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Implemented by:



Forests – Indonesia

The sustainable use of forests

At 1.8 billion tonnes per year, Indonesia emits more CO₂ equivalents than almost any other country. Two out of three tonnes result from the country intensively clearing its virgin and peat swamp forests. No philosophy such as that in Germany of forest management with a view to the future exists in Indonesia. Forestry authorities still have to work to convince investors and the population of the value of this. This is the aim of the Indonesian-German Forest Programmes. In the three pilot regions in Kalimantan for example, forestry methods with positive effects on the climate are to be developed, incentives for investors created and the living conditions of the rural population improved. In Sumatra and Sulawesi the protection of two big National Parks is combined with the rehabilitation of important water catchment areas.

Context

Approximately 840,000 hectares of forest – an area half the size of Thuringia – are lost each year. This rapid deforestation has many causes. The precious woods are of great commercial value. Investors clear areas in order to obtain space for palm oil or coffee plantations, cultivate cocoa or plant fast-growing trees for paper production. Furthermore, the population is growing and with it the number of people who migrate to other parts of the country and clear forests for their purposes.

The approach to land rights and concessions also play a role. Land generally belongs to the state. It affords the forest areas little or no protection. As a rule, the population living there possesses no land rights. The inhabitants live in a legal grey area and have to yield to con-

cessionaires or national parks. The population is not involved in the granting of concessions. Very few concessionaires indeed practise sustainable management. However, Indonesia suffers particularly badly from the impact of climate change. This is why on its own initiative the country hopes to achieve a 26 % reduction in emissions by 2020, and with international support a cut of about 40 %. The government has now prepared a strategic forest sector plan that also provides for use of the REDD mechanism as a source of financing. REDD stands for "Reducing Emissions from Deforestation and Forest Degradation". The idea behind this mechanism of international climate protection policy is that developing and industrialising countries receive compensatory payments when they conserve their forests and thus the

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Country/Region	Indonesia
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Worth protecting: Intact tropical rainforests in Indonesia. Source: KfW / Dr. Marcus Stewen.

emission of carbon sinks. Against this backdrop, in 2007 the Indonesian and German governments adopted climate change as a main focus of their development cooperation.

Project approach

The Forest and Climate Protection Programme is part of this cooperation. It is being implemented by the Indonesian Ministry of Forestry, the German Agency for International Cooperation (GIZ) and KfW Development Bank. The first programme was launched in 2008 and up to 80 million euros will be invested in sustainable forestry by 2022.

With the aid of demonstration projects, the programme partners hope to develop and implement long-term forestry methods. This is intended to prove that these models increase the incomes of the population while cutting emissions. The programme is undertaking demonstration projects in the districts of Kapuas Hulu in West Kalimantan as well as Malinau and Berau in East Kalimantan.

The Indonesian partners in all districts in Kalimantan are district project management units modelled on the German forestry offices. They collaborate closely with the forest administration and planning authorities. Different pilot models are being launched in each district. In Kapuas Hulu, for example, it is chiefly village communities that live in no longer functioning concessions. They have undertaken only to clear selected forest areas using fire, but leave the rest of the forest as it is and protect it. In return the people receive some form of compensation, such as rubber balls, equipment or seed for precious wood. Alternatively, the project advises them on how to generate more income from the

same area. In Berau, on the other hand, numerous people live in active concession areas. Here the district project management units pursue a number of goals. Together with the concessionaires, they discuss models of how the population can use the forest without destroying it. At the same time, they encourage compensation arrangements between concessionaires and the local people.

Impact

Participatory processes involving investors and forest authorities on the one hand, and the people living in the concessions on the other, are new in Indonesia. Accordingly they require practice and good preparation. In the three districts, the project engages in regular dialogue with all participants. The rounds of dialogue, which the programme arranges with villagers and concessionaires, form the basis for agreements. The content of these arrangements is how they will support the demonstration projects and what they will receive in return.

The REDD process rewards decreases in emissions. However, each project has to prove beyond doubt that emissions have been cut. This requires a basis for the calculation. This baseline for carbon monitoring has been computed for all three districts. The Indonesian-German Forest Programme is one of the first REDD programmes in Indonesia which are implemented on the ground.

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