

Traditional house in Ciptagelar,  
West Java - one of the case studies  
in the new AMAN-DTE book 'Forests for the  
Future' - see page 14.



# DTE

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

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This double edition of the  
newsletter covers the period  
from December 2008  
to June 2009.  
It also marks DTE's 20th  
birthday (see page 20).

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# A crucial year for climate justice

*This is a key year for decision-making about climate change as governments work towards a global agreement in Copenhagen in December. Will COP15 bring social justice, environmental sustainability and protection for human rights into the negotiations, as many civil society groups around the world are calling for? The article below considers the prospects for climate justice by looking at recent developments internationally and in Indonesia.*

Climate change has been moving higher up the international agenda as the deadline for reaching a new agreement to cut global emissions draws nearer. While the international credit collapse continues to act as a drain on attention and money, hopes have been voiced that the malfunction of the current financial system will wake governments up to the fact that a totally new approach is needed. One that is geared towards living on this planet sustainably and one that works to stop overconsumption of the earth's resource by the minority at the expense of the majority. This is a majority whose livelihoods and strategies for surviving poverty are being made even more difficult by the impacts of climate change.

In the last few months, there have been some positive changes, on the surface at least. These include indications of a change in climate change policy in the US by President Obama, including a pledge to reduce US emissions to 1990 levels by 2020 and new targets for reducing emissions from vehicles.<sup>1</sup>

The UK has set an ambitious target to reduce its GHG emissions by 80% on 1990 levels by the year 2050, and made a legal commitment to do so by passing the Climate Change Bill in December 2008. The law also requires the government to set the first three 5-year 'carbon budgets' by June 2009.

Also in December, the European Union issued a whole string of legislation, committing itself to reduce emissions on

1990 levels by 20%, achieve 20% energy efficiency and 20% renewable energy - all by the year 2020. A policy outline calls on developing countries to limit their growth in their GHG emissions by 30% by 2020 compared to business as usual. In return for this, the EU says it will up its commitment to a 30% cut.<sup>2</sup>

Norway, Guyana, Costa Rica and the Maldives have all committed themselves to carbon neutrality.<sup>3</sup>

More recently, China - the world's biggest total emitter of greenhouse gases, has indicated a willingness to set targets for reducing carbon intensity (ie reducing the amount of carbon used to produce each unit of economic growth) but wants industrialised countries to pledge to make more ambitious cuts in return.<sup>4</sup>

Meanwhile, latest research on climate change does not bring good news and the target of keeping temperature rises below 2°C is getting further out of reach. Recent research by the UK's Tyndall Centre for Climate Change Research says that 3% global cuts could still mean 4°C of warming by the end of the century, yet global emissions are set to continue rising, rather than decrease.<sup>5</sup> A separate UK study has predicted that at least one third of the Amazon forest will be destroyed by even modest temperature increases, with more being killed off in higher temperature scenarios.<sup>6</sup>

Overall, what much of the recent science suggests is that the figures on which the UNFCCC negotiations are based are now worryingly out of date.

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**The road to Copenhagen:  
UNFCCC meetings**

Where	When
Poznan	December 2008
Bonn	29 March-8 April 2009
Bonn	1-12 June 2009
Bangkok	28 Sept - 9 Oct 2009
To be arranged	2-6 November 2009
Copenhagen	7-18 December 2009

For the full calendar of events see [http://unfccc.int/meetings/unfccc\\_calendar/items/2655.php](http://unfccc.int/meetings/unfccc_calendar/items/2655.php)

cut (21% on 2005 levels). The deeper cut is dependent on whether there is global agreement in Copenhagen. For the intended budget, the CCC recommends that around 20% could be met by offsets, and for the interim budget, less than 10%.<sup>11</sup> How far these recommendations will be taken up by the UK government is not yet clear.

The EU's emissions reductions targets are contained in two policies, the Emissions Trading Scheme (ETS) which controls emissions from energy intensive industrial sectors and the so-called Effort Sharing Decision which covers all other sectors. The EU is allowing at least half of the required emissions cuts to be met through offsetting. Friends of the Earth calculates that the EU is only committing to about a quarter of the cuts needed to avoid catastrophic climate change.<sup>12</sup> More detailed analysis of the targets and offsetting has been done by the NGO FERN which calculates that the reduction required between 2013 and 2020 within the EU itself is just 3.9% compared to 2005 levels, and that nearly 60% of the emissions reductions could come from offsetting.<sup>13</sup>

One positive point amongst all the offsetting gloom is that the EU has opted not

A recent report by the Asian Development Bank said that Southeast Asia is one of the world's most vulnerable regions to climate change and could face conflict over failing rice yields, water shortages and high economic costs. The region's economies could lose as much as 6.7% of combined GDP per year by 2100, compared with an estimated global loss of just under 1% GDP. Annual mean temperatures in Indonesia, Philippines, Thailand and Vietnam could also rise by an average 4.8 °C from 1990 levels by 2100 if global emissions keep rising.<sup>7</sup>

The estimated cost of dealing with climate change have gone up too - just when money is being poured into preventing total meltdown of the banking system. The World Economic Forum said in January, for example, that at least US\$515 billion should be spent annually on measures to limit carbon emissions and prevent a rise of more than 2°C by 2030. More than \$10 trillion will be needed between now and 2030, said the Forum.<sup>8</sup>

Even if countries do make ambitious commitments to cutting emissions, the commitments still have to be adhered to. In the UK, for example, the labour government's manifesto pledge to cut emissions by 20% on 1990 levels by 2010 will not be fulfilled, though the UK will easily meet its Kyoto emissions reduction target.

Another issue is the method of calculating targets: if the UK were to factor in emissions linked to UK consumption, plus aviation and shipping, as many argue would be fair, the target would increase substantially. A recent study shows that rather than falling as the official figures show, UK emissions instead rose by 19% between 1990 and 2003 if these consumption-linked emissions were taken into account.<sup>9</sup>

**The issue of offsetting**

Offsetting - where emissions produced by one activity are compensated by an equivalent amount of emissions reduction or carbon conservation elsewhere - is one of the main bones of contention in the wider climate change debate. Offsetting between rich and poor countries is particularly contentious, because it lets polluters buy their way out of their obligations. Many civil society organisations (including Down to Earth) consider offsetting an unacceptable get-out for rich countries and their industries, from making the difficult and costly changes needed within their own countries to move quickly to a low-carbon economy. By funding emissions reductions in poor countries they are in effect using up another country's carbon store in order to avoid making more expensive and politically difficult cuts at home.

DTE has raised concerns about offsetting in a letter to UK climate change minister Ed Milliband. This offers comments

on a UK-Indonesia MoU on climate change signed at COP14 in Poznan, Poland, last December (see letter, page 8).

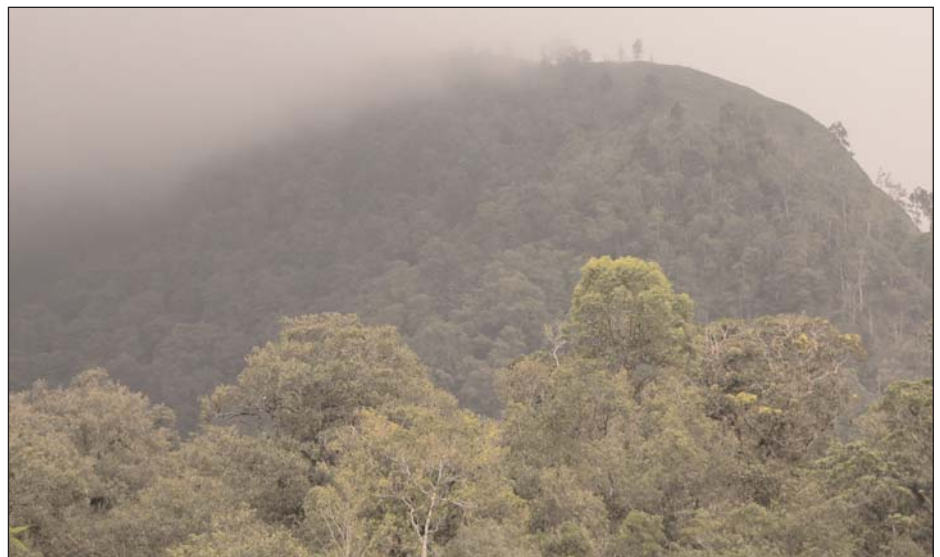
Concerns about offsetting are also connected to the latest science, which indicates that massive reductions of greenhouse gas emissions need to be made across the world, not merely swapped or traded between countries.

This means that carbon markets - trading carbon allowances between countries and letting the market set the price - won't generate enough cuts. In the case of a potential forest carbon trade between Indonesia and the EU, for example, what is needed is to cut emissions from industries in Europe and to prevent further forest loss in Indonesia, not to allow one to be offset against the other.

Friends of the Earth makes this clear in its critique of the interim targets of 20% by 2020 set by the EU. FoE argues that offsetting-based market mechanisms such as the Clean Development Mechanism cannot guarantee net emissions reductions - they may even enable an increase in global emissions. Moreover,

"...the science of climate change shows that industrialised countries need to reduce their emissions by 40% at home in order to avoid catastrophic climate change. Funding for international efforts to reduce emissions and halt deforestation elsewhere in the world are urgently needed - but this funding and support must be in addition to domestic reductions..."<sup>10</sup>

The UK government law does not set any limits on the amount of off-setting, but the Climate Change Committee - a body set up under the law - does recommend that the majority of the 80% cut by 2050 will need to be made at home. The CCC has drafted two sets of carbon budgets, an 'intended' budget to achieve a 42% cut in GHG emissions on 1990 levels (or 31% relative to 2005 levels) by 2020, and an 'interim' budget to achieve a 34%



Carbon-rich forests: target for off-setting

(DTE)

to include forests offsets in the ETS until at least 2020 because they fear that flushing the carbon market with forest offsets would drive down the price of carbon to too low a level. However the EU ETS directive signed in December, leaves room for this decision to be amended.<sup>14</sup>

Many governments and proponents of offsetting argue that it is the only realistic way of getting enough money flowing North to South to fund carbon emissions reductions there. Some claim that carbon markets linked to REDD (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries) are the most effective way of getting significantly large amounts of offset money into the system.

The UNFCCC process already includes a North-South offsetting mechanism, the Clean Development Mechanism (CDM),

and could well extend offsetting to cover forests in a post-Kyoto emissions reductions regime, starting 2012.

In a recent survey of proposed REDD schemes across the globe by FERN, almost all projects included an element of offsetting.<sup>15</sup>

But many are asking why we should put so much faith in markets when they have malfunctioned spectacularly over the past few months of financial crisis. Market volatility - as witnessed last year for oil, gas, oil palm and many other food crops - is another argument against such a system, where a reliable flow of resources is vital to fund well-planned, socially and environmentally sound low carbon economic change in the South.

The price of carbon in Europe's internal carbon market (the ETS) has collapsed in recent months, but despite this,

the system is still being promoted as one that can be applied between the US and the EU and, eventually, at a global level.

Of course among the attractions for poor countries such as Indonesia are the opportunities to tap into large amounts of funding if they sign up for carbon trading of other offsetting deals. Government ministers, such as current forestry minister MS Kaban, have regularly said that rich countries should pay for the global environmental service that Indonesia's forests perform (see 'REDD in Indonesia' section on page 9).

Where corruption remains a massive problem, the opportunities for diverting cash from public channels into private pockets could prove irresistible, as

*(continued bottom of next page)*



## Indigenous peoples and climate change - the campaign for rights and representation continues

Indigenous peoples are continuing to press for their rights to be respected in all climate change initiatives which affect them. They also want recognition for the role they have played in using the earth's resources sustainably and living low-carbon or carbon-neutral lifestyles. This was the message at the Bonn climate meeting, from Tebtebba, (Indigenous Peoples' International Centre for Policy Research and Education).<sup>1</sup> "We are the ones who have protected our forests from rampant deforestation and prevented the oil, gas and coal in our territories from being extracted even at the cost of life and limb," said Victoria Tauli-Corpuz in an April statement.

Corpuz warned that if indigenous rights were not recognised in the bid to include forests in mitigation measures, then "we see serious threats to the future survival of forest peoples and their cultures."<sup>2</sup>

Indigenous groups and other CSOs had earlier been outraged at Poznan when government delegates from the US, Canada, New Zealand and Australia insisted on the removal of any reference to indigenous peoples' rights in the official text on Reducing Emissions from Deforestation and Forest Degradation (REDD), after it was included in the draft. They demanded its re-insertion in any agreement to be signed at Copenhagen.<sup>3</sup>

Indigenous groups have been consulting across the globe to share information on the impacts of climate change and the results of research on indigenous peoples' mitigation and adaptation measures, and to agree on strategies to ensure that

their rights are protected in international agreements.

A global indigenous consultation on REDD in November in Baguio City, Philippines,<sup>4</sup> was followed by regional meetings on climate change, including an Asia regional meeting in Bali, hosted by AMAN, Indonesia's indigenous peoples' organisation, in February.<sup>5</sup> In March, an international conference in Manila on extractive industries and indigenous peoples considered the disproportionate impacts of these industries on indigenous peoples.<sup>6</sup>

In April, Anchorage in Alaska was the venue for the Indigenous Peoples' Global Summit on Climate Change. The Anchorage Declaration issued by the participants reaffirmed the need to respect the rights of indigenous peoples and said that the UNFCCC agreement must reflect the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The Declaration called for emissions reductions targets for developed countries of at least 45% below 1990 levels by 2020 and at least 95% by 2050. Among the other action points were a call on the UNFCCC's decision-making bodies to recognise and engage the International Indigenous Peoples' Forum on Climate Change and its regional focal points in an advisory role, and to immediately establish an indigenous focal point in the UNFCCC funding mechanisms.

The Summit also called on countries to abandon false solutions to climate change such as nuclear energy, large-scale dams, geo-engineering techniques, 'clean coal', agrofuels, plantations and market-based

mechanisms such as carbon trading, the CDM and forest offsets.

The Declaration ended with an offer to "share with humanity our Traditional Knowledge, innovations and practices relevant to climate change, provided our fundamental rights as intergenerational guardians of this knowledge are fully recognized and respected."<sup>7</sup>

### Notes:

1. [www.tebtebba.org](http://www.tebtebba.org). A useful Guide on Indigenous Peoples and Climate Change can be downloaded from Tebtebba's website at [http://www.tebtebba.org/index.php?option=com\\_docman&task=cat\\_view&gid=18&Itemid=27](http://www.tebtebba.org/index.php?option=com_docman&task=cat_view&gid=18&Itemid=27)
2. Tebtebba Statement at the Contact Group of the AWG-LCA on Mitigation
3. See FERN-Forest Peoples Programme Special Report on Poznan.
4. See Summary Report of the Global Indigenous Peoples' Consultation on REDD at [http://www.tebtebba.org/index.php?option=com\\_docman&task=cat\\_view&gid=62&Itemid=27](http://www.tebtebba.org/index.php?option=com_docman&task=cat_view&gid=62&Itemid=27)
5. See Asia Summit on Climate Change and Indigenous Peoples at [http://www.tebtebba.org/index.php?option=com\\_docman&task=cat\\_view&gid=75&Itemid=27](http://www.tebtebba.org/index.php?option=com_docman&task=cat_view&gid=75&Itemid=27)
6. See [http://www.tebtebba.org/index.php?option=com\\_content&view=article&id=46&Itemid=57](http://www.tebtebba.org/index.php?option=com_content&view=article&id=46&Itemid=57)
7. The Anchorage Declaration, 24/Apr/09, [http://www.tebtebba.org/index.php?option=com\\_content&view=article&id=51:the-anchorage-declaration&catid=73:international-conference-on-extractive-industries-](http://www.tebtebba.org/index.php?option=com_content&view=article&id=51:the-anchorage-declaration&catid=73:international-conference-on-extractive-industries-)



# Climate change developments in Indonesia

*While this year's parliamentary and presidential elections have been dominating political life in Indonesia in recent months, the issue of climate change took a low priority on the competing parties' manifestos.*

*Meanwhile, the government's much-criticised regulation on Reducing Emissions from Deforestation and Forest Degradation (REDD) has been issued. Twenty projects are now underway in the country.*

The National Council for Climate Change (DNPI), created in August last year, has only rarely made it into the headlines during the current election season. Following April's parliamentary elections, this continues with the first round of presidential elections in July. DNPI's profile remains surprisingly low given the prominence of COP 13 in Bali and Indonesia's importance as a key carbon store, as well as a big emitter.<sup>1</sup>

Indonesia's main CSO grouping working on climate change, the Civil Society Forum for Climate Justice, has been critical of the government's inaction on crucial issues such as planning for adaptation to climate change as well as its approach to offsetting and REDD. The group is also dismayed that Indonesia is accepting loans for climate change funding. They argue that Indonesians should not have to become more indebted to tackle a problem that historically it is not responsible for.<sup>2</sup>

## REDD in Indonesia

REDD has become a highly contentious issue in Indonesia, centring on the issue of offsetting (see previous article), indigenous rights, and potential costs and benefits of REDD schemes. There has also been criticism from inside as well outside Indonesia of the government's new regulation on REDD,

which was finalised in May.<sup>3</sup>

This regulation provides for centralised control and supervision of REDD projects in Indonesia. It also makes participation by indigenous peoples prohibitive, both legally and financially.<sup>4</sup>

In December 2008, the ministry issued a regulation on REDD pilot projects. (P.68/Menhut II/2008<sup>5</sup>). This has been seen as

a further sign Jakarta wants to ensure that REDD projects in the regions, such as the Ulu Masen project in Aceh, and planned schemes in Papua, do not proceed without central government say-so.

According to the DNPI, a separate regulation on financial aspects of REDD will be issued before June. In January, Agus Purnomo of the DNPI said one of the key unresolved issues was on taxation and the



*Low profile for climate change: political parties' flags before the April elections*

(A. Iswianto)

(continued from previous page)

they did in the Suharto years when around 20-30% of all development aid is thought to have been siphoned off by the then President and his cronies.<sup>16</sup>

## Financing concerns remain

The arguments over control and management of climate change funds are continuing, with many CSOs and some governments strongly opposed to the World Bank's position at the centre of funding arrangements (see DTE 76-77:6 for background).

In December last year a group of prominent UK-based NGOs issued a statement to the UK government calling for a clear commitment on climate finance in the form of grants, not loans. The statement by CAFOD, Tearfund, Christian Aid, Friends of the Earth, WWF, Practical Action and IIED, expressed alarm at the proliferation of funds outside of the UNFCCC. Particular concern is directed at the World Bank "given its

asymmetric governance structure, very poor record on funding environmentally sound energy programmes, its donor-driven agenda and inability to genuinely consult and engage with civil society, undermining the trust so desperately needed to deliver a deal in Copenhagen."<sup>17</sup>

Nevertheless, the UK is continuing to channel its contributions through the World Bank's Climate Investment Funds (CIFs). For example, in December the UK government pledged GBP100 million in funding for forest protection schemes, to be disbursed through the CIFs.<sup>18</sup>

### Notes:

1. *Guardian* 7/May/09, BBC Radio 4 Today Programme, 16/May/09
2. *Guardian* 29/Jan/09
3. J Caldecott, Indonesia and Climate Change, Talk given at Bath Spa University 23/Mar/09
4. *Guardian* 7/May/09
5. *Guardian* 17/Mar/09
6. *Guardian* 12/Mar/09
7. *PlanetArk* 28/Apr/09. The report is available

from <http://www.adb.org/Documents/Books/Economics-Climate-Change-SEA/default.asp>

8. *Guardian* 30/Jan/09
9. *Guardian* 4/Dec/08 quoting a report by Dieter Helm at Oxford University and two other experts.
10. EU climate and energy package - the final days (FoE UK, December 2008)
11. See <http://www.theccc.org.uk/reports/>
12. FoE UK 12/Dec/08
13. Reducing Emissions or Playing with Numbers? *EU Forest Watch* 136, March 2009
14. *EU Forest Watch* 134, January 2009.
15. See FERN: *From Green Ideals to REDD money... A brief history of schemes to save forests for their carbon*, November 2008 and *An Overview of Selected REDD proposals*, November 2008. Both downloadable from <http://www.fern.org/>
16. See DTE IFIs factsheet 5, June 2000 <http://dte.gn.apc.org/Af5.htm>
17. NGO Statement on Climate Finance - an opportunity for UK leadership, December 2008.
18. DECC press release 12/Dec/08♦

split in revenues for investors, who had been 'kicking and screaming' against the ministry's proposal.<sup>6</sup>

A consultation with CSOs held in March this year failed to show any movement on the part of the government to address CSO concerns which were raised when the initial draft REDD regulation was made public in July 2008.

### CERD complaint

Indonesia's REDD arrangements have come under fire from the UN too. A March 2009 statement by the Committee on the Elimination of Racial Discrimination (CERD) criticised the draft REDD regulation for being incompatible with indigenous peoples' rights. The Committee recommended that the draft regulation, as well as other laws, be reviewed and amended to ensure their consistency with the rights of indigenous peoples to own and control their traditionally owned territories and to consent to activities, such as REDD, that may affect them.

The CERD statement also strongly criticised Indonesia for failing to ensure that indigenous peoples' rights are respected in the development of oil palm plantations. Indonesia has an ambitious oil palm expansion programme primarily aimed at supplying export markets, including agrofuel markets, which is destroying forests, evicting local communities and violating indigenous peoples' rights to Free, Prior and Informed Consent.<sup>7</sup>

The statement was welcomed by Indonesian NGO Sawit Watch and the indigenous peoples' alliance, AMAN, which called for the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) to be used by the government as guidance.<sup>8</sup>

There is great concern that Indonesia's REDD regime will end up rewarding big companies which destroy forests (such as pulp and oil palm companies), rather than communities who know how to use them sustainably. It could well have the negative impact of replacing indigenous resource management systems which protect forests with unproven, market-driven REDD schemes where the major motivation becomes profit, rather than sustainability, secure livelihoods and forest protection.

One controversial project in Riau, Sumatra has been proposed by one of Indonesia's biggest pulp companies Asia Pacific Resources International (APRIL). The company's REDD pilot project plan involves draining and clearing an area of up to one hundred thousand hectares of peatland in the Kampar Peninsular, while offsetting the emissions from these plantations by protecting and rehabilitating 400,000 hectares of adjacent peat forest. According to the World Bank's Facility (FCPF), the much-criticised body that assists countries prepare for REDD, projects by the pulp industry in

### UN-REDD

In March Indonesia's 'quick start' programme proposal for REDD was approved by the UN-REDD Programme Policy Board.

According to an UN-REDD press briefing, the Indonesian government, in partnership with UNDP, FAO and UNEP, with support from the Norwegian government, is ready to start implementation of this quick-start phase.

The programme has three priorities: socializing the REDD scheme in Indonesia, including a lesson learned element; facilitating the improvement of the carbon counting system and development of a fair payment system; and helping the Indonesian government to implement the initiative at national and local level.

UN-REDD says that support will also "need to guarantee that local communities can benefit from this scheme". Alex Heikens, UNDP Technical Advisor for Environment Unit, said that, if designed properly, REDD could enhance recognition of the important role that local communities play in forest management. Sulawesi will be a focus area for the UN-REDD programme.

More details are due to be made available in the next weeks.<sup>21</sup>

which pulp companies develop plantations on degraded lands are highly eligible for carbon finance because they reduce pressure on peat forests.<sup>9</sup> Such companies are in effect being rewarded for the high rate they destroyed forests previously. Communities living in the Kampar Peninsular have not been informed by APRIL that it plans to take over their customary forests and agricultural lands and turn them into Acacia plantations.

Twenty REDD schemes are at various stages of development<sup>10</sup> (see *DTE* 79:3 for an outline of some of these in Kalimantan, Aceh, Riau and Papua).

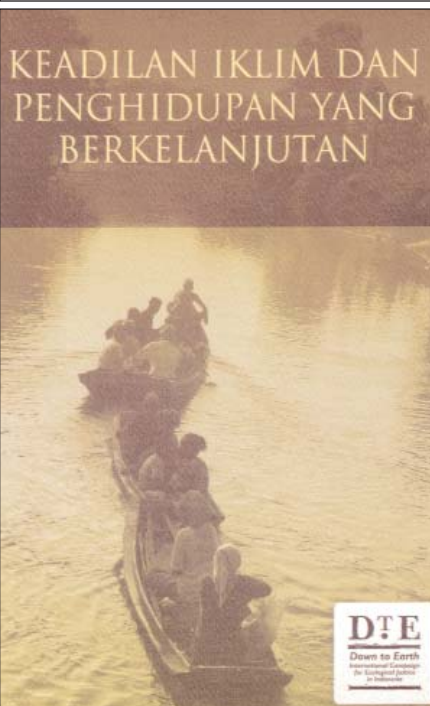
Concern about the potential impacts of REDD on local communities prompted Indonesia's Consortium for the support of Community Based Forest Management (KpSHK) to issue a 'Forests for People' petition for UNFCCC COP14 in Poznan. This argues that REDD plans neglect the interests of over 80 million Indonesians dependent on forests and forest resources. The petition, signed by 22 groups - most of them local communities - supports local rights over forests, local community benefits from international climate change mitigation initiatives and a reduction in consumption by citizens of industrial countries of goods made from materials from forests and forest lands in Indonesia.<sup>11</sup>

Meanwhile, a draft regulation on customary forests (*PP Hutan Adat*) has been criticised by AMAN. The draft is based on the 1999 forestry law which places customary forests under state control. In a letter to the President, AMAN's general secretary Abdon Nababan also criticised the draft regulation for prohibiting indigenous communities from trading forest products and closing down opportunities to have *adat* forests recognised. The letter stated that the draft regulation offered no solution to conflicts over forests, but would instead serve to legalise the takeover of indigenous forests, with the risk of protracted conflict. The letter ended by pointing out that *PP Hutan Adat* fell far below national and international standards such as those contained in Indonesia's Constitution and those confirmed by the UNDRIP.<sup>12</sup>

WALHI (Friends of the Earth Indonesia) considers REDD as a false solution to climate change and regards it as a failure of the second generation negotiations to reduce climate change impacts after 2012.<sup>13</sup>

Despite civil society opposition, plans to push ahead with REDD and sign up for international initiatives are going ahead. In January, the DNPI's Agus Purnomo announced plans to set up a climate trust fund to pool donor commitments, which was due to be launched before June.<sup>14</sup>

In early March, the World Bank reported that Indonesia had applied to join the FCPF.<sup>15</sup> The plans themselves and the preparation process have prompted concerns among civil society groups that, once again,



*Keadilan Iklim dan Penghidupan yang Berkelanjutan (Climate Justice and Sustainable Livelihoods) is an Indonesian-language compilation of DTE articles on climate change. To order a copy contact [dte@gn.apc.org](mailto:dte@gn.apc.org), or download from <http://dte.gn.apc.org/CCcomp09.pdf>*



indigenous peoples' rights and participation have been sidelined.<sup>16</sup> In December 2008, NGOs FPP and FERN reported that the FCPF had been cutting corners during the first stage of its operations and the World Bank's forest fund was not following its own rules or safeguard policies. None of the REDD plans studied by the NGOs dealt with the critical issues of governance, human rights, land tenure reforms or Free Prior and Informed Consent for indigenous peoples.<sup>17</sup>

The same month, the UN's UN-REDD scheme announced that Indonesia's 'quick-start' project had been approved by its board (see box).

One aspect of REDD that appears to have caused some impatience within Indonesia's forestry department is how soon REDD funding will start to flow into the country. Back in January, Purnomo warned that expectations about REDD should be managed, saying that money would not just "fall from the sky just because we have forests". But by April, forestry minister MS Kaban was expressing frustration about this. He was quoted as saying that internationally agreed REDD schemes were not guaranteed to benefit Indonesia. Launching a national seminar to support voluntary carbon trading initiatives in Jakarta, he said that simple and cheap alternatives were needed, because REDD schemes were difficult to implement and were taking too long to provide funds. He said Indonesia was hoping to get foreign funding worth up to US\$3.75 billion (IDR33.75 trillion) per year, but could not say how much Indonesian communities already maintaining forests would be able to earn.

"REDD really could become a way for us to get foreign funds to manage forests,"

## Selected resources

- ♦ FERN: *From Green Ideals to REDD money...A brief history of schemes to save forests for their carbon*, November 2008
- ♦ FERN: *An Overview of Selected REDD proposals*, November 2008  
Both downloadable from [http://www.fern.org/campaign\\_area.html?id=6](http://www.fern.org/campaign_area.html?id=6)
- ♦ *Indigenous Peoples, REDD and climate change*  
Key documents from the regional and international indigenous peoples' conferences can be downloaded from [www.tebtebba.org](http://www.tebtebba.org)
- ♦ Forest Peoples' Programme: *Indigenous Peoples' Rights and REDD: The Case of the Saramaka People v. Suriname*.  
[http://www.forestpeoples.org/documents/ifi\\_igo/suriname\\_saramaka\\_and\\_redd\\_judgment\\_mar09\\_eng.pdf](http://www.forestpeoples.org/documents/ifi_igo/suriname_saramaka_and_redd_judgment_mar09_eng.pdf)  
This document has also been translated into Bahasa Indonesia - see [http://www.forestpeoples.org/documents/forest\\_issues/bases/forest\\_issues.shtml](http://www.forestpeoples.org/documents/forest_issues/bases/forest_issues.shtml)
- ♦ Friends of the Earth International  
*Forests in changing climate*, December 2009 issue 115 from <http://www.foei.org/en/publications/pdfs/04-foei-forest-climate-english/view>
- ♦ Eye on Aceh: *Challenges of forest governance in Aceh*. Available online at [www.aceh-eye.org](http://www.aceh-eye.org). A Bahasa Indonesia version will also be available.

he said.<sup>18</sup> "We are absorbing carbon, but aren't getting paid for it because the schemes are too complex. We are pressing developed countries to give incentives. They have benefited from Indonesian forests, which absorb their emissions. The problem is, we can't wait and so we have to find alternatives schemes which are simpler and cheaper." LEI, the Indonesian Ecolabelling Institute has been asked to develop a scheme for the voluntary carbon trade. LEI director Daru Asycara said the institute was also developing carbon

certification standards for community-managed forests.<sup>19</sup>

## Konawe Selatan

A community-run planted teak forest management scheme in South Konawe District, Southeast Sulawesi, is a model for developing carbon conservation, according to Indonesian NGOs Forest Watch Indonesia, Telapak and JAUH.

The timber produced by the community-based Hutan Jaya Lestari Cooperative (KHJL) has been verified by the Forest Stewardship Council, facilitated by JAUH and the Tropical Forest Trust.

KHJL was set up in 2003 as part of the district social forestry programme to manage a 720 hectare area. The area is not natural forest, but consists of monoculture teak plantations (*Tectona grandis*) or mixed teak and mahogany (*Swietenia* sp.).

Estimates have been made of the carbon storage capacity of just over 12.13% of the area, described as 'people's teak forest' (around 50 hectares). Preliminary results of studies show that the potential amount of carbon stored in the trees is 13.7 tonnes per hectare.

An information leaflet produced by the NGOs reports that KHJL is proposing to scale up its operations to manage an expanded area of 28,116 ha in a former government-run teak plantation area.<sup>20</sup>♦

### Notes:

1. DTE couldn't find a dedicated website, for example
2. For more information about the CSF, see <http://csoforum.net/>
3. The new regulation, P.30/Menhut-II/2009, 1 May 2009 is available in Indonesian from <http://www.dephut.go.id/index.php?q=id/node/5364>
4. See DTE 79:4 for further background.
5. Via <http://www.dephut.go.id/index.php?q=id/node/5046>
6. *Reuters* 29/Jan/09
7. For the CERD statement see: [http://www2.ohchr.org/english/bodies/cerd/docs/early\\_warning/Indonesia130309.pdf](http://www2.ohchr.org/english/bodies/cerd/docs/early_warning/Indonesia130309.pdf)
8. Press Statement 23/Mar/09 by FPP, Sawit Watch and AMAN.
9. Chris Lang, FCPF's "poster child" would reward forest destroyers in Indonesia, 2/Mar/09. For more background on the FCPF see DTE 76-77:8, <http://dte.gn.apc.org/76cde.htm>
10. *Reuters* 29/Jan/09
11. [http://www.kpshk.org/index.php?option=com\\_content&task=view&id=123&Itemid=2](http://www.kpshk.org/index.php?option=com_content&task=view&id=123&Itemid=2)
12. Letter from Abdou Nababan, AMAN, to President Susilo Bambang Yudhoyono, 6 May, 2009.
13. <http://www.walhi.or.id/websites/index.php/media/siaran-pers/97-membedah-ren-cana-implementasi-dan-perdebatan-redd>
14. *Reuters* 29/Jan/09
15. *Reuters* 4/Mar/09.
16. AMAN, Sawit Watch and FPP are writing to the Indonesian government and World Bank to express these concerns. See [www.forestpeoples.org/](http://www.forestpeoples.org/)
17. Press release by FERN and FPP 1/Dec/08.
18. *Reuters* 29/Jan/09
19. *Bisnis.com* 16/Apr/09
20. *Community Logging to Store and Sink Carbon: A Model from Konawe Selatan* [no date]. Forest Watch Indonesia, Perkumpulan Telapak and Jaringan Untuk Hutan (JAUH) Sulawesi Tenggara. For further information contact [fwi@indo.net.id](mailto:fwi@indo.net.id), [telapak@telapak.org](mailto:telapak@telapak.org), [a.halik\\_jauh@yahoo.com](mailto:a.halik_jauh@yahoo.com).
21. <http://www.undp.or.id/press/view.asp?FileID=20090311-1&lang=en>



## **DTE writes to UK minister about UK Climate change MoU with Indonesia**

*The following letter was addressed to Ed Miliband, Britain's Secretary of State for the Department of Energy and Climate Change. The letter raises questions about a UK-Indonesia Memorandum of Understanding on climate change signed in December 2008.<sup>1</sup>*

Dear Mr Miliband,

We welcome the important efforts by yourself and the Indonesian Environment Minister Rachmat Witoelar to work together to address environmental concerns and climate change, but we are writing to express a number of concerns about the Memorandum of Understanding you signed at COP 14 in Poznan, December last year.

As a UK- and Indonesia-based organisation advocating just and sustainable ways of addressing the climate change crisis, we are concerned that some of the priorities identified by the MoU raise serious questions about human rights, poverty and environmental protection. In some cases, the MoU prioritises areas of work where climate benefits are not proven and could turn out to exacerbate, rather than mitigate climate change.

We are particularly concerned about the following points and would be grateful for detailed information showing how the UK government will guarantee that human rights, poverty, environmental and climate pitfalls will be avoided in your joint work with the Indonesian government related to the MoU.

**1) REDD** (MoU point 2 a): drawing on our own and others' research on Indonesia's preparations for REDD, we are seriously concerned that fundamental policy and legal measures relating to resource rights, without which the rights of indigenous peoples in particular cannot be safeguarded, are not yet in place in Indonesia.

According to our analysis, although the legislation on REDD issued by the forestry ministry provides for indigenous communities to become lead actors in REDD projects in theory, there remains inadequate national legal provision to enable this to happen in practice. This means that indigenous communities, who have key skills and knowledge related to safeguarding forests, could be pushed aside or see their interests subordinated by other commercial actors in a future rush for REDD.

The United Nations Committee on the Elimination of Racial Discrimination has recently raised concerns with Indonesia about this draft regulation on REDD. The Committee also strongly criticised Indonesia for failing to respect indigenous peoples'



*Oil palm expansion for agrofuels:  
Peatland plantation, South Sumatra (DTE)*

rights in relation to oil palm plantations.

We would be interested therefore, to hear how the proposed REDD demonstration activities, mentioned in MoU, will address this legality issue and how they propose to guarantee that indigenous communities are afforded Free, Prior and Informed Consent in any REDD projects which affect them.

We would also be interested to know more about the proposals under consideration on long term financing for REDD, mentioned in the MoU. We would like your assurance that carbon markets will not be the priority for financing REDD projects. It is our view that relying on carbon markets to provide financing for REDD should be avoided. There remain serious questions to be answered about rights protection and poverty, environment and climate impacts in the science, methodology and decision-making processes associated with carbon finance, which make it an unjustifiable option.<sup>2</sup> Moreover, it should not be left to such an unreliable tool as the market, to drive something as urgent as forest protection: the fact that the carbon price has recently collapsed under the European Trading Scheme underlines this unreliability.

**2) Promoting sustainable palm oil** (MoU point 2 b): as you know, UK and European demand for agrofuel has had a significant impact on Indonesia's palm oil industry. It has contributed to promoting the expansion of oil palm plantations into forests, including areas over which indigenous communities hold customary rights.

We are concerned that the RSPO is failing to address the urgent need to stop the destruction of indigenous livelihoods and forests in Indonesia, just as EU policies adopted in December have also failed to adequately address these concerns.

This forest destruction, particularly in areas of peatland, which is in part promoted by the demand for agrofuels, is having severe negative impacts on the climate too. Wetlands International estimated that Southeast Asia's CO<sub>2</sub> emissions from forest destruction and peat soil oxidation were around 2 billion tonnes per year, with 90% of these originating from Indonesia.<sup>3</sup> Yet, prominent RSPO members such as the Indonesian palm oil producers association, GAPKI, have rejected a call for a moratorium on converting forests for oil palm plantations. Similarly, the Indonesian government recently lifted a ban on using peatlands for oil palm plantation developments. We would be interested to know, therefore, how the UK and Indonesia governments will address these issues under the MoU and ensure that by promoting sustainable palm oil, they do not actually promote forest/peatland destruction and the release of yet more CO<sub>2</sub> into the atmosphere.

**3) Co-operation on studying carbon capture and storage (CCS)** (MoU point 2 h): there are two concerns to raise here. First, CCS as related to the coal industry. We are concerned that measures to study CCS as a possible future option for Indonesia's coal-fired energy sector will mean support for an industry which is associated with serious resource rights conflicts, forest destruction and air and water pollution in coal mining areas in Indonesia, as well as being one of the dirtiest means of energy generation in terms of GHG emissions. We believe that efforts need to be focused now on moving away from fossil fuel generation

to renewable alternatives (both in Indonesia and the UK), rather than supporting this industry in the hope that as yet unproven CCS technology can eventually clean it up.

Second, CCS as relates to gas exploitation. We are concerned that existing projects, involving British-based companies (for example BP's Tangguh gas project in Bintuni Bay, West Papua) are failing to carry out practices that may immediately assist the reduction of emissions by using CO<sub>2</sub> reinjection technology. Will it be part of the MoU agenda to ensure that this is done?

**4) Offsetting:** we wish to draw your attention to the concern we have that the MoU overall reflects an intention on the part of the British Government, to promote offsetting - in particular offsetting UK emissions in Indonesia - as a means of meeting the UK's greenhouse gas emissions reductions targets.

As you know, the debate about offsetting is far from settled, despite clear indications that the UK government is in favour of it. The new UK climate change law, requires the government to "have regard to the need for UK domestic action on climate change" when considering how to meet targets and budgets. In addition, the government is required to set a limit on the purchase of offset credits for each carbon budget period, by secondary legislation, requiring a debate in both houses of Parliament and taking into account the Climate Change Committee's advice. The CCC has itself recommended that the government should not plan to purchase offset credits to meet the UK's 'interim' budget (less than 10%), although it does state that around 20% of emissions reductions could be met by offset credits in the 'intended' budget.

It is our opinion - along with many

others in civil society in both the UK and in Indonesia - that substantial GHG emissions reductions are required here at home in the UK as well as in Indonesia (i.e. not either or) to achieve anything like the level of emissions reductions required to bring climate change within safe limits. Offsetting emissions produced in the UK in Indonesia should therefore not be part of the UK national effort to tackle climate change.

In addition, insisting on the offsetting option (as the UK government is apparently doing) is seriously damaging the prospects of securing a good global agreement on emissions reductions in Copenhagen in December 2009. This is because offsetting is widely seen (and justifiably so, in our view) as an attempt by industrialised countries to continue business as usual in their own countries by buying offsets in the South, instead of doing the hard work at home.

At a recent meeting in Jakarta with MEPs, Indonesia's main civil society grouping working on climate change issues, the Civil Society Forum on Climate Change<sup>4</sup>, called on the EU and member countries to commit themselves to reduce their emissions according to the UNFCCC and not compromise this with any kind of pollution trading mechanism. The CSF statement said emissions reductions by industrialised nations in their own countries were a non-negotiable form of compensation for their ecological debts.

We hope that you will take these points into consideration during future communication with Indonesia regarding the MoU and on other occasions and look forward hearing from you in the near future on these urgent issues.

Finally, we are sending you a copy of 'Forests for the Future' a book jointly produced by the Indigenous Peoples of the

Archipelago (AMAN) and Down to Earth which details how indigenous communities in Indonesia have - against all the odds - maintained agroforestry systems that sustain the carbon-rich forests. The book was produced with funding from DFID, and is largely written by indigenous communities themselves. We believe it provides important lessons for climate change decision-makers on the crucial role played by such communities in maintaining the forests for the good of the planet as well as of their own people. In this spirit, for the ongoing climate change negotiations, we trust that your team will support indigenous peoples' call for protection of their rights in all climate change initiatives that affect them.

Letter signed by Carolyn Marr, UK Coordinator, DTE and sent on May 26th, 2009.

Notes:

1. Memorandum of Understanding between the State Ministry of Environment of the Republic of Indonesia and the Department of Energy and Climate Change and the Department of Environment, Food and Rural Affairs of The United Kingdom Of Great Britain and Northern Ireland on Environmental Cooperation and the Response to Climate Change, from <http://www.defra.gov.uk/environment/climatechange/international/devcountry/indonesia.htm>
2. For more details of the questions surrounding REDD and the REDD context in Indonesia, see <http://dte.gn.apc.org/79are.htm>.
3. Hooijer, A., Silvius, M., Wösten, H. and Page, S. 2006. PEAT-CO<sub>2</sub>, Assessment of CO<sub>2</sub> emissions from drained peatlands in SE Asia. Delft Hydraulics report Q3943 [www.wetlands.org/Portals/0/publications/General/Peat%20CO2%20report.pdf](http://www.wetlands.org/Portals/0/publications/General/Peat%20CO2%20report.pdf)
4. DTE is a member of CSF. See <http://english.csoforum.net/> ♦

(continued from page 9)

Several patent applications have been made for charcoal use in soil and for pyrolysis with charcoal production. If granted, those will ensure that any future profits from the technology will go to companies, not communities. Given that successful strategies for combining charcoal with diverse biomass in soils were developed by indigenous peoples, 'biochar' patenting raises serious concerns over biopiracy. The inclusion of soils in carbon markets, just like the inclusion of forests in carbon trading will increase corporate control over vital resources and the exclusion of smallholder farmers, rural communities and indigenous peoples.

The Clean Development Mechanism (CDM) has perpetuated, rather than reduced fossil fuel burning by permitting industries to purchase "rights to pollute" and further

delaying the social and economic changes which are essential for addressing climate change. The climate impacts of fossil fuel burning are irreversible, yet so-called 'soil carbon sinks' are highly uncertain and temporary.

We strongly oppose the inclusion of soils in carbon trade and offset mechanisms, including in the Clean Development Mechanism.

The 'biochar' initiative fails to address the root causes of climate change: Fossil fuel burning and ecosystem destruction, including deforestation and the destruction of healthy soils through industrial agriculture.

Small-scale agro-ecological farming and protection of natural ecosystem are effective ways to mitigate the impacts of climate change. These proven alternatives should be

fully supported, not risky, unfounded technologies promoted by vested commercial interests. Indigenous and peasant communities have developed many diverse means of caring for soils and biodiversity, and living sustainably. Those locally and culturally adapted methods depend on regional climate, soils, crops and biodiversity. Attempts to commodify soils and impose a "one-size-fits all" approach to soils and farming risks appropriating, undermining and destroying this knowledge and diversity just when it is most critically needed.

DTE has produced an Indonesian language version of this statement - see <http://dte.gn.apc.org/biochar90.doc>

To see a list of signatories to the declaration, or to sign on, go to <http://www.regenwald.org/international/english/news.php?id=1226> ♦



# 'Biochar' danger

*The following CSO declaration was issued in March 2009 to urge governments to take a cautious approach to claims that charcoal - called 'biochar' by its promoters - can be a means of storing large amounts of carbon and mitigating climate change. Instead, 'biochar' could mean more land-grabbing, human rights violations and forest destruction.*

## Keep 'biochar' and soils out of carbon trading

*Caution urged against proposals for large scale use of charcoal in soils for climate change mitigation and soil reclamation*

Adding charcoal ('biochar') to the soil has been proposed as a 'climate change mitigation' strategy and as a means of regenerating degraded land. Some even claim that this could sequester so much carbon that the Earth could return to pre-industrial carbon dioxide levels, i.e. that all the global warming caused by fossil fuel burning and ecosystem destruction could be reversed. Such large-scale production of charcoal would require many hundreds of millions of hectares of land for biomass production (primarily tree plantations). This is an attempt to manipulate the biosphere and land use on a vast scale in order to alter the global climate, which makes it a form of 'geo-engineering'.

### 'Biochar' included in draft UNFCCC text

In the first release of draft negotiating text for the Copenhagen climate summit in December, the UNFCCC has included biochar in a section entitled: "Enhanced Action on Mitigation" as follows:

"Agriculture

*134. Parties shall cooperate in R&D of mitigation technologies for the agriculture sector, recognizing the necessity for international cooperative action to enhance and provide incentives for mitigation of GHG emissions from agriculture, in particular in developing countries. Consideration should be given to the role of soils in carbon sequestration, including through the use of biochar and enhancing carbon sinks in drylands."*

The text is included in the Negotiating Text for the Ad Hoc Working Group on Long-Term Cooperative Action Under the Convention (<http://unfccc.int/resource/docs/2009/awgla6/eng/08.pdf>).

(Source: Biofuelwatch)

As the unfolding disaster of agrofuels clearly demonstrates, such major land-conversion poses a major threat to biodiversity and ecosystems that play an essential role in stabilising and regulating the climate and are necessary to ensure food and water security. It threatens the livelihoods of many communities, including indigenous peoples.

'Biochar' and agrofuels are closely linked: Charcoal is a byproduct from a type of bioenergy production which can also be used to make second-generation agrofuels, i.e. liquid agrofuels from wood, straw, bagasse, palm kernel residues and other types of solid biomass.

Eleven African governments have called for agricultural soils in general and 'biochar' in particular to be included into carbon trading. Their submission indicates that they seek to increase "private sector financing" (and by implication corporate control) over rural areas in the South, and to link this to proposals for including forests in carbon trading (i.e. the mechanisms for Reducing Emissions from Deforestation and Degradation or REDD being negotiated at present). Those REDD proposals have met with opposition on the basis that they commodify forest ecosystems with dire implications for indigenous peoples and biodiversity. The inclusion of soils into those mechanisms would further extend such serious impacts.

Proposals for 'climate change mitigation' through large-scale adoption of 'biochar' are a dangerous form of geo-engineering based on unfounded claims.

A lobby group (the International Biochar Initiative) made up largely of startup 'biochar' and agrofuel companies and academics, many of them with related commercial interests, are behind the push for 'biochar'. Their extremely bold claims are not founded in scientific understanding.

It is not yet known whether charcoal in soil represents a 'carbon sink' at all. Industrial charcoal is very different from Terra Preta, the highly fertile and carbon-rich soils found in Central Amazonia which were created by indigenous peoples hundreds and even thousands of years ago. 'Biochar' companies

and researchers have not been able to recreate Terra Preta.

'Biochar' advocates are promoting 'targets' which would require the use of 500 million hectares or more of land to be used for producing charcoal plus energy. Industrial monocultures of fast growing trees and other feedstocks for the pulp and paper industry and for agrofuels are already creating severe social and environmental impacts which worsen climate change. This very large new demand for 'biochar' would greatly exacerbate these problems.

There is a risk that 'biochar' could in future be used to promote the development of genetically engineered (GE) tree varieties specifically engineered for 'biochar' production or to try and extend the range of fast-growing trees, both of which could have very serious ecological impacts.

There is no consistent evidence that charcoal can be relied upon to make soil more fertile. Industrial charcoal production at the expense of organic matter needed for making humus could have the opposite results.

Combinations of charcoal with fossil fuel-based fertilisers made from scrubbing coal power plant flue gases are being promoted as 'biochar', and those will help to perpetuate fossil fuel burning as well as emissions of nitrous oxide, a powerful greenhouse gas.

The process for making charcoal and energy (pyrolysis) can result in dangerous soil and air pollution.

Turning soils into a commodity is profitable to industry but disastrous for the poor.

*(continued bottom of page 8)*

### Briefing from Biofuelwatch

A full briefing by UK-based NGO Biofuelwatch called *Biochar for climate change mitigation fact or fiction?* is at [www.biofuelwatch.org.uk/docs/biocharbriefing.pdf](http://www.biofuelwatch.org.uk/docs/biocharbriefing.pdf)

## *fisherfolk, rights & climate change*

# Arrests at World Oceans Conference

*The first World Oceans Conference in Manado, North Sulawesi, was the scene of a police clamp-down on civil society in May, when two leading members of WALHI (Friends of the Earth Indonesia) were arrested and sixteen other people were deported. Parallel CSO activities had been organised to highlight the need to recognise and protect the rights of small-scale fisherfolk in international marine negotiations.*

WALHI's national executive director Berry Nahdian Forqan and head of WALHI's regional department were arrested on May 11th. They were charged with holding a demonstration without permission and sentenced to suspended sentences of one month, with 2 months probation. Sixteen international participants were deported to the Philippines. The police intervention came during a peaceful gathering to highlight civil society concerns about the World Oceans Conference (WOC), and the Coral Triangle Initiative (CTI) meeting, both hosted by Indonesia in the North Sulawesi city of Manado.

The arrests sparked an international protest campaign. Along with other international CSOs, DTE wrote to President Susilo Bambang Yudhoyono calling for the activists' immediate release and highlighting the need to prioritise the interests of the small-scale fisherfolk over those of big business.

Within Indonesia protests in support of the WALHI staff and the CSO coalition, the Manado People's Alliance, were held in Jakarta, Jambi and Central Kalimantan, where seven activists were arrested and fined by local police.

### **Drowning climate justice**

A group of Indonesian NGOs, including WALHI, had earlier issued a report critical of the WOC and CTI, called 'Evicting Fisherfolk, Drowning Climate Justice'. The report starts with a position paper, which casts doubt on the use of spending Rp44 billion in public money on the conference when there will be no legally binding outcome (the report says that the US and Australia have refused to sign up to a legally binding Manado Declaration).

It identifies three main dangers of being involved with the CTI too: threats to fisherfolk's right and sovereignty, entering into free trade conservation which threatens biodiversity and local peoples' survival and risks exacerbating Indonesia's fisheries crisis.<sup>1</sup>

The groups are also concerned about a proposed scheme to link carbon

markets to the oceans, which is being developed without any participation by local communities.

A press release issued by the group in April said the conference should discuss the roots of national and global marine problems, starting from the principle of environmental sustainability and protection of fisherfolk's rights. It should also discuss how to impose legal sanctions on those causing the marine and climate crisis.

From 30-50% of Indonesian fisheries are traded illegally on global markets every year and 90% of the national shrimp catch is exported, said Riza Damanik of KIARA, one of the signatory organizations.

Among the causes of the crisis is the practice of dumping mine tailings in coastal areas and directly into the sea, said Siti Maimunah from JATAM. Newmont Nusantara Timur's Sumbawa mine uses the sea to dispose of its tailings, as did the US-based company's Sulawesi gold operation until

recently.<sup>2</sup> West Papua's huge Freeport-Rio Tinto gold and copper mine uses the mountain river system to channel its tailings to the coastal lowlands, and is dumping so much material that it is changing the coastal landscape.<sup>3</sup>

Neither mining, nor oil and gas exploration was on the WOC agenda for discussion. Nor were the customary rights of coastal communities mentioned in a draft declaration prepared in advance of the WOC.

### **WOC agenda**

According to the conference website, the WOC is Indonesia's initiative to "create a more aligned global vision and commitments from participating governments and institutions to work together to improve marine resource management". The rationale is that the current legal framework that constitutes and governs the use of the oceans, The Convention on the Law of the Sea (UNCLOS) 1982, is out of date and does not take into account climate change, the



Coastal community: Tanjung Seloka, South Kalimantan

(DTE)



effects of pollution or overexploitation of fisheries. The WOC is a "forum for the world community to discuss current issues in the marine field which are related to climate change, and how the world can wisely utilize the ocean to weather crisis."<sup>4</sup>

A draft Manado Ocean Declaration due to be finalised at the conference, expresses concern over the fragility of the world's marine ecosystems which face rising sea levels, increases in temperature and acidification due to higher levels of CO<sub>2</sub>, and changing weather patterns, all of which come on top of existing pressure from pollution, unsustainable fishing practices and population growth.

The Declaration commits signatories to implement long term conservation and sustainable management of marine resources to fulfil internationally agreed development goals including the United Nations Millennium Development

Goals on human health, food security, poverty alleviation and disaster-preparedness, where these relate to the marine environment. It also commits signatories to share relevant science to improve understanding of the linkages between the oceans and the climate, stresses the need for financial resources for developing countries and includes sections on adaptation and mitigation, regional and international cooperation.<sup>5</sup>

### CTI

As well as the WOC, Manado hosted the Coral Triangle Initiative (CTI) Summit on Coral Reefs, Fisheries and Food Securities (May 11-15th).

According to the CTI, the 'Coral Triangle', covering 5.7 million km<sup>2</sup> is home to the highest diversity of marine life on earth and stretches across six countries: Indonesia, the Philippines, Malaysia, Papua New Guinea,

the Solomon Islands and Timor Leste. It contains over 75% of known coral species, over 30% of the world's coral reefs, over 3,000 species of fish, and the greatest extent of mangrove forests of any region in the world. These marine biological resources directly sustain the lives of over 120 million people and benefit millions more worldwide.<sup>6</sup>

CTI members are the countries located in the Coral Triangle and the initiative is supported by US-based NGOs The Nature Conservancy, Conservation International, the US State Department and World Wide Fund for Nature.<sup>7</sup>

### Climate Change threats

As the nation with the world's longest coastline, Indonesia's coastal areas face the threat of flooding, or even submergence due to sea level rises, as well as declining fisheries due to sea warming and acidification.

Research cited in the *Economist* magazine suggests that sea level rises could reach 80cm this century, but could plausibly be as high as 2 metres. The sea is 30% more acidic than it was 100 years ago due to an increased take up of CO<sub>2</sub> into the sea. This change is affecting sea life, while warmer waters are leading to coral bleaching. An estimated 5% of the world's coral reefs can be considered pristine, a quarter have been destroyed and all of those left are vulnerable to the effects of climate change.<sup>8</sup>

### Notes

1. Menggusur Nelayan, Menenggelamkan Keadilan Iklim, Sisi Gelap & Bahaya di Balik WOC dan CTI by KIARA, JATAM, WALHI, KAU, SEAFish, KELOLA, KPNNI, Institut Indonesian Hijau, COMMIT, April 2009 [http://www.walhi.or.id/websites/index.php?option=com\\_content&view=article&id=109:stop-gusur-nelayan-laut-untuk-kedilan-iklim&catid=84:info-woc-2009&Itemid=124](http://www.walhi.or.id/websites/index.php?option=com_content&view=article&id=109:stop-gusur-nelayan-laut-untuk-kedilan-iklim&catid=84:info-woc-2009&Itemid=124)
2. See DTE 73:11, <http://dte.gn.apc.org/73mil1.htm> for background
3. See DTE 69:5, <http://dte.gn.apc.org/69fd4.htm> for more details.
4. [http://www.woc2009.org/woc\\_about.php](http://www.woc2009.org/woc_about.php)
5. World Ocean Conference, 11-15 May Manado, North Sulawesi Province, Indonesia IOC UNESCO Paper No 2290 13/Jan/2009, via KIARA (Fisheries Justice Coalition).
6. [http://www.cti-secretariat.net/index.php?option=com\\_content&view=article&id=29:regional-plan-of-actions&catid=33:regional-plan-of-actions&Itemid=23](http://www.cti-secretariat.net/index.php?option=com_content&view=article&id=29:regional-plan-of-actions&catid=33:regional-plan-of-actions&Itemid=23)
7. For information about CTI, and a map of the designated area see [http://www.cti-secretariat.net/index.php?option=com\\_content&view=article&id=20&Itemid=2](http://www.cti-secretariat.net/index.php?option=com_content&view=article&id=20&Itemid=2)
8. 'Troubled Waters', *The Economist*, 3/Jan/09. ♦



Local fishery, South Kalimantan

(DTE)



## forests / pulp

# More forests to be sacrificed for pulp

*Indonesia's forestry department has extended a 2009 deadline for pulp companies to source their wood supply from tree plantations only. Now companies can continue pulping natural forests until 2014.*

The forestry department's decision to extend the deadline from 2009 to 2014 was made public in January. Under the new arrangement, companies may continue to use wood logged from natural forests to make up the deficit in supply from pulpwood plantations. Forestry Minister MS Kaban said the pulp industry had been disrupted over the last two years and needed more time for rehabilitation.<sup>1</sup>

A previous regulation (No.101/Menhut/2004) required companies holding wood plantation licences (HTI) to have completed a plantation acceleration programme by 2009, meaning that no more natural forests could be converted after that.<sup>2</sup>

The news that this deadline would be shifted forward five years was met by a volley of criticism from Indonesian civil society organisations who say the move will worsen the country's deforestation crisis. Extending the deadline in this way, said Wirendro Sumargo, director of Forest Watch Indonesia, amounted to "speeding up forest destruction" and "proved the failure of government efforts to boost the development of pulpwood plantations (HTI)".<sup>3</sup> "Perhaps the minister has forgotten", suggested Friends of the Earth Indonesia's Berry Norqan, "that 72 percent of Indonesia's natural forests have already been wiped out."<sup>4</sup>

FWI had earlier urged the government to stop the further use of wood from natural forests, based on a study of two giant pulp and paper companies operating in Riau province, Riau Andalan Pulp & Paper

(RAPP, of the APRIL group) and Indah Kiat Pulp & Paper (IKPP, of the APP/Sinar Mas conglomerate).<sup>5</sup> The NGO had called on the companies to rationalise their production in line with what their pulpwood plantations could actually produce. RAPP and IKPP account for 62% of Indonesia's installed pulp production capacity.

Based on how much plantation wood had been planted by the RAPP, IKPP and their partners, FWI had calculated that the companies would be reliant on feedstock from natural forests until 2014 (now the new official deadline), and estimated that 0.57 million hectares of natural forests would be under threat as a result.

RAPP and IKPP each have an annual pulp production capacity of 2 million tonnes and each requires at least 9.5 million tonnes of wood per year. Both companies have long, troubled histories which included instances of human rights abuses as well as land disputes and illegal logging (see box).

## Unsustainable development

Indonesia's pulp and paper industry has devastated huge swathes of some of the world's most biodiverse forests, destroying indigenous peoples' resources and livelihoods as the trees fall.

The government allocated 10.26 millions ha of state production forests to industrial timber plantations (*hutan tanaman industri*, or HTI), but less than a third of this had been planted by early 2007.<sup>6</sup> In a pattern still repeated today, woodchip and pulp and paper mills have been constructed before plantations, if planted at all, are mature enough to supply wood for the mills. Until then, companies run their operations with wood from natural forests called 'mixed tropical hardwood' (MTH) by the industry. This wood comes from within their HTI concessions (although these are supposed to be in degraded forest areas), or bought in from external legal or illegal sources.

As Indonesia's Climate and Forest Alliance (an international study group led by Indonesia's own forestry department) puts it:

*"Weak enforcement allowed some pulp mills to expand their processing capacity without creating an adequate plantation base. This had led to the unsustainable consumption of available supplies of mixed tropical hardwood within a commercial distance of mills."*<sup>7</sup>

(continued next page)

## APP and RAPP involved in attacks against villagers

In December last year, the German NGO Rettet den Regenwald reported that the village of Suluk Bongkal in Riau was attacked by the police and by over 500 paramilitaries, armed with fire-arms and tear gas. A helicopter dropped incendiary devices and hundreds of houses immediately went up in flames. Two small children were killed and 400 villagers fled into the forest. A helicopter was then reported to have dropped stones on tents set up by refugees from the village. The violence was linked to Sinar Mas/Asia Pulp and Paper (APP), which reportedly owns the helicopter used in the attacks. (See sign up petition at <http://www.regenwald.org/international/english/protestaktion.php?id=345>)

A separate incident in February involving Sinar Mas prompted an international campaign to release detained villagers in Jambi. They were arrested for reclaiming land which had been illegally taken over by the company for oil palm plantations. (See [http://dte.gn.apc.org/Cjam\\_b09.htm](http://dte.gn.apc.org/Cjam_b09.htm))

In 2006, NGOs protested against violence by RAPP security guards against villagers and their property in Gading village, Kampar district - see [http://www.cappa.or.id/index.php?option=com\\_content&task=view&id=39&Itemid=1](http://www.cappa.or.id/index.php?option=com_content&task=view&id=39&Itemid=1) and <http://dte.gn.apc.org/69for2.htm> for further background.



## New report: Plantations Poverty and Power

This report by campaigner Chris Lang on Europe's role in the expansion of the pulp industry in the South, is available from <http://chrislang.org/2009/02/06/plantations-poverty-and-power/>

The report includes a detailed case history of APP in Indonesia's Riau province - a story of bad debt, illegal logging, the destruction of community livelihoods, and of biodiversity and the environment, including carbon-rich peatlands.

According to Christopher Barr, a researcher at the Center for International Forestry Research (CIFOR), by the end of 2007 of the 10.4 million hectares of HTI licences issued or pending, 6.0 million hectares were allocated for pulp projects, including:

- ♦ Papua - 1.6 million ha
- ♦ South Sumatra - 1.0 million ha
- ♦ East Kalimantan - 793,000 ha
- ♦ Riau 653,000 ha
- ♦ West Kalimantan 485,000 ha.<sup>8</sup>

Barr's research found that over 210 million m<sup>3</sup> of MTH from natural forest has been used by the pulp producers since 1990, mostly from land-clearing for acacia or oil palm plantations. Since the late 1980s, Indonesia's pulp industry has been responsible for clearing at least 1.7 million hectares of natural forest. Riau has suffered the most destruction - it has lost at least 65% of its forest cover in the last 25 years.<sup>9</sup>

### HTI certification opposed

Even where companies like RAPP and IKPP have established plantations, these are mostly done by replacing natural forests and at the expense of the people who held customary rights over those forests. Indigenous communities whose rights are not given recognition under Indonesian law, are pushed aside without exercising their right to free, prior and informed consent.

In February this year Indonesia's ecolabelling institute (LEI) issued Sustainable Plantation Forest Management certificates to two pulp companies operating in Sumatra: PT RAPP in Riau and PT WKS in Jambi.

But FWI has called on LEI to stop issuing such certificates because they don't take into account the destruction of natural forests before the plantations were established. "Converting natural forests, let alone those in peatland areas, into pulpwood plantations is in clear opposition to sustainable forest management principles" said Wirendro of FWI.<sup>10</sup>

See also DTE 69 <http://dte.gn.apc.org/69for2.htm> for further background on LEI certification of RAPP plantations in Riau.

### Expansion plans

The government plans to expand the pulp sector further still as part of its forestry sector revitalisation efforts. The target is to develop an additional nine million hectares of HTI concessions by 2016 to support the country's pulp and paper and other wood-based industries. Of this, 3.6 million ha (40%) will be large-scale plantations and 5.4 million ha (60%) are to be developed under a 'people's plantation' programme (HTR), due to start in 2008.<sup>11</sup>

Expansion plans are centred on Riau, Jambi, East, West, South and Central Kalimantan and also Papua, where several projects are being constructed, planned or at least explored in Merauke district by Indonesia's Medco, Modern Group, and US company, International Paper.<sup>12</sup>

Though dominated by Indonesia-based business conglomerates, the country's pulp and paper industry has been developed with the assistance of overseas consultants, bankrolled by overseas investors, supplied with equipment from overseas companies and often backed up by publicly-funded government export guarantee agencies, including from Japan, the US and several from Europe.<sup>13</sup>

Overseas funding looks set to continue, despite the global economic credit crisis: in March, the website of the coordinating ministry for economic affairs reported that 24 Indonesian and foreign companies would invest Rp35.6 trillion (US\$3 billion) this year to develop 1.3 million hectares of industrial timber estates (HTI). PT Taiyoung Green and PT Inni Joa, both from South Korea, plus Indonesia's PT Selaras Inti Semesta had already secured the licences for respective projects in Central Kalimantan (59,981 ha), South Kalimantan (28,721) and Papua (259,475 ha). A further 21 companies had been given approval in principle.<sup>14</sup>

### Peat and carbon emissions

According to the IFCA, Indonesia's pulpwood plantation industry has contributed to "significant loss of CO<sub>2</sub>", from the natural forests - and especially peatland areas - that have been cleared to make way for timber plantations.

Christopher Barr estimates that above ground CO<sub>2</sub> losses from the use of MTH and plantations establishment amounted to 424-799 million tonnes during 1990-2006. Drainage of peatlands for pulp plantations is estimated to produce an additional 108 million tonnes per year. According to his research, 1.2 million hectares of active HTI concessions are on peatland.<sup>20</sup>

Expansion of oil palm plantations, in addition to pulpwood is putting increasing pressure on Indonesia's carbon-rich peatland

### Korean wood biomass project

As well as providing pulp for consumers abroad, Indonesia's forests are being cleared to serve the global demand for energy. Forests are being replaced by agrofuel crops such as palm oil and jatophra, and now, timber plantations for biomass energy.

South Korea and Indonesia have signed an agreement to use forests in Indonesia to produce wood for biomass energy generation. The MoU was signed by Korea's forestry service and Indonesia's forestry ministry in March during Korean president Lee Myung-bak's visit to Indonesia.

According to Korea's forestry service, the agreement includes developing plantations and wood biomass projects under the Kyoto Protocol's Clean Development Mechanism (CDM).<sup>15</sup>

One media report stated that 200,000 hectares of forests in Kalimantan would be set aside to produce wood pellets for fuel.<sup>16</sup> However, the agreement details indicate that this project is more likely to be in Papua: The Korean parties are named in the *Jakarta Post* as Korea Midland Power, Orient F.A. Machinery, and Samsung C&T Corporation, while the Indonesian party is PT Medco Papua Industri Lestari. The project is named as 'Merauke eco-friendly biomass power project'.<sup>17</sup> Indonesia's Medco conglomerate has been involved in promoting a food mega-project in Papua, as well as pulpwood plantations (see DTE 78:6, <http://dte.gn.apc.org/78dpad.htm>).

The newspaper reported that this was one of 8 deals worth almost \$6 billion. Last year South Korea was Indonesia's 6th biggest investor with 182 projects valued at US\$301.1 million.<sup>18</sup>

The scheme is part of South Korea's 50t won (US\$40bn) 'green' economic strategy, which includes spending \$1.7bn on forestry management, including tree planting and new facilities to use wood as biomass energy.<sup>19</sup>

It is likely that such agreements will mean further pressure on forests and forest-dwellers. As in the case of agrofuel, covering more land in plantations and bulldozing the complex forest landscapes managed by indigenous communities, is anything but green.



areas. Around a half of Indonesia's 22 million hectares of peatland has already been drained for logging, a third has been cleared for agriculture and almost a third of the remaining peatland is classified as conversion forests. Permits have already been issued to convert around 4 million hectares for pulpwood and oil palm. If these forests are cleared and drained annual CO<sub>2</sub> emissions will increase by another billion tonnes.<sup>21</sup>

According to Greenpeace, total greenhouse gas emissions from Indonesia's peatlands are around 1.8 billion tonnes per year or 4% of global emissions.<sup>22</sup>

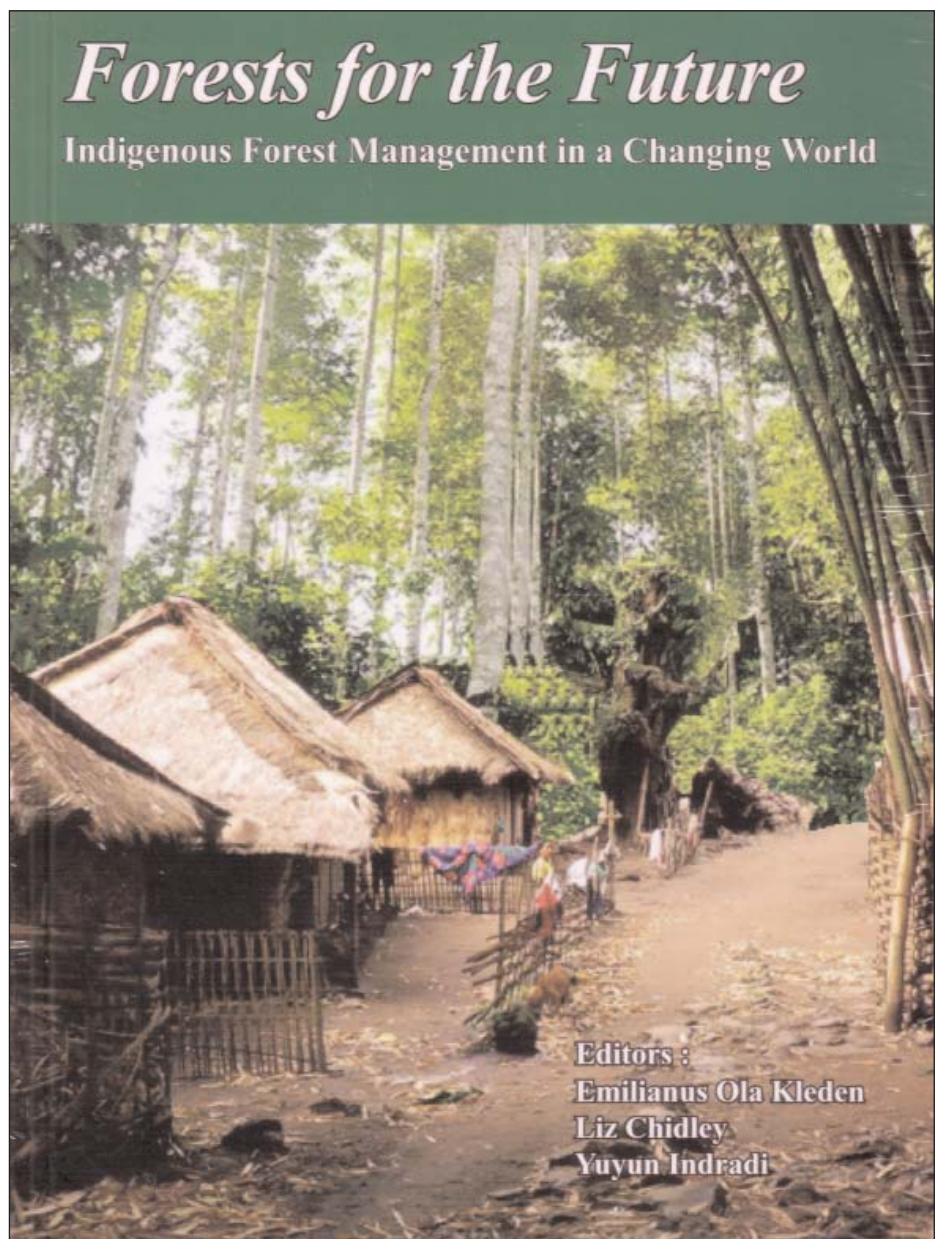
In its report on reducing emissions from deforestation and forest degradation in Indonesia (REDDI) prepared in 2007, the IFCA recommends shifting pulpwood plantations away from peatlands, and requiring pulp and plantation companies to report on activities that affect their carbon footprint, such as wood utilisation, activities affecting peatlands, energy consumption and emissions. It suggests that the government could require companies to present a 'sustainability action plan' covering social and environmental issues.

The IFCA also recommends strengthening the government's commitment to phasing out MTH for pulp by 2009, by introducing "binding regulations" to prevent pulp mills having access to MTH after this year. In what apparently indicates a preference for sustaining industry rather than the forests, the government has instead opted to let them carry on plundering the natural forests until at least 2014.

**Notes:**

1. *Inilah.com* [no date] via CAPPA website <http://cappa.or.id>
2. [http://www.dephut.go.id/INFORMASI/skep/skmenhut/101\\_04.htm](http://www.dephut.go.id/INFORMASI/skep/skmenhut/101_04.htm)
3. FWI Press releases 6&13/Jan/09.
4. *Inilah.com*, as above
5. See [http://fwi.or.id/publikasi/PULP\\_INDUSTRIES\\_EXPANSION.pdf](http://fwi.or.id/publikasi/PULP_INDUSTRIES_EXPANSION.pdf)
6. See for example figure quoted by researcher Togu Manurung, [http://research.yale.edu/gisf/tfd/pdfs/Indonesia/Abstracts/Togu%20Manurung\\_English.pdf](http://research.yale.edu/gisf/tfd/pdfs/Indonesia/Abstracts/Togu%20Manurung_English.pdf). Director of plantation forests Bejo Santoso said earlier this year that 4.2 million hectares had been planted from a target of 5 million by the end of 2009 (*Inilah.com*, as above) but these figures are widely considered as overestimates.
7. IFCA, *Reducing Emissions from Deforestation and Forest Degradation in Indonesia (REDDI), Methodology and Strategies, Summary for Policy Makers* [no date]. IFCA website: <http://redd.pbwiki.com/FrontPage>.
8. *Indonesia's Pulp & Paper Industry: Overview of Risks and Opportunities*, C. Barr, Center for International Forestry Research (CIFOR), Roundtable on Indonesia's Pulp and Paper Industry New York April 10, 2008. at <http://www.environmentalpaper.org/documents/Chris%20Barr%20-%20CIFOR.pdf>

9. As in 8, above.
10. FWI press release 9/Feb/09
11. See Barr, as above, and IFCA as in 7, above. See also DTE 74, August 2007 at <http://dte.gn.apc.org/74bpe.htm> for more background on the HTR scheme.
12. See DTE 78:6, <http://dte.gn.apc.org/78dpad.htm>, and also <http://www.pulpmillwatch.org/countries/indonesia/> for more background on the pulp industry in Indonesia and expansion plans.
13. See Chris Lang's new report (details in box), plus for example, DTE's report on UFS woodchip mill in South Kalimantan at <http://dte.gn.apc.org/cskal06.pdf>
14. Trade and Investment News, 23/Mar/09 <http://www.ekon.go.id/content/view/385/1/>
15. Korea Forest Service 18/Mar/09
16. <http://www.biofuelshub.com/component/content/article/1-news/987-indonesia-south-korea-collaborates-on-wood-biomass-energy>
17. <http://www.thejakartapost.com/news/2009/03/10/ri-s-korea-ink-6b-deal-energy-sector.html>, *The Jakarta Post* 10/Mar/09.
18. <http://www.thejakartapost.com/news/2009/03/10/ri-s-korea-ink-6b-deal-energy-sector.html>, *The Jakarta Post* 10/Mar/09
19. *The Guardian* 21/Apr/09
20. Barr, as in 8, above.
21. *Report to the Rainforest Foundation Norway on Reducing Emissions from Deforestation and Degradation in Indonesia*, Patrick Anderson and Torry Kuswardono, Jakarta, September 2008. <http://www.regnskog.no/html/180.htm>
22. Greenpeace, *How the palm oil industry is cooking the climate*, November 2007, <http://www.greenpeace.org>. For more background on Peatlands and climate change see DTE 75:10.
23. IFCA, REDDI, as above, page 37. ♦



New book from AMAN & DTE, 312 pages, including six case study chapters from Java, Sumatra, Sulawesi, Kalimantan, Lombok and Flores, plus analysis from Suraya Affiff, Chip Fay and Emil Kleden. The book can be downloaded from <http://dte.gn.apc.org/GNSCON.htm>. To order a hard copy contact [dte@gn.apc.org](mailto:dte@gn.apc.org)



## Papua - Tangguh project

# BP Tangguh's climate change commitment under scrutiny

*Operations at BP's controversial Tangguh gas project in West Papua are now underway. Serious questions over security, sovereignty, human rights, land rights, the impacts on indigenous communities and on the local environment will continue to be raised as the venture becomes fully operational and starts exporting gas to China, Korea and North America.<sup>1</sup> In this article we focus on a different issue: that of Tangguh and climate change.*

Greenhouse gas emissions from the Tangguh LNG project will contribute to climate change and may even play a small indirect part in decreasing the size of the Jayawijaya mountain glacier in Papua's central highlands according to detailed environmental and social impact studies carried out before the project was approved.<sup>2</sup>

The Tangguh gas fields in the Berau/Bintuni Bay area of West Papua province contain certified reserves of 14.4 trillion cubic feet of natural gas. The primary component, methane, will be liquefied for export as a fuel source. However, the main secondary component, carbon dioxide, accounting for 10 to 12 percent of the reserves, will be removed ('scrubbed') during the onshore processing phase and released ('vented') into the atmosphere.<sup>3</sup>

According to the environmental and social study documents (collectively known as the AMDAL), CO<sub>2</sub> emissions will amount to 3 million tonnes a year. An additional 1.67 tonnes of emissions will be produced by the combustion of fuels required to run the LNG plant operations.<sup>4</sup>

The project is expected to produce at least 7.6 million metric tonnes of LNG a year.<sup>5</sup> Substantial quantities of additional CO<sub>2</sub> emissions will be produced when the LNG is used to generate energy in the countries to which it is sold.

### Reinjection undertaking

When the project was approved by the Indonesian government in 2002, the lead operator, UK-based multinational oil and gas company, BP, undertook to investigate how to minimise the level of CO<sub>2</sub> emissions and in particular to consider the possibility of reinjecting the CO<sub>2</sub> into a suitable underground reservoir.

The investigation was to include a comprehensive study programme to locate a suitable reinjection site, and to fully estimate the cost of a viable reinjection scheme. BP and the Indonesian state-owned oil company, Pertamina, were to network with technology providers to find innovative ways to reduce costs of CO<sub>2</sub> capture and injection.<sup>6</sup>

Seven years on, as the project has



*Impression of Tangguh gas installations in Bintuni Bay, in AMDAL*

become operational, there has been little progress towards identifying a feasible reinjection option. The harmful emissions will be vented into the atmosphere for at least the first four years of operations.

### CCS technology

Technological measures to reduce greenhouse gas emissions from the burning of fossil fuels, such as reinjection, commonly known as carbon capture and storage (CCS), are controversial and largely unproven. They have received particular publicity recently in the UK in relation to the building of coal-fired power stations.

Criticisms from environmentalists are based on the argument that real solutions to climate change must lie in renewable energy and energy efficiency. They also include the claims that:

- ♦ CCS cannot deliver in time to avoid dangerous climate change;
- ♦ CCS requires a huge amount of energy, using 10 and 40 per cent of the energy produced by a power station;
- ♦ Storing carbon underground is risky; safe and permanent storage of CO<sub>2</sub> cannot be guaranteed;
- ♦ CCS is expensive;
- ♦ CCS poses a threat to health, ecosystems and the climate and it is unclear how severe these risks will be.<sup>7</sup>

Furthermore, it is argued, 'technofixes' relax the pressure to reduce fossil fuel use. Governments find it easier to rely on coal, oil and gas instead of taking on powerful economic interests or attempting to change people's lifestyles by challenging the addiction to fossil fuels.<sup>8</sup>

Notwithstanding these sound arguments against CCS, there are compelling reasons why BP should be made to reduce the impact of its project and fulfil its commitment to minimise greenhouse gas emissions. As the project is now underway, damage limitation through reinjection is better than taking the 'do nothing' approach.

### Positive precedent

A precedent for reinjection from a natural gas project exists with the Sleipner gas field in the North Sea. The Norwegian oil company, Statoil, has been injecting a million tonnes of CO<sub>2</sub> into deep saline aquifers for the past decade. The geological conditions may be different from Tangguh, but the fact that so far there have been no reported problems with Sleipner indicates that the technology could be effective.<sup>9</sup>

Exxon and Pertamina are also reported to be considering a massive reinjection project from the Natuna gas field in the South China Sea.<sup>10</sup>

In response to questions about CO<sub>2</sub> emissions, BP points out that there is currently no agreement with the Indonesian Government to proceed with a technical appraisal of reinjection and that it is necessary for the government to develop regulations to allow for reinjection as an option.

While that may be strictly true, the impression created is that BP is conveniently avoiding its commitment to reduce emissions by putting the onus on the government to take action and meet the costs. Its failure to take the lead makes the company's claim that Tangguh aspires to be a 'world class model for development' ring decidedly hollow.

### Notes

1. These concerns have been tracked by DTE

(Continued bottom of next page)

## mining

# Rio Tinto under fire from all sides

*A report from Rio Tinto's AGM in London, April 2009, attended by DTE.*

This hasn't been a very good year for Rio Tinto. The UK-based mining multinational is facing growing criticism, not just from established critics of the company's operations in places like Grasberg, the huge copper and gold mine in West Papua. It is also coming from its investors and shareholders who have seen the company's share price tumble and investments made last year at the height of the natural resources boom collapse. Consequently, criticisms that were levelled at the company's social and environmental record appeared to achieve greater traction at this year's Annual General Meeting (AGM) in London, given that lower profits increase the shareholders awareness of the company's fallibility. Also, media attention, including an article in the UK's *Guardian* newspaper did not result in welcome publicity for the mining company.<sup>1</sup>

Down to Earth, together with fellow campaigners and the London Mining Network, took some of these complaints back to the annual shareholder meeting in London on 15 April 2009. The record of the Grasberg joint-venture (in which Rio Tinto has a 40% stake), raised for many years now, was highlighted again this year. From Rio Tinto's perspective, their involvement in this mine has been particularly damaging over this last year. The environmental destruction that is continuing to be caused by the dumping of the mine's tailings directly into the river, has led to the Norwegian Government Pension Fund disinvesting from Rio Tinto, following on from a similar disinvestment from Freeport McMoran, the joint-venture partner in the Grasberg mine.<sup>2</sup> The Norwegian Government was a significant shareholder in Rio Tinto. The disinvestment will hurt Rio Tinto both financially and reputationally. This pronouncement of environmental ill-health flies in the face of Rio Tinto's assurances of

best practice and concern for the environment.

Also mentioned at the AGM, was a recent report of a Freeport McMoran spokesman admitting to continued payments to the Indonesian military.<sup>3</sup> Given that direct payments to the military by companies seeking protection are now illegal in Indonesia, this admission is shocking. It becomes more serious still, considering the continued concern over human rights abuses committed by the Indonesian military in the ongoing conflict in West Papua.<sup>4</sup>

### No consent

Finally, reference was made to the underlying concern that the Grasberg mine continues to operate without the consent of the local Papuans. Consent for such operations by the indigenous population is now assured as a right under the recently adopted UN Declaration on the Rights of Indigenous Peoples (UNDRIP) - in particular their right to Free, Prior and Informed Consent. The lack of respect for these rights in places like Grasberg, is increasingly evident. As at last year's AGM, this AGM heard reference to a statement by the Free West Papua Campaign which condemned Rio Tinto for this and asked the company to withdraw its presence from West Papua.<sup>5</sup>

These concerns have been raised repeatedly over the years and in many places, so it is difficult not to get cynical about progress on these issues. It is fashionable for companies to talk about 'corporate social responsibility' (CSR). Often this talk is used to justify further investment in projects such as the Grasberg mine. Rio Tinto is one company that trumpets its record on CSR, making it difficult for the public and investors (who fuel such enterprises) to see the truths behind all the talk. The company and its

executives, like many multinationals, are also adept at deflecting any criticisms. At this year's AGM, Paul Skinner, the Chairman of the Board, attempted to undermine a question on the Grasberg mine, by asking if the questioner had ever visited the mine, knowing that access to the mine is extremely limited. Last year, this approach worked well in his favour, allowing him claim more direct experience of the realities than the questioner. However, this time, the tactic backfired on him: the mile-wide scar on the landscape that the Grasberg tailings cut into the Papuan jungle is difficult to miss from the air and consequently even more difficult to deny.

Slowly, by chipping away at this corporate facade, progress can be made. The Norwegian Government's disinvestment - which hit Rio Tinto where it hurts - is one significant step in the right direction.<sup>6</sup>

1. *Guardian*: <http://www.guardian.co.uk/business/2009/apr/15/rio-tinto-agm-anger>
2. See DTE Newsletter 76/77 for Norwegian Government's disinvestment from Freeport McMoran. A motion to the Freeport McMoran AGM in June 2009 to install an environmental expert on the board of directors is being proposed by some investor groups. The motion is being resisted by the current board.
3. See AFP 22/Mar/09. 'US Mining Giant still paying Indonesian military'
4. See DTE 68:5, <http://dte.gn.apc.org/68min.htm> for background to this issue.
5. A statement was delivered to the Rio Tinto Board asking for Rio Tinto to leave West Papua. A copy of the Free West Papua Campaign Statement on Freeport and Rio Tinto from 2008 can be seen at: [http://www.freewestpapua.org/index.php?option=com\\_content&task=view&id=633&Itemid=2](http://www.freewestpapua.org/index.php?option=com_content&task=view&id=633&Itemid=2)
6. For a further account of the 2009 Rio Tinto AGM held in London, see London Mining Network website: <http://londonminingnetwork.org/2009/04/rio-tinto-attacked-from-all-sides/>

(continued from previous page)

- and raised with BP - see for example DTE 76-77:24 <http://dte.gn.apc.org/76lwp.htm>, DTE 73:4 <http://dte.gn.apc.org/73tan.htm> and DTE 69:4 <http://dte.gn.apc.org/69fd3.htm>.
2. Environmental and Social Impact Analysis (ANDAL), October 2002, p. 3-30. The ANDAL is one of three environmental and social study documents, collectively known as the AMDAL, required for the project. The other two documents are the RKL (Environmental and Social Impact Management Plan) and the RPL (Environmental and Social Impact

Monitoring Plan). A summary of the AMDAL documents is available at

<http://www.adb.org/Documents/Environment/Ino/ino-tanggguh-Ing-project.pdf>

3. ANDAL pp 3-30, 3-31, 3-40, 3-60 and 3-104.
4. AMDAL summary, op. cit. note 2, p. 33, para 137.
5. [www.bp.com/tanggguh](http://www.bp.com/tanggguh), accessed 26 May 2009.
6. ANDAL, p. 3-31.
7. See 'False Hope: Why carbon capture and storage won't save the climate', Greenpeace, May 2008 at [www.Greenpeace.org](http://www.Greenpeace.org).
8. See 'Carbon reinjection: an addict's response to climate change', Greg Mutti and

Ben Diss, October 2001 published in *The Ecologist* magazine and reprinted in *The Observer* newspaper, available at [www.platformlondon.org](http://www.platformlondon.org).

9. See 'How Britain can take a lead in the carbon battle', *The Observer*, 15 February 2009 and DTI Oil and Gas - Maximising Recovery Programme, IOR Views, at <http://ior.senergytld.com/issue12/rnd/sme/energy/>
10. See 'Carbon reinjection: an addict's response to climate change', op. cit., note 7 and 'Now is the time to tap into Natuna's gas reserves', *The Jakarta Post*, 24 April 2009. ♦

## oil palm

# RSPO certification - sustainability for whom?

*The Roundtable on Sustainable Palm Oil (RSPO) has started awarding certificates to palm oil producers, even though some of those companies are involved in unresolved conflicts with local communities.*

For many CSOs in Indonesia, there are still a lot of questions about the awarding of RSPO certificates to oil palm companies in the country. Certification is supposed to be based on RSPO principles and criteria, agreed in 2007.<sup>1</sup> But what is really the basis for evaluating and awarding these certificates?

The question has been raised because almost all oil palm plantation development in Indonesia has been accompanied by social conflict with local communities and/or small-scale farmers. In 2007, the Indonesian NGO network Sawit Watch counted 514 social conflicts linked to oil palm plantations. The National Commission on Human Rights has received 10 cases of conflict related to oil palm plantations, and the environment ministry, 56 environmental cases in 2009. This reflects what Sawit Watch describes as the large scale and systematic robbery of forests for oil palm development.<sup>2</sup>

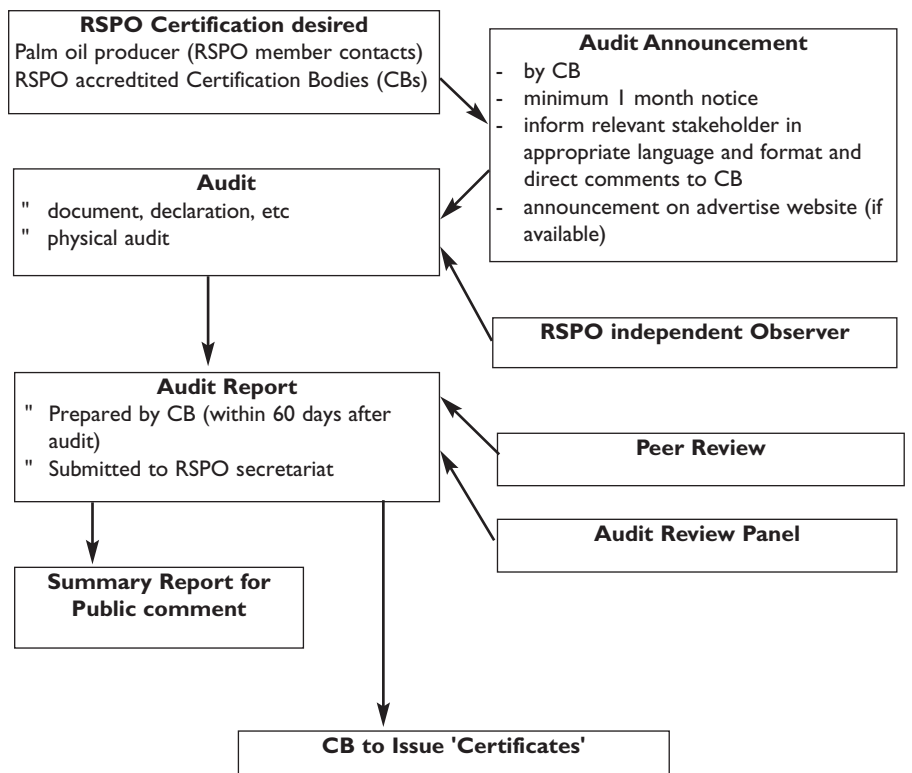
Currently three Indonesian palm oil producers have secured RSPO certificates: PT Musim Mas<sup>3</sup>, PT Hindoli<sup>4</sup> and PT Lonsum Tbk.<sup>5</sup> These certificates were awarded for several plantations and mills these companies operate in Sumatra.

In order to secure an RSPO certificate, companies must submit to audits carried out by a certification body accredited by the RSPO. Accredited companies currently include: Control Union of the Netherlands, SGS (Malaysia), BSI of Singapore, Sirim QAS (Malaysia), PT Mutuagung (Indonesia), PT TÜV Nord (Indonesia), IBD (Brazil), SAI Global (Indonesia), Sucofindo (Indonesia), Moodys International (Malaysia) and TÜV Rheinland (Malaysia). Two other companies, Agrovet (Austria) and Guardian Independent Certification are in the approval stage.<sup>6</sup>

Under a proposal developed by the RSPO in 2007, there are three ways of promoting RSPO certified palm oil in the supply chain:<sup>7</sup>

- ♦ "This product contains RSPO certified palm oil" (option 1) where there are segregated supply chains,
- ♦ "This product contains x % RSPO certified palm oil" (option 2) where there is 'Controlled Mixing' of certified and non-

### RSPO Assessment of Sustainable Palm Oil Production



Source: [http://www.aceh-eye.org/data\\_files/bahasa\\_format/bhs\\_env/bhs\\_env\\_palm/env\\_palm\\_analysis/env\\_palm\\_analysis\\_2008\\_12\\_13.pdf](http://www.aceh-eye.org/data_files/bahasa_format/bhs_env/bhs_env_palm/env_palm_analysis/env_palm_analysis_2008_12_13.pdf)

certified palm oil, and

- ♦ "This product supports the trade in sustainable palm oil" (option 3), where there is 'Parallel Certificate Trading' or 'Book and Claim'. Book and Claim means that a consumer books a certain amount of RSPO certified palm oil, it enters the supply chain along with non-certified oil, and an equivalent amount is 'claimed' at the consumer's end, without the certified oil being actually traceable in the system.<sup>8</sup>

### Companies with RSPO certification

#### PT Musim Mas

This company was founded in 1972 by Anwar Karim and is now headed by Bachtiar Karim. Musim Mas currently has plantations extending over 180,000 hectares in Riau, North Sumatra, Jambi and Kalimantan.

Between April and September 2005, there was a labour dispute in this company, when workers demanded their right to join a union. Over 700 workers were sacked and a further conflict was eventually settled through a decision of the Central



Committee for the Settlement of Labour Disputes (P4P).<sup>9</sup>

In Central Kalimantan, two subsidiary companies, PT Sukajadi Sawit Mekar (SSM) and Maju Aneka Sawit (MAS) have been engaged in a conflict with local communities in Sebabi, Tanah Puti and Kenyala villages, Kotawaringin Timur district, since 2004. The conflict was provoked when the company cleared community land, most of which was planted with rubber trees, *jelutung* gum trees, and rattan. The clearing was done without the communities' consent.<sup>10</sup>

Musim Mas was also among the companies whose licences were suspended by the Forestry Department in 1997 when devastating forest fires swept through Indonesia's forests. Many of them were deliberately set by oil palm companies in order to clear forest areas for planting. The fires created a choking smoke-smog across the region, leading to health impacts, as well as destroying countless livelihoods, wildlife habitats and resulting in massive CO<sub>2</sub> emissions.<sup>11</sup>

#### PT Hindoli

This company is a subsidiary of the Cargill Group, which owns five oil palm plantation companies. Two in Indonesia (Hindoli, in Sumatra, and Harapan Sawit Lestari (HSL) in West Kalimantan) and three in Papua New Guinea.<sup>12</sup>

PT HSL's long-running conflict with the local indigenous communities over land was reported by DTE and WALHI Kalimantan in a joint publication, and again in 2002, when the company was still owned by the UK government's investment body, CDC. CDC<sup>13</sup> sold all its oil palm plantation interests in Indonesia and PNG to the US giant agro-industry transnational Cargill in early November 2005.<sup>14</sup>

#### PT PP London Sumatera Indonesia Tbk

This company is more than a hundred years old - it was founded in 1906 as a British company growing rubber, coffee, cacao and tea, in the pre-war era before moving into palm oil. The company became a subsidiary of British palm oil traders Harrison and Crossfield. They sold out in the mid-1990s when PT Lonsum became an Indonesian company, listed on the Jakarta stock exchange.<sup>15</sup>

### Women and monocultures

The World Rainforest Movement (WRM) has created a video on monocultures impacts on women around the world: see [http://www.wrm.org.uk/Videos/Women\\_Videos.html](http://www.wrm.org.uk/Videos/Women_Videos.html)

The company has been involved in several social conflicts with local communities in Sumatra, Kalimantan and Sulawesi, most of them concerning land and some of them violence.<sup>16</sup> In East Kalimantan, 2009, mobile brigade police fired shots, made arrests and terrorised indigenous Dayak villagers who had occupied the company's base camp in protest against the takeover of their land for plantations.<sup>17</sup> In Sulawesi 2003, three farmers were killed by mobile brigade police and several others seriously wounded, in a long-running land dispute with the company.<sup>18</sup>

*A list of companies which have been, or will be audited, will be posted on our website along with the web version of this article. See <http://dte.gn.apc.org/news.htm>*

#### Notes:

1. For RSPO background see for example, DTE 72, <http://dte.gn.apc.org/72op2.htm> and <http://dte.gn.apc.org/72op3.htm>, DTE 76-77, <http://dte.gn.apc.org/76gw1.htm>, DTE 66, <http://dte.gn.apc.org/66op3.htm>
2. *Jakarta Post* 19/May/09
3. Edisi 17 Februari 2009. Baru Satu Perusahaan Sawit Punya Sertifikat RSPO. <http://www.endonesia.com/mod.php?mod=publisher&op=viewarticle&cid=47&artid=2829>
4. Edisi 3 Maret 2009. Hindoli raih sertifikat RSPO <http://web.bisnis.com/edisi-cetak/edisi-harian/agribisnis/1id106177.html>
5. [www.rspo.org](http://www.rspo.org)
6. [http://www.rspo.org/List\\_of\\_Certification\\_Bodies.aspx](http://www.rspo.org/List_of_Certification_Bodies.aspx)
7. [http://www.rspo.org/resource\\_centre/Sustainable%20Palm%20Oil%20Certification%20and%20Trading%20Systems%20\(June%202007\)\\_1.pdf](http://www.rspo.org/resource_centre/Sustainable%20Palm%20Oil%20Certification%20and%20Trading%20Systems%20(June%202007)_1.pdf)  
See also [http://www.rspo.org/resource\\_centre/RSPO%20Supply%20Chain%20Certification%20Systems.pdf](http://www.rspo.org/resource_centre/RSPO%20Supply%20Chain%20Certification%20Systems.pdf)
8. [http://www.rspo.org/resource\\_centre/RSPO%20final%20report%20Annex%205.pdf](http://www.rspo.org/resource_centre/RSPO%20final%20report%20Annex%205.pdf)
9. KapanLagi.com. 8 Juni 2006. PT Musim Mas-PUK SP Kahutindo Sepakati PHK 701 Karyawan
10. <http://nordin-journal.blogspot.com/2008/12/konflik-pt-ssm-musim-mas-group-dan.html>
11. See DTE 35, supplement page 8.
12. <http://www.cargill.com>
13. See <http://dte.gn.apc.org/ccdc2.htm> and <http://dte.gn.apc.org/55OP.htm>
14. See <http://dte.gn.apc.org/67brf.htm>
15. <http://dte.gn.apc.org/42Dyk.htm>, <http://www.londonsumatra.com>
16. <http://nasrilbahar.blogspot.com/2007/10/akuisisi-pt-lonsum-diminta-jadi-momen.html>
17. <http://dte.gn.apc.org/42Dyk.htm>
18. <http://dte.gn.apc.org/59brf.htm> ♦

### New regulation opens door to more oil palm on peat

More carbon-rich peatland can be opened for palm oil under a new agriculture ministry regulation (14/Permentan/PL.110/2/2009) issued in February. This allows companies that had been issued permits in peatland before the new regulation - which imposes tighter restrictions - to continue until their land use rights expire.

Indonesia NGO network Sawit Watch has called for the regulation to be cancelled, and for the rights of local communities - who live in the forests targeted for a massive oil palm expansion programme - to be respected. (Source: Sawit Watch 24/Feb/09. For more background see DTE 79:4 and 75:10.)

### Greenpeace RSPO investigation

An investigation conducted by Greenpeace Netherlands has revealed that deforestation, deep peat conversion, land disputes and illegal practices continue to occur in the plantation estates owned by a company that is RSPO certified for part of its operations.

Malaysia's United Plantations - the first producer to get RSPO certification - has received its certification for plantations in Malaysia, whilst they continue 'business as usual' destructive practices in Indonesia, according to the report, which can be downloaded from: <http://www.greenpeace.org.uk/node/16673>.

United Plantations supplies palm oil processor AAK, which in turn counts United Biscuits and Nestle, among the companies it supplies with palm oil products.

According to Greenpeace, the investigation shows that "...the RSPO is failing to enforce even its own minimum, and from Greenpeace's point of view, insufficient criteria."

### Unilever's deforestation moratorium call

Unilever's Chief Executive Officer, Paul Polman, has called for governments to support a moratorium on deforestation as a crucial measure to tackle climate change. Polman, was speaking at May's World Business Summit on Climate Change in Copenhagen.

UK-Dutch multinational Unilever is a founder member of the RSPO. Last year the company called for a moratorium on clearing forests for palm oil plantations (see DTE 79:3, <http://dte.gn.apc.org/79are.htm>). (Source: <http://www.unilever.com/25/May/09>)

## elections

# Ecological justice in Indonesia: in whose hands for the next five years?

*In April the Indonesian people elected their parliamentary representatives. Partai Demokrat, the party of incumbent president Susilo Bambang Yudhoyono (SBY), secured the strongest position with around 20% of the seats. On 8th July are the elections for president and vice-president, with three pairs of candidates in the running: SBY and Boediono, Megawati and Prabowo, and Jusuf Kalla and Wiranto. What are the prospects for ecological justice?*

The following is based on work by scholar-activist George Junus Aditjondro to highlight the candidates' track record on sustainable development.<sup>1</sup>

### **Jusuf Kalla and Wiranto:**

**Kalla** is chairman of the former ruling party, Golkar, current vice-president and a wealthy entrepreneur. He maintains a wide political and business network. His main business, Bukaka Teknik Utama, covers engineering and manufacturing of infrastructure-related products and services, including for the energy sector.

The company's track record on the environment is not impressive. Aditjondro noted that a hydroelectric power plant in Poso, Sulawesi, was constructed before the AMDAL (environmental impact assessment) was properly conducted. Similarly, hydroelectric power plants Peusangan I and II at Tanah Gayo, Aceh, went ahead before any required assessment was made. Land for the Peusangan I project was acquired from local people without fair compensation.

Jusuf Kalla is also known to be a keen supporter of coal power plant development, such as the state power company's project to provide 10,000 MW of electricity across the country from these polluting power plants. The Kalla family's Bukaka, Bosowa and Intim groups are contractors for coal-fired power plants at Jeneponto, South Sulawesi, and at Cilacap, Central Java, with coal supplied from a mine in East Kalimantan owned by Intim Group.

The record of the notorious former general and armed forces chief **Wiranto** on environmental issues should be tracked back to his financial backers in the military. Military-backed businesses might benefit from his position as vice-president.

### **SBY and Boediono:**

Speaking at a public lecture at the London School of Economics before attending the G20 summit in April, **SBY** claimed he was proud to play an active role in tackling climate change by hosting the 2007 climate summit

(COP13) in Bali. However, he has presided over a host of environmental scandals involving corporations. The most controversial is the Lapindo mudflow disaster of East Java - clear evidence of the tight grip held by business on SBY-Kalla. Lapindo is a company majority-owned by the powerful Bakrie family, whose eldest son is one of SBY's ministers. Three years after the mudflow started, Lapindo has still not yet paid full compensation to thousands of families made homeless and landless by the incident. SBY has appeared weak on this issue from the outset.<sup>2</sup>

Awarding a 'green label' to companies with dubious environmental and social records, such as mining multinational Newmont and a 'blue label' (in other words an 'okay' rating) to Freeport Indonesia, also reflects the double standards of his cabinet.

A lack of cohesion has been a feature of 'sustainable development' policy from SBY's cabinet. Joining world leaders in addressing multiple global crises, as member of the G20, for example, has no coherent counterpart policy at home. On the one hand, SBY claims to be active in combating climate change, on the other, he permits the conversion of peatlands for oil palm and timber plantations (see page 13).

Known as a seasoned technocrat and academic, **Boediono** has held various ministerial positions since Gus Dur's presidency. He was the governor of Indonesia's central bank before becoming SBY's running mate. Critics of his candidacy refer to his controversial bank bail-out scheme. Banks had enjoyed lavish government support through the liberalisation of the banking system: they were also first to get state support when the banking system collapsed. There is concern that Indonesia's economic policy would become more liberal under his influence, at the expense of country's remaining natural resources.

### **Megawati and Prabowo:**

The environmental track record of former president **Megawati Soekarnoputri** is not impressive. Prior to taking power, her PDI-P party was rather popular among civil society

groups, due to being common victims of the Suharto's authoritarian regime. However, once the first female president was in power things changed. Her party members helped to gag the outspoken environment minister, and fellow party member, Sonny Keraf. At one point Keraf was critical of polluters like PT Toba Pulp Lestari and PT Freeport Indonesia. Afterward, he became silent.

The former general and Suharto's son-in-law **Prabowo Subianto** is Megawati's running-mate. His new party, Gerindra, secured less than 5% of the vote in April's legislative election. His party is a trying to create a populist image, taking up nationalist concerns about foreign investors taking over country's resources and the issue of impoverishment by foreign loans. This ambition to embrace 'wong cilik' ('little people') saw the couple greeting the public together for the first time in a surreal red-carpet ceremony at a landfill site on the outskirts of Jakarta.

On top of his grim human rights record, Prabowo fails on ecological justice. Kiani Kertas, now PT Kertas Nusantara, one of his companies, forms part of the chain of deforestation in Kalimantan.<sup>3</sup>

Gerindra's aggressive media campaign in the run-up to April's elections was evidence of Prabowo's solid financial backing. Following his departure from the army, Prabowo reinvented himself as a successful businessman. He and his brother, Hashim Djojohadikusumo hold over 1 million hectares of timber plantation concessions and a coal mine in East Kalimantan. In Papua, Hashim is exploring gas at 'Blok Rombebai' covering an area of 11,590 km<sup>2</sup> in Yapen district. Hashim will also clear forests in Papua to make way for 585,000 hectares of ricefields and 800,000 ha of sugarpalm in Merauke district. In total, the brothers' enterprises cover around 3 million hectares of plantations, production forests, coal mines and gas fields across the archipelago. A further 1.5 million ha of land in East Kalimantan and Merauke is due to be cleared for more projects.

*(continued bottom of next page)*

# Twenty years of DTE

In January 2009 DTE marked its 20th birthday by inviting friends to a gathering in Bogor. On the same occasion we launched an Indonesian language compilation of climate change articles taken from recent DTE newsletters.

The following review of our activities was published as the introduction to that book.

DTE's 20th birthday, in December 2008, comes at a critical time: the world's governments have woken up to the dangers of climate change but have not yet agreed a just and sustainable way to tackle it; the credit crisis, originating in the US, is causing economic havoc internationally, with knock-on effects on jobs, health, education and poverty levels.

It is a critical time for Indonesia, which has become a major contributor to climate change, as well as highly vulnerable to its impacts.

While businessmen and investors profit from the destruction, the poorest Indonesians face multiple impacts. Not only do forest-dependent communities lose their livelihoods, but many will also be disproportionately affected by the impacts of climate change itself, such as more flooding, landslides, drought, loss of coastal land and increased levels of malaria and dengue fever.



A selection of DTE's publications

## Then and now

On the surface, today's focus on climate change shows how priorities for DTE have moved on since we started 20 years ago. But closer examination shows that we are looking at what are basically the same problems - just through a different lens.

When DTE was set up as a monitoring service for environment and development news in Indonesia, the burning issues included rampant forest destruction and violation of indigenous rights, conflict over land, the damaging social, environmental and human rights impacts of private and

public sector investments, and the use of brute force to suppress opposition to government projects.

The political context has changed since then of course - Indonesia now has a democratically elected government and has

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## Law enforcement: whose rights?

The current government does not score highly on environmental protection and ecological justice according to the Indonesian Center for Environmental Law (ICEL), an NGO based in Jakarta. In fact, sustainable development has never been high on the agenda of any government except on paper. There are three weak points:

- ♦ **Policy:** despite various regulations aimed at protecting the environment and livelihoods, exploitation of natural resources has continued.
- ♦ **Judicial role:** legal disputes between corporations and communities (eg Newmont) are decided in favour of companies.
- ♦ **International agreements:** Indonesia has

signed many international agreements which favour economic interests over ecological justice. Trade agreements take precedence over environmental protection agreements.

## Criminalisation of opposition

The recent police clamp-down on civil society on the fringes of the World Ocean Conference (see page 10) is evidence of a re-emergent heavy-handed approach to dealing with civil society concern over natural resources management. Human rights watchdogs, including Kontras, legal aid organisations and ICEL, have observed a growing trend on the part of the authorities to 'criminalise' civil opposition. In this regard it is important to note that former high-ranking military personnel are involved in all three presidential race duos, and that at least two of them were involved in serious human rights abuses.

How will this influence a future presidency? In the context of climate change, for example, Indonesia is considering several controversial strategies, including carbon trading, promoting agrofuels by massive expansion of oil palm plantations and nuclear power (planning for Central Java's nuclear plants is going ahead again despite all the risks). How far will Indonesia's civil society movements continue to be able to play a critical role and ensure that crucial questions about resources are debated openly?

## Notes

1. GJ Aditjondro *Jejak rekam para capres di bidang lingkungan & pilihan bagi gerakan lingkungan di Indonesia* (30/Mar/09)
2. See DTE 71:1, <http://dte.gn.apc.org/71mud.htm> for background. See also <http://www.cohre.org> for update.
3. See DTE's report *No Chip Mill Without Wood* at <http://dte.gn.apc.org/cskal06.pdf> ♦



made moves toward decentralised power. Back in 1988 the country had an entrenched dictatorship whose highly centralised regime allowed exploitation of the country's natural wealth for the personal enrichment of the Suharto family and their cronies and for the profit of international investors.

But ecological justice - social justice which places environmental sustainability at its heart - has remained a constant underlying theme. All the issues listed above are as central to the climate change debate as they were to debates about sustainable development then.

Forest destruction and land use change are key issues in the climate change discussion because together they are, at 20%, the second biggest source of carbon emissions after energy. The renewed international push to prevent or reduce forest destruction in future raises many of the same questions about forestry policy, indigenous rights, community-based forest management and conservation that were being discussed twenty years ago.

### So, has anything changed?

If the same basic problems remain the same, does this mean that no progress has been made in twenty years? No: important gains have been made over the past two decades.

Civil society plays a stronger and more critical role in Indonesia now; there is far greater freedom to speak out. A strong, national-level indigenous movement has emerged to keep up the pressure on

government to recognise indigenous rights. The world is more connected and this brings tools for accountability within the reach of many more Indonesians than twenty years ago.

In the ten years since the fall of the Suharto regime especially, there were gains at policy level too - though there has been disappointment over the failure to follow these up. Indonesia's constitution was amended to provide recognition of indigenous peoples' traditional rights; a decree by Indonesia's highest legislative body, the MPR, offered scope for progress on indigenous rights and land reform; and decentralisation has, in some areas, made it possible deliver community decision-making over natural resources management.

At regional level, a moratorium on logging is in place in Aceh (though the region's 'green' development plan has received a mixed reception), and a similar move has been proposed in peat-rich Riau.

International developments should also start to make their impact: the United Nations Declaration on the Rights of Indigenous Peoples, (Indonesia voted in favour), can be used by civil society Indonesia to push for positive change within the country.

Yet huge challenges remain: Indonesia's politicians are still following a Suharto-style model of export-led growth based on plundering Indonesia's natural wealth. Many communities are facing land and livelihood loss as massive expansion of oil

palm plantations gets underway.

Regrettably, positive changes have been far less evident in Papua, where human rights atrocities and impunity for perpetrators remain widespread. Papuans are still among the poorest in the archipelago, while their natural resources are among the richest.

Even some of the new forest protection measures aimed at tackling climate change (as developments in Poznan, Poland, have shown) could well mean further loss of resources for forest-dependent communities, while government agencies, and the carbon credit industry capture the financial benefits.

### DTE's role

DTE was set up by the two UK-based NGOs, Tapol and Survival International, as a monitoring service for environment and development in Indonesia. The aim was to provide information on and raise awareness of the problems faced by rural communities confronted by the Indonesian government's centrally-planned development programme. Issues covered included the transmigration programme, forests and forest peoples, land disputes, dams, mining, the proposed nuclear power programme and marine and coastal fisheries and mangroves. The target audience included key figures in the development community, government policy-makers, conservation organisations, research institutions, journalists as well as other NGOs and activists in Indonesia and elsewhere. As well as publishing a bi-monthly



DTE booth at Forest Day side event at Bali Climate Change summit, 2007.



Who is DTE? People currently working for DTE include: (from left to right) Carolyn Marr, Betty Tio Minar, Devi Anggraini, Adriana Sri Adhiati, Andrew Hickman. DTE's work is overseen by a board of volunteer directors, who are currently Marcus Colchester, Carmel Budiardjo (see below), Annie Heaton, Paula Vandergert and Paul Barber.

newsletter, the project participated in campaigns with other organisations.

This work helped expose international responsibility for social and environmental problems in Indonesia. Cases included the World Bank's role in Indonesia's disastrous transmigration programme, and its funding for the Kedung Ombo dam in Central Java - a project which led to forced or coercive evictions from their homes of thousands of local families. They also included a successful joint campaign to stop a US-based multinational Scott Paper from investing in an environmentally and socially damaging pulp mill project in Papua.

In 1991 DTE adopted a more assertive campaigning stance and started producing special reports on campaign issues. These included a book on mining, and special reports on pulp, forests, certification and transmigration. DTE's new strapline - International Campaign for Ecological Justice in Indonesia - reflected the campaigns orientation.

Since then DTE has expanded in terms of staff and scope of work. We have supported local Indonesian campaigns against destructive projects, helped to spread local-level information to international NGOs and media, organised lobbying events and capacity-building workshops and have helped build campaigning networks.

Our information role has continued: in 1999 we launched our dual language website, which now scores over 1 million hits for pages each year. From 2000 to 2004 we produced monthly dual language factsheets and updates on IFIs to raise awareness both within Indonesia and internationally of increased IFI influence in Indonesia following the 1997 economic crisis. Our newsletter has appeared regularly since 1989 and is now in its 79th edition.

In 2003, DTE began a formal joint programme of work with AMAN, the indigenous peoples alliance, funded by DFID. This included a capacity-building element in

addition to information and advocacy work. Two indigenous representatives selected by AMAN visited the UK on mini-internships during the first year of the programme. Work with AMAN, also included translating and rewriting the UN toolkit on indigenous peoples for AMAN members, assisting AMAN develop a website, translating AMAN's materials into English, day to day assistance by at AMAN's secretariat in Jakarta, involvement in work on developing a legality definition for timber and fundraising for AMAN programmes. DTE and AMAN agreed to end the formal joint programme in 2005, although some elements of the work are still continuing, including finalising a book on indigenous community based forest management.\*

### Looking forward

In 2007, DTE agreed a new 3-year strategy: 'climate justice and sustainable livelihoods' as a way of unifying and building on work to raise awareness of linkages between natural resources use, community resource rights and poverty, with a focus on forest protection, oil palm plantations and biofuel policy, and the extractive industries (mining, oil and gas).

By climate justice we mean equitable solutions to climate change which are based on the rights, needs, participation, and agreement of the communities who are feeling the greatest impact of climate change or who will be affected by initiatives to mitigate climate change.

For Down to Earth climate justice also means recognising that responses to climate change must focus on far-reaching change in the North, which involves just and equitable management of reductions in energy consumption and a shift to clean, renewable energy. It means working to ensure that mitigation attempts in the North do not have negative knock-on effect in other countries - this is happening with the promotion of palm oil as a 'green fuel' in

Europe, while rural communities feel the impacts of oil palm expansion in Indonesia.

Climate justice and sustainable livelihoods are closely linked, since community management of resources that support livelihoods, offers a better chance of long term sustainability than do top-down development schemes which serve the interests of national and international business elites, and reinforce global inequality.

The objectives of the three-year (2008-2010) programme are:

- ♦ improved flow of information from international sources to Indonesian partners in order to build capacity for participation in international debates and advocacy.
- ♦ greater awareness internationally of, and more effective international advocacy on, the destruction of Indonesia's natural resources and sustainable livelihoods, and climate change-related impacts
- ♦ greater capacity among local CSOs for making sure that affected communities' have access to international climate change debates and that their voices are heard;
- ♦ greater awareness of sustainable, community-based alternatives which can contribute to tackling climate change, among national and international development policy-makers and decision-makers.

Down to Earth aims to act as a two-way information bridge between Indonesia and Europe for research and analysis, advocacy and capacity-building which connects to climate change, sustainable livelihoods and ecological justice in Indonesia.

DTE's work is currently funded by CAFOD, Cordaid, Ford Foundation, Caritas Australia and Trocaire.

On the occasion of our 20th birthday we would like to thank all people who have supported DTE, including all past

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Organisationally, AMAN's 10 year journey has also had its highs and lows: there have been successes and not a few failures; moments of joy mixed with sadness; optimism sometimes tinged with pessimism; solidarity and loyalty, but betrayal too. These various aspects of our movement have provided inspiration and learning experiences for the leaders and supporters of indigenous rights to continue to strengthen our position and to act collectively, as well as to revise our strategies and make organisational improvements for the future.

My Indigenous brothers and sisters from the whole of Indonesia,

Changes have taken place and continue to do so at the level of the state. We welcomed the strengthening of the Indonesian Constitution through the Amendment which recognises the "cultural identity and traditional rights of Indonesian people of customary law" as a basic human right. This change at the constitutional level also demonstrates a more positive attitude towards Indigenous Peoples' collective rights, even though much more sectoral legislation still has to be removed from the statute and reformulated as it does not reflect the spirit of the constitutional amendment. A more favourable change in this direction is apparent in the 1999 Regional Autonomy law<sup>1</sup> and its 2004 replacement.<sup>2</sup> This presents greater opportunities to return to 'locally-determined village autonomy' in line with local indigenous governance systems. We also welcomed Special Autonomy in Papua which is predicated on the existence of the indigenous population and recognises customary law. Another fairly progressive

piece of legislation which acknowledges and protects indigenous communities' collective rights is the 2007 law on the Management of Coastal Regions and Small Islands.<sup>3</sup>

Although there have been minor, partial changes, these have not gone far enough bearing in mind the massive scale of the problems associated with Indigenous Peoples' rights. Thousands of cases of land rights violations are still piled up in various ministries, sectoral departments, National Commissions such as the National Commission for Human Rights and the National Forestry Council, local government offices and, very probably, the Supreme Court awaiting final, definitive adjudication. Too many central and local government regulations have yet to acknowledge fully the presence of indigenous peoples and our customary rights. The process of impoverishment continues. The delivery of government services to meet the needs of indigenous communities far from major urban centres is still absolutely minimal and highly discriminatory.

My Indigenous brothers and sisters:

We must continue the struggle. In a short while the 2009 General Elections will take place to select our representatives in the state's political institutions. We have listed at least 194 AMAN supporters from 32 political parties who have registered as candidates at various levels of government. These candidates are our supporters whom we have delegated and we will, of course, have to keep a watchful eye on them as the indigenous movement's political representation in local, regional and national assemblies. Some have even signed formal contracts committing them to fight for AMAN's aims and objectives if they are elected. We are delegating these people to

build a link between Indigenous Peoples and the state via formal political channels, to work within the establishment. That is why it is the responsibility of each and every one of us to ensure that they do this in line with the mandate from AMAN's third Congress (2007).

We believe that, with firm resolve, clear thinking and adherence to the precious values handed down to us through the generations, AMAN's candidates will be able to get through this challenging period with shining colours to secure the presence of indigenous representation within the current political system. For AMAN, such political work is a noble cause and one which we should undertake with the utmost respect.

On this happy occasion, we thank everyone who has made the effort to understand, empathise with and continue to support what AMAN has been doing, so that we can celebrate our 10th anniversary. Without the support of these parties, AMAN would not have been able to survive or to face up to all kinds of internal and external challenges. Your advice, criticism and many sorts of support mean so much to AMAN.

We ask for your prayers and continued support.

Many congratulations to all the indigenous communities throughout the archipelago. Let us continue to strive towards the realization of a movement which has political sovereignty, economic independence and cultural prestige.

Thank you on behalf of AMAN.

Notes

1. No. 22/1999
2. No. 32/2004
3. No. 27/2007♦

(continued from previous page)

staff; directors and management committee members past and present as well as all the funding organisations who have made generous contributions over the past two decades.

And, of course, a heartfelt THANK YOU to the many groups and individuals we have worked with over the years, from communities, to regional and national CSOs in Indonesia, to our colleagues in international organisations in Europe and beyond. We look forward to working with you in future!

\*This book, Forests for the Future, has now been published. See <http://dte.gn.apc.org/GNSCON.htm>♦

*Carmel Budiardjo is one of the founders of DTE.*

*Carmel works for Tapol, the UK-based organisation that promotes human rights, peace and democracy in Indonesia.*

*In 2008 she received the John Rumbiak Human Rights Defenders Award, pictured, right.*





# Ten years of AMAN

To mark the ten year anniversary of the Indigenous Peoples Alliance of the Archipelago, DTE has translated a speech by AMAN's Secretary General on March 17th 2009.

## A Decade of the Indigenous Movement and AMAN's first ten years

The Executive Board of the Alliance of the Indigenous Peoples of the Archipelago

A speech by AMAN's Secretary General commemorating the past decade of the Indigenous Peoples movement in Indonesia and celebrating AMAN's 10th anniversary.

Jakarta 17th March 2009

To all my Indigenous brothers and sisters of the archipelago who celebrate with us:

Today, the 17th of March 2009, is a very special day for all Indonesia's Indigenous Peoples and, of course for AMAN. On this day ten years ago, indigenous leaders and proponents of indigenous rights from every corner of the Indonesian archipelago gathered in Hotel Indonesia in Jakarta. This was the inaugural congress of Indonesia's Indigenous Peoples which proclaimed our fundamental position: the need to restructure the relationship between Indigenous Peoples and the state. It was this gathering which generated the movement's campaign slogan: "If the state does not acknowledge us, we will not acknowledge the state".

This position was accompanied by our collective determination to stand up against all forms of oppression, exploitation,



and marginalisation of Indigenous Peoples throughout Indonesia and human rights violations against them. It was to safeguard this movement that we agreed to set up the Alliance of the Indigenous Peoples of the Archipelago (AMAN) on this very day ten years ago. The mandate for AMAN was to become a vehicle to coordinate the communal struggle of Indonesian Indigenous Peoples to restore our collective rights. Prime amongst these are:

1. The rights of 'authority' (to own and control) and management (to protect and utilise) the land and natural resources in our customary domains;
2. the rights to our identity, cultures, belief systems ('religion'), traditional knowledge

and intellectual property;

3. The right of self governance in keeping with our traditional institutions and governance systems;
4. The right to self regulation in accordance with our customary laws (including traditional justice systems) and regulations agreed collectively by indigenous communities.

These fundamental rights which we have tirelessly continued to promote constituted the basis for Indigenous Peoples to define themselves at that first AMAN congress as: "communities who live on customary lands based on ancestral rights handed down through the generations, who have sovereignty over these lands and resources and whose societies and cultures are governed by customary law and customary institutions which manage the continuity of their lives."

This was our position and our creed ten years ago. Since then much has happened. Overall, Indigenous Peoples in Indonesia have certainly experienced changes, although whether these should be seen as steps in the right direction or not is debatable. AMAN has noted how, over the past decade, indigenous communities have become more aware of their collective rights. This awareness has been accompanied by greater self confidence in ourselves as part of Indonesian society with the same rights and responsibilities as other citizens.

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## Our mailing address has changed!

**DTE's new address for correspondence: Down to Earth, Greenside Farmhouse, Hallbankgate, Cumbria CA82PX, England**

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