaan hijau (*green financing*). Saat ini ada 24 proyek yang tengah difasilitasi oleh GGGI, 10 diantaranya dalam proses untuk mendapatkan pembiayaan pihak swasta dan 2 diantaranya ada di Indonesia, yaitu ***Island Solutions for Indonesia*** (pengembangan pembangkit hibrid antara diesel dan *solar photovoltaic (PV)* di pulau terpencil di NTT) dan ***Indonesia Solar PV for Special Economic Zones in Mandalika***. Secara umum, berdasarkan pengalaman GGGI dalam dua tahun terakhir mengembangkan proyek-proyek ini ada beberapa hal yang perlu diperhatikan, diantaranya:
 - a. Tidak semua proyek merupakan *bankable project* dan tidak ada satu tahapan yang berlaku untuk membuat semua proyek menjadi *bankable*;
 - b. Masih diperlukannya struktur pembiayaan yang mengkombinasikan pembiayaan publik dan swasta, terutama untuk proyek-proyek yang memerlukan pendanaan publik untuk menurunkan level risiko investasi hingga ke level yang dapat diterima investor; dan
 - c. Diperlukannya lebih banyak kegiatan yang difokuskan pada instrumen kebijakan terkait dengan efektivitas fasilitasi dalam membuat *bankable projects*.
4. Agenda ***Independent Evaluation Report*** mendiskusikan hasil dan rekomendasi dari evaluasi independen yang telah dilakukan terhadap organisasi GGGI pada aspek Kinerja Program, Pengembangan Institusional, dan Rencana Strategis. Beberapa rekomendasi yang penting diantaranya adalah:
 - a. GGGI harus mencari terobosan untuk mendapatkan pengakuan (*recognition*) yang lebih baik dalam kontribusinya terhadap pengembangan *green growth*;
 - b. Upaya ekspansi keanggotaan dan program harus berdasarkan keseimbangan rasional antara sumberdaya yang tersedia, kontribusi negara-negara anggota, dan kegiatan yang akan dilaksanakan; dan
 - c. GGGI harus bermitra dengan organisasi lain yang mengakui nilai tambah dan keunggulan komparatifnya.

Delegasi negara-negara anggota mengapresiasi upaya evaluasi ini dan meminta Sekretariat untuk menindaklanjuti rekomendasi-rekomendasi yang dihasilkan. Secara khusus, kami menyampaikan perlunya GGGI untuk mulai membangun visi dan rencana strategis jangka panjang, mengembangkan model bisnis yang berkelanjutan, dengan mengantisipasi perkembangan negara-negara anggota terkait isu-isu politik dalam negeri negara-negara anggota.

5. Agenda ***Refreshed Strategic Plan 2015-2020*** menyoroti strategi yang diusulkan untuk menetapkan *outcome* strategis yang baru dan lebih tajam serta relevan dengan program *green growth* di negara-negara anggota dan mitra. Selain itu, di dalam rencana strategis tersebut juga didefinisikan *core values* organisasi GGGI dan upaya untuk menstabilkan 'ukuran' organisasi, program, dan kegiatannya. Hal ini terkait dengan subagenda ***Resource Mobilization*** yang menegaskan strategi sumber pendanaan dan skenario pembiayaan. Sesuai *Establishment Agreement of GGGI*, negara anggota diharapkan mendukung GGGI dan stabilitas finansialnya melalui kontribusi sukarela tahunan sebagai *core funding*. Saat ini, 8 negara anggota, termasuk Indonesia, telah berkontribusi untuk pendanaan organisasi dengan hanya satu kontribusi yang merupakan *earmark funding*. Skenario pembiayaan jangka menengah disusun berdasarkan 3 skenario yaitu sesuai target di dalam *Refreshed Strategic Plan 2015-2020* (pertumbuhan tinggi), pertumbuhan rendah, dan pertumbuhan menengah. Untuk agenda ini, anggota *Council of GGGI* menyatakan persetujuannya dengan catatan perlu ditingkatnya komunikasi antara Sekretariat dengan negara anggota dalam pelaksanaan program sehingga sumberdaya non-finansial yang dimiliki oleh negara-negara anggota, antara lain pengalaman dan keahlian, dapat diberdayakan secara optimal untuk mendukung pelaksanaan program-program tersebut.
6. Agenda ***Reformed Work Program and Budget*** membahas 4 area reformasi program dan anggaran yaitu: (1) Pendekatan dalam mengalokasikan anggaran program; (2) Standar kualitas dan proses persetujuan program baru; (3) Alokasi internal dan manajemen pegawai; dan (4) Transparansi dan akuntabilitas pada penyusunan program dan kegiatan. Terhadap usulan ini terdapat banyak masukan dari anggota *Council* diantaranya adalah: (1) agenda reformasi yang disampaikan terlalu teoretis dan sulit dipahami di tataran praktisnya; (2) harus ada sistem transisi khusus dalam masa peralihan dari sistem penganggaran yang lama ke sistem baru; (3) perlu dialokasikan waktu yang cukup untuk *country team* dan *focal point* di masing-masing negara program untuk menyusun dan mengusulkan *resource envelope*; dan (4) tetap diperlukannya prioritas terhadap *programmatic funding* berdasarkan *Country Planning Framework* yang telah disepakati. Persetujuan untuk agenda ini ditunda. Revisi dokumen berdasarkan masukan anggota *Council* akan disampaikan melalui surat elektronik dan persetujuan disampaikan secara tertulis paling lambat sebelum pertemuan MPSC pada bulan April 2018.
7. Pada ***Approval of the Revised Staff Regulations and Rules*** disampaikan beberapa perubahan utama pada *Staff Regulation* yaitu definisi '*staff*' diperluas untuk juga mencakup pegawai yang dikontrak melalui UNOPS (*United Nations Office for Project Services*), beberapa definisi dan detail *expatriate allowances* dan *other benefits* dipindahkan ke *Staff Rules*, dan beberapa perubahan di bagian *Salaries and Allowances* untuk menyesuaikan dengan *host country agreement* (HCA). Revisi *Staff Regulation and Rules* ini disetujui oleh negara-negara anggota.
8. Pada agenda ***Effective and Inclusive Governance Organs***, peserta pertemuan menyetujui pencalonan Norwegia dan Inggris untuk menjadi anggota *Council GGGI* periode 2018-2019 mewakili *contributing member* menggantikan Denmark dan Norway yang berakhir keanggotaannya pada tahun 2017. Selain itu, *acting Chair of GGGI* juga mengundang negara-negara anggota untuk mengusulkan anggota *Council* dari *Expert and Non-State Actor* yang saat ini dua dari lima posisi keanggotaannya masih kosong. Usulan tersebut disampaikan paling lambat akhir tahun 2017 ini untuk kemudian ditindaklanjuti oleh Sekretariat. Dengan demikian anggota *Council GGGI* saat ini adalah Australia, Indonesia, Norwegia, UAE, dan Inggris mewakili *Contributing Members*; Costa Rica, Ethiopia, Jordan, Senegal, dan Rwanda mewakili *Participating Members*; Mr. Mark Watts (*C40 Cities Climate Leadership Group*), Dr. Hoesung Lee (*Intergovernmental Panel on Climate Change/IPCC*), dan Ms. Inger Andersen (*International*

Union for the Conservation of Nature) mewakili *Non-State Actors*; Republik Korea sebagai *Host Country*; dan Dr. Frank Rijsberman sebagai Direktur Jenderal (tanpa hak voting). Pada agenda ini juga disepakati jadwal sementara pelaksanaan *The 7th Session of the Assembly and The 11th Session of the Council* pada bulan Oktober 2018 di Seoul, Korea Selatan.

B. Pertemuan Bilateral dengan Direktur Jenderal GGGI

Pertemuan bilateral antara Kementerian PPN/Bappenas sebagai *focal point* dengan Direktur Jenderal GGGI dilaksanakan pada hari Kamis, 19 Oktober 2017. Pertemuan ini membahas komitmen kontribusi RI yang akan berakhir tahun ini, kemajuan proses penyusunan *Host Country Agreement* (HCA) serta langkah-langkah tindak lanjut yang perlu dilakukan, fokus dan pendekatan pelaksanaan program kerja sama *green growth* di Indonesia, peluang kerja sama antar negara anggota GGGI, dan rencana *engagement* dengan OECD dan inisiatif *New Climate Economy* (NCE).

1. Pada pertemuan ini, Dirjen GGGI menekankan pentingnya peran Indonesia di dalam organisasi GGGI baik dalam hal kontribusi maupun program. GGGI berkomitmen akan mengalokasikan pendanaan yang lebih fleksibel untuk program di Indonesia untuk periode mendatang. Dengan demikian, GGGI mengharapkan keberlanjutan kerja sama dengan Pemerintah RI baik dalam program pembangunan hijau maupun kontribusi finansial.
2. Pihak Kementerian PPN/Bappenas menekankan pentingnya bagi GGGI untuk fokus pada sektor atau kegiatan tertentu sehingga dalam waktu dekat dapat menunjukkan manfaat dan nilai tambah yang lebih konkrit. Hal ini penting sebagai masukan bagi Pemerintah RI dalam mereview pelaksanaan kerja sama dengan GGGI. Disampaikan pula pentingnya pelibatan kementerian/lembaga secara aktif untuk meningkatkan *ownership* terhadap program kerja sama serta harapan agar GGGI dapat memainkan perannya dalam *leveraging* kerja sama pembangunan untuk membuka kesempatan pembiayaan pembangunan yang lebih luas melalui pelibatan pihak swasta. Hal lain yang harus tetap dilanjutkan adalah peningkatan kapasitas bagi pemerintah dalam melakukan pembangunan berwawasan hijau.

III. PENUTUP DAN TINDAK LANJUT

Berdasarkan hasil pertemuan ini, terdapat beberapa hal yang harus dipersiapkan sebagai tindak lanjut sebagai berikut:

1. Kementerian PPN/Bappenas sebagai *focal point* perlu segera melakukan reviu terhadap kerja sama dengan GGGI sebagai dasar dalam menentukan berlanjut atau tidaknya kontribusi finansial RI kepada GGGI;
2. Mengakselerasi proses penyelesaian HCA, termasuk ratifikasinya;
3. Mereviu dokumen revisi *Reformed Work Program and Budget* yang akan disampaikan Sekretariat dan menyampaikan persetujuan secara tertulis paling lambat sebelum pertemuan MPSC pada bulan April 2018;
4. Menyampaikan pencalonan untuk anggota *Council GGGI* dari *Expert and Non-State Actors* dari Indonesia selambat-lambatnya pada akhir Desember 2017;
5. Melakukan konsolidasi pelaksanaan program *green growth* di Indonesia, terutama untuk memfokuskan kegiatan sesuai dengan *Country Planning Framework 2016-2020* dan *Green Growth Phase II Program Document*; dan
6. Jadwal sementara pelaksanaan *The 7th Session of the Assembly and The 11th Session of the Council* adalah pada bulan Oktober 2018 di Seoul, Korea Selatan.

