

# Addressing Deforestation in Indonesia

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Tomoyuki Uno  
UNDP Indonesia

# UNDP Approach to Agriculture and Sustainable Development

- ❑ Agriculture is the **single largest driver** of deforestation today.
- ❑ **Palm oil, cocoa, coffee, soy and cattle** – key commodities that drive deforestation.
- ❑ Agricultural commodities are the **bedrock** of most rural developing economies, contributing to **economic development, food security and poverty reduction**.
- ❑ **1.6 billion people** depend on forests to survive.
- ❑ But agricultural production – most of which is carried out by small farmers - is threatened by **climate change, water scarcity, competition for arable land and ecosystem degradation**.
- ❑ National **government partnership and leadership** is vital for reform

# PALM OIL

## A key driver of growth vs. A key driver of deforestation

- Export value has increased considerably from **\$US 2 billion** to **\$US 19 billion** over 10 years
- It contributes to about **6-7%** of Indonesia's annual income
- Almost **4 million people** are directly employed by the industry
- As part of its Medium-Term Development Plan, Indonesia sets a **target of 40 million tons of CPO production by 2020**
- That is **10 million additional tons** more than today's production level of about **30 million tons**
- This is a **growth rate of 33% in 5 years.**

- According to a recent TFA study, **>80 percent of experts agreed that palm oil is key to addressing deforestation**



# ADDRESSING DEFORESTATION

Major multi-stakeholder initiatives in Indonesia


- ❑ **RSPO** – Roundtable on Sustainable Palm Oil
- ❑ **UN Declaration on Forests** (50+ companies)
- ❑ Zero Deforestation Commitments such as **IPOP** – The Indonesia Palm Oil Pledge

❑ **GOVERNMENT?**



# CHALLENGES

- ❑ Scale – millions of smallholders
  - Productivity, income, capacity
  - Tracing to plantation level
- ❑ Overlapping and complex policies
- ❑ Little economic incentives to protect HCV/HCS
- ❑ Lack of synergy between international expectations (“HCV”) and national realities (legal framework)

A man with short dark hair, wearing a red batik shirt with gold and brown patterns, is shown in profile from the chest up. He is holding a silver microphone in his right hand and appears to be speaking. The background is a plain, light-colored wall.

Need Government ownership and leadership to address challenges



**The Indonesia Palm Oil Platform (InPOP)** is a multi-stakeholder forum coordinated by the government that identifies the sector's problems and solutions through a national action plan for the sustainable development of palm oil in Indonesia

# InPOP Structure

## Indonesia Palm Oil Platform (InPOP)

Steering committee

Ministry of Agriculture, Coordinating Ministry of Economic Affairs, Ministry of Environment & Forestry, National Planning and Development Agency, Ministry of Agraria and Spatial Planning, GAPKI, DMSI, APKASINDO

Plenary and working groups

Working Group 1:  
Smallholders

Working Group 2:  
Environment

Plenary

Working Group 3:  
Governance

Working Group 4:  
ISPO and  
market access

InPOP  
Secretariat

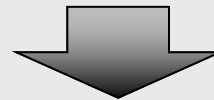


# High Conservation Value

Working across ministries to strengthen and streamline conservation regulations



- ❑ HCV internationally recognized but not defined in Indonesian law
- ❑ Need to define, identify, manage HCV lands
- ❑ 'Abandoned land' and Plantation Law -> allow conservation efforts in active plantations



- ❑ **Protection of HCV in non-state forest areas**





# Improving Smallholder Productivity and Legality

Addressing the root causes



- Need to increase **smallholder** productivity and income



Those who are certified and legal

- Increases competitiveness of legal and non-deforesting farmers



- **Decreased illegal deforestation, healthier livelihoods, better governance**

“It is time for the government to direct development of the oil palm industry in such a way that optimises resources with sustainability principles. We must look for solutions together, particularly with regard to smallholders who are often the most vulnerable in the supply chain.”

**Dwi Pratomo Sudjatmiko, Ministry of Agriculture**

# Strengthening ISPO

Mandatory and reaching all producers in the country

## ISPO – RSPO Joint Study

*A joint-study between the Indonesian Sustainable Palm Oil Standard (ISPO) and the Roundtable on Sustainable Palm Oil (RSPO) was officially released in February.*

## Smallholder Training & Certification

*UNDP is working with Asian Agri in Riau to ISPO certify an independent cooperative of 500 oil palm farmers*



# Key points

- ❑ Indonesian government plays a vital role in leading transforming the palm oil industry towards sustainability
- ❑ Private sector, NGOs, development partners should work together with national and local government to ensure replication and scale
- ❑ Companies also important; protection of HCVs within plantations, support to smallholders in supply chain, responding to consumer demands on sustainability



## **Government Leadership**

Creating a national Action Plan for a sustainable future

### **Gamal Nasir, Director General of Estate Crops at the Ministry of Agriculture**

“As the world’s top palm oil producer it is in Indonesia’s best interest to remain competitive. To do this, we must anticipate the latest industry trends. Today, this means implementing practices that are in line with the sustainable development goals and climate change mitigation.”