



# Indonesia

## Landscape Factsheet







In Indonesia, through an integrated approach, we drive sustainable commodity production, livelihood improvement and forest conservation in several landscapes. In Aceh, our aim is to curb deforestation due to the rapid expansion of agriculture into the Leuser ecosystem, while providing options to improve palm oil, cocoa and aquaculture productivity of smallholders. In West Kalimantan, our main protection goals are to conserve the remaining natural forest areas on private, state and community land; protect and rehabilitate intact peat areas; and enable landscape connectivity by linking forest blocks and restoring degraded areas. On production and inclusion, we work with companies and communities to improve palm oil and forestry productivity and develop alternative income sources, including in coconuts, coastal fishery, and other non-timber forest products. In South Sumatra & Jambi, we aim to protect the forests and peatland in and around Sembilang-Berbak National Park and Dangku Protected Forest, and pilot jurisdictional certification in Musi Banyuasin Regency for palm oil and other commodities.

## Balancing ecological and economic needs in vulnerable landscapes

In all landscapes in Indonesia, a balance needs to be struck between intensification and expansion of commodity production on the one hand, and maintaining natural forest and peat ecosystems for biodiversity conservation, ecosystem services and use by local communities on the other. Both governments and the private sector are motivated to find sustainable strategies to move forward.

Across all landscapes, our strategy is three-fold: improving governance by, among other things, putting in place green growth plans; working towards Production-Protection-Inclusion (PPI) compacts; and driving market demand by creating verified sourcing areas.





**Aceh**



Palm Oil

## The landscape

The province of Aceh is just under 6 million hectares. Its Leuser ecosystem, which covers an estimated 2.3 million hectares, is one of the most biodiverse landscapes on the planet - home to Sumatran orangutans, elephants, tigers, rhinos, sun bears and many others. The Mount Leuser National Park is contained within this ecosystem and is a formally protected area covering around 800,000 hectares. The ecosystem also contains large areas of peatland, some up to 8 meters deep. And the province overall has forest cover of more than 3 million hectares that acts as a significant carbon sink.



**Leuser ecosystem** covers 2.3 million hectares

**3 million** hectares that act as a significant carbon sink

**4m people** rely on the water

**800,000** hectares of national park

**Peatland** up to 8m deep



## Why we work in Aceh



Aceh is one of the poorest provinces in the country, largely as a result of long-term civil conflict which only ended in 2004 after the Indian Ocean earthquake and tsunami. Economically, the value of the Leuser ecosystem is significant. An estimated 4 million people rely directly on the ecosystem for water supply, while total economic value has been estimated at USD 560 million per year. Due to the past conflict situation, Aceh has not been a significant producer of commodities, but this is changing. About 430,000 hectares are licensed for oil palm development across the province, with significant further development of rice, mining/gas, coffee and cocoa planned. This is critical in reviving economic development. Yet agricultural expansion can lead to deforestation and degradation of the Leuser ecosystem and other forests, if not responsibly developed.

## Our activities

In partnership with the provincial and district governments, NGOs, palm oil and other companies, our aim is to develop and implement a green growth plan that will directly support the conservation of the 2.6 million hectares of the Leuser ecosystem. This will support the sustainable production of palm oil and other commodities, and have a positive impact on community livelihoods, business performance, and forest protection.

We also aim to establish PPI compacts in support of Lokop-Peunaron Megafauna Sanctuary, which covers 600,000 hectares. At least 200,000 hectares is expected to be protected within the districts of Aceh Tamiang and Aceh Timur, while supporting improved production on an estimated 30,000 hectares of licensed plantation. We create financial benefits for sustainable production (such as increased yields and market access); forest protection (for example by making investments in production conditional to protection results); and smallholder inclusion in value chains.



Total economic value has been estimated at **\$560M** per year



About **430,000** hectares are licensed for oil palm development across the province

Green growth plan for  
**2.6m ha**

Establish **PPI compacts** in support of **Lokop-Peunaron Megafauna Sanctuary** which covers **600,000** hectares





# West Kalimantan



Palm Oil



Rubber



Pulp & Paper



Timber

## The landscape

West Kalimantan covers an area of 14.7 million hectares, and stretches across an ecological gradient of coastal mangroves, peat lands, and lowland forests. Forest covers about 5.7 million hectares of the province. The area is rich in animal and plant species, including many that are endangered or threatened, and contains large blocks of orangutan habitat. Indigenous (including Dayak) communities living in the landscape base their livelihoods on small-scale agriculture and non-timber forest products such as honey and rubber. The province has a number of significant waterways, the largest being the Kapuas river, which drains from inland wetlands such as Sungai Putri and Danau Sentarum. Upstream forest ecosystems help provide clean water for local communities, and flood control to downstream communities.



Covers an area of  
**14.7**  
million ha

Forest covers  
**5.7**  
million ha



## Why we work in West Kalimantan



West Kalimantan is a major production area for palm oil, timber, and pulpwood, making it vital for the Indonesian economy. It is a sourcing area for many (international) companies, and provides a source of income for local communities that are largely dependent on agriculture for their livelihoods. Oil palm cultivation is one of the most important economic activities in the landscape, combined with logging for wood fiber as well as other agriculture development. Mining is also a key sector in the Ketapang district, for example, in which licenses for mining exploration and exploitation have been issued, including for small-scale gold mining and large-scale bauxite mining. At the same time, the forests and peatlands of West Kalimantan are significant carbon stocks. The estimated carbon stock remaining in the province equals 1.6 gigatons CO<sub>2</sub>. Conversion, degradation, and slashing and burning of carbon-rich, biologically diverse forests and peatlands for agriculture are the biggest sustainability challenges in the region, contributing to climate change.

## Our activities

In West Kalimantan, IDH and its partners aim to protect 120,000 hectares of high-conservation value (HCV) forest, rehabilitate 10,000 hectares, and ensure sustainable production on 43,000 hectares. We are active in the districts of Kubu Raya, Kayong Utara, and Ketapang. To this end, our activities in the landscape include:

- **Convening public and private stakeholders**, which resulted in the launch of a partnership for sustainable commodities and landscapes in May 2017, led by the Governor of West Kalimantan, and supported by oil palm and forestry companies, national government representatives and the Norwegian and Dutch Ambassadors.
- **Conservation, restoration and/or rehabilitation** of HCV/HCS areas both within and outside concession areas, balanced by the improved productivity of palm oil and forestry plantations and smallholders.
- **The Fire-Free Villages model**, focusing on villages in critical areas on peat and/or close to remaining forests.
- **Community-based forest management schemes**, known as “village forests”, which can serve as an option for forest protection combined with sustainable production of (non-timber) forest products in PPI compacts.
- **Development of a governance structure** to enable Essential Ecosystem Zones (Kawasan Ekosistem Esensial, or KEE) to be established, which allow for HCV areas outside national parks and nature reserves to be protected and managed jointly by public and private stakeholders.

Estimated carbon stock remaining in the province **1.6** gigatons 

We aim to: **protect 120,000 ha** **rehabilitate 10,000 ha** **sustain 43,000 ha**





# South Sumatra & Jambi



Palm Oil



Rubber

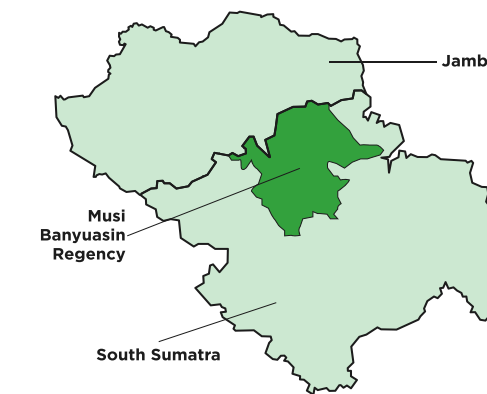


Pulp & Paper

## The landscapes

The province of South Sumatra spans almost 9 million hectares, where only 1.3 million hectares of natural forest cover and 1.4 million hectares of peat area remain. The province is home to endangered species such as the Sumatran tiger, while also being an important production area for globally traded commodities such as palm oil, timber, pulp and rubber. The province is also home to a number of important protected areas, including Bukit Barisan National Park, Berbak-Sembilang National Park (located in both South Sumatra and Jambi), Dangku Conservation area, and Harapan Rainforest (also located in both South Sumatra and Jambi), which all face significant pressure from encroachment, fire, illegal logging and illegal conversion.

The province of Jambi covers an area of over 5 million hectares. Two thirds of the province is characterized by hilly lowlands and flood plains formed by Jambi's large river systems. Most of Jambi's larger rivers have their headwaters in the Bukit Barisan Range and flow eastwards towards the coast. The coastal areas of Jambi are characterized by the Batang Hari River delta, flat marshlands and peat swamps. The natural vegetation of lowland Jambi is evergreen rainforest, peat swamp forest and mangrove forest. The Ministry of Environment and Forestry has classified 43% of the provincial area as state forest. However, only just over half of this area was actually covered with trees by 2016. Jambi is home to ecologically important ecosystems, including peat and fresh water swamps and forests in Berbak National Park.



South Sumatra covers almost **9million** hectares

**ONLY**  
**1.5m**  
hectares of natural forest cover

**1.4m**  
hectares of peat areas remain



# Why we work in South Sumatra & Jambi

South Sumatra is one of the wealthiest provinces in Indonesia in terms of natural resources, with high contribution of land-based sectors to the regional GDP. To grow its economy, South Sumatra has successfully attracted investors in land-based sectors in key commodities, such as rubber, coffee, rice, oil palm, and forestry. But South Sumatra's economic achievements were not without adverse environmental effects. The recent expansion in commodity production correlates with high deforestation rates and the conversion of peat lands. Coupled with forest fires such as those in 2015, this shows that there is serious tension between optimizing commodity production to cater for economic prosperity of the region, and forest protection to address climate change and protect species. Recent impacts have included fire, flooding, decrease in water river discharge and water quality, and loss of natural habitat in quantity and quality of various animal and plant species.

The cornerstone of Jambi's economy is the agriculture sector, contributing to more than a quarter of the provincial GDP. Other relevant pillars of Jambi's economy are the exploitation of black



coal, oil and gas. The most important agricultural commodities are rubber, oil palm, and rice. Jambi has experienced high levels of forest degradation as a result of commercial logging activities since the 1970s. More recently, as a result of agricultural expansion and open pit mining, Jambi has lost almost 600,000 hectares of forest between 1990 and 2016. The province's high deforestation rate and the conversion of peat swamps lead to net annual greenhouse gas emissions.

# Our activities

In South Sumatra, it is expected that approximately **200,000 hectares of HCV or HCS forest and peatland on and off concessions will be rehabilitated and/or restored as a result of the program**. In line with the outcomes of the green growth plan, IDH focuses on two types of activity: firstly, protecting the remaining protected forests and national park by improving the productivity of production forest and agricultural land and protection efforts including rehabilitation and restoration. Secondly, reducing emissions via peatland protection and forest restoration and rehabilitation as well as reducing peat and forest fires.

Given the variety of landscapes and issues in South Sumatra and Jambi, different types of PPI and restoration/rehabilitation concepts will be developed, starting in the areas of Sembilang-Berbak National Park and Musi Banyuasin district. Activities include:

- **Peatland conservation and rehabilitation** by plantation companies and communities, including research into alternative species that can grow on wet and acid soils, smallholder agroforestry activities on peat, bio-energy development, and improved water management at landscape level.
- **Sustainable smallholder supply sheds** around key remaining HCV and HCS forest areas, including investment in increased protection of those areas.

- The Musi Banyuasin district is working towards **RSPO certification** under the jurisdictional certification process, with the target of being certified by 2020.
- The Lalan sub-district of Musi Bayuasin is one of **three jurisdictional pilots for RSPO certification worldwide**. The target is to be certified by 2018. So far, Lalan has been working on a number of components required for jurisdictional certification, including identifying HCV compensation liabilities, developing a governance mechanism, and exploring opportunities for progress monitoring.
- **The Fire-Free Villages model**, focusing on villages in critical areas on peat and/or close to remaining forests; incentives are provided by government and companies to communities for reducing fire risk.

In Jambi, IDH will start with supporting the development of a green growth plan and support the provincial government to translate the plan into policies and procedures to drive sustainable practices. We will support the development of PPI compacts in and around key forest and peatland areas in the province. In these areas, we will develop, strengthen and further test field-level innovations on production, protection and inclusion.

**Jambi** covers an area over  **5 million hectares**

**1990-2016** Jambi lost almost **600,000 ha of forest**



