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New briefing from DTE:
Indonesia's sustainable
development, climate change
and human rights treaty
obligations

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office: Greenside Farmhouse, Hallbankgate, Cumbria CA82PX, England, email: dte@gn.apc.org tel: +44 16977 46266 web: <http://dte.gn.apc.org>

Indonesia packages tree plantation expansion as emissions reduction strategy

Indonesia's forestry minister has announced that millions of hectares of 'new forests' will be planted. The aim is to help the country meet the commitment of President Susilo Bambang Yudhoyono (SBY) to slice 26% off Indonesia's projected greenhouse gas emissions level by 2020. But the planned massive expansion of tree plantations could well do more harm than good for local communities as well as the climate.

Half a million hectares of new forests will be planted each year from now till 2020 at a cost of IDR 2.5 trillion (USD\$269 million) per year, according to Forestry Minister Zulkifli Hasan. He said that Indonesia could expand forest cover by up to 21 million hectares by 2020 (see table 1).¹

Officially, there are 130 million hectares of forests in Indonesia, but by the minister's own admission, only 48 million hectares are in good condition.²

In September last year, President SBY promised that Indonesia would reduce emissions by 26% against business as usual projections by 2020. He said that cuts could reach 41% with international support.³

A new Ministry of Forestry document shows how it aims to follow up SBY's commitment and it fills in some of the detail to the minister's January announcement on new forests. Based as it is on targets for reducing emissions, the main focus is on targets for achieving a range of forestry department sub-programmes, broken down by province, year and target land to be covered. The end result is a sea of figures.

It is hard to see how this top-down target-driven approach squares with the complex local realities on the ground, where land classified as forests by the forestry ministry in Jakarta may be part of an

indigenous community's customary territory, or where other overlapping claims for access and resources may make any forestry programme extremely problematic to implement or sustain on the ground. It is also difficult to see how such an approach can accommodate the demands for consultation and participation from civil society and fulfil the country's international obligations relating to human rights (including indigenous rights) and economic and social.⁴

Whether or not planting new forests will do anything to help cut emissions is seriously doubtful too: plantation companies are still getting permits to develop plantations in existing forests, so they actually destroy efficient carbon storage systems, rather than create new ones. Going on past experience, the success rate for developing new timber plantations is very low, so that original carbon absorption capacity is not even being replaced in a limited way. Even then, it is not as if these much-reduced carbon stores will be left untouched. First they will be used for industry (pulp, ply, other wood products, biomass energy) and there is no guarantee that they will be replanted, if it no longer suits the developer to do so.

An August 2009 article by Chris Lang, the editor of www.redd-monitor.org focuses on another important argument

against plantations as carbon sinks - the risk of fire.

"Imagine the following situation: a polluting company in the North pays a "carbon neutral" seller that promises to "offset" its emissions by planting trees. Let's assume that the trees are in fact planted and that they do absorb the entire

(continued next page)

Inside...

Climate justice:

Saving the planet is our joint responsibility 6

Indigenous rights:

Interview: indigenous rights in West Kalimantan revisited 8

Oil palm / agrofuels

Palm oil for electricity, heat & transport in the UK 10

Mining:

Petition against World Bank support for new nickel mine 12

Concern over Toka Tindung mine 12

Coal:

Taking the toxic tour in East Kalimantan 13

In Brief...

16

amount of carbon emitted by the polluting company. Six years later, the plantation goes up in fire. The result will be that the burnt plantation will have released the entire amount of carbon that it was supposed to "offset". Which means that the plantation's only use was to allow polluting the company to avoid investing in what is most necessary from a climate perspective: cutting emissions."⁵

Of course forests can't just be seen as carbon stores: viewing them in this way is to make the same mistake made in the past which viewed them merely as timber stands. If all forests' social, economic, cultural, biodiversity and ecological functions are taken into account, it becomes even more obvious how vital it is to prevent their destruction in the first place. When they are lost, the impacts on local communities are devastating and multifaceted - on top of the loss of carbon involved. Yet more destruction is embedded in the forestry ministry's plans, including 420,000 hectares per year to be converted to oil palm plantations and other uses (see below).

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Emissions figures

Last year the National Council for Climate Change (DNPI) estimated 2005 emissions levels at 2.3 billion tonnes (Gt) of carbon dioxide equivalent (CO₂e). The most recent figures submitted by Indonesia to the UNFCCC are lower, with 2005 emissions totalling 1.99Gt.ⁱ Both these could be underestimates - a 2007 World Bank & DFID study put the country's total emissions at 3Gt per year.ⁱⁱ According to the DNPI, deforestation, forest degradation and forest fires caused 38% of the 2.3Gt total (850 Mt Co₂e), while peat oxidation, fires and deforestation and degradation of peatland forests caused a further 45% of the total (1 Gt CO₂e).ⁱⁱⁱ

The DNPI projected that the country's total level of carbon emissions under a 'business as usual' scenario would be 2.8Gt by 2020 and 3.6Gt by 2030.^{iv} It calculated that taking action to reduce emissions in the main GHG-emitting sectors would reduce projected levels to 2.3 Gt by 2030 - back to the official level for 2005.

i. Summary for Policy Makers: Indonesia Second National Communication under the United Nation Framework Convention on Climate Change (UNFCCC). This document refers to previous estimates of land use change and forestry (LUCF) and peat fires and explains why its estimates are lower (page 5).

ii. DTE 83:8

iii. DTE 83:8.

iv. DNPI in DTE 83:8

When is a forest not a forest?

New controversy over what constitutes a forest has been fuelled in Europe and Indonesia. In early February, a European Commission document was leaked, which states that oil palm plantations can be considered as forests. This prompted derision and outrage among environmental campaigners and is widely seen as a manipulation of terminology in order to present palm oil as a sustainable fuel (see separate article). The document shows, said Friends of the Earth Europe, "the disgraceful attempts to push palm oil through European laws designed to prevent forest destruction..." According to FoE, converting rainforest to oil palm plantations creates a huge 'carbon debt'. It would take 86 years of palm oil biofuel use to make up for the amount of emissions released through the deforestation.ⁱ

A matter of days later, a senior forestry ministry official announced that Indonesia was preparing a new decree to include oil palm plantations in the forestry sector, and to define oil palm plantations as forest. The move was aimed at anticipating the implementation of REDD (Reducing Emissions from Deforestation and forest Degradation) schemes, he said.ⁱⁱ Though forestry minister Zulkifli Hasan denied any such plan a few days later, the news caused a similar condemnation in Indonesia as the EC leak did in Europe. Environmental groups WALHI and Greenpeace expressed concern that yet more deforestation would result.

According to a carbon broker quoted by *Point Carbon News*, Indonesia would find it hard to sell carbon credits generated by oil palm plantations, if it was agreed that these plantations should qualify for REDD schemes. "I really doubt that any country, especially European countries, would be willing to support the development of oil palm plantation as part of REDD, or to buy any carbon credits from oil palm plantation through REDD", said Paul Butarbutar from South Pole Carbon Asset Management.ⁱⁱⁱ

The definition of a forest was among the controversial issues at Copenhagen in December, and remains unresolved. The UNFCCC uses the definition of forest adopted by the FAO, which includes tree plantations. Indonesia's own legal definition (in the 1999 Forestry Law, for example) is less controversial because it does not include plantations.^{iv}

Indonesian CSOs have also been highly critical of a separate plan drafted by the forestry ministry to charge IDR1 million for each hectare of forest already converted to plantations.^v

- i. FoE Press release 3/Feb/10
- ii. *Jakarta Post* 02/Feb/2010
- iii. www.pointcarbon.com 16/Feb/10
- iv. See also DTE 79:2.
- v. AMPUH press release 23/Feb/10



Much more than a carbon store: 'talun' agroforest managed by indigenous community, Ciptagelar, West Java.

(Y. Indradi)

More details of MoF plans

The following information is taken from Ministry of Forestry (MoF) discussion document: *Program Kehutanan Untuk Mitigasi Perubahan Iklim & pengukuran, pelaporan serta verifikasi* (Forestry Programme for Climate Change Mitigation & Measuring, Reporting and Verification). It was posted on the MoF website on January 8th, with comments invited before Jan 12th, in preparation for a meeting between the president and provincial governors at the end of the month.⁶

The information is presented as the ministry's follow-up to SBY's commitment of 26% reduction on business as usual (BAU) projections by 2020. The forestry sector has been asked to reduce emissions on BAU by 14% (=52% of the 26% target).

According to the document, this follow-up includes:

1. Increasing the carbon stock through the following programmes operated by the forestry ministry: *HKm & Hutan Desa* (Community and Village Forests), *RHL DAS* (*Rehabilitasi Hutan dan Lahan Daerah Aliran Sungai* - Rehabilitating Forests and Land in Water Catchment Areas), *HTI & HTR* (Industrial Timber Plantations and People's Timber Plantations), *HPH Restorasi* (Logging Concession Restoration), and *Hutan Rakyat Kemitraan* (People's Partnership Forest - partnerships with companies);⁷
2. Reducing emissions from deforestation through eradicating illegal logging, preventing fires and forest encroachment; regulating, permitting the use of forest areas [eg for mining], and the release of

forest areas for conversion to other functions [eg plantations];

3. Reducing emissions from degradation through lowering the allowable cut and through restoring conservation areas;
4. Sustainable Forest Management through Intensive silviculture, selective logging and planting (TPTI), Reduced Impact Logging (RIL) and the certification of Sustainable Management of Production Forests (PHPL);⁸
5. Protection Area and Conservation Area Management.

The targets for increasing carbon stock are broken down per year and per forestry scheme (see table 1) and then again per province per year per scheme. The figures indicate that industrial timber and people's timber plantations (HTI & HTR) have the highest 2020 target of 5.8 million hectares, followed by logging concession restoration (5.75 million ha), and community and village forests (5.5 million ha).

Details of the timber plantation schemes (HTI & HTR) show that for the first five years (2010-2014), a total of 2,698,800 hectares is targeted for planting. Of the nineteen provinces targeted, West Kalimantan has by far the highest allocation of 585,000 hectares, followed by Papua with 250,000 ha, South Sumatra with 412,550 ha, and then jointly East Kalimantan and Riau with 240,000 ha each (see Table 2).⁹

It is not clear whether the HTI target replaces or overlaps with an earlier target of 9 million hectares of timber plantations by 2013 to support the pulp industry.¹⁰

Forests for mining, plantations and military facilities

The MoF document includes projections for the conversion of production forests to non-forestry uses. The projection is 420,000 hectares per year from 2010 to 2019 - a total of 4.2 million hectares. It notes that 8.9 million hectares of Indonesia's forest zone is classified as production forests for conversion (HPK), of which 4.7 million hectares have already been released. Of this area, 2.4 million hectares are covered by land use permits (HGU). So, the 2010-2019 projection of 4.2 million hectares means converting all the remaining production forests classified as for conversion.¹¹

The MoF document also gives projections for "use of forest areas" for gold, nickel, oil & gas, coal, tin and other minerals, plus non-mining land uses such as roads, communications and defence and security facilities for the Indonesian military.



Table 1: Increasing carbon stocks through HKm & Hutan Desa, RHL-DAS, HTI & HTR, Hutan Rakyat Kemitraan

Year	Community & Village Forests (ha)	Rehabilitating Forests and Land in Water Catchment Areas (ha)	Industrial Timber Plantations & People's Timber Plantations (ha)	Logging Concession Restoration (ha)	People's Partnership Forests (ha)	Total (ha)
2010	500,000	300,000	450,000	300,000	50,000	1,600,000
2011	500,000	300,000	550,000	350,000	50,000	1,750,000
2012	500,000	300,000	500,000	50,000	50,000	1,800,000
2013	500,000	350,000	600,000	650,000	50,000	2,150,000
2014	500,000	350,000	550,000	750,000	50,000	2,200,000
2015	500,000	300,000	450,000	300,000	50,000	1,600,000
2016	500,000	300,000	550,000	350,000	50,000	1,750,000
2017	500,000	300,000	500,000	450,000	50,000	1,800,000
2018	500,000	350,000	600,000	650,000	50,000	2,150,000
2019	500,000	350,000	550,000	750,000	50,000	2,200,000
2020	500,000	350,000	500,000	750,000	50,000	2,150,000
Total	5,500,000	3,550,000	5,800,000	5,750,000	550,000	21,150,000

The 2004-2009 total for this kind of forest use is given as 1,197,727 hectares and the projection for 2010-2020 is 200,000 hectares per year, bringing the overall total to 3,397,727 hectares. The MoF is therefore working on the basis that an additional 2.2 million hectares will be given over to such uses between now and the end of the current decade.

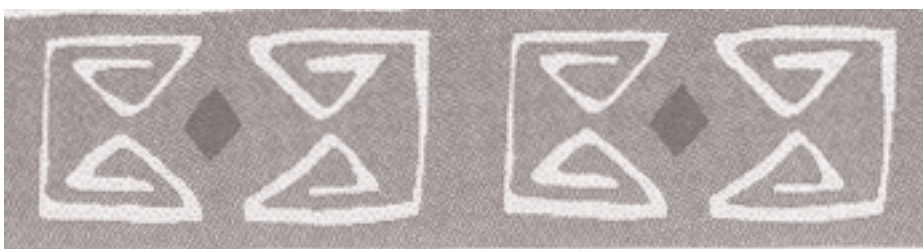
Forest fires are also scheduled to decline from a projected 25,566 "hotspots" in 2010 to a mere 2,745 in 2020. In terms of CO₂e reductions this is estimated at a gradual decline from 0.8 million tonnes of CO₂e in 2009 to 0.2 million tonnes CO₂e in 2015.

Overall, the MoF scenario shows how the forestry sector becomes a net carbon sink rather than net emitter, if the MoF strategic plan is followed. Total emissions from forests are put at 1.24 Gigatonnes of CO₂e, whereas forests will be able absorb 1.31 Gigatonnes under this plan.

(continued from page 3)

Table 2: Target for Industrial timber and people's timber plantations 2010-2014 - area (ha)

No	Province	2010	2011	2012	2013	2014	5-year total
1	Riau	50,000	50,000	45,000	45,000	50,000	240,000
2	Jambi	47,000	42,500	52,000	46,500	41,000	229,000
3	South Sumatra	85,000	84,550	79,000	84,500	79,500	412,550
4	Lampung	11,500	41,000	31,500	36,550	36,500	157,050
5	West Kalimantan	125,000	120,000	100,000	120,000	120,000	585,000
6	South Kalimantan	22,000	37,400	17,500	47,550	42,500	166,950
7	East Kalimantan	50,000	50,000	50,000	40,000	50,000	240,000
8	West Nusa Tenggara	10,500	10,400	10,450	20,450	15,400	67,200
9	East Nusa Tenggara	25,000	25,000	25,000	40,000	25,000	140,000
10	Maluku	5,000	10,000	10,000	30,000	10,000	65,000
11	Papua	40,000	50,000	50,000	60,000	50,000	250,000
12	North Sumatra	4,000	4,500	4,000	4,550	4,500	21,550
13	West Sumatra	1,500	1,000	1,250	1,500	1,250	6,500
14	Central Kalimantan	2,500	2,000	2,200	2,000	2,250	10,950
15	Yogyakarta	100	150	100	100	100	550
16	South Sulawesi	5,000	5,500	6,000	6,500	6,500	29,500
17	Southeast Sulawesi	12,000	11,000	11,000	10,500	10,000	54,500
18	North Sulawesi	3,000	2,500	2,000	2,500	2,000	12,000
19	North Maluku	1,500	2,000	2,000	2,500	2,500	10,500
	Total	500,600	549,500	499,000	600,700	549,000	2,698,800



The official pilot projects

The following pilot projects are officially recognised as such by the MoF:

- Demonstration activities at provincial level in Central Kalimantan, as part of the Kalimantan Forest Carbon Partnership with Australia. In the early stages of implementation
- Demonstration activities at district level, 2 in East Kalimantan and one in West Kalimantan. At the early stage of implementation, supported by KfW Germany
- Berau District, East Kalimantan, in conjunction with The Nature Conservancy. This is in the early implementation stages.
- Integrated REDD and conservation in Meru Betiri National Park (East Java). This project is in the planning phase, and is funded by the International Tropical Timber Organization (ITTO).
- Small Scale REDD project. This is an Indonesia-Korea partnership that is in the site identification phase.¹

i. See <http://www.whrc.org/Policy/REDD/Reports/AnOverviewofReadinessforREDD.pdf>

More background on other projects can be found in *DTE 79* and *DTE 82*, including a critique of Australia's REDD plans which focused on carbon trading and offsetting. A new report by Friends of the Earth (FoE) Australia and Aid/Watch is also highly critical of the plans - see 'New Report exposes Australia's REDD offsets scam' on www.redd-monitor.org, which regularly posts updates on REDD projects in Indonesia and elsewhere.

In February, Australia announced a further REDD demonstration project in Jambi, Sumatra ('REDD in the news: 1-7 March 2010', www.redd-monitor.org). It was immediately criticised by FoE Australia and Indonesia (WALHI) as an attempt to offset Australia's carbon emissions (Media Release 11/Mar/2010).

Updates on REDD projects are also posted on the REDDI website: <http://redd-indonesia.org/en/>

REDD schemes

Overseas funding for one element of the MoF plan - Reducing Emissions from Deforestation and forest Degradation (REDD) - has been welcomed by the Indonesian government. Jakarta has agreed REDD projects with several foreign governments as well as the UN, and remains in negotiation with the World Bank's Forest Carbon Partnership Facility.¹² US\$18 million has been committed so far, of which the FCPF will contribute \$3.6 million.¹³

Three pieces of REDD legislation have been passed¹⁴ in the last two years and five pilot projects, from over 20 projects across the country) have formally recorded by the MoF (see box). These five schemes were officially launched in January 2010.

However, there has been vociferous opposition from civil society organisations to REDD related to carbon trading and offsetting, as well as to the government's plans for managing REDD projects in Indonesia. As well as serious concerns over corruption of REDD money,¹⁵ there are deep-seated fears that local communities could end up worse off under REDD.

Bernadinus Steni, from the Jakarta-based CSO, HuMa, visited a REDD pilot project in West Kalimantan recently. He reported that things are getting "messy" there, "with promises of large inflows of money and infrastructure development creating both great hope and extreme concern among local communities".¹⁶

"No REDD without rights!" was the campaign slogan of indigenous and many other civil society activists from around the world at the Bangkok and Copenhagen UNFCCC climate talks last year, and this applies especially well to the situation in Indonesia. One of the basic concerns with REDD is that indigenous rights are likely to be sidelined, or ignored completely, because at national level, recognition and protection of these rights is still sorely inadequate. Indonesia's REDD regulations do in theory allow indigenous communities to manage REDD projects, but in practice, the lack of national-level legislation to recognise such communities means that this is all but impossible to put into practice.¹⁷

Indonesia's Civil Society Forum for Climate Justice (CSF) accused the official Indonesian delegation to Copenhagen of being more interested in grabbing funding than addressing the impacts of climate change or rescuing the country's remaining forests for its own people. In a statement issued at the Copenhagen summit, CSF called on Jakarta to stop using COP15 as a fundraising opportunity and to stop using forests as a commodity. It said the delegates should "stop humiliating [their] own people by promising to reduce emissions through REDD while the

existing domestic forestry problems have not been sorted."¹⁸

Indonesia's poor record on upholding indigenous rights, and on consulting indigenous peoples and local communities affected by development schemes was also highlighted by CSOs last year. The indigenous peoples alliance AMAN and oil palm advocacy network Sawit Watch wrote to the FCPF arguing that Indonesia's R-PP (the plan which demonstrates that a country has prepared for REDD) did not meet the FCPF criteria and should not be accepted until improvements had been made.¹⁹ They also critiqued the FCPF approval process which failed to take into account key World Bank safeguard policies which offer some protections for communities.²⁰

The Indonesian CSO HuMa also wrote to the FCPF to underline the R-PP's failure to recognise the lack of recognition for indigenous rights in the Indonesian forestry law. The group also raised concern about the Forestry Department's mandate, considering its notoriously bad record in governance and persistence in continuing with damaging policies left over from the Suharto era.

Indonesia's R-PP plan has still not

been accepted, although CSOs suspect that the FCPF is planning to accept it soon, after compromise procedures have been worked out that make it easier for controversial cases like Indonesia to fulfil acceptance criteria. The signs are that FCPF wants Indonesia in its scheme despite all the objections and problems, because it is too important a player not to be in it.

Progress reports both from FCPF and Indonesia's Ministry of Forestry posted on the FCPF website indicate that key issues remaining to be resolved include consultation with affected communities. According to the FCPF, remaining issues include agreement on what the FCPF grant will cover; agreement on the application of a Strategic Environmental and Social Assessment and Agreement on a plan for consultation and participation. Under a section called "main remaining issues" the FCPF reports lists participation of indigenous peoples and CSOs, and says that customary and land access rights have been highlighted by groups as the main issue. It also mentions a request for more qualitative participation, capacity-building and coordination of activities.²¹ A corresponding MoF report only mentions that stakeholder communication is "ongoing".²²

indigenous leaders, according to a ministry press release. This also said that follow up would include draft policies to empower and to recognise local expertise; developing criteria and methods to identify indigenous communities; setting up a database of *adat* (indigenous) communities and local knowledge, plus a range of activities to empower indigenous communities.²⁷

Ancestral Domain Registration Agency

Another step on the road to better recognition has been outlined by AMAN. Along with CSOs JKPP and FWI, AMAN has set up an independent body to register indigenous communities' claims to traditionally-managed *adat* (customary) areas. AMAN says that with intensive support from many CSOs, indigenous communities have been making participatory maps of their customary areas covering millions of hectares across the archipelago. However, there is nowhere to house the results of these efforts in the national land administration system, the national development planning agencies, or in the forestry ministry (where there is no department that deals with *adat* forest data).

The same goes for the Ministry of Marine Affairs and Fisheries, despite provisions for recognising indigenous rights in the marine law (No 27/2007). So, AMAN and its supporters took the decision to set up this body themselves and to develop a registration system that is low cost and easy to use for indigenous people, and that facilitates mutual recognition of claims. The hope is that in future, the state too, will recognise the claims. AMAN launched the Ancestral Domain Registration Agency (BRWA) on Indigenous Peoples of the Archipelago Day, March 17th, 2010. BRWA's website is at <http://www.brwa.or.id/>.²⁸

Thanks to Bernadinus Steni from HuMa, www.huma.or.id who offered advice on this article. He is drafting a report on REDD in Indonesia for the next Accra Caucus meeting.

Notes

1. Reuters 6/Jan/10
2. Reuters 6/Jan/2010
3. DTE 83:6
4. See new DTE document on Indonesia's obligations under international law.
5. Plantations as sinks: the carbon fraud at its worst, Chris Lang, 25/Aug/09 on www.redd-monitor.org.
6. <http://www.dephut.go.id/index.php?q=id/node/6036>
7. See also <http://www.kontan.co.id/index.php/nasional/news/23065/Pemerintah-Kembangkan-Hutan-Rakyat-Kemitraan> accessed 2/Mar/2010. Director General of Land Rehabilitation and Social Forestry Bambang Jaka Wibawa said that efforts to expand the area of people's partnership

REDD at Copenhagen

Was there any agreement on REDD at Copenhagen?

The Copenhagen Accord, was the most prominent - though highly controversial and extremely weak - official output of the underwhelming UNFCCC summit in December 2009. The Accord refers to the immediate establishment of a mechanism including REDD+.

REDD negotiations continued in the REDD sub-group under the AWG-LCA (Adhoc Working Group on Long Term Cooperative Action) and agreed on many sections of the negotiating text, including references to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) - a major breakthrough. However, three intractable issues - global targets and financing regimes, reporting on safeguards and national/subnational carbon accounting & leakage - remained and no final agreement was reached by the COP Plenary.⁽ⁱ⁾

Upcoming UNFCCC meetings relating to REDD include meetings in Bonn, Germany in April and in May-June 2010. For more details see UNFCCC website at http://unfccc.int/files/methods_science/redd/application/msexcel/20100112_redd_meeti_ngs_events_calendar.xls.

(i) See 'Forest talks at a standstill as Copenhagen ends without agreement', *Forest Watch* Special Report, FERN January 2010, via www.redd-monitor.org

Signs of progress on recognition?

There is some indication that the pressure on Indonesia may be opening some room for negotiation on the legal obstacles facing indigenous peoples in the country.

Following a sustained lobbying effort, the Poznan climate summit (COP 14) in 2008 first saw Indonesia's delegation leader Rachmat Witoelar mention the importance of respecting Indigenous Peoples rights in schemes to halt deforestation, though this did not translate to action at national level.²³

A December 2009 workshop on communal rights co-hosted by AMAN and the Ministry of Environment resulted in the new environment minister saying that the government was likely to recognise communal rights and the role of indigenous people in environmental management and protection.²⁴ The step follows the country's new Environment Law (No 32/2009), which stipulates that attention should be paid to recognising indigenous peoples and their traditional knowledge and rights in environmental management and protection.²⁵

The following month, AMAN and the environment minister signed an agreement committing AMAN and the ministry to work together to "increase the role of indigenous people in protecting and managing the environment". The cooperation includes: identifying indigenous peoples and their rights, empowering indigenous peoples and exchanging information about them.²⁶ The agreement was signed in front of 35

REDD / Indigenous Peoples

Saving the planet is our joint responsibility

By Pang Yuriun, Coordinator of Aceh's Indigenous Peoples' Network (JKMA).

Accepting REDD (Reducing Emissions from Deforestation and Forest Degradation) schemes as a necessary means to combat global warming bears a series of consequences for all of us. First, measures undertaken under the REDD mechanism need to be an integral part of an overall strategy to combat illegal logging and reduce the rate of forest destruction and degradation. Illegal logging has skyrocketed in Aceh despite the logging ban issued in 2007 by the local government. The demand for timber due to post-tsunami reconstruction work has created additional pressure on the customary lands of indigenous communities in Aceh.

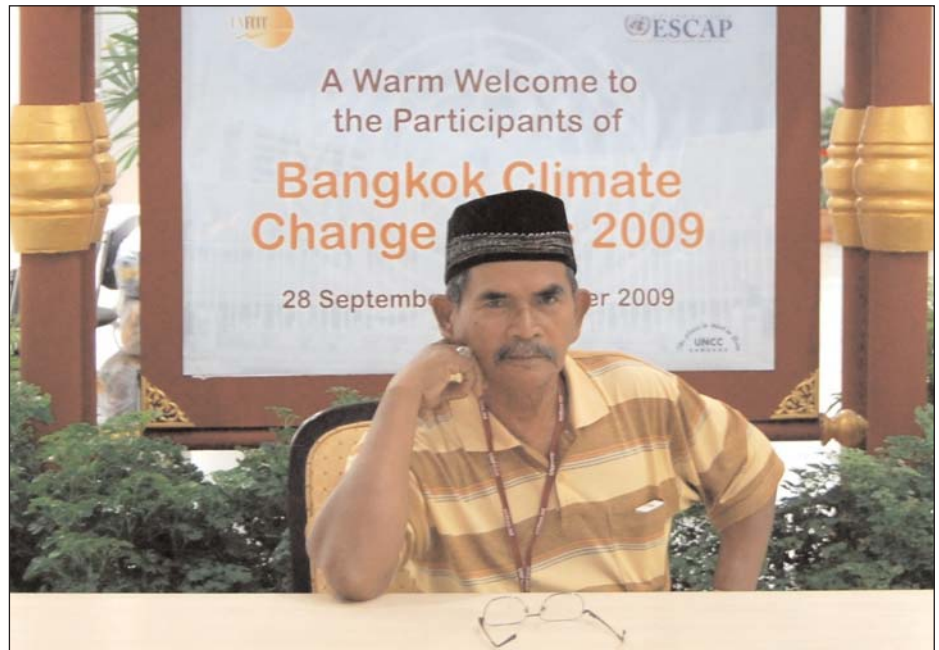
We have also witnessed the Acehese authorities announce their target of establishing one million hectare of oil palm plantations under the 'Aceh Green' programme. It is deplorable that this plan was drawn up without hearing the voice of indigenous peoples and that it ignores their communal rights to their customary lands.

Second, the Acehese authorities have yet to prove that they fully recognise the rights of indigenous peoples - for instance by recognising clear customary land boundaries and by recognising customary law as binding for all actors in order to strengthen social cohesion. In Indonesia, the rights of indigenous peoples are only recognised to a very limited degree and are merely mentioned in very few laws. Indigenous peoples' rights must be recognised in a specific law.

Third, because of the reasons stated above we need support from civil society organisations such as non-governmental organisations (NGOs) with regard to aspects of good governance within the implementation of REDD. This is not only necessary at the policy level but also in order to improve the preparedness for implementing REDD supported projects in Aceh.

The Aceh Green recipe

The Acehese authorities have launched several "green" projects in the past. The first logging moratorium was imposed in 2001 in



Pang Yuriun at UNFCCC Talks, Bangkok, 2009

Photo: Abdul Halim

order to ban logging concession activities in Aceh's forests during a certain period of time. After being elected Aceh governor in 2007, Irwandi Yusuf introduced a series of procedural changes to the implementation of the logging moratorium in Aceh. The new operational framework is more detailed than the previous one and includes:

- a) a review of the status of Aceh's forests (including forest cover, concessions, and productive capacity of forests);
- b) a redesign of the concept of sustainable forest development and management strategy (forest area, policy framework, institutions);
- c) the development of more effective policies to control all actors involved in illegal logging.¹

The Acehese authorities have established the sources of investment and financing for "green" post-disaster and post-conflict projects in Aceh. They claim to follow a sustainable development approach based on clean energy management, using reforestation measures to obtain energy from bio-fuels, and reducing the rate of forest degradation. This has become known as the Aceh Green

programme. The programme requires cooperation between the private sector, NGOs and the government. In fact, the programme is part of the Acehese authorities' effort to turn Aceh into a carbon trading area - in line with their commitment to save the Acehese forests as declared to the international community during the UNFCCC (the United Nations Framework Conference on Climate Change) on 7 December 2007.²

The results of these three approaches have been quite diverse. Illegal logging in Aceh actually seems to have increased since the logging ban was announced; the cause for this lies in the fact that it does not take into account the role indigenous people can play in saving the forests.

Through the Aceh Green programme the Acehese authorities wish to express to the international community their commitment to save Aceh's forests. The programme has received financial support from the Multi Donor Fund (MDF), channelled through the World Bank. The amount disbursed in 2008 amounted to USD

Pang (Uteun) Yuriun

Single-word names are quite common in Indonesia. Yuriun is one example. However, among his social circle in Aceh, his homeland, Yuriun is also known as *Pang (Uteun) Yuriun*. *Pang Uteun* is an Acehnese customary title, meaning commander (*pang*) of forest (*uteun*). Yuriun was the *Pang Uteun* for Blang Me Mukim in North Aceh, before he became involved with the Aceh's Indigenous Peoples Network (JKMA) as executive secretary in 2003. One of his main responsibilities as 'forest commander' is to enforce customary law within the forest area. A *Mukim*, - the Acehnese traditional legal unit of governance between *gampong* (lowest level of customary governance) and sub-district - usually covers several *gampongs*. His background as *Pang Uteun* lends weight to his current position as the Coordinator of JKMA since 2005.

Taking up the role as a bridge between local and international communities, last year Down To Earth had the opportunity to accompany two local community representatives to attend international conference on climate change, one each from Aceh and West Papua. Pang Yuriun was selected to represent Acehnese community groups in the pre-COPI5 session in Bangkok, which ran for 2 weeks in September - October 2009.

Undeterred by his lack of English skills, Yuriun was very persistent in learning about the UN negotiation process in situ, a process which is often overwhelming even for seasoned participants in international talks.

Community participation gap

In many cases, the gap between the theory of community participation and what actually happens on the ground remains wide. Often projects are rushed in under the noses of local communities while hardly any information about the project is made available to them. When the information is available, more often than not it is in language(s) foreign to the community. In such cases, how can communities be expected to give informed consent?

Yuriun's comment on Ulu Masen REDD pilot project in Aceh, where local people did not have information about the project, or about REDD in general, is a prime example of this (see main text).

His organisation's research is backed up by a report on the lessons learned from Ulu Masen which concludes that the risk posed by the project is "...over-simplification of the contextual factors and complex dynamics inherent in REDD initiatives."ⁱ

One of the main ideas behind the Bangkok trip was to let community representatives from regions targeted for REDD to see for themselves how negotiations are conducted at international level, by their own government representatives along with other governments, and the role played by civil society groups attending the meetings. As part of the Civil Society Forum on Climate Justice (CSF), DTE was able to facilitate teach-ins by expert colleagues on climate change and REDD for Yuriun and the other community representatives, during a series of workshops in preparation for the Bangkok trip and during the Bangkok Talks themselves.

However, what the Bangkok visit highlighted for Yuriun, as well as other community representatives and DTE, was the huge gap between the level of understanding needed to follow and contribute to the discussions at international level on the one hand, and the level of understanding there is about climate change and REDD at community level.

The urgency to act on climate change has prompted many within the international climate justice movement to call on governments to refocus on the core problems - the overriding need to reduce emissions in rich countries, to reduce the pressure on resources by addressing overconsumption, and to prevent more forest destruction while protecting indigenous rights and local community interests.

While the knowledge and participation gaps inherent in complex schemes like REDD remain so wide, such schemes will not win the support and trust they need to be effective. Instead they are likely to end up an expensive waste of precious time and effort which are not able to deliver on their climate change mitigation promises.

(i) Ross Andrew Clarke, 'Moving the REDD Debate from Theory to Practice: Lessons Learned from the Ulu Masen Project', 6/1 Law, Environment and Development Journal (2010), p. 36, available at <http://www.lead-journal.org/content/10036.pdf>

1,473,609 or 21 per cent of the total funds (USD 6,965,397) for the Aceh Forest Environment Project (AFEP). This programme is scheduled for 2005-2010 and it is to be implemented by the Leuser International Foundation and Flora Fauna International³. It is deplorable that so far these large amounts of money have not had any positive impact for the local communities but rather seem to cause new problems or exacerbate existing ones - new conflicts arise among local communities, illegal logging continues to increase, forest fires remain out of control and local communities are left to watch instead of being involved in the process.

What is it like for the indigenous people of Ulu Masen?

To reach its goal of reducing the risk of global warming, REDD must be implemented following the principles of good governance. This should at least cover the following aspects:

Information: a survey carried out by JKMA Aceh in 2008 showed that the indigenous communities around Ulu Masen - supposedly one of the target groups of the REDD scheme - had never received any information at all about the programme. They had not been informed about what REDD is, the mechanisms used for its implementation, the activities it encompasses, the risks it may entail or what local communities can do to prepare themselves for its possible impacts.⁴

Institutional capacity at local level: The smallest governance unit in Aceh is called *gampong* (village). In most cases, their capacity for organisational management is rather weak. This will have direct implications on the implementation of the compensation schemes under REDD, in terms of accountability, administration and conflict resolution.⁵

Socio-economic aspects: It is obvious that the livelihoods of the communities in the Ulu Masen area - where the REDD projects are to be implemented - directly depend on the local natural resources. Rain fed and irrigated agriculture makes up at least 90% of their economy. They live below the poverty line and have only limited access to education and health services.

Additionally, this area was badly affected by the 30 years of armed conflict between the Acehnese independence movement GAM and the Indonesian military. Several villages were burnt down and the inhabitants of the area were among the worst hit by violence. Many people "disappeared" or were killed. Its coastal zone was devastated by the tsunami in December 2004. Its agricultural infrastructure and inputs were largely destroyed or badly damaged and cannot be used.

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indigenous rights

Indigenous rights in West Kalimantan revisited

An interview with Erma Ranik

In 2003 we interviewed Erma Ranik for the DTE newsletter. At the time, Erma, a volunteer for the indigenous peoples' alliance in West Kalimantan (AMA Kalbar), was in London on a series of mini-internships facilitated by DTE, as part of a joint programme with the national indigenous peoples' alliance, AMAN.

Seven years on, Erma now sits in the DPD (Dewan Perwakilan Daerah - the Regional Representatives Council) and lives partly in Jakarta and partly in West Kalimantan. DTE got in touch to ask how things have changed.

Congratulations on being elected to the DPD. Can you explain what the DPD does and what your role in it is? (and how many years you will be in the DPD?)

Thank you for your congratulations. The DPD is a parliamentary body that represents regional interests. The Indonesian legislature consists of the national parliament (DPR) (party representatives) and the DPD (regional representatives). These two bodies sit together in the MPR (Peoples Consultative Assembly). All provinces in Indonesia (33 provinces) each have 4 members, all of whom are elected in direct elections which are held at the same time as the elections for DPR members. DPD members have the same term as DPR



Erma Ranik (second right) on the campaign trail

members: 5 years and the current period runs from 2009 to 2014.

We understand that you were competing against many other candidates. What were the main messages in your election campaign, and why do you think you were successful?

Yes, during the campaign the competition was tight, with a lot of other candidates.

They included several leading figures in big NGOs, four DPD members from the 2004-2009 period and community leaders and former members of the DPR. Together with my group PENA,¹ I did a lot of work on our 'brand', and our political marketing strategy. We studied books, looking at the theory and the experiences of a variety of people who win elections. We agreed that my election brand would be "young, bright and close to the people". And the main campaign issues would be education, a people-oriented economy and sustainable management of natural resources.

Our success was due to our hard work and our sincere desire to make changes at parliamentary level for the people. We used modern campaigning methods, using video CDs and dialogue. We didn't use traditional methods like handing out money. We believe that people must learn to choose a candidate who is high quality and whose performance they can keep an eye on.

What are the main things you hope to achieve in the DPD?

I'm hoping that the DPD will expand its authority so that its supervisory and budget-related work better for the

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Global justice

If we agree to use a series of development and compensation activities as a means to mitigate the effect of global warming, we need to share the responsibility. This will only happen if global justice is ensured so that rich and poor countries meet at equal level and do not harm or exploit each other.

The REDD framework needs to provide incentives for all tropical forest countries. Leaving our important countries will create legal loopholes, deforestation will continue, and we will lose the battle against greenhouse emissions from deforestation and forest degradation.

Up to now, the implementation of REDD projects has been monopolised by several government actors and international NGOs. The problem is not how many actors

are involved in REDD; the most important issue is that the compensation payments need to be high enough to really provide a competitive incentive against deforestation for economic purposes in the Ulu Masen area.

As members of JKMA and of the indigenous communities around Ulu Masen we regard REDD as a joint effort to share the responsibility of curbing the disaster of global warming and we demand that those whose livelihoods largely depend on the forest resources in the area should be actively involved in the design and implementation of the REDD programme. We believe that mitigating the effects of global warming can only succeed if we all share the responsibility of supporting this kind of programme to ensure that future generations can enjoy a healthy environment.

We are convinced that we can only win the battle against global warming if the people and nations of this world act

collectively and consistently. Rich countries often claim to be doing a lot to fight global warming but at the same time their patterns of production and consumption cause pollution and contribute the largest share to global warming. Unless we reach a more equitable balance, our local efforts against global warming will be useless.

Notes

1. Aceh Green 2008: Provincial government of Aceh (2008): *Green Economic Development and Investment Strategy for Aceh, Banda Aceh, Indonesia.*
2. Aceh Green, as above
3. SKH Serambi Indonesia, 13/Feb/08
4. JKMA Aceh-CIRIS (2008): *Perdagangan Karbon dan Dampaknya Terhadap Masyarakat Adat disekitar Ulu Masen, [Carbon trade and its impact on indigenous communities around Ulu Masen]*, Banda Aceh, Indonesia. ♦

community. In this way, I, as representative for West Kalimantan, can defend people's rights through a parliamentary institution.

In the 2003 interview, you mentioned that the public role of women in West Kalimantan had been negligible, and your organisation, AMA Kalbar, had organised a series of workshops to raise awareness about women's right to participate in public life and be involved in policy-making and legislative processes. Can you tell us more about the changes for women between 2003 and now?

There have been a lot of changes for women since 2003. Now a lot of women in West Kalimantan (especially indigenous women) have entered into politics. Several others were elected apart from myself. In my case, this was without any institutional support from AMAN. All of the four candidates elected for the DPD are women. This is a great achievement as it's the only province in all of Indonesia where all DPD members are women.

When we interviewed you in 2003, the main problems for indigenous peoples in West Kalimantan you talked about were the lack of recognition for customary land rights, destructive logging, the expansion of oil palm plantations; and the lack of FPIC. What changes have you seen since that year in your area?

There haven't been many changes in terms of policy. What's different now, though, is that the government is more open. There is more space for accountability and for dialogue between indigenous communities and the government. For example, AMAN has signed a cooperation agreement with the Environment Minister.²

In 2003 you talked about the Nyayat community. In 1999 three people had been detained for at least a year when they tried to defend their land from being taken over by oil palm plantation developers PT Rana Wasto Kencana. You said this was an example of how, in some ways, things had not improved in the post-Suharto era. Are conflicts like this still common in your experience?

Conflict between oil palm plantation developers and communities is still going on

but not in the same way as before. Now communities no longer view oil palms as a disaster. Some people regard plantations as beneficial. This has occurred because of the high price of palm oil in the last 2 years. As a result, a lot of people have voluntarily surrendered their land to oil palm schemes. But plantations are still being developed in areas that are not suitable for planting. For example they have been given an area around Lake Sentarum in Kapuas Hulu district.

What's happening in Nyayat village these days?

There is still oil palm in Nyayat village. Several members of the community still work there. After those events there wasn't anybody to assist the community, including us in PENA, as we didn't get any funding. But we're still in touch with them.

Regional autonomy had been introduced only relatively recently when we interviewed you in 2003. At the time you commented that autonomy offered the opportunity to introduce positive local-level legislation which helped get recognition for indigenous peoples' customary rights. It was also creating 'raja kecil' (small kings) - a new regional elite whose main aim was to make money. Do you have the same concerns today? What have been the other impacts of local autonomy?

Autonomy really did create 'raja kecil' at first, but it's a little better now, because the mechanism to control the authority of the *Bupatis* (district heads) is being tightened up.

On the subject of mining, you mentioned that small scale gold mining was damaging the environment and had a particularly big impact on women. This was because the women use the river water polluted by mercury more than men: for washing, cooking etc. Do these problems persist today?

I don't think there's been much change in the impacts of mining faced by women.

At the time, you also mentioned that state mining company PT Aneka Tambang was planning a bauxite mine in West Kalimantan. Has this, or any other large scale mining project been developed?

PT Aneka Tambang hasn't started operations in Sanggau district, but it will start in 2011. There is no complaint from local people as yet.

In 2003 you were optimistic about the future of indigenous peoples in West Kalimantan and Indonesia generally. Do you remain convinced that indigenous peoples will eventually get full recognition for their rights and resources?

I still truly believe that recognition of indigenous peoples' rights will happen, but we really have to still work hard to change the government paradigm towards indigenous peoples.

Have there been any changes that can be related to climate change in the region?

There aren't many changes yet that I have noticed in West Kalimantan.

What do you think about international initiatives to address climate change, such as REDD?

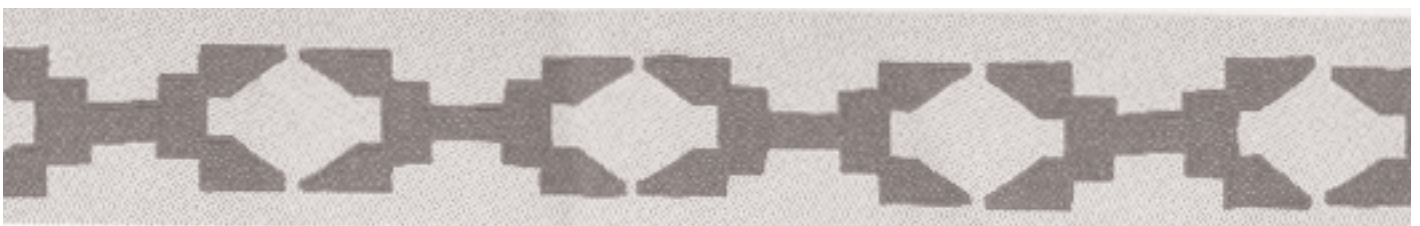
In REDD schemes, I think, indigenous peoples and the provincial and district governments must play clear implementing roles. These schemes must not just be for the government to get money without giving any benefit for the people.

Do have any other comments you'd like to share with DTE readers?

To DTE readers: let's work together to push Indonesia to improve its protections for indigenous peoples, uphold human rights and protect the environment.

Notes

1. PENA is an NGO run by indigenous Dayak in West Kalimantan
2. See page 5. ♦



agrofuels / plantations

Palm oil for electricity, heat and transport in the UK

There was a time when public debates around palm oil centred mainly on food ingredients and cosmetics. Today the focus of the debate has shifted to the use of palm oil for electricity and heat generation as well as for transport.

In the last couple of months the UK has seen a nation-wide wave of planning applications for agrofuels-based power stations. Two energy companies W4B Renewable Energy and Vo-gen, mention palm oil as fuel source in their applications, while others have not legally ruled it out. W4B Renewable Energy's application for a 17.8 MW power station in Portland, southwest England, was approved by the local authority at the beginning of this year.

However, W4B's plan to run a much bigger (50 MW) power plant in Bristol was rejected by city councillors on the grounds of fuel source a month later.¹

The 'no' vote was a great success for environmentalists, particularly for Biofuelwatch and local campaigners who have worked persistently on an objection petition in the run-up to the planning decision. W4B is very likely to appeal, so the story in Bristol is not over yet, and more planning decisions are likely to be made in other places. Nevertheless, it is certain that messages about the impacts of oil palm - both on communities and in terms of climate change - are getting through as the majority of applications have so far been rejected or withdrawn.

Subsidies & certificates

Agrofuels-based power plants, like the one that W4B plans to build, are subsidised through the Renewables Obligation (RO), which is the UK Government's main mechanism to promote the generation of renewable energy.² Through the RO, suppliers of electricity are obliged to source an increasing percentage of their electricity from renewable sources.

Renewable Obligation Certificates (ROCs) are supposed to indicate how renewable those sources are. They are 'green' certificates that are tradable between energy companies: if companies do not have enough ROCs to meet their obligation, they have to pay an equivalent amount into a fund. The same fund is used to pay suppliers who have been able to provide their ROCs.

ROCs for palm oil have been widely criticised by environmental groups in the UK. Especially since energy from agrofuels-based power stations is awarded double the amount of ROCs as on-shore wind energy.

Meanwhile, another public body, the UK Environment Agency, which is attached to the government's Department of the Environment, Food and Rural Affairs (DEFRA), recently voiced its concern about the support of palm oil electricity through ROCs as "using solid biomass for electricity generation typically produces much bigger greenhouse gas savings, and is therefore preferable." They state that they do not support ROCs for palm oil burning. Furthermore, the agency states that "lifecycle greenhouse gas emission savings compared to fossil fuels can be minimal, and if land use change is caused directly or indirectly, there is a net increase in emissions."³



EU's renewable energy directive could work against palm oil

Later this year the European Commission will publish a proposal on how to deal with Indirect Land Use Change (ILUC) in the context of the Renewable Energy Directive (RED). This EU law, passed in December 2008, covers energy as well as transport and is due to be implemented at the end of 2010. It requires 20% of energy across the EU to be renewable by 2020 and 10% of energy used in transport to be renewable by the same date. The RED has been criticised by campaigners due to its weak sustainability criteria as it includes direct Land Use Change, but not yet indirect land use change; as it excludes all social criteria; and as it has no credible auditing mechanism.

Direct Land Use Change includes forests being converted for oil palm plantations, whereas ILUC is where lands are cleared to make way for crops that have been displaced by agrofuel crops. Environmentalists hope that the expected regulation on ILUC will reduce the calculated emissions saving from each agrofuel according to their likelihood of causing Indirect Land Use Change. As a result, not a lot of palm oil would be likely to pass the RED criteria.

If ILUC is included in this way, it could well have a positive knock-on effect for communities in producer countries like Indonesia, whose livelihoods are threatened by the expansion of oil palm plantations. Indonesia plans a further 20 million hectares of plantations, according to estimated by Sawit Watch⁴, building on an existing 7.5 million hectares. Indonesia's National Team for Biofuels Development is proposing that 10.25 million hectares of agrofuels crops (including oil palm) are developed by the end of 2015.⁵ If subsidies supporting imports of palm oil are withdrawn across Europe, this could have the effect of scaling down those expansion plans.

Heat and transport

Palm oil and other agrofuels are not only being supported by the government in terms of electricity generation. The UK government has now also proposed a new subsidy scheme for heat generation, the Renewable Heat Incentive (RHI). The current consultation paper suggests limited subsidies for agrofuels. According to Biofuelwatch figures, around 3 billion litres of heating oil are burned every year in the UK. So even if just a small percentage was replaced by agrofuels, this would have a big impact on the amount of agrofuels used per year. If the RHI was to also cover pure plant oil like the RO then the volumes of agrofuels subsidised under the RHI would be even greater. Palm oil is the cheapest vegetable oil and thus likely to be used for much of the new demand, unless restricted by EU legislation.⁶

In addition to the recent discussion on electricity and heat, the palm oil debate in the UK is very much related to the transport sector. Agrofuels for transport are covered under the UK Renewable Transport Fuels Obligation (RTFO).⁷

The Renewable Fuels Agency (RFA), which has been commissioned by the Department of Transport to implement the RTFO, has published a report about the first year of the RTFO in January 2010. According to this report only 9 percent of agrofuels used here in the UK is produced from domestic feedstock. Moreover, just 4% of agrofuels imported to the UK meet the environmental sustainability standard of the RTFO. Around

15% of agrofuels from crops was declared to be sourced from palm oil. However, the current reporting scheme allows companies to declare the origin of recently cleared land as "unknown land". So, for example, fuel retailer Esso was able to specify the source of a mere 6% of its agrofuels.⁸ As soon as RED is adopted at national level next year, companies will have to declare the previous use of all the land from which they source their agrofuels. One loophole: this does not apply to suppliers if land was cleared before 2008.

Whether it is electricity, heat or transport, it seems as if the UK palm oil debate is more controversial than ever at the beginning of the new decade. At the end of last year, the Roundtable on Sustainable Palm Oil rejected greenhouse gas emissions standards. Now new legislation proposals are fuelling the debate in the run-up to the implementation of RED at UK level. And latest messages from Brussels about environmental standards are not particularly encouraging either: in February, Friends of the Earth Europe revealed a leaked document from the European Commission. This caused widespread outrage among campaigners because it stated that oil palm plantations can be defined as 'forests', meaning that "a change from forest to oil palm plantation would not *per se* constitute a breach of the (sustainability) criterion."⁹

Apparently the Commission is trying to do two conflicting things at the same time: apply sustainability standards to

controversial sources of energy, but also accommodate the interests of the powerful Indonesian and Malaysian oil palm lobby. The question now is: what else is to come?

Notes:

1. Down to Earth, like many other organisations, has submitted an objection statement to Bristol Council. See public statements here <http://www.bristol.gov.uk/item/committeecount?ref=wa&code=wa002&year=2010&month=02&day=24&hour=14&minute=00> (The DTE statement is Statement No.21 on Page 51) and watch the council meeting here http://www.bristol.public-tv/site/player/pl_compact.php?a=37273&t=0&m=wm&l=en_GB
2. http://www.decc.gov.uk/en/content/cms/wh_at_we_do/uk_supply/energy_mix/renewable/policy/renew_obs/renew_obs.aspx. See also DTE 76-77: 12 for further background.
3. <http://www.environment-agency.gov.uk>. See also DTE 76-77:14 for more on studies comparing oil palm to fossil fuels
4. FPP-SVV. 2006. *Promised Land / Tanah yang Dijanjikan*.
5. <http://www.indobiofuel.com/Timnas%20BBM%205.php>
6. <http://www.biofuelwatch.org.uk/docs/RenewableHeatIncentive.pdf>
7. for RTFO see also <http://dte.gn.apc.org/76eeu.htm>
8. for details of the RFA report see <http://www.renewablefuelsagency.gov.uk/report/sandpublications/yearoneofthertfo.cfm>
9. See press release by FoE Europe at http://www.foeeurope.org/press/2010/Feb03_EC_plans_to_sacrifice_forests_for_biofuels.htm



(continued from page 5)

- plantations was being implemented to close the deficit of timber raw materials of around 71.85 million m³ per year. The current national demand for wood is estimated at 80 million m³ per year, while the average annual cut set by the government was only 8,152,250 m³ per year. The deficit had caused the wood-based industries to collapse and even go out of business, he said.
8. A recent report by Greenpeace exposes the myth that sustainable management schemes for forest such as reduced impact logging can achieve emissions reductions - see summary in *WRM bulletin* No 151, 25/Feb/10.
 9. For the full breakdown see PDF attachment to <http://www.dephut.go.id/index.php?q=id/node/6036>
 10. See DTE 80/81:13 for pulpwood targets
 11. Forestry Ministry data shows that a total of 32.1 million hectares of forest were slated for conversion during the 1980s, of which 13.8 hectares is left, not including Central Kalimantan, Riau and Riau Archipelago provinces which are still in the process of padu serasi - having their forest maps

- integrated with other ministries, provincial and district level development plans. (*Bisnis Indonesia* 21/Jan/10)
12. See DTE 82 & 83 for more background
 13. As reported in FCPF document: *Progress with due diligence work in Indonesia*, October 27-28, 2009.
 14. See <http://redd-indonesia.org/en/laws-regulations/>
 15. A recent CIFOR report recommended that Indonesia set up new mechanisms to monitor money flowing into REDD and strengthen existing oversight bodies such as the Corruption Eradication Commission (KPK). The report said that significant ongoing problems since the large-scale corruption of the Suharto days raise fundamental questions about how future REDD payment schemes will be managed. Senior forestry officials are among those suspected of taking bribes, according to the KPK. Source: *Reuters* 6/Nov/09. For further background on forestry and corruption see, for example DTE *Forests, People & Rights* at <http://dte.gn.apc.org/srfl.htm#fnd>
 16. B. Steni, pers comm.
 17. See also DTE 79:4 for more background
 18. CSF press release 10/Dec/09.

19. Some of these comments are posted on the FCPF website <http://www.forestcarbonpartnership.org/>.
20. see DTE 82:1
21. Progress with due diligence work in Indonesia, October 27-28, 2009, on www.forestcarbonpartnership.org
22. Progress on REDD Readiness in Indonesia: report to 4th FCPF-PC meeting, 28/Oct/2009 on www.forestcarbonpartnership.org
23. B. Steni, pers comm.
24. *Jakarta Post* 4/Dec/09, summarised in DTE 83:12
25. B. Steni; for information on the new environment law see www.menlh.go.id
26. The MoU is on www.aman.or.id
27. http://www.menlh.go.id/home/index.php?option=com_content&view=article&id=4392%3Atigapuluh-lima-tokoh-adat-nusantara-hadiri-mou-klh-aman&catid=43%3Aberita&Itemid=73&lang=id
28. www.aman.or.id ♦

mining

Petition against World Bank support for new nickel mine

Indonesia's mining advocacy network JATAM is campaigning to stop World Bank support for a nickel and cobalt mine which will destroy forests and livelihoods on Halmahera Island, eastern Indonesia. The following report is extracted from a petition opposing Bank support, and other JATAM sources.

The controversial nickel and cobalt mining project is being developed by PT Weda Bay - a venture involving French, Japanese and Indonesian companies.

Twenty-one per cent of Weda Bay Nickel's mining area is part of Indonesia's protected area system and includes the Lalobata and Aketajawe National Park. The mine will clear cut 35,155 hectares of protected forest.

Approximately 17 million tonnes of rock will be extracted each year from this small and fragile island in North Maluku, which is rich in biodiversity. Of this, 5 million tonnes of ore will be processed to produce 60,000 tonnes of nickel and 4,000 tonnes of cobalt. Exports of the nickel and cobalt from the mine are expected to reach 65,000 tonnes each year.

PT Weda Bay Nickel plans to use the controversial sulphuric acid heap leaching process, and develop a sulphuric acid plant that will need 1 million tonnes of sulphur each year.

Besides adversely impacting land and water and consuming large amounts of energy, the mine's waste will be dumped into Weda Bay.

An international petition, sent in March to Multilateral Investment Guarantee Agency (MIGA), the insurance arm of the World Bank, rejects the role of the Bank and other financial institutions that provide insurance and funds to dangerous projects such as the PT Weda Bay Nickel mine.

MIGA was due to conduct a feasibility assessment of this mine from 1st to 10th March to determine whether it should provide political risk insurance for construction of the mine. If it goes ahead, the mine will be the second largest nickel mine in Indonesia.

PT Weda Bay Nickel is owned by the France-based company, Eramet (56.5%), Mitsubishi of Japan (33.4%) and Indonesian company PT Aneka Tambang (Antam) (10%).

The petition also draws attention to the climate change impacts of the project:

"We reject this project because it compromises Indonesia's commitments to reduce greenhouse gas emissions by 26% by the year 2020. This

project is fossil fuel intensive and will compromise the forest resources found in the Lalobata and Aketajawe protected area, an area of 35,155 ha."



'The ocean is not for tailings', poster from 2001

One among thirteen

PT Weda Bay was one of the thirteen mining projects given special dispensation in 2004 to develop open-pit operations in protected forests.

Others include the Freeport-Rio Tinto mine in West Papua and two coal mining projects in Kalimantan.² Freeport was recently issued a second warning by the forestry ministry, because it had failed to apply for a permit to use the forest area.³

Other projects

PT Antam operated another nickel mine on the island of Gebe, to the southwest of Halmahera Island, which started its operation 25 years ago and was closed in 2004. According to a joint CSO press release, the operation left behind a huge amount of environmental damage, and also devastated the economy of local people who mostly live as farmers or fishermen. On 23-27 February 2010, local people and students conducted a peaceful protest demanding that PT Antam close the mine responsibly. But this action was countered with violence and shooting from Central Halmahera *Brimob* (police mobile brigade) unit.⁴

Gebe Island is close to Gag Island, off West Papua, where a major nickel mine was planned by BHP-Billiton, until it withdrew in late 2008.⁵

Another notorious mining operation on Halmahera Island itself is run by PT Nusa Halmahera Minerals. In 2004, this Australian-owned company faced protests by the local community after clearing the Toguraci protected forest. One man died after being hit by a bullet from *Brimob* police, hundreds were arrested, and in the end 7 people were detained without due legal process. The shooting was never properly investigated either by the government or the Indonesian Police Force.⁶

Nusa Halmahera is 82.5% owned by Newcrest, with Aneka Tambang holding a minority 17.5% share.⁷

Concern over renewed interest in Toka Tindung gold mine, Sulawesi

A group of CSOs has written to three international banks asking them not to invest in an open-pit gold mine in North Sulawesi, which is vigorously opposed by local communities.

PT Meares Soputan Mining (MSM) owned by Australia and UK-listed mining company, Archipelago Resources, want to develop the gold mine on the northernmost tip of the island. The project has a long history of opposition from local communities whose livelihoods are threatened by the mine. In the past, the local authorities have also been against the development, but last year, the project's Environmental Impact Assessment was finally approved.⁸

The three banks targeted by the CSO letter are ANZ based in Australia, Standard Bank (South Africa) and BNP Paribas (France).

The letter from the group - which includes Banktrack, Friends of the Earth France, Minerals Policy Institute and North

(continued on page 14)

Coal in East Kalimantan: taking the toxic tour

In February of this year, at the invitation of JATAM (the Indonesian Mining Advocacy Network) and JATAM Kaltim (JATAM East Kalimantan), DTE staff member Andrew Hickman went to see for himself the effects of coal mining in and around Samarinda, East Kalimantan. He saw a 'coal rush' that is stripping bare the hills and forests around Samarinda and shipping out Kalimantan's mineral riches to foreign countries day after day, with little thought to the consequences.

On the 8th March, JATAM launched its 'Deadly Coal' campaign to highlight the extent of the damage caused by Indonesia's coal industry, centred on Kalimantan, and to try to stem the tide of coal washing out of the country. As part of the campaign, JATAM is aiming to reveal the realities behind the coal industry to the public - both locally and beyond East Kalimantan. Taking people on a 'Toxic Tour' aims to wake up public opinion to the poisonous effects that this industry is having on local livelihoods and the environment.

As we drove out of Samarinda along the shores of the Mahakam river, the dark procession of barges pulled by huge tugs, ferrying coal downstream to the port of Samarinda made a deep impression. In Samarinda the coal is transferred to ships waiting to carry their cargo to markets in Japan, Korea, China and Europe. The sheer size of each of these barges impresses upon all who see them the scale of this plunder. (For 'plunder' really is the only word to describe what is being allowed to happen to the natural resources of East Kalimantan as they are shipped away to feed the ever-growing international demand.)

Each 'pontoon', or barge, carries an estimated 6-8,000 tonnes. Local people described how these barges process down the river every day from dawn to dusk. We were told that in the space of 30 minutes up to 10 barges could pass by. The vast majority of this coal (over 80%) is exported out of Indonesia.

We drove all day up one side of the Mahakam river and then back down the other side. Our route was lined with mine after mine, where coal was being dug out of the rich fertile ground of East Kalimantan. Currently, there are over a thousand different mining concessions operating in the region and this number is growing day by day. Since 2001 and the introduction of regional autonomy and decentralisation, the mining industry has grown exponentially. Interspersed amongst these new mining projects are the abandoned remains of the timber industry, evidence of the previous 'timber rush' that has succeeded in extracting almost all of the available and valuable timber



Deadly coal: excavating in Kalimantan

(Photo: JATAM)

of the region. Of the 80,000 or so people that this previous industry attracted to the region to work in the saw- and plymills, only a relative few still remain employed. Employment for local people in the new coal mines is minimal and on the whole is restricted to security and manual support jobs. The more skilled jobs (and therefore better paid jobs) are generally taken by outsiders.

Instead, local communities must bear the brunt of the negative impacts. JATAM's research has found that poverty, corruption, health problems and - ironically - a lack of electricity supply are closely associated with coal-mining districts. Women are especially badly hit by the mining's disruption of food and water security, as well health problems, and social impacts of mining, including the trafficking of women and prostitution.¹

The communities that we saw on our toxic tour were there not as a result of

this industry, but despite it.

In amongst the decaying timber mills, we drove under looming conveyor belts that brought the coal down from the mines to the river's edge where the coal was being loaded onto the barges. Men doused the coal with jets of water as it was poured onto the barges. On both sides of the river, these loading stations and barges dominated the shoreline. We stopped to take photographs of these structures and the distant views of the mines attached to them, but we did not stay long in any one place, conscious that the security guards patrolling the mines were under instruction to stop people documenting their operations.

An hour or so up river from Samarinda is the growing city of Tenggarong. From the billboards advertising the local elections, to the new theme park built on an island in the river and the new 15,000 seater football stadium, it was evident that this was a city with aspirations. Apparently, the city's

annual budget is the biggest in Indonesia (reportedly 4.6 trillion rupiahs (around USD 500 million a year). Stories of sons and daughters of governors and ex-mayors competing with each other for higher and higher political positions strengthened this impression of a boom town now built on coal (and presumably previously on timber and other natural resources.) Whether any of this rivalry amongst the political oligarchy actually benefits the local community did not seem to be a question anyone expected to ask or be asked.

With such massive natural resource exploitation going on, the question certainly remains: where is all the wealth that is undoubtedly being generated, going? In Samarinda, our taxi driver mused on the issue of politics and government budgets, as we passed the largest mosque (reportedly) in South East Asia, recently built by the Governor at a cost of nearly 1 trillion rupiahs prior to his reelection campaign.

Almost without exception, the mines that we saw were open-cast mines, where the surface layer of land is bulldozed away to enable access to the coal underneath. We drove through landscapes of waste lakes that were left over from previous mining activity. We heard tales of poisoned land and poisoned water supplies as the mining industry's legacy to the region. Our route took us past a community being slowly strangled by this process of ever-expanding mining concessions and ever-diminishing clean water supplies. In amongst this landscape, was a community of Balinese transmigrants that

Deadly Coal Campaign

Main campaign demands include:

- ♦ Mining companies - stop mining coal from Kalimantan
- ♦ Consumer countries - including Japan, China, India, USA, European Union - reduce demand for coal and stop buying Indonesian coal.

For more information see www.jatam.org



had managed to hold out against companies' expansion plans. Their paddy fields and gardens were a testament to the past history of cultivation and food production in the area and a reminder of the fertility of a land now overrun by mining companies. Unfortunately

however, this village was the exception not the norm in the areas that we visited.

As we drove back into Samarinda through the dusk, the mining activity became more intense and concentrated. The companies were carving out huge roads into the hills to enable their trucks access and the scale of operations got larger and larger as we approached Samarinda again. Our friends at JATAM listed off the companies involved in these enterprises: Wilaro, Anugerah Bara Kaltim, Global Energy, Fajar Bumi Sakti, Kayan, Kim Co, Jembayan Muara Bara (JMB), Mahakam Sumber Jaya (MSJ), Kiladin, Lembuswana, Bukit Baiduri Energi... the list went on. Companies and investment from Korea, Japan, Thailand all formed part of the picture.

It is this growing global appetite for coal that JATAM is hoping to stem through its international Deadly Coal campaign. The demand for coal is putting increasing strain on local communities who are on the frontline. The campaign aims to document the situation on the ground, as well as the chain of consumption that leads to violations of rights and livelihoods. The message is that we are all connected in this picture and therefore the solution to end this destructive exploitation must come from all of us.

Nationally, JATAM are calling for an environmental audit in Kalimantan. Internationally, the campaign sends the message that the destruction of the forests in Kalimantan is not just a climate change issue and is not a problem caused by and limited to

(continued next page)

(continued from page 12)

Sulawesi group, AMMALTA - calls on these banks to completely withdraw from this project, to terminate their due diligence processes and to refrain from considering any financial support to the project or any of its sponsors on the grounds that:

- ♦ the project continues to face strong resistance by the people of North Sulawesi;
- ♦ the project is surrounded by suspicions of bribery and corruption;
- ♦ issuing the EIA violates two Indonesian laws;
- ♦ the history of mining enterprises in Indonesia is laden with human rights violations;
- ♦ the project will cause severe economic damage for the people of North Sulawesi;
- ♦ the project holds multiple environmental threats and
- ♦ Archipelago is a small start-up company, which might cause severe financial risk to the banks.

The letter notes that the all three banks have adopted policies that publicly commit them to social and environmental responsibility standards, such as the Equator Principles. It states that their consideration of the Toka Tinding project is seriously putting into question the sincerity of such commitments and creating damage to their reputations.⁹

Other banks have withdrawn from the project, including the German bank WestLB in December 2007, after strong pressure from international campaigners, led by German NGOs Urgewald and Watch Indonesia.¹⁰

More information is on Banktrack's website at <http://www.banktrack.org>.

Notes

1. Petition to MIGA, circulated by JATAM, March 2010
2. See <http://dte.gn.apc.org/76nbr.htm> for more details.
3. *The Jakarta Globe* 23/Feb/2010.
4. 'World Bank Must Stop Plan to Finance the Second Largest Indonesia Nickel Mine' JATAM, WALHI, KIARA & KAU Press Release <http://english.jatam.org/content/view/full/2911>
5. See DTE 79, November 2008 <http://dte.gn.apc.org/79fbh.htm>
6. Press release as in Note 2, above. See also DTE report in newsletter 60, Feb 2004: <http://dte.gn.apc.org/60min.htm>
7. <http://www.newcrest.com.au/operations.asp?category=4>
8. For more background see DTE 76 <http://dte.gn.apc.org/76mms.htm> and DTE 72 <http://dte.gn.apc.org/72msm.htm>
9. Letter signed by Banktrack and a number of other CSOs, February 22, 2010.
10. see DTE 76 <http://dte.gn.apc.org/76mms.htm> ♦

Indonesia alone. Instead it is a problem caused by international demand and it affects real livelihoods and communities in Indonesia. To address the problem, we need to reduce the international demand for coal, and enable Indonesia to better meet the needs of its people in a sustainable way that does not compromise the interests of current and future generations.

I. JATAM and WALHI Kalsel press release 8/Mar/2010 - see <http://www.jatam.org>♦

BHP Billiton stays in Kalimantan

The giant Australian-British multinational mining company BHP Billiton has cancelled plans to sell seven mining concessions covering 355,000 hectares in Maruwai, Central Kalimantan.ⁱ Last year the company said it would not go ahead with the coal project because it didn't fit the company's long term investment strategy.

Indra Diannanjaya of PT Juloi Coal, one of BHP's local subsidiaries at Maruwai, said the company would instead sell a minority 20-25% stake in the project.

He was quoted by *Reuters* as saying that the project was expected to start commercial production in 2014, with output reaching 6 million tonnes of both thermal and coking coal within five years. Between USD500 million and 1 billion would be needed to produce 6 million tonnes, he said.ⁱⁱ

As one of the world's biggest producers and marketers of export thermal coal, BHP Billiton's contribution to climate change has often been highlighted by environmental campaigners. Coal is the dirtiest fossil in terms of greenhouse gas emissions.

The company has attempted to improve its image by getting involved in schemes like the Australian government's Kalimantan Forests and Climate Partnership (KFCP) REDD project - itself a controversial project.ⁱⁱⁱ

Apart from its interest in the Maruwai coal project, the company is exclusive marketing agent for PT Arutmin Indonesia, the country's third largest private coal producer. Arutmin operates six mining locations in South Kalimantan.^{iv}

In 2008, BHP pulled out of a large-scale nickel mining project on Gag Island, off West Papua.^v

i. *Kontan* 24/Nov/2009

ii. *Reuters* 27/Jan/2010

iii. See DTE 82, <http://dte.gn.apc.org/82acl.htm>

iv. <http://www.arutmin.com/?page=/marketing/>

v. See <http://dte.gn.apc.org/79fbh.htm>



Coal barges on the Mahakam River, East Kalimantan

(DTE)



Coal being loaded onto a barge at a loading station on the Mahakam River

(DTE)

In brief...

Don't buy or invest in Indonesian pulp and paper

An open letter from Indonesian CSOs sent in March calls on consumers of, and investors in, Indonesia's pulp and paper to halt existing investments and refrain from new investments and purchases from pulp and paper companies until there is evidence of real reform in the sector. This includes a halt to using natural forests for pulp; agreement on a plan for restoring peatlands; negotiated agreements with indigenous peoples based on the right of indigenous peoples to give or withhold their free, prior and informed consent to developments that may affect their customary territories; negotiated settlements and fair compensation for non-indigenous communities' lands; and safeguards for pulpwood plantation and pulp and paper mill worker's rights.

The letter states "Attaching these conditions to your company's procurement or investment will support our efforts to protect the human rights of marginalised peoples and groups in Indonesia, to maintain biological diversity and ecological integrity, to reduce Indonesia's greenhouse gas emissions and to lay the groundwork for an equitable, sustainable and low carbon development pathway for our nation. It will also create more certainty and less risk for your company and its business with Indonesia." Source: (*An Open Letter to Customers of and Investors in the Indonesian Pulp and Paper Sector, March 2010, endorsed by over 35 Indonesian NGOs*).♦

Wood pellet agreement

In March, Indonesia's Forestry Ministry and the Korea Forestry Service signed a cooperation agreement to develop the wood pellet biomass energy industry. A Korean company, Solar Park has been working with state-owned forestry company Perum Perhutani to produce pellets from waste Sengon and Kalandra wood. Up to 2007, Indonesia produced 40,000 tonnes of wood pellets (global demand reached 10 million tonnes). (Forestry Ministry press release, S/PIK-1/2010, February 2010).♦

Climate change causes deaths in fishing communities

The Food and Agriculture Organisation of the UN has reported that during 2008, at least 24,000 fisherfolk died around the world due to extreme weather. In the first three months of 2009 in Indonesia 46 people died. Riza Damanik from Kiara, a CSO that works for justice for coastal communities, said that the deaths had been caused by high waves outside the usual season. Seas are usually calmer from February, but last year there were high waves up to July, meaning that fishermen who ventured out were putting their lives at risk. (Kiara, 16/Sept/10).♦

Small-scale Fisheries squeezed North & South

Parallel to the COP15 meetings in Copenhagen, many events were organised by civil society groups, including fisherfolk. DTE was fortunate to meet fishermen from the Danish Society for a Living Sea. It was an off-shore meeting. On board M/S Anton, a ship

which also serves as an education centre, we were joined by Tiharom - a fisherman from Marunda in Jakarta Bay - fisherfolk representatives from Eritrea, and the South-east Asian fishery campaign group, Seafish for Justice Network. While cruising Copenhagen's main canal we discussed challenges faced by fisherfolk today.

Despite incomes that look much bigger nominally, the Danish fishermen share the anxiety of their colleagues from developing countries about the future of small-scale fishery. Red tape and complex regulations are killing off small-scale fisheries slowly but sure. They cannot compete with the bigger fleets, which can afford to be more cost-efficient through economies of scale. Rules - for examples those relating to reporting their return to port - discriminate against smaller boats and small-scale fisherfolk in Denmark face extortionate fines if they are back late. The bigger ships also enjoy a government subsidy on fuel. There is little incentive to stay in the small-scale and sustainable fishery business. ♦



Seafish for Justice Network protest banner at Copenhagen, December 2009. The banner reads 'Protect our Livelihoods, Defend our Fishing Area'.

(Photo: Dwi Rahardiani)

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