



# Cross-Sectoral Analysis of Policy and Legislative Frameworks that are Relevant to REDD+ Implementation in Central Sulawesi, Indonesia



UN-REDD  
PROGRAMME



The Ministry of Forestry  
Republic of Indonesia



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**UN-REDD**  
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# **Cross-Sectoral Analysis of Policy and Legislative Frameworks that are Relevant to REDD+ Implementation in Central Sulawesi, Indonesia**

**Sunny W.H. Reetz, Kate Trumper and Cordula Epple**

## Acronyms and Abbreviations

**APL** – Areal Penggunaan Lain / ‘Other use areas’

**FMU** – Forest Management Unit

**HTHR** – Hutan Tanaman Hasil Rehabilitasi / ‘Timber estate resulting from rehabilitation’

**HTR** – Hutan Tanaman Rakyat / ‘Smallholder timber estate’<sup>1</sup>

**IHPH** – Iuran Hak Pengusahaan Hutan / ‘Forest utilisation rights fee’

**IUPHHK-HA** – Izin Usaha Pemanfaatan Hasil Hutan Kayu dalam Hutan Alam / ‘Business license for utilisation of timber in natural forest’

**IUPHHK-HT** – Izin Usaha Pemanfaatan Hasil Hutan Kayu dalam Hutan Tanaman / ‘Business license for utilisation of timber from plantation forest’

**IUPHHK-HTR** – Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman Rakyat dalam Hutan Tanaman / ‘Business license for utilisation of timber from smallholder timber estates within plantation forest’

**IUPHHK-RE** – Izin Usaha Pemanfaatan Hasil Hutan Kayu Restorasi Ekosistem / ‘Business license for ecosystem restoration inside natural forest’

**IUPJL-HP** – Izin Usaha Pemanfaatan Jasa Lingkungan pada Hutan Produksi / ‘Business license for utilisation of environmental services from production forest’

**KPHK** – Kesatuan Pengelolaan Hutan Konservasi / ‘Conservation Forest Management Unit’

**KPHL** – Kesatuan Pengelolaan Hutan Lindung / ‘Protection Forest Management Unit’

**KPHP** – Kesatuan Pengelolaan Hutan Produksi / ‘Production Forest Management Unit’

**MP3EI** – Masterplan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia / Master Plan for Acceleration and Expansion of Indonesia’s Economic Development

**MRV** – Measurement, Reporting and Verification

**NGO** – Non-Governmental Organisation

**PSDH** – Provisi Sumber Daya Hutan / ‘Forest resources provision fee’

**RAD-GRK** – Rencana Aksi Daerah penurunan emisi Gas Rumah Kaca / Regional Action Plan for Greenhouse Gas Emissions Reduction

**RAN-GRK** – Rencana Aksi Nasional penurunan emisi Gas Rumah Kaca / National Action Plan for Greenhouse Gas Emissions Reduction

**REDD+** – Reducing Emissions from Deforestation and forest Degradation plus conservation of forest carbon stocks, sustainable management of forests, and enhancement of forest carbon stocks

**REL** – Reference Emissions Level

**RPJMN** – Rencana Pembangunan Jangka Menengah Nasional / National Mid-term Development Plan

**RTRW** – Rencana Tata Ruang Wilayah / Regional Spatial Plan

**UN-REDD Programme** – United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation

1 Sometimes also translated as ‘people’s plantation’

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# Executive Summary

This report reviews the legal and policy framework for REDD+ activities in the province of Central Sulawesi in Indonesia. This region has been selected as a pilot province under the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD Programme).

Indonesia has taken a significant step towards preparing for REDD+ by enacting laws and regulations that specifically address REDD+ activities and developing a National REDD+ Strategy. REDD+ decision-makers and stakeholders at regional and local levels also need to take account of other sectoral and inter-sectoral policy and legislative frameworks related to land use and forest management. As yet, no overview of how these other instruments affect REDD+ planning has been available. To help remedy this lack of information, this report provides an overview of existing national and sub-national policy and legislative frameworks that provide mandates and incentives for, or constraints on, the design, location and extent of REDD+ activities. It pays particular attention to frameworks that support the achievement of multiple benefits from REDD+ for biodiversity conservation, ecosystem service provision and poverty alleviation.

The existing legal and policy framework does mandate REDD+ implementation and covers all five types of REDD+ activities: reducing emissions from deforestation and forest degradation; conservation and enhancement of forest carbon stocks; and sustainable management of forest. There is also support for the multiple benefits that can be achieved from REDD+. However, there are few legal regulations or policy documents that emphasise poverty alleviation as a potential benefit from a more sustainable management of forest and other lands.

Although there is nothing in this framework that explicitly impedes REDD+ activities on the ground, some legal and policy provisions conflict with REDD+ goals. Legislation and policy are not harmonised across sectors, and there is no strong framework for resolving the potential land use conflicts between forests, agriculture and mining. For example, plans for the expansion of agricultural land are likely to conflict with REDD+ activities if they are not carefully targeted and accompanied by efforts to promote sustainable agricultural intensification. Furthermore, there is a gap between national and sub-national frameworks, meaning there is sometimes no mechanism for applying legislation practically. Coordinated elaboration and implementation of cross-sectoral policy frameworks such as the National and Regional Action Plans for Greenhouse Gas Emissions Reduction or national and regional development policies can offer opportunities

for harmonisation of activities between different sectors and levels of government.

In many cases, the implications of legal and policy provisions for REDD+ also depend on the way in which they are implemented in practice. For example, legal provisions allowing the conversion of forest land to other uses can be applied inappropriately in order to realize business opportunities, and regulations governing the restoration of degraded land can be counterproductive if applied on forest land that still has the potential for natural regeneration.

A number of criteria derived from the existing frameworks and practical considerations can be used in order to determine the location of implementation activities. These include the level of political support from the local government, the extent of forest resources, the potential for multiple benefits, geographical factors like distance to a central market and location of all-year roads, and socioeconomic factors such as demography, poverty levels, conversion pressure for agriculture and potential mining activities.

Considering the potential for multiple benefits leads to identification of some areas that could be particularly suitable locations for REDD+ implementation. Restoration of severely degraded lands in important river catchment areas could bring benefits related to soil and water conservation. REDD+ actions in reserved community forest areas and areas for smallholder timber plantations planned by the forestry department could contribute to enhanced livelihood opportunities for local populations. The proposed buffer zone areas of Lore Lindu National Park offer high potential biodiversity benefits.

The results of the analysis suggest that legal reforms and reforms to planning processes could help to minimise the obstacles to REDD+ implementation arising from differing perspectives between the different levels of government and from lack of alignment between different sectoral plans. As an interim step, improving intersectoral coordination and integrated spatial planning at the provincial level is strongly recommended. At the local level, customary law can provide relevant experiences for an integrated management of natural resources that provides multiple benefits.

The report concludes that Indonesia in general and the province of Central Sulawesi in particular are already well set up to begin the implementation of REDD+, but its success will depend on the resolution of competing interests in the forest land. The Indonesian government has already made major efforts to improve the situation through the National REDD+ Strategy.



# 1. Introduction

This report reviews the legal and policy framework for REDD+ activities<sup>2</sup> in the province of Central Sulawesi in Indonesia. This region has been selected as a pilot province under the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD Programme)<sup>3</sup>. Reasons for selection are that – despite deforestation – the forest cover of the province is still extensive and has relatively high carbon density, and that the local government is supportive of, and has the capacity to facilitate, REDD+ activities (Draft Regional REDD+ Strategy of Central Sulawesi, 2011).

For the phase of preparing for REDD+ (the ‘readiness phase’), the UN-REDD programme has given technical support to Central Sulawesi to: strengthen multi-stakeholder participation; develop a Reference Emissions Level (REL) and a Measurement, Reporting and Verification (MRV) procedure; and build capacity for REDD+ implementation at various decentralised levels. A necessary step of the readiness phase is the creation of policy and legislations that accommodate REDD+, and national and provincial governments have endorsed the following specific regulations:

- Ministry of Forestry Regulation No. P.68/Menhut-II of 2008 on Implementation of REDD Demonstration Activities.
- Ministry of Forestry Regulation No. P.30/Menhut-II of 2009 on Reducing Emissions from Deforestation and Forest Degradation.
- Ministry of Forestry Regulation No. P.36/Menhut-II of 2009 on Procedures for Licensing of Commercial Utilisation of Carbon Sequestration and/or Storage in Production and Protection Forests.
- Presidential Decree No. 25 of 2011 on Establishing a Task Force to prepare the Establishment of a REDD+ Agency.

At the sub-national level, the most specific regulations are:

- Governor’s regulation No. 40 of 2011 on Criteria and Indicators for Determining the Locations of Demonstration Activities for Reducing Emissions from Deforestation and Forest Degradation in Central Sulawesi Province.
- Governor’s decision No. 522/84/DISHUTDA-G.ST of 2011 on Establishment of the Working Group on Reducing Emissions from Deforestation and Forest Degradation Plus (REDD+) of Central Sulawesi Province.

The most important policy document that has been developed explicitly for REDD+ is the National REDD+ Strategy, which sets out short-, medium- and long-term goals for REDD+ policy, as well as a programme framework consisting of five strategic pillars (REDD+ National Strategy, June 2012).

Compared to many other countries targeted for REDD+, Indonesia has taken a big step in enacting laws and regulations specifically addressing REDD+ activities and defining relevant policies. However, the actors involved in planning the implementation of REDD+ also need to take account of other sectoral and inter-sectoral policy and legislative frameworks related to land use and forest management. Decision-makers and stakeholders at the regional and local level in Central Sulawesi still don’t have access to a convenient overview of these. To help remedy this lack of information, this report provides an overview and analysis of existing relevant national and sub-national policy and legislative frameworks (including sectoral frameworks) that provide mandates and incentives for, or constraints on, the design, location and extent of REDD+ activities. It pays particular attention to frameworks that support the achievement of multiple benefits from REDD+ for biodiversity conservation, ecosystem service provision and poverty alleviation.

We hope this report will help decision-makers and stakeholders at the regional and local level to prepare technically, legally and administratively for REDD+ implementation in the province of Central Sulawesi, and to choose activities that are best in line with existing requirements.



*Local communities are important partners for REDD+ implementation. Wangka village, Central Sulawesi.*

2 i.e. activities to Reduce Emissions from Deforestation and forest Degradation, conserve forest carbon stocks, manage forest sustainably and enhance forest carbon stocks.

3 Letter of the Secretary General of the Ministry of Forestry No: 5,786/II-KLN, 2010.

## 2. Methodology

To identify the relevant legal frameworks and policy documents, we conducted a review of literature found through online searches and other literature studies. Secondary data such as statistical figures, land use maps and technical reports from governmental institutions, NGOs and international bodies were also collected to scrutinise and substantiate results. To identify the most important legal and policy issues, we conducted in-depth interviews with relevant stakeholders from the UN-REDD team, legal experts, local and national government officers, academia, and NGOs.

## 3. The legal and policy framework for implementing REDD+ activities

### 3.1 Analysis of Legal Frameworks

In this analysis, we consider the legal frameworks related to land use and forest management and discuss the provisions they make and the challenges they present for REDD+ activities. We place a particular focus on laws related to the environment, forestry, agriculture and spatial planning. The English translations of text from the legal documents are provided for illustrative purposes only and do not imply any expression of opinion on the part of the authors about the interpretation of the Indonesian language original texts.

Table 1 lists the legislation covered by this review and indicates whether each piece of legislation mandates, supports or conflicts with REDD+ activities. It shows that, overall, the majority of current legal frameworks provide mandates and support for REDD+ implementation, but there are some potential conflicts. The mandates can be fulfilled through a variety of possible REDD+ actions on the ground, including actions to reduce emissions from deforestation and forest degradation, conserve or enhance carbon stocks, and manage forest sustainably. The laws and regulations that we classified as 'supporting' contain provisions that facilitate possible REDD+ actions, e.g. by giving authorities the power to authorise or restrict certain forms of forest management. Conflicting laws and regulations impede possible REDD+ actions, e.g. by supporting the alteration of forest land into cultivated areas or other land use areas. The

following part of this section discusses each type of legislation in turn.

There are four Acts (the highest level in the legal hierarchy), that give strong mandates for conservation of natural resources: Act No.5 of 1990 on Conservation of Natural Resources and their Ecosystems; Act No. 41 of 1999 on Forestry [which also includes some provisions that might give rise to conflicts]; Act No. 7 of 2004 on Water Resources; and Act No. 26 of 2007 on the National Spatial Plan. REDD+ activities can contribute to fulfillment of these mandates, for example by supporting forest conservation and land rehabilitation.

Some legislation can both support REDD+ goals and conflict with them. Act No. 41 of 1999 on Forestry mandates and supports actions that can form part of REDD+ implementation, e.g. forest and land rehabilitation, reforestation, re-greening and soil conservation through maintenance and enhancement of tree cover (Articles 40 et seqq.). It also stipulates that forest area should be at least 30% of the total area of any watershed and/or island and should be evenly (or proportionally) distributed (Article 18:2), in line with Act No. 26 of 2007 on the National Spatial Plan (Article 17:5). However, at more than 50%, the present forest cover in Central Sulawesi is still far



*Deforestation and forest degradation can decrease soil stability on steep slopes. Landslide impeding passage on a path in Central Sulawesi.*



**Table 1.** Analysis of National and Sub-national Legislative Frameworks.

Type of legal document	Title	Content	Mandates	Support/ Incentives	Conflicts
<b>NATIONAL LEVEL</b>					
Act	Act No. 5 of 1990	Conservation of Natural Resources and their Ecosystems	√	√	
	Act No. 41 of 1999	Forestry	√	√	√
	Act No. 7 of 2004	Water Resources	√	√	
	Act No. 32 of 2004	Decentralisation	√		√
	Act No. 26 of 2007	National Spatial Plan	√		√
	Act No. 41 of 2009	Sustainable Protection of Agricultural Land			√
Government Regulation	Government Regulation No. 44 Year 2004	Forestry Planning	√		√
	Government Regulation No. 45 Year 2004	Forest Protection	√	√	
	Government Regulation No. 6 of 2007	Forest Governance and the Development of Forest Management and Utilisation Plans		√	
	Government Regulation No. 37 of 2012	Watershed Management	√	√	
Ministerial Regulation	Ministry of Forestry Regulation No. P.61/Menhut-II of 2008	Provisions and Procedures for the Granting of Business Licenses for Ecosystem Restoration in Production Forest		√	
	Ministry of Forestry Regulation No. P. 28/ Menhut-II of 2009	Approval Procedure for Forest Planning within Regional Spatial Plans			√
	Ministry of Forestry Regulation No. P.36/ Menhut-II of 2009	Provisions and Procedures for the Granting of Business Licenses for Ecosystem Restoration in Production Forest		√	
<b>SUB-NATIONAL LEVEL</b>					
Local regulation	Local Regulation No. 6 of 2006	Buffer zone areas of Lore Lindu National Park		√	

above the minimum stipulation, so this regulation has little strength to protect existing forest. Another potential source of conflict is the possibility that forest land is used for non-forestry purposes (Article 38).

There is potential for conflict between provisions of different Acts, too. Act No. 41 of 1999 on Forestry and Act No. 32 of 2004 on Decentralisation differ about who is responsible for forest planning. Act No. 41 claims that the Minister of Forestry is the only actor responsible, while Act No. 32 gives authority to local governments to manage forests within their administrative areas. This causes overlapping authorities and can create disputes between

central and local government, which can lead to an ineffective formulation of forest development plans (Draft report of the Working Group on Legal Review and Law Enforcement of the REDD+ Task Force 2012).

Act No. 41 of 2009 on Sustainable Protection of Agricultural Land includes provisions that allow the conversion of forest to agricultural land for food crops. These provisions apply to the conversion of forests that have developed on abandoned land or land that has been released from the state forest area but for which land rights have not yet been granted in accordance with the provisions of the legislation (Article 29: 3, 5 and 6).



Government Regulation No. 45 of 2004 on Forest Protection gives strong mandates and support for activities to prevent or limit damage to forests, forest area and forest products caused by human actions, livestock, fire, natural forces, pests, and diseases (Articles 2 and 6). Forest protection measures are to be implemented on the forest areas within all three existing types of Forest Management Units<sup>4</sup>: Conservation Forest Management Units (KPHK), Protection Forest Management Units (KPHL), and Production Forest Management Units (KPHP), as referred to in Article 2:2.

Government Regulation No. 44 of 2004 on Forestry Planning mandates provincial and/or city governments to maintain the adequacy of forest areas, and manage the forest according to its function (Article 33:3). Conflicts with REDD+ might arise since it is possible to change forest areas into cultivated areas and 'other use areas' (*Areal Penggunaan Lain – APL*) if there is a change in the provincial spatial plan (Article 47). The Minister of Forestry has the authority to decide on the alteration of the status of forest land, based on proposals and recommendations from local governments. Once an area has been removed from the official state forest area (*Kawasan Hutan*) and declared part of the APL area, it no longer comes under the jurisdiction of the Ministry of Forestry.

This process is further elaborated in Ministry of Forestry Regulation No. P.28/Menhut-II of 2009 on the Approval Procedure for Forest Planning within Regional Spatial Plans, which allows partial or total conversion of forest areas to non-forest functions. The regulation sets out that decisions about such conversion will be based on the results of an integrated study that is commissioned by the Minister after receiving proposals or recommendations for forest area conversion from the Governor and Head of City/Regency (Article 1:4, Article 6: (1) and Article 12).

The release of land from the state forest area can be in line with REDD+ strategies (e.g. where a land swap is implemented to exchange state forest land with degraded carbon stocks against areas with intact forest cover that are currently legally classified as APL areas). But it can also accelerate the further loss of forests if it is not strictly planned and controlled. In particular, there could be conflict between demands on land for non-forest use and the implementation of REDD+ if the proposals and recommendations

for forest area conversion from the Governor and Regent/Mayor (Articles 6 and 12) lack accountability and aim to increase income from the most lucrative business opportunities rather than to comply with the provisions of the forest legislation. This is an area where overlapping authorities and land disputes such as those described above in relation to the Forestry and Decentralisation Acts can create a conflict between central and local government, to the detriment of effective forest planning (Draft report of the Working Group on Legal Review and Law Enforcement of the REDD+ Task Force 2012).

Government Regulation No. 37 of 2012 on Watershed Management addresses the alignment of spatial planning and water resources management, and requires coordination between related institutions across administrative regions as well as community participation (Article 2:3–4). In order to restore watershed carrying capacity, the Regulation calls for activities such as optimisation of land use, soil conservation, vegetation management, increasing awareness and participation of related agencies, and institutional development (Article 40), which is in line with the enhancement of carbon stocks and achievements of multiple benefits under REDD+.

Licensing covered by Government Regulation No. 6 of 2007 on Forest Governance and the Development of Forest Management and Utilisation Plans could support REDD+ implementation. The Regulation allows the issuing of business licenses for ecosystem restoration inside natural forest (IUPHHK-RE), as well as licenses for timber use from smallholder timber estates (HTR)<sup>5</sup> or timber estates resulting from rehabilitation (HTHR) (Article 1: 14; 19; and 20). These licenses support activities that maintain, protect and restore forest ecosystems as well as rehabilitate land and forest in production forest areas to restore, preserve and enhance land and forest functions.

Ministry of Forestry Regulation No. P.61/Menhut-II of 2008, on Provisions and Procedures for the Granting of Business Licenses for Ecosystem Restoration in Production Forest, stipulates further that 'unproductive production forests' should be preferentially targeted for ecosystem restoration activities (Articles 1 and 2). This regulation can facilitate REDD+ activities for the enhancement of carbon stocks, as long as adequate controls ensure that forest areas in good condition or with potential to regenerate naturally are not classified as

4 The government of Indonesia is in the process of developing Forest Management Units (FMU) as the basic administrative unit for all forest resource management. One or more forest functions (conservation, protection and production) can be included in an FMU, but the FMU will be classified by its dominant forest function.

5 According to the Regulation, Smallholder Timber Estates (*Hutan Tanaman Rakyat*, sometimes also translated as People's Plantations) are defined as forest plantations established by community groups with the aim to improve the potential and quality of production forests and ensure the maintenance of forest resources.

‘unproductive’. Licences for ecosystem restoration in natural forest areas designated as production forests (IUPHHK-RE) are to be granted only for areas that are not subject to other rights (Article 2).

Ministry of Forestry Regulation No. P.36/Menhut-II of 2009 on Procedures for Licensing of Commercial Utilisation of Carbon Sequestration and/or Storage in Production and Protection Forests includes some licensing options that are supportive of REDD+ implementation particularly for the sustainable management of forests (Article 1: 1–5). The types of licenses under which commercial utilisation of carbon can be allowed are those for utilisation of environmental services (*Izin Usaha Pemanfaatan Jasa Lingkungan pada Hutan Produksi, IUPJL-HP*), utilisation of timber in natural forest (*Izin Usaha Pemanfaatan Hasil Hutan Kayu dalam Hutan Alam, IUPHHK-HA*), utilisation of timber from plantation forest (*Izin Usaha Pemanfaatan Hasil Hutan Kayu dalam Hutan Tanaman – IUPHHK-HT*) and utilisation of timber from from smallholder timber estates within plantation forest (*Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman Rakyat dalam Hutan Tanaman – IUPHHK-HTR*). Furthermore, under licenses for ecosystem restoration within natural forest (IUPHHK-RE), commercial utilisation of carbon sequestration from the enhancement of carbon stocks can be allowed. The maximum project length for commercial utilisation of carbon rights is 25 years (Article 19). Based on this regulation, local communities and indigenous people can also become holders of business licenses for carbon sequestration and storage in areas where community forests (*Hutan Kemasyarakatan*), village forests (*Hutan Desa*) or traditional people’s forests (*Hutan Masyarakat Hukum Adat*) have been established (Article 21).

At the sub-national level, Local Regulation No. 6 of 2006 on the buffer zone areas of Lore Lindu National Park has targeted a total area of 503,738 ha outside the park for a buffer zone (Articles 2 and 5:2). This area could be a priority site for the implementation of REDD+ after the readiness phase because buffer zone areas might serve the objective of conserving carbon stocks.

The objective of obtaining multiple benefits from REDD+ is supported by the following regulations: Act No. 5 of 1990 on Conservation of Natural Resources and their Ecosystems, Act No. 7 of 2004 on Water Resources, and Government Regulation No. 37 of 2012 on Watershed Management. Act No. 5 of 1990 supports protecting the life support systems and preserving the diversity of plant and animal species and their ecosystems, which inherently promotes social welfare and the quality of human life (Articles 5 and 7). Act No. 7 of 2004 gives mandates to protect and conserve water resources and their surrounding environment against damage or disturbance caused either by natural forces such as drought or by human actions (Article 21). Government Regulation No. 37 of 2012 supports the provision of environmental services by calling for soil and water conservation activities that maintain water quality, quantity, continuity and distribution. Biodiversity conservation and ecosystem restoration are to be promoted through vegetation management, which at the same time should enhance land productivity (Article 40). The existing regulations mainly support the achievement of multiple benefits from conserving and protecting forests in the form of biodiversity conservation and maintaining environmental services. So far there is no explicit legislation that promotes poverty alleviation as a benefit of forest conservation, although continued or increased availability of environmental services can have positive impacts on the livelihoods of the poor.



Biodiversity and non-timber forest products are important benefits of natural forest. Sulawesi bear cuscus (*Ailuropus ursinus*) and rattan trees (*Calamus zollingeri*).



## 3.2 Analysis of Policies

This section focuses on the current policy document related to land use and forest management and analyses the provisions they make and the challenges that they pose for REDD+ activities. The review included documents related to the environment, forestry, agriculture, spatial planning and mining. Overall, as with the legislation described above, current policies mandate and support REDD+ implementation, but there are also some potential conflicts. The mandates cover the different activities through which REDD+ can be implemented such as reducing emissions from deforestation and forest degradation, conservation or enhancement of forest carbon stocks and sustainable management of forests. Table 2 summarises the analysis of policies from national to sub-national level.

The National Mid-term Development Plan 2010–2014 (RPJMN) outlines a strategy to address the growing challenge of climate change through adaptation and mitigation policies. The policies put forward to achieve this are: forest and land rehabilitation; improved watershed management; development of environmentally friendly energy and transportation; control of greenhouse gas emissions; and the control of pollution and environmental damage.

Indonesia has committed to reducing greenhouse gas emissions through its own efforts by 26% as compared to business as usual by the year 2020, and by 41% if international support becomes available. This commitment is reflected in the Mid-term Development Plan. The plan states that efforts to reduce greenhouse gas emissions will be mainly focused on activities related to forestry, peatland

management, waste management and energy, supported by policy measures in various sectors and fiscal policy. According to the plan, the action programme on the environment and management of natural disasters comprises the following focal areas that are relevant for mandating and supporting REDD+: climate change; controlling degradation of the environment; and disaster management.

The relevant actions include:

1. Climate change: increasing the capacity for peatland management; increasing rehabilitation of degraded lands in prioritised watershed areas to 500,000 hectares per year; and a strong effort to reduce the deforestation rate through cooperation between relevant ministries and by optimising the use of funding sources such as the Forest Utilisation Rights Fee (IHPH), the Forest Resources Provision Fee (PSDH) and the Reforestation Fund.
2. Controlling degradation of the environment: decreasing the number of forest fire hotspots by 20% per year and reducing overall pollution levels by 50% in 2014; and halting environmental degradation in 11 disaster-prone watershed areas from 2010 onwards.
3. Disaster management: increasing disaster management capacity through strengthening the capacity of government officials and the public for efforts to mitigate risks and handle forest fires and other natural hazards in 33 provinces.

A particular target for Sulawesi's regional development included in the RPJMN is to maintain and rehabilitate the extent of protected areas to cover at least 40% of the island, in order to reduce the risk of natural

**Table 2.** Analysis of National and Sub-national Policies.

Title of Policy Document	Mandates	Support/ Incentives	Conflicts
<b>NATIONAL LEVEL</b>			
National Mid-term Development Plan 2010–2014 (RPJMN)	√	√	√
Master Plan for Acceleration and Expansion of Indonesia's Economic Development 2011–2025 (MP3EI)	√		√
National Action Plan for Greenhouse Gas Emissions Reduction 2010–2020 (RAN-GRK)	√	√	√
Mid-term Strategic Planning of the Ministry of Forestry 2010–2014	√	√	
Mid-term Strategic Planning of the Ministry of Agriculture 2010–2014			√
<b>SUB-NATIONAL LEVEL</b>			
Regional Spatial Plan 2010–2030 (RTRW)	√	√	√
Mid-term Strategic Planning of the Agricultural Department 2010–2014			√
Mid-term Strategic Planning of the Regional Development Agency 2010–2014	√	√	√

disasters that can threaten the safety of people and assets in the form of socio-economic infrastructure, regional settlement centres and cultivation areas. This policy does not provide a strong mandate for forest protection, as the current forest cover in Central Sulawesi is higher (52.2%) than the total percentage of protected areas demanded by the plan. Still, at present only around 10% of the area of Central Sulawesi is designated as conservation areas (the strictest category of protection), so that the target could potentially lead to a significant expansion of the area that is strongly protected.

Poverty reduction and global climate change are cross-cutting issues that require integrated policies among sectors. Elements of the intersectoral work plan in the RPJMN for poverty reduction and global climate change that are relevant to REDD+ are:

1. Provincial land management through the National Land Management Programme with the goal of realising land redistribution.
2. Infrastructure development in transmigration areas.
3. Sustainable management of the environment in the transmigration areas through the Community Development and Transmigration Area programme.
4. Improved conservation and control of land and forest degradation through the Natural Resources Management and Environment programme.
5. Developing essential areas for ecosystem conservation through the Biodiversity Conservation and Forest Protection programme.
6. Fire control through the Biodiversity Conservation and Forest Protection programme.
7. Implementation of land and forest rehabilitation and reclamation of forests in priority watershed areas through the Improved Watershed Functionality and Carrying Capacities programme based on community empowerment.
8. Establishment of Forest Management Units (FMU) that include Conservation Forest Management Units (KPHK), Protection Forest Management Units (KPHL), and Production Forest Management Units (KPHP).

Part of the National Mid-term Development Plan may conflict with REDD+, particularly proposed plans for road development across some islands including Sulawesi and for the establishment of transmigration areas.

The most specific policy with regard to climate change mitigation is the National Action Plan for Greenhouse Gas Emissions Reduction 2010–2020 (RAN-GRK)<sup>6</sup>, which explicitly formulates the strategy



*A significant part of deforested lands in Central Sulawesi are degraded and/or not currently used for production. Open grassland on a deforested slope.*

to reduce emissions from different sectors, including agriculture, forestry and peat land management, energy and transportation, industry, waste management and others. It breaks down the 26/41% emissions reduction commitment of the Indonesian government by sectors and regions. The targets for the agricultural and forestry sectors are to reduce the emissions by 0.008 and 0.672 gigatonnes of carbon respectively without international contributions, or by 0.011 and 1.039 gigatonnes of carbon with support from the international community. All provinces are required to develop their own Regional Action Plans for Greenhouse Gas Emissions Reduction (RAD-GRK) in the course of 2012. If the activities planned for greenhouse gas emissions reduction in the agriculture and forestry sectors are aligned well with plans for REDD+ implementation, the RAN-GRK and RAD-GRK can provide strong support for REDD+.

The Master Plan for Acceleration and Expansion of Indonesia's Economic Development 2011–2025, or MP3EI, is a government working document that sets out the desired direction of development for specific economic activities and makes recommendations for the development of infrastructure and new regulations, as well as for change/revision of existing regulations in order to push for the acceleration and expansion of investment.

<sup>6</sup> See Presidential Regulation No. 61 of 2011 on the National Action Plan for Greenhouse Gas Emissions Reduction.



One area where the policy set out in the MP3EI might conflict with REDD+ activities is the simplification of licensing for mining, which seems to indicate that higher priority is given to mining than to retaining the forest area. There are attempts to accelerate the completion of the Regional Spatial Plan (Provincial RTRW and Regency/City RTRW) through the alignment of Law No. 41 Year 1999 on Forestry, and Law No. 4 Year 2009 on Mineral and Coal Mining, and a policy on reforming bureaucracy in processing mining permits. This aims to simplify licensing procedures to ensure the continuation of mining business. The plan stresses the need to improve land use and other regulations for granting mining permits, especially for coal and nickel mining. This conflicts with REDD+ because the simplification of the process of converting forest land to mining might lead to higher conversion rates.

Ministry of Forestry Regulation No. P.51/Menhut-II of 2010 on the Strategic Planning of the Ministry of Forestry 2010–2014 sets out six policy priorities for forestry development, namely: (1) stabilisation of the forest area, (2) forest rehabilitation and enhancement of watershed carrying capacities, (3) forest protection and control of forest fires, (4) conservation of biological diversity, (5) revitalisation of forest use and forestry industries, and (6) empowerment of local communities living in or near the forest. In general, these policy priorities are very much in line with REDD+ implementation, although activities for the revitalisation of forestry industries should be designed carefully to ensure that forest use is sustainable.

Another sectoral policy, the Mid-term Strategic Planning of the Ministry of Agriculture 2010–2014, poses a possible conflict between the achievement of food security and self-sufficiency on one hand, and sustainable management of environment and natural resources on the other. The document includes plans for the expansion of agricultural land by 2 million hectares, and for optimisation of the use of abandoned land. It explicitly mentions that agricultural lands that are still under the authority of the forest sector and forest land that has been officially removed from the state forest area but not yet utilised should be targeted for agricultural expansion. This policy is likely to conflict with REDD+ activities if it relies on agricultural expansion without promoting sustainable intensification.

With regard to sub-national policies, this study assesses the Regional Spatial Plan 2010–2030 (RTRW), the Mid-term Strategic Planning of the Agricultural Department 2010–2014, and the Mid-term Strategic Planning of the Regional Development Agency 2010–2014.

The establishment of the Regional Action Plan for Greenhouse Gas Emissions Reduction is still underway as is the development of the regional strategy on REDD+. The policies formulated in the Regional Spatial Plan and Mid-term Strategic Planning of the Regional Development Agency mainly emphasise economic development through land use for agriculture to ensure food security and to boost regional earnings. There is no programme explicitly designed to promote the income from non-timber forest products to achieve sustainable forest management and poverty alleviation.

With regard to forest use, the Regional Spatial Plan sets out the designations of forest types. Provincial protected areas cover protected forest areas (1,345,706 ha), Lore Lindu National Park (217,991 ha) and the Tahura Forest Parks in Palu, Donggala and Parigi Moutong (7,128 ha). The remaining areas are designated for limited production forest (1,493,697.71 ha); permanent production forest (500,491.98 ha); and production forests that are convertible to other land use (297,859.78 ha).

Central Sulawesi's development policy is mainly concentrated on agriculture, marine activities, and tourism. Maintaining standing forests has to compete with food and estate crops in particular as well as mining allotments. Without proper coordination and integrated land-use planning at the provincial level, land allocated to forests will be less prioritised when only lower incentives are applied to maintaining it as compared to furthering economic growth and development of the province. The domestic earnings of the province rely heavily on agriculture. The largest share comes from estate crop plantations, which contribute 14.6% annually; the second largest is from food crops with 13% annually. Moreover, the agricultural sector employs the largest percentage of the labour force (27.4%). The forestry sector takes up 52.2% of the total land area in this province but only contributes 4.2% of regional earnings. According to the Mid-term Strategic Planning of the Regional Development Agency, it is considered that the mining sector has great potential that has not yet been fully exploited. This situation indicates that coordination among governmental sectors and integrated land use planning are essential to keep standing forests and allow for an effective implementation of REDD+.

The general direction of regional development as laid out in the Mid-term Strategic Planning of the Regional Development Agency contains the following points that are relevant to REDD+ implementation:

**General Policy II:** Improve Economic Growth through the Empowerment of Economic Democracy. The relevant policy directions under this general policy are:

- revitalise forest use and forest industry (depending on its implementation, this policy direction could support as well as conflict with REDD+)
- increase the economic growth rate based on natural resource allocation (could support as well as conflict with REDD+)
- economically empower communities in the forest surroundings (could support as well as conflict with REDD+)
- establish housing and land for adequate business facilities for transmigration (likely to conflict with REDD+).

**General Policy III:** Improve Infrastructure to support Economic Activity. The relevant policy directions under this general policy (all of which could support as well as conflict with REDD+) are:

- Strengthen the condition of irrigation networks in order to increase economic activity
- Develop the management of irrigation networks, wetlands, and other water networks

- Develop infrastructure for transportation in order to improve the mobility of persons, goods and services<sup>7</sup>.

**General Policy V:** Optimal and Sustainable Management and Utilisation of Natural Resources. This policy is most supportive of REDD+. The relevant policy directions under this general policy are:

- Forest rehabilitation
- Forest protection and natural resources conservation
- Stabilisation of the forest area
- Control of pollution and environmental destruction
- Increasing community participation in the management of natural resources and the environment
- Increasing efforts for restoration and conservation of water resources, air, forest and land.



*Sustainable intensification of agriculture and the development of integrated spatial planning can be important steps to resolve conflicts between REDD+ and other land uses. Rice fields in Central Sulawesi.*

<sup>7</sup> Improving infrastructure to support economic activity might indirectly support REDD+ activities, as it could help increase economic diversification in the region. In the long term this could help the local community not to rely so heavily on the agriculture and forestry sectors as their source of income. On the other hand, improved infrastructure could increase pressure on forest resources by increasing market access for timber and agricultural products.



## 4. Prospective Locations for the Implementation of REDD+

A number of documents address the identification of prospective locations for the implementation of REDD+.

According to the National REDD+ Strategy, the implementation of REDD+ can cover all types of forests (inside and outside the state forest area). The targets outlined in the Strategy give the highest priority to peatland conservation in order to reduce greenhouse gas emissions effectively. This includes peatland in areas outside the state forest area (i.e. APL areas): more emphasis is put on an ecosystem's functions than its administration.

At the sub-national level, the Governor's regulation No. 40 of 2011 on Criteria and Indicators for Determining the Locations of Demonstration Activities for REDD in Central Sulawesi presents a set of criteria and indicators based on the level of support from the local government, demography and the extent of forest resources.

The same criteria could also be used to determine possible locations for REDD+ implementation in the future, but it seems necessary to add some other important points. This is suggested because different REDD+ activities will be appropriate for different locations. For example, choosing sites for REDD+ activities that focus on conservation of carbon stocks will require a different approach than selecting areas for activities focusing on the sustainable management of forest. For activities involving forest management, geographical factors such as distance to a central market, all-year roads and village centres should be considered. Socioeconomic factors such as poverty indicators, and the amount of conversion pressure for agriculture and potential mining activities should also be included. Further possible criteria are related to the potential of areas for maintaining or enhancing the multiple benefits of forests.

Keeping the potential for multiple benefits in mind, the following areas could be proposed as focal areas for REDD+ implementation:

1. Severely degraded lands in important river catchment areas: degraded land comprises almost 15% of the total provincial area. The most severely degraded land covers almost 24,139 ha or 2.4% of the total degraded land in the province (Draft Regional REDD+ Strategy of Central Sulawesi, 2011). By restoring such areas, REDD+ can provide

multiple benefits for the conservation and regulation of soil and water resources.

2. Reserved community forest areas and areas for smallholder timber plantations planned by the forestry department. Here, the implementation of REDD+ activities can contribute to enhanced livelihood opportunities for local populations.
3. Buffer zone areas of Lore Lindu National Park proposed in Local Regulation No. 6 of 2006. These areas offer a high potential of benefits for biodiversity conservation.
4. Non-state areas (APL) have very high potential for livelihood benefits.

## 5. Guidance on REDD+ activities

The cross-sectoral analysis of legal and policy frameworks at the national and sub-national level identifies some general thoughts related to REDD+ activities that might help to guide policy makers and stakeholders:

1. In principle, legal frameworks have given mandates to REDD+ implementation.
2. However, mandates, supportive provisions and sources of conflicts can appear at the same time in the same regulation or policy.
3. The mandates cover all five types of REDD+ activities: reducing emissions from deforestation and forest degradation; conservation of forest carbon stocks; enhancement of forest carbon stocks and sustainable management of forest.
4. The mandates and supportive provisions also cover the multiple benefits that can be achieved from REDD+. However, there are few legal regulations or policy documents that emphasise poverty alleviation as a potential benefit from a more sustainable management of forest and other lands.
5. There is a gap between national and sub-national frameworks. In some cases, national legal documents have been adequately formulated but there is no connection as to how to apply them at the sub-national level.
6. There is a time lag between national legislation and policies at the national and sub-national level.
7. Law enforcement is a critical issue.
8. Legislation and policy are not harmonised across sectors, and there is no strong framework for resolving the potential land use conflicts between forests, agriculture and mining.
9. Forestry management is very centralised, while for other sectors related governmental agencies or governance is/are decentralised (i.e. objectives of various agencies diverge); this reinforces the lack



of alignment between national and sub-national regulations and policies.

10. There are no constraints related to existing legal frameworks and policies that explicitly impede REDD+ activities on the ground.

This report suggests that legal reforms and reforms to planning processes could help to minimise the obstacles to REDD+ implementation arising from differing perspectives between the different levels of government and from lack of alignment between different sectoral plans. Nevertheless, the Indonesian government has made major efforts to improve the situation through the National REDD+ Strategy that sets out plans to:

- Review and revise the legal framework for resolution of issues relating to land ownership, reclassification and land swaps.
- Review and revise the legal framework relating to incentives for regions.
- Accelerate the establishment of spatial planning
- Improve law enforcement for the prevention of corruption.
- Strengthen forest governance, including with regard to issuing of permits and changes in land use.
- Review the legal framework and incentives/disincentives for the private sector.
- Establish a legal framework for the synchronisation of data and spatial planning maps for issuing of permits.
- Review permits and resolve forest and land use conflicts.
- Establish pre-conditions for effective legal frameworks.
- Ensure enforcement of the two-year moratorium on new permits for the conversion of forests and peatland.

## 6. Conclusion

This report serves as a reference for stakeholders and policy makers to identify the policy or legal frameworks that are accommodating of, or constraining to REDD+ activities. The study concludes that there are direct provisions in laws and policies that support REDD+ activities both at the national and provincial level. Policies and laws are quite clear on institutional and stakeholder mandates and procedures in relation to REDD+ as the existing frameworks already give detailed implementation procedure, guidelines and regulations.

If well implemented, several laws and policies strongly support the objectives of REDD+ (including objectives related to the achievement of multiple social and environmental benefits), but some still conflict. The potential areas of conflict in the legislation and policy governing land allocation for forest and non-forest use with implications for REDD+ have been pointed out in particular for mining and agriculture. Conflicting land use laws and policies for mining, estate crops and agriculture should be harmonised. Good land use planning could resolve this problem.

At the national level, laws support inter-sectoral coordination, but its implementation is still poor and the responsibilities of sectors are unclear. At the provincial level, the integrated spatial plan should be improved to secure standing forests. At the local level, the community customary law plays an important role in governing land use rights and management of natural resources. This law is a result of traditional local wisdom. It incorporates experience with multiple benefits gained from forests and is traditionally enforced by fines imposed by the village council court (*Lembaga Adat*). However, this level of legislation lacks support and reinforcement from regional laws and policies. Actions and programmes to promote multiple benefits from the forest to reduce poverty have yet to be implemented. This report concludes that Indonesia in general and the province of Central Sulawesi in particular are already well set up to begin the implementation of REDD+, but its success will depend on the resolution of competing interests in the forest land.



# Annex

## List of Technical reports mentioned in the text

Indonesian REDD+ Task Force. 2012. Draft Report of the Working Group on Legal Review and Law Enforcement (Draft as per June 12, 2012).

Indonesian REDD+ Task Force. June 2012. REDD+ National Strategy. Available online at <http://www.satgasreddplus.org/download/150612.REDD+.National.Strategy.Indonesia.pdf>

Draft of the Regional REDD+ Strategy of Central Sulawesi. (Draft as per September 8, 2011).

## Interviewees

Abdul Rauf, Head of the Institution and Methodology Unit of the Central Sulawesi REDD+ Working Group and lecturer at Tadulako University.

Adi Setyawan, Officer for Forest Planning at the Regional Forestry Department, Central Sulawesi.

Andri Akbar Marthen, National Officer at UNEP (United Nations Environment Programme), Indonesia.

Carnoto, Head of the Programme Planning Unit at the Regional Forestry Department, Central Sulawesi.

Dansitum Misi Toding, Head of the Forest Protection and Nature Conservation Unit at the Regional Forestry Department, Central Sulawesi.

Efrian Muharrom, Forest and Governance Research Officer at CIFOR (Centre for International Forestry Research), Bogor, Indonesia.

Iwan Wibisono, Forestry and REDD+ Specialist at the Indonesian REDD+ Task Force.

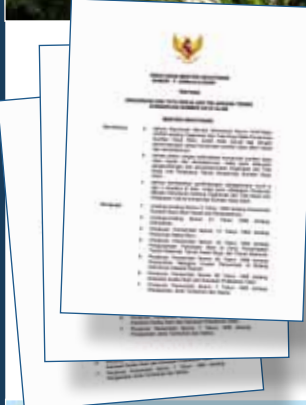
Josi Khatarina, Legal Review and Law Enforcement Expert at the Indonesian REDD+ Task Force.

Nahardi. Director of Regional Forestry Department, Central Sulawesi.

Shandra Tobondo, Head of Data and Statistics Division at Bappeda (Regional Development Agency), Central Sulawesi.







Those who are involved in the development of REDD+ strategies need to consider not only the legal regulations and policies that have been created specifically for REDD+, but also existing frameworks concerning the protection of the environment and land use related sectors like agriculture, mining and spatial planning. The present document provides an analysis of national and sub-national policy and legislative frameworks in Indonesia that are relevant to the planning and implementation of practical REDD+ actions.

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UN-REDD  
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The Ministry of Forestry  
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