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Forest – Indonesia

Using forests sustainably

Indonesia's CO2 emissions rose between 1990 and 2019 from estimated 149 to over 500 million tonnes of CO2 equivalents. Many of these emissions stem from the deforestation and slash-and-burn clearance of virgin and peat forests, which serve as important carbon sinks and make a valuable contribution to the country's biodiversity. The rapid spread of palm oil plantations due to the growing demand for raw materials is one of the reasons for the largescale deforestation of Indonesian forest areas. The Indonesian-German forest programmes were developed to address the problem of deforestation and slash-and-burn clearance. These programmes aim to develop and implement sustainable forest management methods and to protect natural habitats. Improved forest protection reduces greenhouse gas emissions and thereby positively impacts the achievement of national climate targets.

Context

In 2018, around 440,000 hectares of forest were cleared in Indonesia. There are many reasons for this, including that large areas of land are needed for agriculture to produce tropical timber and grow coffee beans, rubber and cocoa. However, most of it is cleared to create commercially managed palm oil plantations. More than 50% of the world's palm oil-producing lands are located in Indonesia. Unresolved land ownership rights and rights of use are another common cause of large-scale forest conversions. Large parts of the forest areas are owned by the Indonesian government, which grants the population rights of use, but often does not clearly define them. In some regions, this results in conflicts and illegal land conversions, only some of

which are prosecuted due to the absence of controls.

The Indonesian government wants to meet these challenges and has set ambitious targets to reduce the country's carbon dioxide emissions. According to Indonesia's Nationally Determined Contributions (NDC), the total CO2 emissions should remain at least 29% below the "business-as-usual case" by 2030. In addition to that, Indonesia has been implementing extensive reforms in the forestry sector, which has accounted for a large part of the country's total emissions through slash-and-burn practices and deforestation, for several years. This includes, among other things, stricter prosecution of illegal logging.

Project name	Comprises several projects (Forest Programmes I-IV)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Country/Region	Indonesia
Lead executing agency	Ministry of Environment and Forestry (MoEF)





Worthy of protection: intact tropical rainforest in Indonesia. Source: KfW Group, photographer: Dr. Marcus Stewen.

Project approach

In order to achieve the country's ambitious goals, Indonesian-German Forestry programmes were developed in cooperation with the Indonesian Ministry of Forestry (MoEF), the German Society for International Cooperation (GIZ) and the KfW Development Bank. The first programme (Forestry Programme I) runs from 2008 until 2021 and will invest around EUR 20 million in activities to establish sustainable forest management in Kalimantan.

By testing forest conservation measures and highlighting the resulting climate impacts, incentives for public and private investment within the REDD mechanism (Reducing Emissions from Deforestation and Forest Degradation) will be created. In 2018 alone, an emission reduction of more than 0.34 Mt CO₂e (megaton CO₂ equivalents) was achieved.

Other examples for Indonesian-German cooperation in the forestry sector are Forest Programmes II and III. The focus of the programmes is the rehabilitation of water catchment areas, improved forest and land use management, the promotion of biodiversity and community-based activities that contribute to the success of the project. In addition to that, specific monitoring measures will be established for the protection of key species, such as the knobbed hornbill and the maleo, as well as the conservation of forest areas. Participatory patrols, defined as jointly organised patrols between rangers of the national parks and villagers, prevent illegal logging and at the same time involve the local population in the project activities.

The Forest Programme IV, which is about to be implemented soon, aims the rehabilitation of water catchment areas in West Sulawesi as well as to establish strategies for sustainable forest management. In cooperation with a state-owned Indonesian hydropower plant operator, the project follows the approach of involving the local population in the catchment area in erosion control measures, thus also reducing the maintenance costs of the hydropower plant.

Impact

The efforts undertaken by the Indonesian government and the involvement of international partners are showing signs of success: a decline in deforestation rates of around 40% compared with the average rates of deforestation in the years 2002–2016 was reported in 2018. The measures of the forest programmes funded by KfW also support these effects. Successful forest rehabilitation measures ensure improved water management in the respective project areas. It was also possible to demonstrate to the local population at several locations how sustainable forest management not only protects habitats but also generates additional income. An important basis for sustainable forest management is the creation of a binding legal basis for the use of forests. The forest programmes also pursue this goal and have made it possible to award more than 150,000 ha of forest as community forest concessions in project intervention areas. Each forest programme relies on participatory planning processes with all stakeholders



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