KEHATI experience;
Public Private Partnership 2030

ASEF - Hanoi, Vietnam
6 - 7 Sept 2017

By: M.S. Sembiring
Executive Director
KEHATI involvements in Sustainable Development Goals:

17.17
Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
KEHATI was established in 1994 as a non for profit organization grant-making, and expanding its role into a “Conservation Trust Fund” based on its Strategic Planning 2013-2017.
Public Private Partnerships / SDG goal 17

Endowment Fund:
USD 16.5 Mio

Bilateral Donor Agencies:
USAID, AusAID, DfID, CIDA, JICA, DoI, MCA-Indonesia, and many more.

Multilateral Donor Agencies:
UNEP, UNDP, World Bank, Partnership for Governance Reform, and many more.

Debt- for Nature Swap (DNS):
Gol & USG

Crowd Fund, Cause-related marketing:
Alfa Mart

Private Sector:
Garuda Indonesia, Pembangunan Jaya Ancol, Unilever Indonesia, Bank CIMB Niaga, Bank Danamon Indonesia, Bank Rakyat Indonesia, Bank Negara Indonesia, Bank Mandiri, Indonesia Exim Bank, Bahana Pembinaan Usaha Indonesia, Bahana TCW Investment Management, Indo Premier Investment Management, Bursa Efek Indonesia, Kustodian Sentral Efek Indonesia, Grahaniaga Tatautama, Styrindo Mono, 24 Jam Online, The Body Shop, Chevron Geothermal Salak Ltd, Alexandre Christie International Pte, Chandra Asri, Selling Agent ORI010, and many more.

Bird Head’s Seascape (BHS) Program – West Papua

Philanthropic & Private Institution
Where does KEHATI work?
Indonesia as a mega-biodiversity country

Tropical area:
- Diversity center of: **17% Birds, 16% Reptiles, 12% Mammals, 10% Flowers**, etc
- Native fruits of: Mangosteen (*Manggis*), King of Fruit (*Durian*), Ambarella (*Kedondong*), Water guava, etc
- Endemic center of: Komodo Dragon, Sumatran Tigers, Orangutans, Javan and Sumatran Rhinos “*Harapan from Cincinnati Zoo*”, Sumatran Elephant, Anoa, Bird of Paradise, Maleo, Bali Starling/Mynah, Rafflesia, Orchids, Asian Bonytounge (*Arwana*), Featherbacks (*Belida*), etc

Source: [https://ajimachmudi.wordpress.com/fauna-dan-flora-Indonesia]
Partnerships Programmes

1150
Programmes in all over Indonesia

>1000
Grantees

20+4
years as Grant Making Institution for conservation

Managed
>160 Million Dollar
Public – Private Partnerships (PPP)

Together with local community, KEHATI is actively reduce the threat of Indonesian biodiversity loss

KEHATI

GOVERNMENT
Central and Local Government, Research Institution, etc.

PRIVATE & BUSINESS SECTORS
Investors, Private Sectors, State-Owned Enterprise, etc.

COMMUNITY
Non-Government Organisation, Academition, Cultural Organisation, Mass Media, Indigenous People, etc.
Some interesting samples:
1. Mangrove restoration; support from MoF & selling agents of Indonesian Government Bonds ORI010
2. Sorghum plantation in East Nusa Tenggara
3. Coffee plantation in Tanggamus, Lampung – Sumatera
4. Crowd-funding with retail-store
5. Promoting finance partnerships through stock exchange (SRI-KEHATI stock index)
Mangrove restoration in coastal areas; supports from MoF & selling agents of Indonesian Gov’t Bonds ORI-010
Achievements from Ecological aspects

- Planted > 300k (target 200k) mangrove plants
- Protecting coastal areas from sea-abrasion
- Carbon absorption of 5x than high-areas forests
- Provides suitable environment for marine & coastal biota
Achievement in Sociological Aspects:

- Establishment of national network for villages on Climate Change – Adaptation efforts
- **Supports from local governments (villages up to district level),** in joint-efforts to protect mangrove forests
- Inter-villages cooperation on mangrove restoration; involving 391 men, 419 women, dan 120 students
Achievements in Economical aspects

- **Eco-tourism**: involving local governments
- Fish-pond revitalization using *silvo-fishery* method
- Additional income for fishermen, for example in Brebes, Central Java, local fishermen can now enjoy additional income from shrimp/crabs/shells of avg 2kg/person/day ➔ 50 local fishermen with total additional income of IDR 3 millions /day.
- **Sheep/goat farm** utilizing mangrove leaves
Sorghum @ Flores
# Additional Income for Sorghum farmers @ Flores

<table>
<thead>
<tr>
<th>No.</th>
<th>Remarks</th>
<th>Production rate per h.a. p.a.</th>
<th>Non-milled</th>
<th>milled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Production rate per h.a. p.a.</td>
<td>2.8 ton</td>
<td>IDR 3,108,000,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Plantation area</td>
<td>222 h.a.</td>
<td>IDR</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Price per kg (non-milled)</td>
<td>5,000 IDR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Total value</td>
<td></td>
<td>IDR 7,459,200,000</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>After-milled, shrinkage volume</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Price per kg (milled)</td>
<td>15,000 IDR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Total value</td>
<td></td>
<td>IDR</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>No. of farmers</td>
<td>200 KK</td>
<td>15,540,000</td>
<td>37,296,000</td>
</tr>
<tr>
<td>9</td>
<td>Avg income p.a</td>
<td>IDR 3,108,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Avg income per month</td>
<td>IDR 1,295,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Coffee farmers in Tanggamus, Lampung (Social Forestry scheme)
State income from coffee commodity in Tanggamus, Lampung

27 farmer-groups with main commodity of Robusta coffee, with total area of 43,645.39 ha

Total coffee productions =
43,645.39 ha \times 800 \text{ Kg (avg production p.a.)} = 34,916,312 \text{ Kgs}

Total value =
34,916,312 \text{ kgs} \times \text{ IDR 20,000 (avg price/kg)} = \text{ Rp 698,326,240,000}

State income = 6\%, \text{(PP No.12 Tahun 2014)}
\text{ Rp 698,326,240,000} \times 6\% = \text{ IDR 41,899,574,400}

Farmers’ additional income; IDR 30mio per farmers p.a.
(eqv USD 2,300 per farmers p.a.)

IDR 41,899,574,400 p.a.
(eqv. USD 3,230,769)
 Crowd-funding with retail-store
KEHATI initiative; *PPP through stock exchanges*
Launched by UN Secretary General Ban Ki-moon in 2009, the SSE was named by Forbes magazine as one of the “World’s Best Sustainability Ideas”.

“Stock exchanges and other financial bodies and institutions have a key role to play. Many of you have taken important steps to advance this agenda. I welcome your efforts to incorporate ESG considerations into new stock indexes, listing rules and regulatory frameworks.”

Ban Ki-moon
UN Secretary-General
Sustainable Stock Exchanges Launch, 2009
SDGs: What do they mean for stock exchanges?

Making an Impact
Our evaluation of the SDGs found four relevant goals that stock exchanges are best positioned to support. In addition, there is one underpinning action that will allow exchanges to impact these four areas and other SDGs.

- Gender Equality (Goal 5)
- Sustainability Information (Goal 12)
- Climate Change (Goal 13)
- Global Partnerships (Goal 17)

Underpinning Action: Mobilizing Finance

Goal 12: Sustainability Information

Target 12.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Many stock exchanges are already playing a key role in achieving target 12.6 by providing guidance and training for companies and strengthening listing requirements. By focusing on these actions, exchanges play a vital role in achieving this target and ensuring transparency in their markets.

What you can do to enhance sustainability information:

1. Provide guidance and training for companies on environmental, social and governance (ESG) reporting: The SSE is supporting exchanges in this endeavor through the development of the Model Guidance on Reporting ESG Information to Investors to help exchanges address the growing need for sustainability information.
2. Develop sustainability indices that encourage companies to publicly disclose ESG information by highlighting the highest quality reporters.
3. Update listing requirements to provide a consistent and comparable baseline for sustainability data.
Growth of the PRI Initiative

Assets under management by PRI signatories as at April 2017 stands at **more than $68 trillion**, more than 10 times since the PRI’s launch in 2006.

Source: [http://www.unpri.org/](http://www.unpri.org/)
Since it was launched in Jun 2009, the index gained positive response from the investors as it consistently outperform the market by 10% above the LQ45 Index and JII Index, therefore it proves that investors are willing to pay premium prices to those companies in SRI-KEHATI index which considered as green companies. This year is the 7th Anniversary of SRI-KEHATI Index.
Screening Process of SRI-KEHATI Index (consists of 25 publicly listed companies)

Screening 1
Core Business

Forbidden business:
- Pesticide
- Nuclear
- Weapons
- Tobacco
- Alcohol
- Porn
- Casino/gambling
- Genetically Modified Organism (GMO)
- Coal Mining

Screening 2
Financial Aspects

Financial ratio and market indicators:
- Market Cap min IDR 1 T
- Total Assets min IDR 1 T
- Free Float Ratio >10%
- Positive Price/Earning Ratio

Screening 3
Fundamental Aspects

Company management:
- Environment
- Community involvement
- Corporate Governance
- Business behaviour
- Labour - Human Resources
- Human Rights
More than 500 companies were take part on 3-levels screening process, and as a result 25 companies were then considered eligible to meet SRI-KEHATI index criteria so that they can be used as guidance for investors.

- Pioneer on green index on Indonesia which appears on Indonesia Stock Exchange
- SRI KEHATI index is a form of green investment which beneficial to both of environment and business

**Goal 12: Sustainability Information**

*Target 12.6:* Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

**Goal 17: Global Partnerships**

*Target 17.16:* Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.
Performance Graphs SRI-KEHATI Index vs JCI & LQ45

Updated Jul 21, 2017
## LIST OF CONSTITUENTS OF SRI-KEHATI INDEX

**PERIOD: May – October 2017**

<table>
<thead>
<tr>
<th>No</th>
<th>Code</th>
<th>Company Names</th>
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<tbody>
<tr>
<td>1</td>
<td>AALI</td>
<td>PT Astra Agro Lestari Tbk.</td>
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<tr>
<td>2</td>
<td>ADHI</td>
<td>PT Adhi Karya (Persero) Tbk.</td>
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<td>3</td>
<td>ASII</td>
<td>PT Astra International Tbk.</td>
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<td>4</td>
<td>BBCA</td>
<td>PT Bank Central Asia Tbk.</td>
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<td>BBRI</td>
<td>PT Bank Rakyat Indonesia (Persero) Tbk.</td>
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<td>BDMN</td>
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<td>BMRI</td>
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<td>BSDE</td>
<td>PT Bumi Serpong Damai Tbk.</td>
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<td>GIAA</td>
<td>PT Garuda Indonesia (Persero) Tbk.</td>
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<td>INDF</td>
<td>PT Indofood Sukses Makmur Tbk.</td>
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<td>KLBF</td>
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<td>LSIP</td>
<td>PT PP London Sumatra Indonesia Tbk.</td>
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<td>PGAS</td>
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<td>WTON</td>
<td>PT Wijaya Karya Beton Tbk.</td>
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*Source of Data: Indonesia Stock Exchange*
Thank you

www.kehati.or.id