

Rights, forests and climate briefing series – October 2011

National Update on REDD+ in Indonesia

Indonesia was one of the first developing nations to commit to reducing its greenhouse gas emissions (GHG) by 2020. Three quarters of Indonesia's emissions result from deforestation and land degradation, so meeting this commitment will require major changes in how it manages its forests. Indonesia is developing a national strategy for REDD+ which includes respect for rights of indigenous peoples and local communities including the right to Free, Prior and Informed Consent (FPIC). Implementing commitments on the rights of indigenous peoples, in terms of rights in forestry issues as REDD+ plans are developed and implemented, will be a major challenge as land use planning, forestry licensing and agriculture policies and norms do not currently respect community rights.

Some 40 pilot projects and demonstration activities for REDD+ are under development around the archipelago, but none have completed negotiations with affected indigenous peoples and local communities. Most are still in the early stages of discussion with affected communities on potential benefits and costs, even though permits for REDD+ projects are already being issued by

national and provincial governments.

In 2006, reports by the World Bank and Wetlands International revealed that the destruction of Indonesia's forests and peatlands were causing very high emissions of greenhouse gases, making Indonesia the third largest greenhouse gas emitter in the world, after the USA and China. At first, Indonesian officials denied the reports, but studies carried out over subsequent years confirmed that deforestation and peat soil degradation were releasing about two billion tons of carbon dioxide annually.

Commitments to tackle deforestation

In 2009, the President of Indonesia, Susilo Bambang Yudhoyono (SBY), announced at the G20 Major Economies Summit in Pittsburgh, USA, that by 2020 Indonesia would unilaterally reduce its greenhouse gas emissions by 26% below business-as-usual projections, and by up to 41% with international support. As about 80% of Indonesia's emissions are a result of forestry and agriculture, it is in these sectors that Indonesia is planning to cut emissions in order to achieve its target. In

May 2010, Indonesia signed a Letter of Intent with Norway to undertake measures to reduce its emissions from deforestation and forest degradation. Under the agreement, Norway will provide one billion dollars over five years to assist efforts to this end, including a two-year moratorium on granting new licenses for forest conversion. In May 2011, Indonesian President Susilo Bambang Yudhoyono issued an Instruction requiring a two-year moratorium on the issuing of new licenses for development in primary forests and peat lands. A Presidential Task Force is developing Indonesia's national plan for Reducing



Yayasan Rumpun Bambu staff discuss Ulu Masen with communities, Aceh

Emissions from Deforestation and Degradation (REDD+), and will monitor implementation of the moratorium. REDD+ plans for Indonesia include activities that will maintain and increase carbon stocks, such as low impact logging and tree planting, as well as efforts to reduce deforestation.

Loopholes

Although the Indonesian President has made a clear commitment to reduce greenhouse gas emissions from forestry and land use, the Ministries of Forestry and Agriculture and the industries which they serve have lobbied successfully for the moratorium to be limited to primary forests and peat lands. Existing permits for forest development are not subject to the moratorium. Commentators have noted that in many districts, existing permits for forest conversion already cover almost all remaining primary and peat forests.



YL FRANKY

Village on the Kapuas River, Kalimantan

Free, Prior and Informed Consent

In March 2011, the National Forestry Council, a multi-stakeholder advisory body to the National Ministry of Forestry, released recommendations on Free, Prior and Informed Consent and REDD+. The recommendations were developed over several months, with all the main forestry stakeholders, including indigenous peoples, providing input. Although the Forestry Ministry does not have to follow the Advisory Council's recommendations, pressure and precedents are building which will require REDD+ projects to respect the right of communities to give or withhold their consent to planned REDD+ developments that could potentially affect areas they use and depend upon (see www.redd-indonesia.org/pdf/FPICIndoversi.pdf for the Indonesian language version of the recommendations).

The Presidential Task Force on REDD+ has developed a draft national REDD+ strategy which also includes Free, Prior and Informed Consent as a right of local communities that REDD+ project developers must respect. The mandate

of the Task Force ended in June 2011, and its work will be continued by UKP4, the President's Working Unit for Control and Supervision of Development. The national strategy will be finalised before the end of 2011.

Private sector policies

There are also signs that industry is beginning to support a low carbon development path and to respect community rights, including FPIC. Following a campaign by Greenpeace, in February 2011 Golden Agri Resources (GAR), one of the largest oil palm plantation companies in Indonesia, owned by the conglomerate Sinar Mas, announced that it would no longer convert peat forests and would only establish oil palm plantations on areas which contain less than 35 tons of carbon per hectare. If implemented, the company will limit its plantation establishment to existing agricultural areas, grasslands or severely degraded forests. While it remains to be seen whether the company can abide by its commitment (it made a similar promise in early 2010 which was immediately broken), it is showing the government that companies are willing to give up on expanding the agricultural frontier, and can leave the country's remaining rainforests and peat forests standing.

GAR also restated its commitment to respect the rights of indigenous peoples, and to identify and protect high conservation values (HCVs) before establishing oil palm plantations. These are both requirements of the voluntary international standard for oil palm, the Roundtable on Sustainable Palm Oil (RSPO), of which GAR is a member since April 2011.

Role of International Financing Institutions

Developments by the World Bank are less supportive of community rights. The World Bank's Forest Carbon Partnership Facility (FCPF) has provided an initial grant to Indonesia of about one million dollars. The Bank and the FCPF do not recognise the right of indigenous or local communities to FPIC, but will require projects developed with their support to respect the right of communities to Free, Prior and Informed Consultation, leading to broad community agreement, before projects can go ahead. The Indonesian Government's efforts to consult NGOs and indigenous peoples' groups on its plan to use funding from the FCPF have been hampered by a lack of transparency in the consultation process, and the absence of full, effective and iterative participation.

The World Bank is part of a joint effort with the Asian Development Bank (ADB) and the International Finance Corporation (IFC) to work with the Indonesian Government

to develop a proposal for the Forest Investment Program (FIP). To date, little information has been made available on Indonesia's proposal, although a team of consultants has been hired to develop the plan. The FIP will allow each agency to apply its own standards relevant to indigenous peoples, and considers that the World Bank's commitment to Free, Prior and Informed Consultation is adequate to safeguard community rights.

The degree to which REDD+ planning and development in Indonesia is willing to respect the rights of local communities will potentially have impacts on millions of Indonesia's poorest and most vulnerable people. Indonesia's forests are home to up to 90 million people, most of whom are members of indigenous peoples who continue to practice customary systems of forest management that maintain forests and keep their biodiversity healthy and intact.

Land rights

Some of the most complicated issues that will need to be addressed for REDD+ to be effective involve forest tenure. The forest zone designated by the Ministry of Forestry covers 70% of the land area of Indonesia. Forestry law in Indonesia recognises private forests and state forests, and requires the Forestry Department to establish which forest areas are burdened with rights before determining the boundaries of

the State Forests. In practice, such delineation has almost never happened; the Forestry Department has assumed that all forests are State Forests, and that local communities living in these areas or using the forests are doing so illegally. Permits for industrial logging and plantation development have been handed out over the last three decades and cover tens of millions of hectares of forests. The impacts on local communities directly dependent on forests have often been severe, with loss of livelihoods, further impoverishment and criminal prosecution for the use of customary resources.

Since 1979, the Indonesian government has imposed a system of local government on indigenous peoples and local communities regardless of their own systems of decision-making and local rules and regulations. In many communities, due to decades of State-imposed statutory laws and jurisdictions, the traditional systems of Adat, or custom, have been weakened. FPIC includes the right of communities to choose through which institutions they will discuss and negotiate with outsiders. Evidence from other sectors where the right to FPIC is respected indicates that communities may opt for a hybrid of traditional institutions and representatives and government systems and representatives, which these days are elected by the community rather than appointed.



Rice fields and forests in Central Sulawesi

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In early 2011, the Ministry of Forestry completed research showing that there are more than 25,000 officially recognised villages within the forest zones of Indonesia. The overall population of these villages is probably more than fifty million people. Although it is only a research paper, official acknowledgement that communities live in the forest zone is a step forward for the government. Human rights and community support groups hope to turn this acknowledgement into positive steps to legally recognise the rights of those communities to manage their customary forests. If international donor support and institutions can be made to fully respect human rights both on paper and in practice, Indonesia's commitment to reduce emissions from deforestation may have the potential to lead to greater livelihood security and poverty reduction for tens of millions of Indonesia's rural poor.

Call to close loopholes and enable legal and governance reforms

In the light of government shifts towards rights recognition, Indonesian indigenous peoples are calling on the government to revise its REDD+ plan and the moratorium on new permits for forest development in the following ways:

- There is a need for a new legal framework that would put an end to current forest destruction and degradation while also safeguarding the rights of indigenous peoples and marginalised communities that have been denied access to their land and resources.
- The moratorium should cover all existing natural forest and peatlands in Indonesia, including secondary forests that are especially diverse in species and that often contain vast amounts of carbon. Such forest areas are crucial to local peoples' livelihoods.
- The moratorium should include a review of existing permits to assess their compliance with social and environmental requirements.
- There should be a plan for conflict resolution and the establishment of effective and accessible mechanisms of redress that would help resolve the numerous and protracted land feuds across the country.
- The moratorium should only be lifted gradually, on a case by case basis, according to achievements, rather than a pre-set time frame. The achievements should consist of concrete actions taken to protect forests and secure sustainable and rights-based forest management.
- The moratorium should be based on the achievement of "Social Welfare for All Indonesian People," as mandated by the nation's state ideology, Pancasila (see www.huma.or.id/berita_huma/For%20Indonesia%E2%80%99s%20Forests,%20a%20Broken%20Promise%20Steni.pdf).

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