



# DTE

**Down to Earth  
International Campaign  
for Ecological Justice  
in Indonesia**

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New book from DTE:

**Plantations and poverty:  
notes from a village deep in  
oil palm territory**

Available in English and Indonesian  
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## 100 years of oil palm

*Oil palm development in Indonesia has led to conflict, human rights abuses and the theft of community land; it has sparked massive fires which devastate forests, contribute significantly to climate change and affect human health. Yet the continued international demand for palm oil from the food, cosmetics and now energy industries means that these impacts are likely to persist, as Indonesia pushes ahead with the expansion of oil palm across the archipelago. After a hundred years of the crop in Indonesia, it is clear why this expansion should stop now.*

Indonesia has had oil palm plantations for a century now - since the opening of the first commercial plantations on the east coast of Sumatra (Deli) and Aceh in 1911.<sup>1</sup> Today, Indonesia is the world's largest producer of palm oil, with an oil palm plantation area of 8,036,431 hectares, spread across almost all provinces.<sup>2</sup>

It was in the 1990s that the oil palm boom really got underway, but the ground was prepared in the decade before. During the 1980s, the World Bank and the ADB funded several oil palm plantation projects, coupled with support for the Indonesian government's transmigration programme. Supporting legislation ensured that poor families from Java, Bali and Madura were moved to Kalimantan, Sumatra and other targeted 'outer islands' to open up forest areas and as a cheap source of labour for industrial plantation companies, while financial incentives were offered to oil palm companies.

By the end of the Suharto period in 1998, the total estimated area planted with oil palm plantations had reached 2.5 million ha. The palm oil industry became increasingly dominated by giant conglomerates - some still dominant today. Four Indonesian groups - Astra, Salim, Sinar Mas and Raja Garuda Mas - controlled two-thirds of private estates by 1997.<sup>3</sup>

In the new century the rapid expansion continued at the expense of community livelihoods and forests. Concern over impacts prompted the setting up of the Roundtable on Sustainable Palm Oil (RSPO)<sup>4</sup> and just last year the Indonesian Sustainable Palm Oil (see page 6) but for people living in areas targeted by plantation developers, these initiatives have yet to effect the far-reaching reforms needed to protect rights to land and livelihood.

### Exports and markets

A large part of Indonesia's palm oil production is destined for export. While the value of the exports has fluctuated, the volumes have seen huge increases in recent years.

India (33%), China (13%) and the Netherlands (9%) are the main destinations for Indonesian palm oil.<sup>6</sup> According to data from the World Bank, China and India are estimated to consume about 27% of the 47.26 million tonnes of palm oil globally available in 2009/10.<sup>7</sup>

Among the vegetable oils such as soybean, rapeseed and sunflower oil, palm oil

is currently the most popular. In 2009, palm oil supplied about 32% of the 129.5 million tonnes of vegetable oil demand globally.<sup>8</sup>

The need to reduce reliance on fossil fuels, and rocketing oil prices, are helping to drive the high demand for vegetable oils, in addition to its use in food and cosmetics. Now, vegetable oils as agrofuels feedstock are in demand as a substitute for fossil fuels.

This provides an incentive for Indonesia to maintain its position as the world's largest producer of palm oil, expand its oil palm plantations and guarantee the supply of palm oil to international markets. Of the 10.25 million ha of additional land designated for agrofuel development by 2015, 4 million hectares will be dedicated to oil palm.<sup>9</sup>

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### Oil palm export volume and value 2006 - 2010

Year	Volume (tonnes)	Value(US\$)
2006	1,745,954	4,139,286
2007	15,200,733	9,078,283
2008	18,141,006	4,110,229
2009	21,151,127	1,605,431
2010*	20,615,958	2,626,595

Source: National Statistics Agency.

\* Preliminary figure<sup>5</sup>

### Inside...

#### Oil palm:

Plantations and poverty	4
Agrofuels in Indonesia	5
Indonesian Sustainable Palm Oil	6

#### Climate justice:

RRI Dialogue on Forests, Governance & climate change	7
The local - global (dis)connection	9

#### Papua/ Tangguh:

Holding BP to account	12
DTE activities update	12



Cutting palm fruits, Riau. (DTE)

(continued from page 1)

In addition to the demand for agrofuels, the expansion of oil palm plantations is also being promoted by the Indonesian government as an answer to climate change. The Ministry of Agriculture is planning to expand oil palm plantations on non-forested land by 868,675 ha by the year 2014, as part of climate change mitigation efforts (see table, next page).

## Conflict on oil palm plantations

Indonesia's success story as the world's foremost palm oil producer with large fortunes earned through the sale of palm oil, is not matched by a similar success story for local communities, indigenous peoples and smallholders. Instead, the development and expansion of plantations under the current system has brought impoverishment, human rights abuses, environmental degradation and conflict - especially over land.

The acquisition of public land is typically carried out using one or both of two approaches: persuasion and violence. The first approach sees the company in question try to persuade people to hand over their land. To do this, the company makes promises about increased prosperity through the provision of

(continued next page)

## Plantations and Poverty

Already the world's biggest producer of palm oil, Indonesia is promoting yet more palm oil plantations across almost all regions in the country. Palm oil plantations covered more than 8 million hectares in 2010.

The expansion is being driven by the Indonesian government's push for export revenues and demand for the crop from the international food and cosmetics industries. Palm oil is also in demand in European countries and elsewhere as an alternative to fossil fuels, despite the growing amount of evidence which shows that palm oil is far from green in terms of climate change.

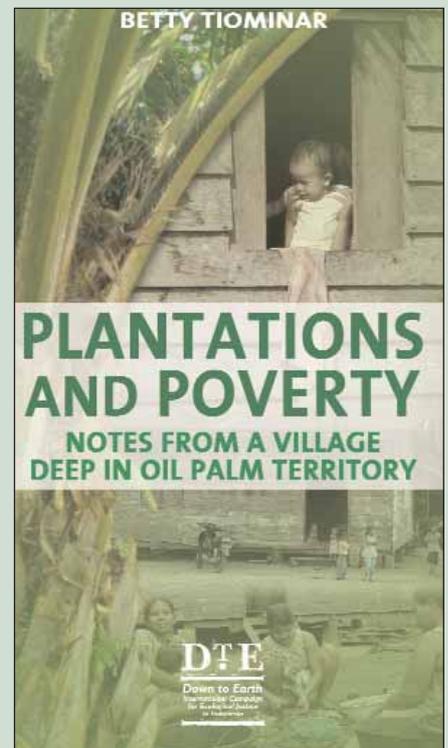
In Indonesia, palm oil is being presented as an answer to poverty and unemployment. However the reality in the field shows otherwise.

Working with local NGO, Elang, Down to Earth visited Paya Rumbai village in Riau province to investigate the life of a village surrounded by palm oil plantations. The result of this investigation is our new report - *Plantations and Poverty: Notes from a Village Deep in Oil Palm Territory* - available in both English and Indonesian.

*Plantations and Poverty* shows how the Paya Rumbai villagers' lives have been hemmed in by the oil palm companies. The prosperity which was promised in exchange for giving up their land has not materialised. Instead the villagers are lucky to get work as day labourers on the plantations. Meanwhile the village's natural resource base is dwindling fast as palm oil plantations take over more and more land and income from logging and fishing declines steeply.

*Plantations and Poverty* adds to the growing store of information about the village-level impacts of the international trade in oil palm. The book reaffirms that oil palm does not solve the problem of poverty and unemployment in Indonesia.

Instead it leads to increased landlessness for poorer villagers and greater inequality between rich and poor; it brings low-paid, insecure jobs with inadequate health and safety provision; it means more pressure on land and on the village's remnant forests, as local people turn to logging to try to make a living. The Paya Rumbai case shows that current plans to convert millions more hectares of Indonesia's forest and farmland into oil palm plantations need an urgent rethink.



The report is available on DTE's website at: <http://www.downtoearth-indonesia.org/story/plantations-and-poverty-notes-village-deep-oil-palm-territory> ♦

jobs for rural communities, about paying a decent wage, turning the farmers into profit-making smallholder participants on company plantations, and about building infrastructure and amenities needed by the village, such as schools, health facilities and roads. Almost all those promises are never fulfilled.

When this approach fails to get communities to agree to give up their land, the company will usually resort to coercion or violence, for example applying pressure through village officials or the police, or employing the services of thugs in order to intimidate the community.

DTE has highlighted many cases of abuse related oil palm development over the past two decades. People have had to flee from their villages to avoid arrest by the police for refusing to hand over their land while others have been tricked into schemes where they are treated little better than slave labourers.<sup>10</sup> A 2007 investigation by the International Crisis Group revealed chronic problems with existing plantations in Boven Digul, Papua over land rights, access to resources and the influx of non-Papuan workers. The same year, the Institute for Papuan Advocacy and Human Rights reported how tension exploded into violent clashes in the same area.<sup>11</sup> In 2010, Sawit Watch recorded more than 663 communities in conflict with more than 172 companies, and 106 arrests as a result of such conflicts.<sup>12</sup>

**Notes**

1. <http://rhephi.wordpress.com/2007/10/28/sejarah-kelapa-sawit/>
2. <http://ditjenbun.deptan.go.id/index.php/component/content/article/36-news/203-ekspor-produk-kelapa-sawit-terus-naik.html>
3. See DTE's 2002 report *Forests, People and Rights* for more background. See DTE 82:9 for more information on Sinar Mas, <http://www.downtoearth-indonesia.org/story/sawit-watch-calls-eu-face-oil-palm-responsibilities>
4. See, for example, DTE 68, February 2006 for background at [www.downtoearth-indonesia.org/old-site/68oil.htm](http://www.downtoearth-indonesia.org/old-site/68oil.htm)
5. <http://ditjenbun.deptan.go.id/index.php/component/content/article/36-news/203-ekspor-produk-kelapa-sawit-terus-naik.html>
6. Bapenas & Direktorat Pangan dan Pertanian. 2010. *Kebijakan dan Strategi dalam Meningkatkan Nilai Tambah dan Daya Saing Kelapa Sawit Indonesia Secara Berkelanjutan dan Berkeadilan*.
7. [http://siteresources.worldbank.org/INTGLBP/PROSPECTS/64218944-1106584665677/22478814/palmoil\\_EN.pdf](http://siteresources.worldbank.org/INTGLBP/PROSPECTS/64218944-1106584665677/22478814/palmoil_EN.pdf)
8. [http://soystats.com/2010/page\\_35.htm](http://soystats.com/2010/page_35.htm)
9. See DTE 76-77: 15, [www.downtoearth-indonesia.org/old-site/76fag.htm](http://www.downtoearth-indonesia.org/old-site/76fag.htm)
10. Mat Cutik from Talang Nangka village, South Sumatra was forced to flee his village because he was leading opposition to oil palm plantations - see DTE 73, <http://downtoearth-indonesia.org/old-site/73op.htm>. This was also experienced by women, see DTE 74, <http://downtoearth-indonesia.org/old-site/74eim.htm>. See also Pak Suroso's story in DTE 87 at <http://www.downtoearth-indonesia.org/story/abuse-workers-human-rights-oil-palm-plantations>.
11. See report in DTE 75:2, [www.downtoearth-indonesia.org/old-site/75afo.htm](http://www.downtoearth-indonesia.org/old-site/75afo.htm)
12. Komnas HAM-Sawit Watch, 2010. *HAM & HGU*

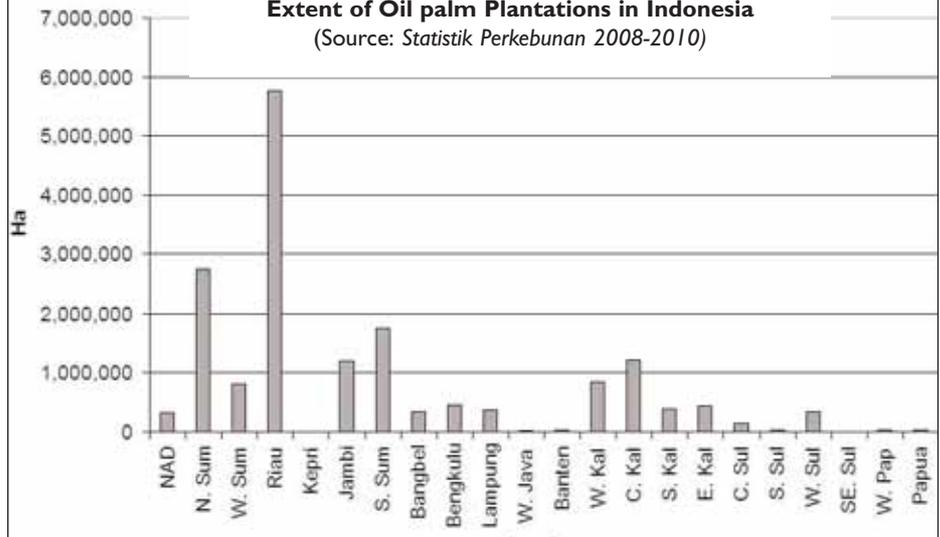
**Increase in oil palm plantation area on non-forested land (APL)**

Region	2010	2011	2012	2013	2014
Sumatra	81,225	45,725	45,725	45,725	45,725
Kalimantan	163,150	69,350	69,350	69,350	69,350
Sulawesi and region	11,650	9,650	9,650	9,650	9,650
Papua and region	32,550	20,300	20,300	20,300	20,300

Source: Roadmap Strategi Pertanian Menghadapi perubahan iklim, 2010

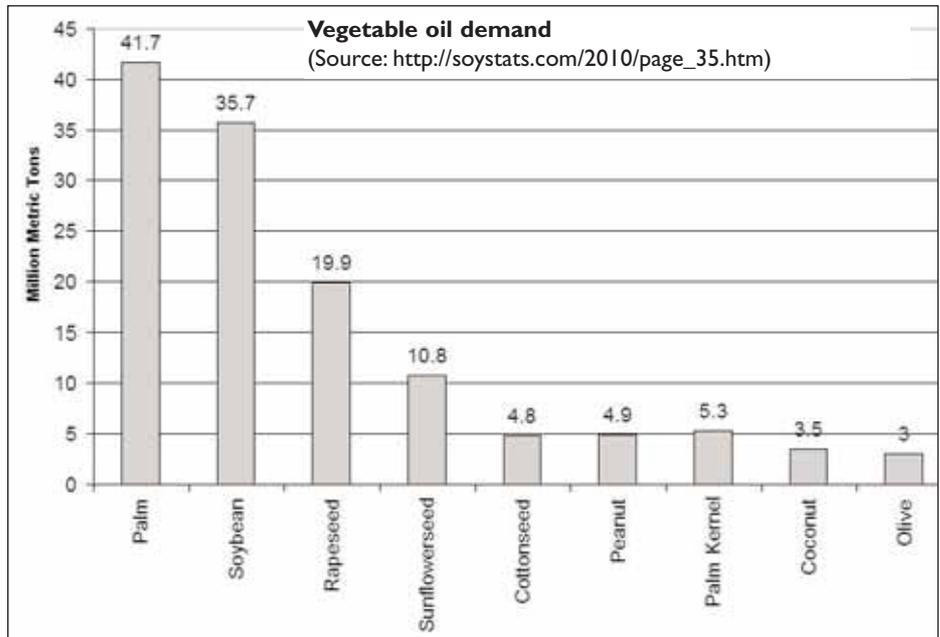
**Extent of Oil palm Plantations in Indonesia**

(Source: Statistik Perkebunan 2008-2010)



**Vegetable oil demand**

(Source: [http://soystats.com/2010/page\\_35.htm](http://soystats.com/2010/page_35.htm))



## Oil palm plantations and deforestation

Last year Indonesia's Forestry Ministry admitted that only 48 million hectares of the country's forests were in good condition, from a total of 130 million hectares classified as forests.<sup>13</sup>

A calculation by Forest Watch Indonesia (FWI) based on satellite imaging, gives the figure for forest cover (primary and secondary) as 87,552,134.49 hectares in 2009 or 31.13 per cent of the country's land area. This is 46% less than in 1950 when 162.29 million hectares covered 84% of the land area.<sup>14</sup>

The first wave of deforestation followed the 1967 forestry law and the awarding of 20-year forest concessions (HPH) to logging companies. From 1969-1974, almost 11 million hectares of HPH concessions were handed out in East Kalimantan alone. The clearing of forests for transmigration sites, the extractive industries, agriculture and, in coastal areas, aquaculture, also took a heavy toll on the forests.

Then came oil palm. Estimates of forests cleared for oil palm plantations vary but there is no doubt that this crop, along with pulpwood, has been responsible for a large portion of deforestation over the past two decades. As oil palm plantations were expanded even further, from around 3 million ha at the turn of the century to the extent they cover today (over 8 million hectares) companies cleared more forests and took over land belonging to indigenous peoples and local communities.

In 2006, research by the Indonesia Forest Climate Alliance (IFCA) and Forestry Ministry estimated that 70% of the 6 million hectares of oil palm plantations at the time had been developed by clearing forests.<sup>15</sup> Independent research by Sawit Watch and FPP in 2006 put the figure much higher: 18 million hectares cleared for oil palm plantations - though only a third of this amount had actually been planted.<sup>16</sup>

Plantation developers were also largely behind the catastrophic forest fires of 1997/8. Burning was seen as the cheapest option to clear forested land to establish large scale plantations. Of the 176 companies accused of burning to clear land at the time, 133 were plantation companies.<sup>17</sup> Almost 4 million ha of agricultural land, over 3 million ha of lowland forest and 1.5 million hectares of peat and swamp forest were burnt in 1997/98. An estimated 75 million people were affected by smoke, haze, and the fires themselves. The economic costs were estimated to be between US\$4.5 billion and US\$10 billion.<sup>18</sup>

The expansion of oil palm is set to continue. According to Sawit Watch and FPP, already in 2006, regional governments were targeting a further 20 million hectares by 2020.<sup>19</sup>

Large tracts of forests and peatlands are targeted for development in plans for Papua, Riau, Kalimantan, Aceh and other regions. One mega-plantation scheme planned for the Indonesia-Malaysia border area in East and West Kalimantan covered 1.8 million hectares of land, much of it forests. Oil palm plantation plans targeted 3.5 million hectares in total in the province.<sup>20</sup>

Central Kalimantan has also seen its share of deforestation for oil palm plantations. A FWI report in 2007 found that of the 2,367,487 ha allocated, more than a third was still forested. Plantations were being opened on peatland here, with 14% of the 3 million hectares of the province's peatland already converted to oil palm.

Papua and Aceh are also targets for further expansion. By 2006 Aceh had over a quarter of a million hectares of the crop and the new provincial government was planning an initial further 185,000 hectares in 17 districts. Meanwhile, the year before, Jakarta had stated that 454,468 hectares was available for new oil palm developments in Aceh.<sup>21</sup> In 2007, targets of between 1 and five million hectares were announced for Papua<sup>22</sup> much of this expected to be in Papua's 9.3 million hectares classified as 'conversion forest'.

### Carbon emissions

On top of the human rights, health, livelihoods and biodiversity impacts, the climate change impacts of oil palm development are enormous, especially as much oil palm development is taking place in carbon-rich peatland areas. Emissions from deforestation of forests and the draining or drying out of peatlands are to a large extent responsible for Indonesia's ranking as one of the top greenhouse gas emitters globally.<sup>23</sup>

The 1997/98 fires alone accounted for more than 700 MT of CO<sub>2</sub> or 40% of the total global emissions from burning fossil fuels that year.<sup>24</sup>

In 2006 IFCA estimated oil palm's emissions from forest clearance between 1982 and 2005 at 2117MtCO<sub>2</sub> (above-ground emissions only), but noted that further emissions had been caused by 'bogus oil palm developments' used to acquire timber clearing permits.<sup>25</sup>

According to research by Patrick Anderson and Torry Kuswardono in 2008, permits have been issued for the conversion of about 4 million hectares of peat forests for oil palm and pulpwood plantations in Riau, Central Kalimantan, Jambi, Papua and West Papua. The consequence of clearing and draining these forests will mean Indonesia's annual CO<sub>2</sub> emissions will increase by another billion tonnes and continue at that level for decades.<sup>26</sup>

### Notes

13. Reuter, 6/Jan/2010, quoting Forestry Minister Zulkifli Hasan, <http://in.reuters.com/article/2010/01/06/idlNIndia-45191820100106>
14. The figures are different according to source and calculation methods. According to the government and World Bank, between 1985 and 1997 Indonesia lost almost 20 million hectares of its forest cover. In 1985, forests covered 119,700,500 ha and in 1997, 100 million ha. Estimates by Forest Watch Indonesia/Global Forests Watch put the figures lower, at 117,191,550 ha in 1985 and at 95,628,800 ha in 1997. In 2003, Forestry Department figures showed forest cover extending over 94 million hectares. Meanwhile, calculations by the Environment Ministry using satellite images from 2004-2006, put forest cover at 83 million hectares, (though the notes say that 33 million ha cannot be identified due to cloud cover). In 2005, the FAO put the figure at 88.5 million ha. For more general background on forests see DTE's 2002 Special Report *Forests, People and Rights* at [www.downtoearth-indonesia.org/old-site/srfin.htm](http://www.downtoearth-indonesia.org/old-site/srfin.htm)
15. Indonesia Forest Climate Alliance & Ministry of Forestry, REDDI: *Redd Methodology and Strategies, Summary for Policy Makers*, 2007.
16. *Promised Land*, 2006, Sawit Watch, FPP, HuMa and World Agroforestry Centre, <http://www.forestpeoples.org/sites/fpp/files/publication/2010/08/promisedlandeng.pdf>
17. See DTE 35, 1997, Special Supplement on the Fires.
18. See DTE Special Report, *Forests, People and Rights*, at [www.downtoearth-indonesia.org/old-site/srfl.htm#FF](http://www.downtoearth-indonesia.org/old-site/srfl.htm#FF)
19. *Promised Land*, as above.
20. DTE 66, [www.downtoearth-indonesia.org/old-site/66ind.htm](http://www.downtoearth-indonesia.org/old-site/66ind.htm)
21. DTE 75:8, November 2007 at [www.downtoearth-indonesia.org/old-site/75cac.htm](http://www.downtoearth-indonesia.org/old-site/75cac.htm)
22. DTE 75:1, November 2007 at [www.downtoearth-indonesia.org/old-site/75afo.htm](http://www.downtoearth-indonesia.org/old-site/75afo.htm)
23. Indonesia's emissions are an estimated 3 billion tonnes CO<sub>2</sub>e per year. See, past issues of DTE on this, eg DTE 84, March 2010 at <http://www.downtoearth-indonesia.org/story/indonesia-packages-tree-plantation-expansion-emissions-reduction-strategy>
24. See DTE 71:7 and 71:16.
25. Indonesia Forest Climate Alliance & Ministry of Forestry, REDDI: *Redd Methodology and Strategies, Summary for Policy Makers*, 2007.
26. Patrick Anderson and Torry Kuswardono, *Report to the Rainforest Foundation Norway on REDD in Indonesia*, September 2008. ♦



## Agrofuels in Indonesia

As a country rich in natural resources, Indonesia has many sources of renewable energy. According to government policy, these include geothermal energy, agrofuels, hydro, solar and wind energy, biomass, biogas, tidal energy and energy from differences in sea temperatures.<sup>1</sup>

New and renewable energy will play an important role as part of the efforts to optimise energy management set out in Indonesia's Energy Blueprint for 2006-2025. From 6.2% of overall energy consumption in 2005, new and renewable energy is expected to increase to 17% by 2025. Agrofuels and geothermal energy will each contribute five per cent by that year.<sup>2</sup>

Types of agrofuel to be developed further include biodiesel, bioethanol and biooil (biokerosene or Pure Plant Oil/PPO for electricity generation). The target for agrofuels use is 22.26 million KL by 2025.<sup>3</sup>

To support increased agrofuel production, the Indonesian government has issued regulations, tax incentives, subsidies and has introduced a phased obligation on the minimum utilisation of agrofuels. The regulation which phases in agrofuels use, starting January 2009, foresees a mandatory minimum usage of agrofuels in the transport, industry and commercial sectors, as well as in the power generation sector by 2025.<sup>4</sup> For example, the proportion of biodiesel to be used in transport fuel is due to increase from 1% in 2009 to 20% by 2025.

In addition to the existing provision of land for palm and sugar cane plantations, the government has allocated a further area of 10,250,000 ha for the development of jatropha and cassava, as well as more land for oil palm and sugar cane plantations (see table).

However, the programme for the use of agrofuels is not going according to plan. Of the 22 existing biofuel producers, only five companies are still operational: PT Indo Biofuels, PT Eterindo Wahanatama Tbk, PT Multikimia Intipelangi, Wilmar Vegetable, and PT Darmex Biofuels.<sup>5</sup> High prices for feedstock and a low uptake of agrofuels locally mean that targets for agrofuel usage cannot be reached.

### Notes:

1. Presidential Regulation No. 5/2006 on the National Energy Policy
2. *Cetak Biru Pengembangan Energi Nasional 2006 - 2025*.
3. ARIATI. R. 2008. *National Energy Policy and Recent Development in Indonesia*
4. <http://www.esdm.go.id/berita/migas/40-migas/2083-mandatar-bbn-dorong-peningkatan-permintaan-komoditas-pertanian-.html>
5. *Investor Daily*. 28 Februari 2011. 'Saatnya serius Garap BBN'. See also DTE 76-77:15 for more background.♦

### Planned provision of land for agrofuels

	2006	2007	2008	2009	2010	2011	2013	2015
Available land (000 ha)								
Oil palm	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sugar cane	350	350	350	350	350	350	350	350
Land to be developed (000 ha)								
Oil palm	100	300	600	1,000	1,500	2,000	3,000	4,000
Jarak	4	60	300	900	1,500	2,000	3,000	3,000
Sugar cane	10	30	200	250	750	1,000	1,250	1,750
Cassava	100	100	400	700	1,500	1,500	1,500	1,500

Note: Available land = land already allocation for palm oil (or "planted with palm oil") for agrofuels. Land to be developed = land still requiring allocation (from forests, or other land). Source: *Rencana Pengembangan Bahan Bakar Nabati, 2006*



(continued from page 6)

every year, tending to make things more difficult for producers who are RSPO members;<sup>10</sup>

- ♦ The RSPO is considered to listen to the voice of foreign NGOs more than government and business;
- ♦ There is as yet no clarity about the premium paid on sustainable palm oil, even though the certification and audit costs cost a large amount - USD800-1,000 per hectare.

NGOs are doubtful that the ISPO is anything more than an attempt to permit the oil palm industry in Indonesia to continue business as usual practices while being seen to apply some kind of sustainability criteria.

Greenpeace said the scheme was likely to be a smokescreen to convince buyers that environmental problems are being addressed. Forest campaigner Joko Arief said the process to establish had been non-transparent, with no stakeholder participation.<sup>11</sup> He called for the standard to

be amended to stop the conversion of peatlands and forests into palm oil plantations, and to include meaningful stakeholder participation. The ISPO also has weaker standards than the RSPO which requires the recognition of customary rights and for communities to give or withhold their Free, Prior and Informed Consent to operations planned on their lands, according to the Forest Peoples Programme.<sup>12</sup>

### Notes

1. *Mongabay.com*, 10/Nov/10, 'Indonesia to launch rival palm oil certification standard', [http://news.mongabay.com/2010/1110-ispo\\_plam\\_oil.html](http://news.mongabay.com/2010/1110-ispo_plam_oil.html)
2. *Republika* 24/Aug/10. 'Indonesia Sustainable Palm Oil (ISPO)'
3. *Bataviase.co.id*. 7/Feb/11. 'Ujicoba Ispo Maret Mendatang'
4. *Media Tanah Air*. 4/Feb/11. 'Kementan Uji Coba ISPO di 20 Perusahaan'.
5. *Bataviase.co.id*. 7/Feb/11. 'Ujicoba Ispo Maret Mendatang'
6. *Bisnis.com*. 30/Jan/11. 20 'Perusahaan ikut uji coba penerapan ISPO'
7. GAPKI, 17/Aug/10, <http://www.gapki.or.id/news/detail/72>, 'Indonesian Sustainable Palm Oil Standard'
8. *Bisnis Indonesia*. 6/Jan/10. 'Indonesia Tidak Ingin Dipermainkan Pembeli CPO'
9. *Harian Ekonomi Neraca*. 15/Nov/10. 'Menggugat RSPO, Memerdekakan CPO Indonesia'
10. <http://palmoil4nation.com/artikel/datang-ispo-rspo-kemana>
11. *Mongabay.com*, 10/Nov/10, 'Indonesia to launch rival palm oil certification standard', [http://news.mongabay.com/2010/1110-ispo\\_plam\\_oil.html](http://news.mongabay.com/2010/1110-ispo_plam_oil.html)
12. Marcus Colchester, Director, Forest Peoples Programme, pers. comm. 24/Mar/11.
13. *Jumas.com*. 11/Nov/10. 'Perusahaan Pemegang Sertifikat RSPO Diduga Bermasalah'. See also [www.downtoearth-indonesia.org/old-site/80jop.htm](http://www.downtoearth-indonesia.org/old-site/80jop.htm) for more background.♦

# Indonesian Sustainable Palm Oil scheme to speed up palm oil development

*A new certification scheme - Indonesian Sustainable Palm Oil (ISPO) - is being introduced in Indonesia this year. Announced in November last year by Indonesia's Agriculture Minister Suswono, the scheme is being seen as a rival to the Roundtable of Sustainable Palm Oil (RSPO). Indonesia's powerful oil palm industry sees the RSPO as slow, biased towards consumer countries and expensive.*

According to Agriculture Minister Suswono, the new Indonesia Sustainable Palm Oil (ISPO) is designed to make palm oil production sustainable in compliance with Indonesia's laws and regulations.<sup>1</sup> In contrast to the Roundtable on Sustainable Palm Oil (RSPO), which is voluntary, ISPO rules are mandatory.<sup>2</sup>

There are 98 indicators which elaborate seven principles and criteria contained in the ISPO. These seven principles cover 1) the plantation licensing and management system 2) the application of technical guidelines for palm oil cultivation and processing; 3) environmental management and monitoring; 4) responsibility towards workers 5) social and community responsibility; 6) empowering the community economy and 7) sustainable business improvement.<sup>3</sup>

Officially, ISPO is applied from March 2011. Up to now, twenty companies have carried out ISPO certification trials. In March 2012 all oil palm companies, large and small, are obliged to carry out an ISPO audit, with an estimated completion of this process in 2014.<sup>4</sup>

Companies ready to trial the ISPO process include PT Rea Kaltim Plantation, PTPN XIII, PTPN III, PT Padang Halaban (SMART Tbk), PTPN V, PT Sejahtera, PT

Agricinal, PT AM Plantation (Wilmar), PT Sari Adhitya Loka (Asian Agro Lestari) and PT Aek Taurm (Sampoerna).<sup>5</sup> The trial auditors indicated by ISPO are Sucofindo and Mutuagung Lestari.<sup>6</sup>

Indonesia's Oil Palm Association GAPKI says the scheme is intended to "speed up the implementation of sustainable palm oil." An August 2010 GAPKI website post states that more than 12 companies audited by certification bodies appointed by the RSPO have been waiting since 2009 to be approved.<sup>7</sup>

For the Indonesian palm oil industry, including the Indonesian Association of Oil Palm Growers (Apkasindo) and GAPKI, ISPO, a creation of Indonesia's Ministry of Agriculture, is considered more suited to the situation in Indonesia than the RSPO. Among other reasons, the industry believes ISPO will work better for them than the RSPO because:

- ♦ The RSPO is believed to put the interests of consumer countries above those of producer countries like Indonesia and Malaysia;<sup>8</sup>
- ♦ The RSPO is considered a burden on development of the palm oil sector;<sup>9</sup>
- ♦ The RSPO principles and criteria change

*(continued on page 5)*

## The RSPO

The RSPO holds annual meetings to discuss sustainable palm oil. Membership is made up of plantation companies, palm oil processors or traders, palm oil product retailers, environmental and social development NGOs and bankers and investors. There is no government presence.

Since 2006, the RSPO has drawn up 8 principles and 39 criteria for evaluating what is and what isn't sustainable palm oil. These principles and criteria have been followed by 'National Interpretations' which aim to ensure these comply with national legislation in different countries. Indonesia's National Interpretation of RSPO principles and criteria was agreed in November 2007.

There are 14 oil palm companies in Indonesia which have been certified by the RSPO. The majority of these have a poor record in plantation management. The Cargill Group, for example, cleared forest land in West Kalimantan without first getting the required Timber Utilisation Permit (IPK). PT Musim Mas and PT Sukajadi Sawit Mekar are suspected of taking over community-land owned in Central Kalimantan. Wilmar and Musim Mas have cleared ancestral burial grounds in order to build roads.<sup>13</sup>

**Table: Companies certified by the RSPO**

No	Company Name	Processing plants	CPO (crude palm oil)(mt)	PK (palm kernel) (mt)
1	Sime Darby	3	129,756	28,712
2	Wilmar International - PT Mustika Sembuluh, PT Milano	2	108,904	22,902
3	PT Musim Mas	2	152,298	36,416
4	PT PP London Sumatra Indonesia Tbk	4	169,480	30,017
5	SIPEF: HOPL, PT Agromuko*)	6	252,168	38,447
6	Cargill: PT Hindoli, PT Hindoli SS	4	186,892	42,097
7	PT Bakri Sumatera Tbk	1	36,438	7,436
8	PT Agrowiratama	1	46,635	11,635
9	PT Berkas Sawit Sejati	1	54,166	12,584
10	PT Perkebunan Nusantara III	1	37,430	7,546
11	PT Sukajadi Sawit Mekar	1	99,109	22,440
12	PT Inti Indosawit Subur	2	29,577	7,456
13	PT First Mujur Plantation & Industry	1	63,000	15,000
14	PT Sahabat Mewah & Makmur	1	65,518	13,977
	<b>Total</b>	<b>30</b>	<b>1,431,371</b>	<b>296,665</b>

## climate justice

# The Rights and Resources Initiative Dialogue on Forests, Governance and Climate Change

Key areas of debate on COP16 and REDD+

On 8 February 2011, DTE joined 140 participants who gathered in London for the ninth Rights and Resources Initiative (RRI) Dialogue on Forests, Governance and Climate Change.<sup>1</sup> The RRI Dialogues aim to provide a forum for decision makers and civil society organisations to discuss critically the role of forests in the climate change agenda. The event was co-organised by Forests Peoples Programme (FPP), Forest Trends and Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education), and attracted participants from various sectors across the world including civil society organisations, academia, the private sector and government.

The Ninth Dialogue focused in particular on the sixteenth Conference of the Parties (COP 16) to the UN Framework Convention on Climate Change (UNFCCC) that took place in Cancún, Mexico, in late 2010. It aimed to encourage critical reflection on the developments on rights and REDD+ (see box), the role of forest restoration and reforestation for climate mitigation and adaptation, and formulating more coherent safeguards and recourse mechanisms for communities in REDD+ programmes.<sup>2</sup>

The conference was organised into four panel sessions, with discussions focusing on:

- 1 The global implications for forests and people of the Cancún Agreement on Long-term Cooperative Action (see box)
- 2 National- and community level implications of the Cancún Agreement;
- 3 Ensuring that REDD+ complements restoration, poverty alleviation and adaptation;
- 4 Promoting and operationalising safeguards and accountability.

Here we highlight just some of the key themes and contrasting views which emerged during the conference: finance and the roles of markets; governance and funding; safeguards, standards and accountability.<sup>3</sup>

### Funding, finance and the role of markets

The Copenhagen Accord noted "the need for a collective commitment by developed countries to provide resources for REDD 'approaching US\$30 billion' for 2010-2012, and a goal of US\$100 billion annually by

### The Cancun Agreement on Long-term Cooperative Action (LCA)

The LCA (Decision 1/CP.16) was one of the two main outcomes of the Conference of Parties 16 (COP 16) in Cancun, Mexico, 2010 (the other being the Cancun Agreement on Annex I Parties' Further Commitments under the Kyoto Protocol (Decision 1/CMP.6).

The LCA aims to establish a timeline for finalising a new, comprehensive agreement that would include action by ALL parties on all the various aspects of the Bali Action Plan, agreed in 2007.

For more information visit: <http://beta.searca.org/kc3/index.php/k-resources/199-the-cancun-agreements>

### What is the difference between REDD and REDD+?

The key difference between REDD and REDD+ is that REDD+ includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks - with a key aim to support 'pro-poor' development.

REDD+ recognises that "full engagement and respect for the rights of Indigenous Peoples and other forest-dependent communities" is essential for maintaining the resilience of forest ecosystems and consequently, resilience to climate change can be improved. These 'multiple benefits' are a key defining character of REDD + and lie at the core of strategic development and implementation of REDD+ programmes.

For more information visit: <http://www.un-redd.org/AboutREDD/tabid/582/Default.aspx>.

2020".<sup>4</sup> Governments across the world are faced with immense challenges to 'fill the gap' between this total and what they are actually willing to commit to ensure funding is secured and used effectively.

From the government, finance and business sector perspectives the financing gap for REDD+ can and should be filled by the private sector.<sup>5</sup> Public funding should be used to stimulate markets and mobilise private sector investment through initiatives such as London's Capital Markets Climate Initiative<sup>6</sup> (which is initially focusing on projects in sub-Saharan Africa).

Although it considers investment from the private sector an effective way of providing a more sustainable form of funding than government finance, the UK government stressed that the nature and sources of private finance needs to be clarified.

Capacity building and early engagement with the private sector, supported by setting up partnerships between the public and private sector (including civil society organisations such as RRI) were considered vital elements for ensuring buy-in from the private sector.<sup>7</sup> Establishing the correct price for carbon was regarded to be of "critical" importance.<sup>8</sup> Setting government targets will be essential for establishing a valid carbon price and setting up carbon market 'products' such as carbon forest bonds.<sup>9</sup> The improvement of safeguards and standards was considered important for removing market uncertainty.

The UK Government recognised the significant challenges faced by multilateral funds to distribute money in a way that makes a difference on the ground, and concluded that forthcoming technical work on common standards and performance would be welcomed.<sup>10</sup> Equally, clarity regarding 'additionality' (where carbon gains would not have happened without a carbon payment via a specific scheme) is regarded important for ensuring indigenous people benefit from REDD+.<sup>11</sup>

The government welcomed the Green Climate Fund<sup>12</sup> but recognised challenges in establishing how the funding process would be implemented, and in addressing the lack of trust in the market system amongst communities. It was suggested that the creation of REDD+ carbon



markets should follow the establishment of safeguards to avoid the risk that a market mechanism might result in destruction of the social capital and distortion of indigenous peoples' management structure and rights.<sup>13</sup>

## Governance

Governance challenges relating to forest management, REDD+ and the Cancún Agreement were broadly recognised. Understanding the needs and wishes of people on the ground, and establishing appropriate systems and methodologies for doing so emerged as an area which requires significant further work. Participants presented opposing opinions regarding the degree to which challenges of governance are being effectively addressed, and the amount of political will to address the issues.

The UK Government regarded as imperative the need for good governance and regulatory frameworks in developing countries and stated that 'stronger conversations' with forest communities on the ground will be essential. It recognised the need to maintain livelihoods for forest-dwelling communities and develop a clear understanding of forest governance and wider land-use planning issues. It is anticipated this will require government to work closely with forest-dwelling communities through multilateral and bi-lateral programmes to establish stronger relationships, as well as establishing an official review process with key stakeholders and the establishment of sub-national implementation systems. It raised concerns about lack of clarity regarding resource distribution and ownership, and how this poses significant challenges in identifying carbon rights and ownership of carbon.

A representative from the United Nations Development Programme (UNDP) outlined the UNDP's existing work to develop participatory governance assessments and a guidance framework for monitoring REDD+ governance. This work contributes to the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA) to identify drivers of deforestation and degradation.<sup>14</sup>

The degree to which indigenous peoples' rights are being respected was a point of contention throughout the discussions. A World Bank representative argued that many of the REDD+ elements of the Cancún Agreement revolve around indigenous peoples' rights.<sup>15</sup> In contrast, representatives of the civil society movement presented a more critical assessment of a growing gap between the rhetoric and the reality of what is happening on the ground<sup>16</sup> and pointed to a lack of understanding regarding rights at the national level.<sup>17</sup> Indigenous peoples must be recognised as agents of good governance<sup>18</sup> and a clear definition and appreciation of 'participatory governance' is needed.<sup>19</sup>

Some civil society representatives expressed concern that the large amounts of money being invested in REDD will not reach the people who will be directly affected on the ground.<sup>20</sup> It is important that context specific and community-led considerations continue to drive REDD+ and its links with climate change adaptation practices locally. Property rights and women's access to land; reform of forestry systems; and greater clarity on funding mechanisms, including access to funds were regarded as key areas to address if REDD+ and poverty alleviation are to be effectively addressed.<sup>21</sup> The challenge lies in ensuring that national frameworks do not obstruct opportunities for local communities to 'self-manage'.<sup>22</sup> One participant warned government of the risks in outsourcing technical work, including work on emission measuring, reporting and verification of emissions (MRV).<sup>23</sup>

Concerns were raised regarding 'conflicting demands' from governments; indigenous peoples are expected to protect forests and reduce climate change, but also impose massive extractive projects on communities. The inclusion of indigenous people in decision making processes was considered weak amongst some civil society representatives. Even where indigenous delegates participate in negotiations, it is felt that these voices are often not heard.<sup>24</sup> This was compounded by the absence of a reference in the Cancún Agreement to Free, Prior and Informed Consent (FPIC) for indigenous peoples.<sup>25</sup> The power of FPIC to strengthen reference to land tenure was recommended as a point of focus for further international attention.<sup>26</sup>

## Safeguard, standards and accountability

There was general agreement on the need to design and implement effective safeguards and to set appropriate standards for accountability. Overall, representatives from government, private sector and international organisations spoke positively about the potential and recent progress made towards establishing more effective safeguards. Contrasting views emerged from civil society representatives who questioned the ability of the Cancún Agreement, governments and international organisations (such as the World Bank) to ensure accountability in the private sector, and to enforce appropriate standards and safeguards in the interests of indigenous rights and welfare.

The UK government<sup>27</sup> stressed that the clear focus on safeguards was a key, positive outcome of Cancún. To improve accountability, more explicit detail is needed on the motives and intentions of private sector engagement in REDD+ schemes. The government recognised that although setting standards is essential this may have to happen outside the United Nations.

A representative of the financial sector highlighted the importance of encouraging private sector engagement in the design and enforcement of safeguards, development of appropriate standards and addressing accounting.<sup>28</sup>



In contrast, civil society organisations expressed concern regarding the effectiveness of guarantees for indigenous safeguards.<sup>29</sup> Reference was made to a recently published report by FERN and Forest Peoples Programme, *Smoke and Mirrors*,<sup>30</sup> which analyses eight of the Readiness Preparedness Plans (RPPs)<sup>31</sup> submitted to the World Bank's Forest Carbon Partnership Facility (FCPF). The report states that rather than strengthening and implementing the Bank's safeguards, many safeguards are being diluted or obfuscated.<sup>32</sup> Respect for rights to Free, Prior and Informed Consent within the existing (FCPF) policies and World Bank safeguards is regarded by some civil society representatives as inadequate.<sup>33</sup> One participant stated that a lack of respect for the role of indigenous peoples and their rights to territories has led to conflict in several countries such as Peru. Here, indigenous peoples have strongly criticised government plans for REDD because they fail to address land conflicts and outstanding territorial claims.<sup>34</sup> Trust in the effectiveness of safeguards has been further undermined by the absence of FPIC for indigenous peoples in the Cancún Agreement.<sup>35</sup>

To deliver positive outcomes for forests, people and climate change, indigenous participation in the design and implementation of REDD+ initiatives, security of land rights, and courage to address corruption and weak governance in the forest sector are considered essential.<sup>36</sup> Participants warned that failure to do so could increase forest loss and undermine people's tenure rights.<sup>37</sup> Mexico was cited as a 'good practice' example of REDD+ implementation. Mexico's positive reception of REDD+ was attributed to relative security

(continued next page)

# Climate justice: the local - global (dis)connection

*In the last few years, DTE has been working with local communities in Indonesia to follow the international negotiations on climate change. The first year of this programme (2009) was spent following the processes in situ and included facilitating local community representatives' attendance at the inter-sessional UNFCCC meeting in Bangkok, in September-October 2009.<sup>1</sup> In 2010 we focused on sharing these international experiences with communities and regional CSOs in Indonesia.*

The first two opportunities to discuss climate justice concerns with communities were in Aceh. In May 2010, DTE organised a 'training of trainers' workshop on climate change for members of JKMA, Aceh's Indigenous Peoples Network. Pang Yuriun, the then JKMA Coordinator, who came with DTE to Bangkok, felt that climate change is a complex issue that needs to be understood by communities if they want to play a more active role in climate change policy discussions and negotiations. This is particularly relevant for communities in Aceh, since their region has been at the forefront of climate change-initiatives such as REDD.

The training session was attended by 22 JKMA members from all over Aceh and some partner organisations. Both genders were represented equally.

Understandably, REDD was a hot topic during the training session. Picking up on some of the main arguments in the REDD

debate, the majority of participants agreed that despite its promise of contributing to emissions reductions, REDD is an exclusive and top-down initiative. It is almost unheard of by the communities themselves whose livelihoods will be most affected by REDD schemes. The general feeling was that communities have to bear the consequences of living in designated REDD areas with all the accompanying restrictions on access to forest resources, while the 'big players' such as the logging companies that have contributed significantly to the loss of carbon by clearing the forests, get away without any obligation to rectify the damage.

The impact of ecological destruction on local community livelihoods - whether due to climate change, or mal-development, together with the underlying problem of the lack of recognition for people's rights - was a major impetus behind the founding of JKMA. So it is not surprising

that the organisation is expecting to replicate the training among their wider membership.

The next opportunity to disseminate the information further came during the JKMA Congress, in September last year. The importance of natural resources management - and particularly in relation to climate change - was reflected by the fact that it took centre-stage at the Congress. A series of workshops ran back-to-back with the congress, dealing with issues such as Free, Prior and Informed Consent (FPIC), climate change and REDD, on top of other organisational topics. The result was translated into the 2nd paragraph of JKMA's new policy framework:

*"...political education and awareness-raising in natural resources management, particularly on the issue of climate change and related issues.*

*(continued next page)*



*(Continued from previous page)*

of indigenous peoples' property rights and other institutional conditions, all of which contributed to the REDD 'readiness'<sup>38</sup> of the country.<sup>39</sup>

Building the 'social mechanism' within REDD frameworks is essential for encouraging involvement and ownership on the ground.<sup>40</sup> Several participants felt that, when supported by the security of clear property rights, REDD+ presents a good opportunity for communities to build 'social capital' and a solid platform on which to combine and organise policies.<sup>41</sup> This requires recognition of the differing abilities, training and educational level within communities - and respect for existing knowledge and skills. As new forest management systems are being developed in order to deliver the 'multiple benefits' demanded by REDD+, government ministries must ensure that old forest management practices continue to be valued within that process.<sup>42</sup>

The RRI 9th Dialogue conference provided a crucial snapshot of work being done across the world to prepare for REDD+.

It is clear however, that there remains a wide gulf between communities and critical civil society organisations on the one hand, and government and the private sector on the other over funding, FPIC, safeguards and governance. Balancing goals for reducing emissions and forest loss, while respecting human rights, continues to present moral and financial challenges. The conference highlighted that decision-makers must urgently address issues of land tenure and carbon rights, governance and corruption, and ensure adequate safeguards for marginalised stakeholders, in order to avoid the real risk of fuelling and exacerbating conflicts and undermining fundamental REDD+ goals.

For more background on REDD and REDD in Indonesia see *DTE* 84:4, <http://www.downtoearth-indonesia.org/story/indonesia-packages-tree-plantation-expansion-emissions-reduction-strategy>.

#### Notes

1. The RRI is "a strategic coalition of international, regional and community

organizations engaged in development, research and conservation." See <http://www.rightsandresources.org/pages.php?id=92>

2. Rights and Resources Initiative Dialogue Bulletin published by the International Institute for Sustainable Development (IISD) in collaboration with the Rights and Resources Initiative. Online at <http://www.iisd.ca/yimb/rri/dfgcc9/>. Volume 173, number 3, wednesday, 9 February 2011
3. This article is based on notes taken while attending the conference, supported by information from the RRI's Summary Report of the Ninth Rights and Resources Initiative (RRI) Dialogue on Forests, Governance and Climate Change. For a more comprehensive report of the conference and the views of all the participants, visit <http://www.iisd.ca/download/pdf/sd/yimbv01173num3e.pdf>. For 'A Brief History of the RRI Dialogues and UNFCCC in Relation to REDD+' see page one of the report.

The remaining notes for this article are available online at DTE's website: [www.downtoearth-indonesia.org](http://www.downtoearth-indonesia.org)\*

*Tenure and capacity to manage natural resources must be encouraged through various political agendas and other means with the aim of ensuring that the indigenous communities secure recognition for their ownership of the natural resources."*

As in many parts of Indonesia, the experience of the Suharto era, when resources-rich regions were exploited by a few powerful business players holding licenses from Jakarta, still haunts the people of Aceh. Despite the decentralisation of political power from Jakarta to Banda Aceh, the fact that the communities are the last in line to get information, let alone be consulted about such initiatives, shows that in this respect at least, not much has changed.

Although some districts have passed *qanun*<sup>2</sup> (local laws) on the governance

## JKMA Policy Framework

1. Strengthening customary institutions, especially mukim. The Aceh Governance Law explicitly gives room for customary institutions to exist, but the government doesn't fully support mukim as a 'federation' of gampongs. Customary institutions need strengthening to support mukim leadership, to achieve good governance and so that mukim leaders become good facilitators between people and government.
2. Political education and awareness-raising in natural resources management particularly on the issue of climate change and related issues. Tenure and capacity to manage natural resources must be encouraged through various political agendas and other means with the aim of ensuring that the indigenous communities secure recognition for their ownership of the natural resources.
3. Economic development toward indigenous peoples' self-sufficiency. Indigenous communities are disadvantaged under the prevailing free market system. Therefore it is important to prepare indigenous peoples to anticipate tough competition and to avoid the poverty trap.
4. Education and awareness-raising about local knowledge/wisdom. People have been living in harmony with nature in their ecosystems, guided by customary wisdom and local knowledge. Along with the introduction of pro-growth development model has come threats to the customary way of life from outside competition.
5. Institutional strengthening especially for JKMA members.

*(Translated from the original document in Indonesian)*

of mukim<sup>3</sup> customary areas (including the roles and responsibilities of mukim leaders), there is no special *qanun* on REDD.

Another problem is the language that is used in the information available to communities. Many documents exist only in English, which itself defies the intention, if indeed there is any, to disseminate information.

It should be stressed that the people of Aceh, are not against initiatives to tackle climate change. The problems related to climate change and environmental degradation are very real for them, as was evident in the workshop discussions. They face crop failures and reduced harvests due to the changing and unreliable seasons, attributable to climate change.<sup>4</sup>

For indigenous communities in Aceh, the idea of building initiatives upon uncertain ground involving the lack of recognition of their rights to access resources is disturbing. Even without REDD their livelihoods are already threatened by land grabbing.

"...We have been displaced by HTI<sup>5</sup> projects, and had a similar experience when they decided to establish the Leuser protected area.<sup>6</sup> We cannot access our gardens after they were mistakenly claimed as part of the protected area. Now REDD is coming, what is going to happen?..." said one workshop participant.

Upon receiving the demands from the mukim to re-establish mukim rights to manage their resources, the provincial government responded by asking them instead to "...support national projects".

During the workshop, there was also self-criticism by mukim leaders<sup>7</sup> who do not know the history of their territories, which makes it difficult to assert the boundaries of their areas. Traditionally, a mukim leader's role is greater than just administrative responsibility. He also holds moral responsibilities, for example, by ensuring no poverty exists under his administration, by encouraging people to work and by asking the better off to support the less well off.

Confusion over land use and carbon is also prominent. While the Aceh provincial government is offering the region as a designated REDD area, the conversion of forest for oil palm plantations has continued unabated, as in the case of Aceh Jaya district, where oil palm and REDD development is most intensive. One initiative is supposed to mitigate emission while the other releases more carbon into the atmosphere by clearing forests - so where is the carbon saving?

REDD has also prompted questions about regional autonomy - and in Aceh's case, special autonomy, where decision-making about, and benefits from, a region's resources are supposed to be devolved to regional governments. Hundreds of companies have been issued licences by Jakarta for resource

## JKMA

In January 1999, representatives of indigenous peoples from 50 gampong in Aceh agreed to combine efforts to fight for recognition of their rights to resources and their own political systems under the umbrella of JKMA - Aceh's Indigenous Peoples' Network. At that time, the province was called 'Daerah Istimewa Aceh' or the Special Territory of Aceh, a legacy of its support - financially and politically - for the fledgling Indonesian state in the immediate post-independence period of the 1950s.

Aceh is rich in natural resources and generates most of its income from the oil, gas and mining sector, followed by agriculture and fisheries. The region has had a troubled past. For almost 30 years starting in the 1970s, the region was a conflict zone, between an armed independence movement led by the Free Aceh Movement and the Indonesian military. The conflict cost many lives and led to the region being isolated due to its status as a conflict zone. One main spur for the independence movement was the exploitation of Aceh's natural resources by the Jakarta-centred regime. The forced appropriation or grabbing of resources from the local communities was the typical modus operandi of Suharto's regime. This, combined with the new opportunities for civil society to speak out in the period of political reform known as 'reformasi' that followed Suharto's fall from power in 1998, gave impetus to the establishment of JKMA.<sup>8</sup>

projects in Aceh and many of them are now interested in REDD. Yet none has an office in Aceh itself.

The workshops noted the following action points:

- ♦ re-establish mukim rights by recognising indigenous peoples' rights (through regulations that are pro-people and that recognise the diverse purposes of forests under customary forest law).
- ♦ establish clear mukim boundaries (the Aceh government is planning to demarcate mukim boundaries).
- ♦ make information about REDD accessible to the communities, including capacity-building to enable full participation (there was suggestion of reviving the customary role of *panglima hutan* as the guardian of the forest, if indeed the intention is to protect the forest); there is also a need for clarity about the mechanism for compensating forest resources in REDD schemes that may no longer be used by communities;
- ♦ everybody should fulfil their responsibility to tackle climate change.



Climate change and sustainable livelihoods workshop at Lamjabat, Aceh, July

- ♦ ensure transparency at all levels (local, regional, national, international).
- ♦ uphold the principle of justice - industrial countries shouldn't only reap the benefits while taking less responsibility.

## Climate Change and Sustainable Livelihoods

In July 2010 a further opportunity arose for DTE to share experiences of climate justice work with other CSOs in Aceh. This time a 3-day workshop was co-organised with Lamjabat, an environmental organisation located on the outskirts of Banda Aceh. The title, 'Climate Change and Livelihoods' was selected to explore the need to strengthen sustainable livelihoods to respond to the impacts of climate change.

The workshop was well attended by around 30 people, including 5 officials from the local environmental agency and sub-district administration, NGO workers and two NGO activists from Timor Leste (East Timor).

Participants shared their observations that in the last 10 years seasons have become more unpredictable with a higher incidence of turbulent weather, including sudden high winds, and typhoons. In food production, they also noted a higher incidence of crop pests leading to failed harvests, and changes in agricultural cycles and practices due to the changing weather patterns. A greater incidence of health problems was reported, including new kinds of illnesses (eg flu), while people's immune systems are being weakened due to more widespread pollution and contamination. Vector-borne diseases like malaria have become more common along with the temperature increases that provide fertile ground for mosquitoes to breed. Rising

temperatures also contribute to coral bleaching, as observed by Lamjabat staff and their NGOs colleagues working on marine issues. Furthermore, changing wind patterns due to the changing weather are affecting fishing and fisherfolk's livelihoods.

On top of the effects of climate change, natural resources remain under pressure from destructive logging. Aceh's once vast forests continue to attract loggers whose reckless practices are reducing water levels in the region, among other damaging impacts. The local environmental agency has recorded the disappearance of 9 rivers in Aceh within the last decade. Where those rivers used to flow, there are now either houses or roads. More rivers are expected to disappear in the near future according to a government official participating at the workshop. He observed that biodiversity, too, cannot escape the damage and some species have become rare, if not extinct.

## Many ways to respond to climate change

One of the instant effects of climate change is the impact on people's earnings. Disruption to fishing patterns automatically affects the income of fishing communities. Coral bleaching caused by sea warming and other destructive factors means reduced fish stocks too. The question then is, what alternative livelihoods are there for them?

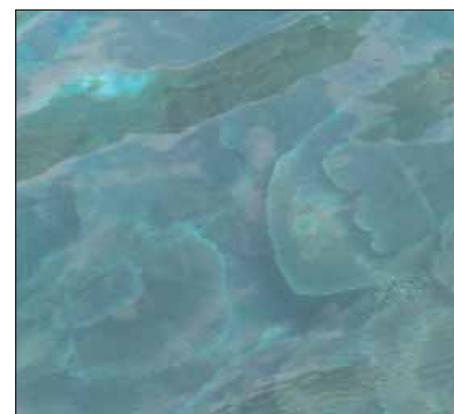
Some of the organisations who participated in the workshop are working with communities to explore potential solutions. One approach to the problem is to mitigate further destruction, for example, by raising awareness through environmental education. Lamjabat, founded by people concerned about marine ecology and the contribution it makes to sustainable livelihoods, is helping to safeguard the nearby

coral reefs which are showing some signs of dying. They have started a campaign to stop the use of explosives to catch fish on the reef practiced by some local fisherfolk, by raising awareness of the importance of coral reefs in sustaining fish stocks. They are also trying to show the link between logging and healthy seawater. Located by the coast and at the foot of a mountain, Lamjabat can easily point to evidence of destructive logging which has triggered erosion, sent soil into the sea and choked the coral. It follows that the work on protecting marine life is closely connected to the work to protect forests.

There was some discussion during the workshop of activities which are exploring alternative or more sustainable resource use, such as encouraging communities to plant 'productive' plants like nutmeg, cocoa, mango and other fruit trees to provide an incentive not to clear the forests. There is also initiative to link micro-credit with replanting programs, where credit will only be given if you plant trees.

### Notes:

1. See DTE 84, March 2010 [www://downtoearth-indonesia.org/ol-site/84bsa.htm](http://www.downtoearth-indonesia.org/ol-site/84bsa.htm)
2. *Qanun* - local legislation under Aceh's Special Autonomy arrangements
3. *Mukim* - the Acehnese customary legal unit of governance between gampong (lowest level of customary governance) and sub-district. A mukim usually covers several gampongs.
4. See summary of CSF documentation of climate change impacts in 'Voices from the Villages', DTE 83, 2009 at <http://www.downtoearth-indonesia.org/story/climate-change-impacts-voices-villages>
5. HTI: large-scale timber plantations, aimed at supplying the pulp industry and other wood-based industries.
6. See articles about Leuser in previous DTE newsletters, eg DTE 55, November 2002, Aceh pushes Leuser Road Plan' at <http://dte.gn.apc.org/55Ach.htm>.
7. This was voiced by and about the younger mukim leaders, who have taken the place of the elders killed in tsunami.
8. For more information about JKMA see DTE 84, March 2010, 'Saving the planet is our joint responsibility' at <http://dte.gn.apc.org/84bsa.htm> ♦



Marine environment threatened by climate change, Aceh

## New DTE document: holding BP to account for Tangguh impacts

The British energy company BP is perhaps currently best known for last year's fatal Deepwater Horizon explosion and oil spill disaster in the Gulf of Mexico. The company is also big news in Indonesia, where it is one of Indonesia's biggest investors. Once Rio Tinto's partner in the massive Kaltim Prima coal mine in East Kalimantan,<sup>1</sup> the company is now operating the US\$5 billion Tangguh gas extraction and liquefied natural gas processing project in Bintuni Bay, West Papua.

This giant project, which has been developed on the customary land of indigenous Papuan peoples, is bringing huge changes to Bintuni Bay, its peoples and its environment.

Since plans to develop Tangguh were announced, DTE has tracked the project's progress and raised concerns about human rights, and social and environmental

impacts. We have highlighted calls to halt the project until concerns about these issues have been properly addressed. We have objected to the investment of public money via the ADB in Tangguh, and raised concerns about climate change impacts. DTE has also regularly attended annual meetings with the advisory panel set up by BP (TIAP) to address these concerns to the company directly.

BP constantly assures audiences in Papua, Indonesia and London that Tangguh is a 'world-class' project, with high standards on human rights, the environment and social responsibility. But what do these commitments really mean for people on the ground? Recent reports say that the company's social programme has not materialised as originally planned, and local people are angry about the lack of employment opportunities, loss or restrictions on livelihoods and the lack of

meaningful communication with company.

As Tangguh's gas is extracted from under Bintuni Bay and processed into LNG to be shipped out to markets in China, Korea and elsewhere, precisely if or how local communities will benefit in the long run remains to be seen. In the meantime, DTE believes that local communities will have a stronger basis to press for social and environmental accountability from BP if they have access to fuller information about the commitments BP has made to them.

With this in mind, DTE has published details of BP's commitments to environmental and human rights standards at Tangguh. The compilation is available in English and Indonesian at <http://www.downtoearth-indonesia.org/story/holding-bp-account-tangguh-impacts>.

1. See DTE 85-86, August 2010. ♦

### DTE activities update

Since our last update in December 2011 DTE has:

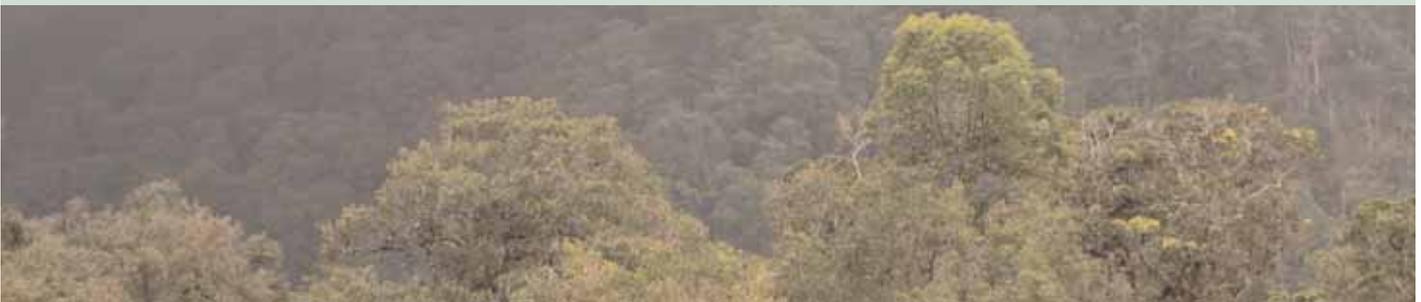
- ♦ finalised our new strategy for 2011-2013. In this period we will work to support communities in Indonesia defend their livelihoods and rights to resources, against coal mining, agrofuels plantations, top-down resource exploitation in Papua and damaging top-down climate change initiatives. We also aim to hold governments and companies in Europe to account for the livelihood, human rights and climate justice impacts of their policies and investments relating to these sectors.
- ♦ published our report on palm oil and

poverty in a Riau village. *Plantations and Poverty* is available at

<http://www.downtoearth-indonesia.org/story/plantations-and-poverty-notes-village-deep-oil-palm-territory> (see also page 2).

- ♦ worked with partners in West Papua to facilitate a series of workshops on climate justice (see page 9 for a report on workshops carried out in Aceh last year).
- ♦ published a compilation of information about BP's Tangguh project in West Papua, focusing on the social, environmental and human rights standards BP has committed itself to. See [www.downtoearth-indonesia.org/story/holding-bp-account-tangguh-impacts](http://www.downtoearth-indonesia.org/story/holding-bp-account-tangguh-impacts)

- ♦ published the Indonesian version of our update on agrofuels policy at EU-level. See <http://www.downtoearth-indonesia.org/id/story/info-terkini-tentang-kebijakan-agrofuel-januari-2011>
- ♦ We are continuing to prepare files from our old website for transfer to the new site at [www.downtoearth-indonesia.org](http://www.downtoearth-indonesia.org). Until the transfer is complete, all old files can be accessed via [www.downtoearth-indonesia.org/old-site/index.htm](http://www.downtoearth-indonesia.org/old-site/index.htm)
- ♦ Finally, sadly, DTE is saying goodbye to Betty Tiominar, who has done great work for DTE since 2005. Thank you so much for your hard work, Betty and we wish you all the best for the future! ♦



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