

**FOREST PROBLEMATIC AND BILATERAL FOREST RELATED
GERMAN DEVELOPMENT COOPERATION
IN THE CASE STUDY COUNTRY INDONESIA**

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LIST OF ABBREVIATIONS

AA	German Federal Foreign Office
AMAN	Indigenous Peoples Alliance of the Archipelago (<i>Aliansi Masyarakat Adat Nusantara</i>)
APL	Non Forest Area (<i>Areal Penggunaan Lain</i>)
ASEAN	Association of Southeast Asian Nations
BAL	Basic Agrarian Law
BAPPENAS	Ministry of National Development Planning (<i>Badan Perencanaan Pembangunan Nasional</i>)
BMBF	German Federal Ministry of Education and Research

BMF	German Federal Ministry of Finance
BMUB	Federal Ministry for the Environment, Nature Conservation, Building & Nuclear Safety
BMWi	German Federal Ministry for Economic Affairs and Energy
BMZ	German Federal Ministry for Economic Cooperation and Development
CBD	Convention on Biological Diversity
CBFM	Community Based Forest Management
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMF	Communally Managed Forest Area
COP	Conference of the Parties to the CBD
CRS	Creditor Reporting System
CSC	Case Study Countries (Cameroon, DR Congo, Indonesia)
DAC	Development Assistance Committee
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DFG	German Research Foundation
DR Congo	Democratic Republic of the Congo
ERC	Ecosystem Restoration Concession (<i>IUPHHK-RE</i>)
ESMF	Environmental and Social Management Framework
EU	European Union
EUR	Euro
EZE	Evangelische Zentralstelle für Entwicklungshilfe
FAO	Food and Agriculture Organization of the United Nations
FC	Financial Cooperation
FCPF	Forest Carbon Partnership Facility
FeMi	German Federal Ministries unspecified
FFI	Fauna and Flora International
FLEGT	Forest Law Enforcement, Governance and Trade
FMU	Forest Management Unit
FORCLIME	Forests and Climate Change Programme
FPIC	Free, Prior and Informed Consent
FPP	Forest Peoples Programme
FSC	Forest Stewardship Council
FZS	Frankfurt Zoological Society
GDP	Gross Domestic Product
GeDo	German Doctors e.V.
GEF	Global Environment Facility
GHG	Greenhouse Gas
GIS	Geographic Information Systems
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GNI	Gross National Income
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HA	Natural Forest Timber Concession (<i>IUPHHK-HA</i>)
HD	Village Forest (<i>Hutan Desa</i>)
HDI	Human Development Index
HK	Conservation Forest (<i>Kawasan Hutan Konservasi</i>)
HKM	Community Forest (<i>Hutan Kemasyarakatan</i>)
HL	Protection Forest (<i>Kawasan Hutan Lindung</i>)
HoB	Heart of Borneo
HP	Permanent Production Forest (<i>Hutan Produksi Tetap</i>)
HPK	Convertible Production Forest (<i>Hutan Produksi Konversi</i>)
HPT	Limited Production Forest (<i>Hutan Produksi Terbatas</i>)
HTI	Industrial Forest Plantation Concession (<i>Hutan Tanaman Industri - IUPHHK-HT</i>)

HTR	Community Forest Plantation (<i>Hutan Tanaman Rakyat</i>)
IATI	International Aid Transparency Initiative
ICI	International Climate Initiative
ICRAF	International Centre for Research in Agroforestry (World Agroforestry Centre)
IFC	International Finance Corporation
IFCA	Indonesia Forest Climate Alliance
IFF	Intergovernmental Forum on Forests
IGO	Intergovernmental Organisation
IPF	Intergovernmental Panel on Forests
IPPKH	Forest Area for Temporary Utilization Concession (<i>Izin Pinjam Pakai Kawasan Hutan</i>)
KfW	Kreditanstalt für Wiederaufbau
KZE	Katholische Zentralstelle für Entwicklungshilfe
LHL	Lernen-Helfen-Leben e.V.
MECNT	Ministry for the Environment and Tourism of DR Congo
MoF	Indonesian Ministry of Forestry
MRV	Measurement, Reporting and Verification
NABU	Naturschutzbund Deutschland
NFP	National Forest Program
NGO	Nongovernmental Organisation
NT	Lesser Sunda Islands (<i>Nusa Tenggara</i>)
NTFP	Non-timber Forest Product
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
OXFAM	Oxford Committee for Famine Relief
PPP	Public-Private Partnership
PT	Perseroan Terbatas (Limited Company)
PT AP	Perseroan Terbatas Asiatic Persada
PT REKI	Perseroan Terbatas Restorasi Ekosistem Indonesia
R-PP	Readiness Preparation Proposal
REDD	Reducing Emissions from Deforestation and Forest Degradation
REL	Reference Emission Level
RSPB	British Royal Society for the Protection of Birds
SAD	Suku Anak Dalam (<i>Batin Sembilan</i>)
SESA	Strategic Environmental and Social Assessment
SFM	Sustainable Forest Management
SIS	Safeguards Information System
SPI	Serikat Petani Indonesia (<i>Indonesian Peasant Union</i>)
STN	Serikat Tani Nasional (<i>National Peasant Union</i>)
TC	Technical Cooperation
TNO	Transnational Organisation
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UNREDD	UN Programme on Reducing Emissions from Deforestation and Forest Degradation
USD	United States Dollar
WCS	Wildlife Conservation Society
WWF	World Wide Fund for Nature

1 INTRODUCTION

The study 'Nature and impact of German bilateral development cooperation in the forest sector' explores scope, organisation, impacts and policy trends of forest related bilateral German development cooperation in the context of overall international development assistance and with a particular comparative perspective on the case study countries Cameroon, Democratic Republic of the Congo, and Indonesia. The selected case study countries (CSC) are particularly relevant with regard to forest related German development cooperation because they host some of the largest remaining tropical forest areas and biodiversity hotspots, and are furthermore in the focus of global environment and development discourses and policies concerning climate change mitigation as well as biodiversity and forest protection.

The main objectives of the study are:

- to describe the German forest related bilateral development assistance in the context of overall German development assistance and global development funding with a particular focus on the three case study countries,
- to explore the scope and influence of German bilateral forest funding in the three case study countries Cameroon, DR Congo, and Indonesia,
- to identify strategies, approaches, and instruments applied in forest related bilateral German development cooperation and to understand related expectations on impacts,
- to critically reflect upon the impacts of different approaches and instruments by exploring selected projects of forest related German development cooperation,
- to assess impacts and effectiveness of forest related bilateral German development cooperation particularly regarding the objectives of a) the protection of natural forests and native biodiversity, b) the improvement of local livelihoods, and c) the protection and strengthening of the rights of indigenous peoples and other forest dependent communities.

To address these complex and heterogeneous research questions, different interrelated research approaches have been followed, which are based on various data sources and research approaches. The findings are presented in different reports referring to the overall context of bilateral forest related German development cooperation and a comparison of the three case study countries, as well as to the particular circumstances of forest problematics, policies and development cooperation in the different countries.

This report focuses on the case study country Indonesia and explores the forest problematic and context of forest related German development cooperation in Indonesia as well as the influence and effectiveness of this cooperation. The report furthermore attempts an analysis of different approaches to forest protection and management, and includes an exploration of their suitability to achieve environmental and social goals of German development policies in the Forestry Sector as well as an assessment of various instruments applied in the context of these approaches.

Chapter 2.1 provides an overview and analysis of the forest problematic and the socioeconomic and political context of forest related German development cooperation in Indonesia with a particular focus on Indonesia's involvement in the REDD preparatory process as well as problems regarding land tenure issues and forest dependent communities. The chapter is predominantly based on a review of relevant documents, studies and literature, backed up by information gathered in interviews with actors involved in forest related development cooperation as well as field experiences in development projects in Indonesia.

Chapter 2.2 analyses forest related funding, programs, projects, and actors of bilateral German development cooperation in Indonesia in the context of overall German development assistance in Indonesia and the Southeast Asian region. The analysis is mainly based on publicly available

information from German government agencies and development organisations which are responsible for development cooperation in Indonesia, particularly the BMZ, the BMUB, the German Federal Foreign Office (AA), GIZ, and KfW, as well as OECD statistics, CRS, and IATI data.

In Chapter 2.3 two major programs of forest related bilateral German development cooperation in Indonesia are analysed. The Forests and Climate Change Programme (FORCLIME) addresses the whole forestry sector in Indonesia. The review and assessment of the program is based on public documents and publications as well as on interviews with staff from all organisational levels of the program and people involved in activities of the program, with a particular focus on measures addressing community based forest management in Kalimantan. Another major focus of forest related German development cooperation in Indonesia is the support for Ecosystem Restoration Concessions (ERC). The analysis of this instrument concentrates on the Harapan Rainforest Project on Sumatra and is based on public documents and literature as well as on interviews and information from Harapan staff and other actors involved in the establishment of ERCs in Indonesia. Impacts of the ERC on forest dependent communities as well as national and transnational discourses regarding the Harapan Rainforest Project have been in the focus of the study.

The concluding Chapter 2.4 provides a synthesis of the findings with regard to forest related bilateral German development cooperation in Indonesia. The chapter addresses problems and challenges found in the context of the study, assesses impacts and effectiveness of forest related German development cooperation in Indonesia, and suggests possible improvements with regard to future development cooperation. It furthermore provides an analysis of strategies and instruments of forest related development cooperation in the context of changing discourses on environment and development and reflects about the significance of related mindsets for the determination and implementation of development policies in the forest sector.

The report is mainly based on the review and analysis of publicly available data on Official Development Assistance (ODA) and development projects as well as related documents, studies and literature. The study furthermore refers to information, opinions, and assessments provided by relevant persons in government agencies, development organisations, nongovernmental organisations (NGOs), academic institutions and different stakeholder groups in Germany and in the case study countries which have been gathered in interviews, discussions and queries. Last but not least, the analyses and assessments in some parts are supported by first-hand experiences of selected projects on site.

It is necessary to emphasize serious limitations of this study. It basically depends on and therefore is significantly restricted by the availability and accuracy of the data analysed, the willingness and ability of interview partners to provide information, as well as the selection of informants which was neither comprehensive nor representative. The assessment of instruments and approaches of forest related development cooperation is predominantly explorative and suffers from considerable limitations regarding the quality of available data, depth of analysis, and generalizability. Extensive field research on a larger number of projects would have been desirable, but was beyond the scope of this study. While short field visits and some on site experiences have been used to verify and exemplify certain findings, field research does not provide the basis for the analyses and assessments which predominantly depend on published information and interviews.

2 FOREST PROBLEMATIC AND GERMAN DEVELOPMENT COOPERATION IN THE CASE STUDY COUNTRY INDONESIA

2.1 Socioeconomic context and forest problematic in Indonesia

2.1.1 Indonesia: Socioeconomic and political context

Indonesia has the world's fourth-biggest population with some 246.9 million inhabitants in 2012. More than 87% of the people adhere to Islam and represent the largest Islamic community worldwide while about 10% of the population is of Christian faith. Indonesia is one of the most ethnically and culturally diverse countries in the world with about 500 different ethnic groups or more speaking as many languages and dialects. Despite the size and diversity of the country, a strong sense of national identity prevails.¹

In August 1945 the nationalist leader Sukarno had declared Indonesia independent from Dutch colonial rule and Japanese occupation during the Second World War. He established an authoritarian rule until he was displaced as president by the head of the military General Suharto in 1968. Suharto was forced to step down in 1998, in the wake of the Asian financial crisis which led to serious social unrest. Since then the country is undergoing a predominantly peaceful and more or less continuous process of democratisation and decentralisation. Formerly frequent regional conflicts as well as sometimes violent disputes between Christians and Moslems have lost much of their ferocity, are settled through peace agreements, or have led to regional autonomy. Since the removal of the Suharto dictatorship many reforms have been adopted including freedom of the press, a reorganisation of the banking sector and the withdrawal of the police and military from the political arena. There has been a sharp rise in the number of non-governmental organisations. Although they have to be registered, they are mostly able to operate without particular difficulty.²

However, according to BMZ assessments, the political culture is still supposed to be characterised by clientelism in the government, a weak position of the parliament, a lack of transparency in the judicial, financial and security sectors and a cumbersome administration prone to corruption. The decentralisation programme of the Government intended to give more power and freedom to local and regional administrations is regarded as having had positive impacts, even though funds seem to be often used inefficient, while regional and local institutions still receive too little capacity-building assistance in the perspective of the BMZ.³

Indonesia is one of the largest internal markets in South-East Asia. In the assessment of the BMZ, the transformation from a more or less centrally controlled and planned economic system to a market economy has been mostly successfully achieved and the country shows outstanding macroeconomic data with a yearly growth rate of the GDP of more than 6% in the years 2010-2012 as well as good economic prospects.⁴ Politically and economically Indonesia is supposed to have the potential to catch up with its economically powerful Asiatic neighbours. It is part of the ASEAN free trade zone since 2010 and the only one of the ten ASEAN member states joining the G20 Major Economies. In 2009 a Partnership and Cooperation Agreement between the EU and Indonesia has been established.⁵

Wood-based and forest related industries over the last thirty years have made and continue to make a significant contribution to the GDP, foreign exchange, government revenue, and employment in

¹ For basic country data see e.g. [BMZ](#), [Statistisches Bundesamt](#), the [World Bank](#), or the [World Fact Book](#).

² On socio-political developments in the post-Suharto area see e.g. Bunte 2009 and Aspinall/Mietzner 2010.

³ BMZ 2014 [Indonesia](#), accessed May 2014.

⁴ The World Bank [World DataBank](#), accessed May 2014.

⁵ See BMZ 2014 [Indonesia](#), accessed May 2014.

Indonesia. According to data from the statistical office of the Government (*Badan Pusat Statistik*) for 2013, the Forestry sector accounted for some 4.85 billion USD or 0.63% of the GDP, while Wood Products provided 8.05 billion USD or 1.04% and Paper and Printing Products 6.19 billion USD or 0.80% in terms of contributions to the GDP. Forest related industries furthermore contributed considerable shares to the GDP including Estate Crops recorded with some 14.9 billion USD or 1.93% of Indonesia's GDP in 2013 as well as Rubber Products which account for a major share of the 19.57 billion USD or 2.53% of GDP provided by Fertilizers, Chemical and Rubber Products Industries.⁶ (See Figure 3-1)

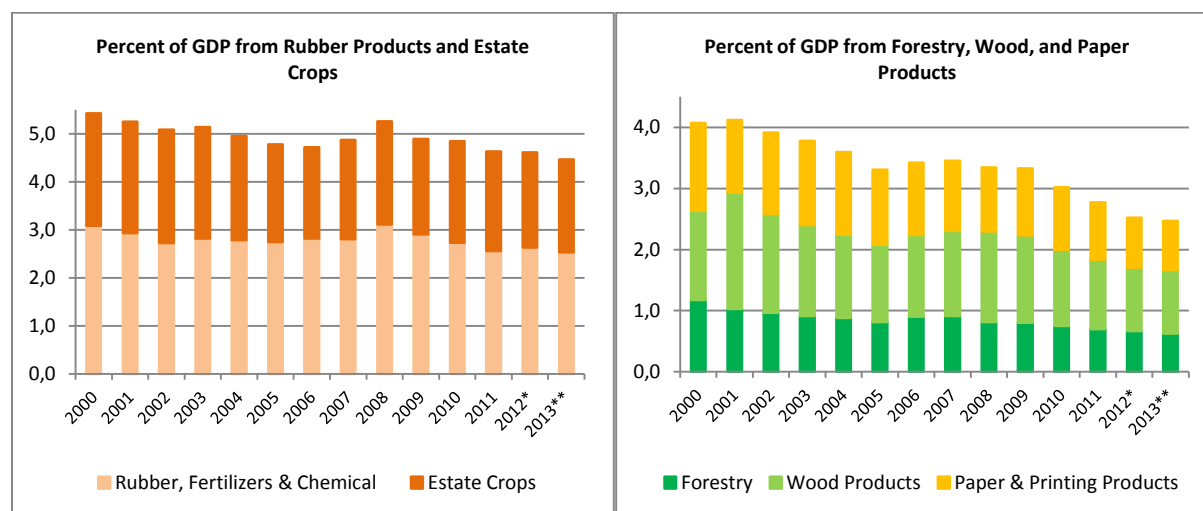


Figure 2-1: Wood-based and forest related industries in % of Indonesia's GDP⁷

The national forest estate has furthermore provided Indonesia with a major source of its foreign exchange since the 1970's and is supposed to continue to do so as national policies promote the expansion of timber plantations for wood pulp for paper and other fibre products and for solid wood.⁸ According to a World Bank report of 2006, the export value of forest products reached its highest level in 1997 with some 6.2 billion USD and afterwards declined to about 5.3 billion USD by 2002. Informal revenues associated with illegal logging and unreported exports have been estimated to account for an additional 1.5 billion USD or so each year. Government revenues from the forest sector have been estimated at about 1% of all revenues on average over the period 1980-2002.⁹

Table 2-1: Forest related Exports and Imports in 2011¹⁰

2011	Wood	Wood Products	Pulp	Paper	Rubber	Oil Palm
Exports	5467.01	4885.76	3347.48	6247.83	24846.17	34400.10
% of all Exports	1.41%	1.26%	0.86%	1.61%	6.41%	8.87%
Imports	732.36	2411.95	2166.32	2787.14	1375.89	69.23
Net exports	4734.65	2473.81	1181.16	3460.69	23470.28	34330.87

In 2011, Wood, pulp, and paper products together accounted for almost 20 billion USD or more than 5% of Indonesia's gross exports. Other major forest related export products are Palm oil products which provided some 34.4 billion USD or almost 9% of all exports, and rubber products contributing

⁶ Data from *Badan Pusat Statistik Gross Domestic Products*, accessed May 2014. For detailed analyses of the forestry sector and wood-based industries in economic terms see World Bank 2006: 63-91, MoF 2009: 9-40.

⁷ Source *Badan Pusat Statistik Gross Domestic Products*, accessed May 2014.

⁸ See MoF 2008a: 101f.

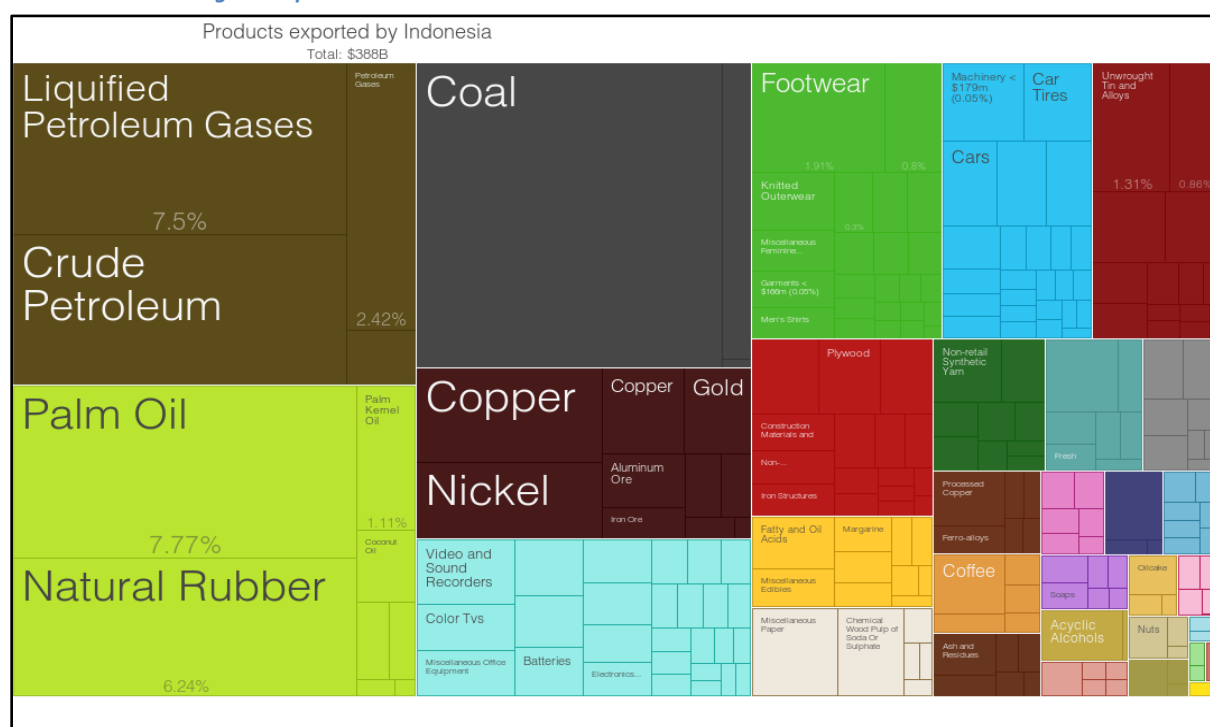
⁹ World Bank 2006: 64-66 (including Timber and Wood Products, Paper Cartons and Products, Pulp and Paper).

¹⁰ Data compiled from *Observatory of Economic Complexity*, accessed May 2014.

with another 24.8 billion USD and more than 6% to gross exports in 2011. For rubber as well as for palm oil Indonesia is the world top exporter.¹¹ (See Table 3-1)

Indonesia is an OPEC member and has oil and natural gas reserves. However, even though petroleum products accounted for more than 16% of Indonesia's gross exports in 2011, the country is a net-importer of oil. Coal is the most important export product with a share of over 12% of all exports. Other important export products include various mineral resources including tin, nickel, copper, bauxite, and gold as well as rice, coffee, tea, tobacco and spices. Indonesia is major exporter of Coconut Oil and Margarine, Nickel and Aluminium Ore, Lignite, Raw Tin and Tin Bars. Its long coastal waters are considered to have the world's most abundant stocks of fish.¹² In 2011 Germany ranked on the 10th place of major export destinations of Indonesian exports, receiving about 2.3% of Indonesia's exports worth some 8.9 billion USD.¹³ (See Table 3-2)

Table 2-2: Indonesia gross exports in 2011¹⁴



With regard to bilateral German development cooperation with Indonesia, the BMZ points out major problems and challenges for further social and economic development, particularly pervasive corruption, a lack of state capacity, long-neglected infrastructure and inadequate educational standards. The BMZ deplores that state-owned businesses still have a monopoly or compete with the private sector in the main economic sectors, even though moves towards gradual privatisation and towards improving investment conditions for foreign businesses are observable. Furthermore, around two-thirds of the national economic activity is supposed to take place in the informal sector, while unemployment is high among young people, and economic growth and wealth of resources in the country are only benefiting a small section of the population. The National Development Plan for the period from 2005 to 2025 is focusing mainly on the promotion of small to medium sized businesses and micro-enterprises as a means to reduce poverty and raise per capita income. Since 2003 the government has been also committed to investing 20% of the budget in the education

¹¹ Data compiled from [Observatory of Economic Complexity](#), accessed May 2014. Regarding data and importance of the forestry industry, wood and wood products for the economy and as energy source see also MoF 2009: 25-35.

¹² BMZ 2014 [Indonesia](#), accessed May 2014.

¹³ See [Observatory of Economic Complexity](#), accessed May 2014.

¹⁴ Data source [Observatory of Economic Complexity](#), SITC classification, accessed May 2014.

sector. Even though this target has been met, the average time spent at school is particularly low in comparison with other countries in the region.¹⁵ Besides issues and problems of good governance, economic development, decentralisation, and education, environmental and particularly forest related problems are important issues in public discourses as well as regarding international involvement and development cooperation.¹⁶

2.1.2 State of forests and drivers of deforestation and forest degradation

Indonesia ranks third among all countries regarding tropical forest area, surpassed only by Brazil and the Democratic Republic of the Congo.¹⁷ The country has a wide variety of forest types and belongs to the major biodiversity hotspots also showing extraordinary high biocultural diversity.¹⁸ According to FRA 2010 data from the FAO, some 94.4 million ha or about 49.6% of Indonesia's total land area was supposed to be actually covered with forest in 2010 while another 11% was classified as 'Other Wooded Land'.¹⁹ In terms of FAO categories, 50% of the forest area was classified as 'Primary Forest', about 46.2% was categorised as 'Secondary Forest' (or 'Naturally Regenerated Forest'), and another 3.8% as 'Planted Forest'.²⁰ (See Figure 3-2)

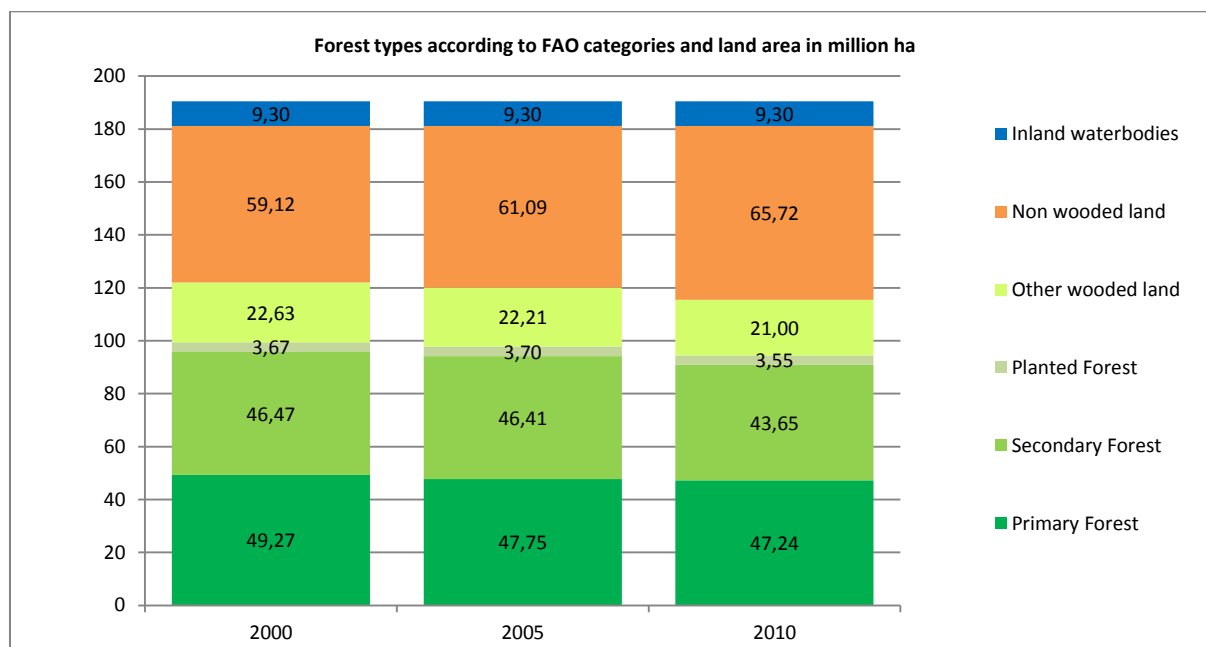


Figure 2-2: Forest types according to FAO categories and land area in million ha²¹

In 2005 more than 91% of the area classified as Forest was in public ownership owned by the state or administrative bodies while some 8.6% was supposed to be in private ownership. About 42.7% of the public forests were also managed under public administration, while management rights for some 57.2% of the public forests have been given to private corporations and institutions, and less than 0.1% to individuals and communities.²²

¹⁵ BMZ 2014 [Indonesia](#), accessed May 2014.

¹⁶ With regard to forestry issues in public discourses see e.g. Barber/Schweithelm 2000, Colfer/Resosudarmo 2002, Gunawan 2004, MacCarthy 2006, Nawir/Rumboko 2007.

¹⁷ For a comparison of the three major rainforest basins in Southeast Asia, the Congo and the Amazon Basin see FAO 2011.

¹⁸ See e.g. Oviedo et al. 2000, Loh/Harmon 2005.

¹⁹ See FAO 2010: 5-11.

²⁰ FAO 2010: 22-26.

²¹ Source FAO 2010: 22-26.

²² FAO 2010: 12-15.

With regard to the regional distribution of forests according to the data of the Indonesian Ministry of Forestry (MoF) for 2012, most of the forests categorised as Primary Forests (*Hutan Primer*) were to be found in Papua, Kalimantan, Sulawesi and Sumatra. Secondary Forests (*Hutan Sekunder*) were predominant on Sumatra and in Kalimantan, where also non forested lands were most widespread. Most of the Mangrove Forests (*Hutan Mangrove*) were recorded for Papua, with considerable areas also to be found on Sumatra and in Kalimantan. Planted Forests (*Hutan Tanaman*) cover large parts of Java and smaller areas on Sumatra and Kalimantan. Sumatra and Java are the islands with the largest shares of Non Forest lands (*Non Hutan*), while the share of areas without forests is lowest in Papua and Maluku. (See Figure 3-3)

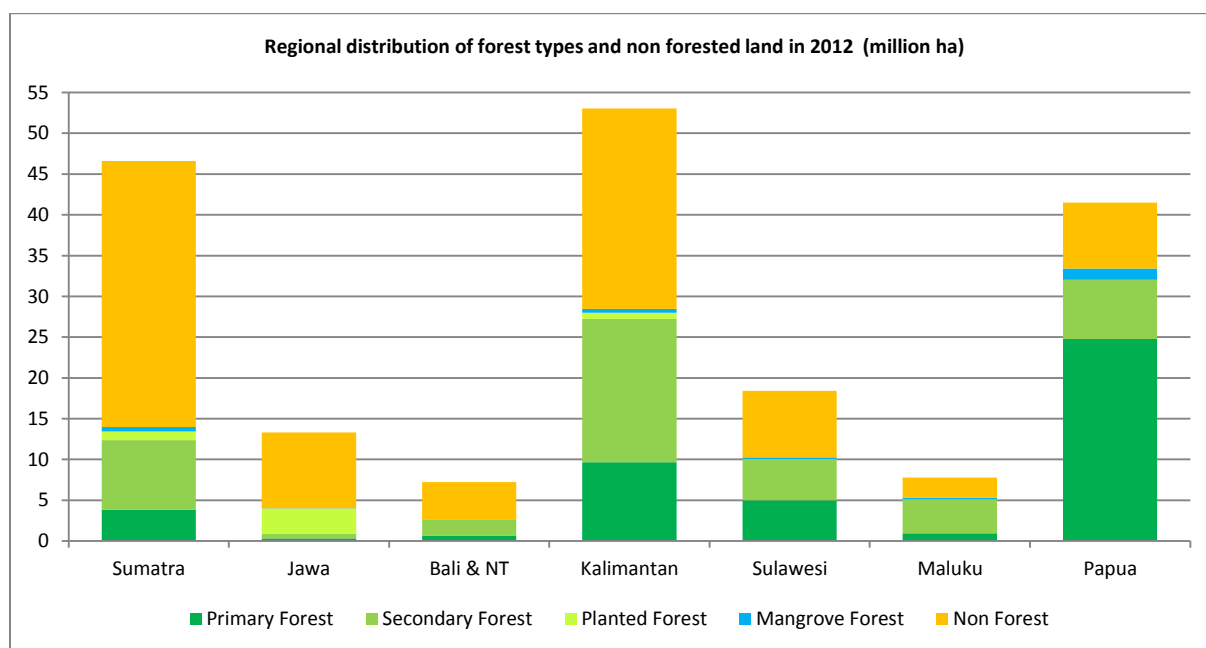


Figure 2-3: Regional distribution of forest types and non-forested land in 2012 (million ha)²³

Primary Forests together accounted for about 45.2 million ha or 23% of Indonesia's total land area and Secondary Forests were recorded at about the same extent with 45.1 million ha or 22.9% of the land area, while Planted Forests contributed with some 4.9 million ha to forested lands and Mangrove Forests accounted for about 2.8 million ha in 2012. (See Table 3-3)

Table 2-3: Forested areas in % of land area 2012²⁴

2012	Sumatra	Java	Bali & NT	Kalimantan	Sulawesi	Maluku	Papua	Total
Primary Forest	7.8%	2.3%	8.9%	18.0%	23.6%	11.7%	57.2%	23.0%
Secondary For.	17.2%	4.3%	26.4%	32.8%	23.7%	52.5%	16.8%	22.9%
Mangrove Forest	1.1%	0.4%	0.5%	0.9%	0.9%	2.2%	3.1%	1.4%
Planted Forest	2.2%	22.3%	0.1%	1.4%	<0.1%	0.4%	<0.1%	2.5%
Forest all	28.2%	29.3%	35.8%	53.1%	48.2%	66.8%	77.1%	49.8%

Areas covered with forests (*Hutan*) do not match consistently with areas legally classified as Forest Area (*Kawasan Hutan*).²⁵ In 2010, about 67.1% of Indonesia's total land area has been legally designated as Forest Area, while 32.9% was categorised as Non Forest Area (*Areal Penggunaan Lain - APL*), a share which has remained almost constant since 1990. (See Table 3-4)

²³ Source MoF 2013a: 110-128.

²⁴ Data source MoF 2013a: 110-128.

²⁵ For a discussion of different definitions, classifications, and methods used referring to forested areas and Forest Area in Indonesia see also Indrarto et al. 2012: 1-2.

Table 2-4: Forested areas and Forest Area in % of Total land area²⁶ 1990 and 2010

	Forest Area (67.1%)		Non Forest Area (32.9%)		Total land area (100%)	
	1990	2010	1990	2010	1990	2010
Forested	54.1%	45.9%	8.1%	3.6%	62.2%	49.6%
Shrub / bush	n.a.	7.2%	n.a.	3.8%	n.a.	11.0%
Not forested	13.0%	13.9%	24.8%	25.5%	37.8%	39.4%

In 2010 areas designated as Forest Area which were actually covered with forest according to FAO categories accounted for some 45.9% of the total land area, while another 3.6% of the land area which was classified as Non Forest Area (APL) was covered with forests, adding up to a total of 49.6% of Indonesia's total land area covered with Forest in FAO terms. Over the period from 1990 to 2010 the total forested area has decreased at about 12.6% in terms of total land area, of which 8.2% took place on Forest Area, while some 4.5% of the forested area was lost on Non Forest Area. The land area classified as 'not forested' has remained rather constant over this period at about 38% to 39% of the total land area. (See Table 3-4)

In 2013, about 68% of Indonesia's total land area was designated as Forest Area (*Kawasan Hutan*) under the authority of the Ministry of Forestry (MoF) which is distinguished from 'Non Forest Area' (*Areal Penggunaan Lain - APL*) accounting for some 32% of the land area. The MoF further divides Forest Area into several functional categories with different legal status (see Figure 3-4).

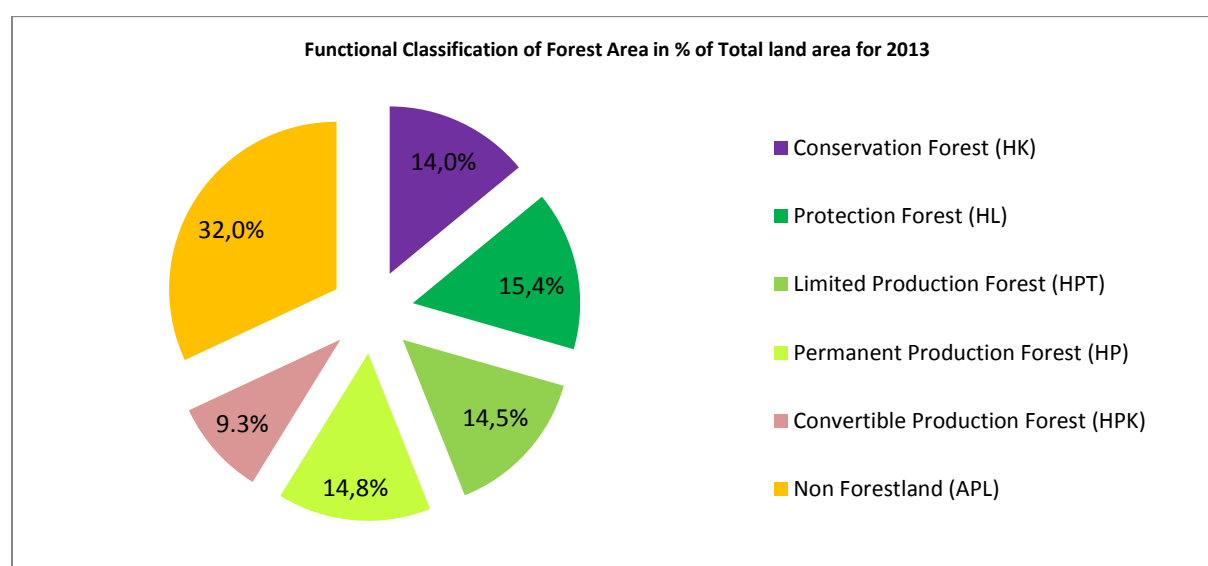


Figure 2-4: Functional classification of Forest Area in % of total land area for 2013²⁷

In 2013, about 20.6% of Forest Area (equalling 14% of the total land area) has been reserved as 'Conservation Forest' (*Kawasan Hutan Konservasi - HK*) with the primary function of conserving plant and wildlife biodiversity, consisting predominantly of different kinds of protected areas managed directly under the authority of the central government. Another 22.6% of Forest Area or 15.4% of the total land area is classified as 'Protection Forest' (*Kawasan Hutan Lindung - HL*), which is set aside largely for the preservation of essential ecosystem functions and allows for limited human activities such as the taking of rattan and secondary forest products at non-commercial scales. The management of Protected Forests has been devolved to Local Government with rights to license the use of and payments for environmental services. About 57% of the Forest Area is allocated as 'Production Forest' (*Kawasan Hutan Produksi*) with predominantly economic functions which are divided into different sub-categories: 'Limited Production Forest' (*Hutan Produksi Terbatas - HPT*)

²⁶ Total land area calculated at 190,457 thousand ha, data source FAO 2010: 6-11.

²⁷ Data source MoF 2013a: 16.

accounting for about 21.4% of Forest Area and 14.5% of the total land area are supposed to serve production purposes in areas where particular ecological consideration is required, for example due to specific topographic or soil conditions. 'Permanent Production Forest' (*Hutan Produksi Tetap - HP*) on 21.8% of the Forest Area (14.8% of total land area) is predominantly designated for production purposes but is also supposed to permanently maintain forest ecosystems by way of sustainable forest management. 'Convertible Production Forest' (*Hutan Produksi Konversi - HPK*) likewise serves production purposes but may be converted to non-forest uses, such as agriculture, estate crops (e.g. coffee, oil palm, rubber) and settlement, and accounts for 13.6% of Forest Area or 9.3% of Indonesia's total land area.²⁸

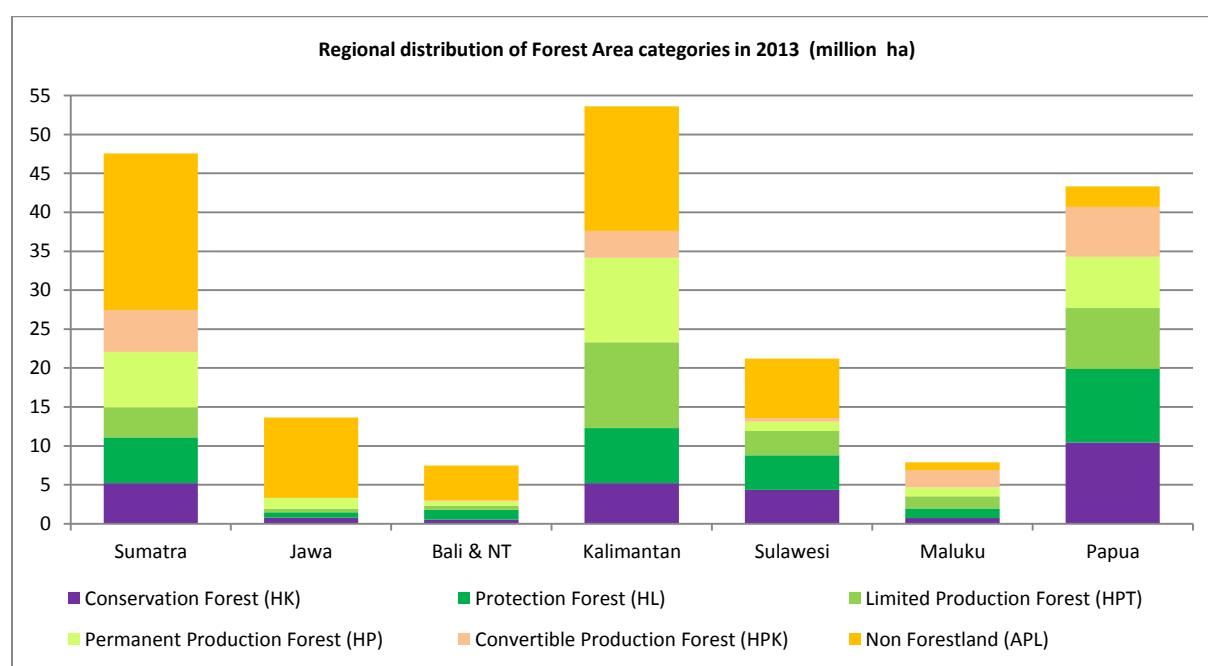


Figure 2-5: Regional distribution of Forest Area categories in 2013 (million ha)²⁹

Regarding the regional distribution of the functional forest categories, the largest areas of Conservation and Protection Forest Area are to be found on the four largest islands Kalimantan, Sumatra, Papua and Sulawesi, where also most of the remaining primary forests are to be found. 45.9% of the total land area of Papua and 41.5% of Sulawesi are primarily designated as Forest Protection areas including Conservation Forest (HK) and Protection Forest (HL). The other regions of Indonesia show rather similar shares of conservation areas between 22% and 25% with the exception of Java, where Conservation and Protection Forest only accounts for about 11% of the area. On average for the whole country, Forest Protection areas account for about 30.2% of the total land area. (See Figure 3-5 and Table 3-5)

Table 2-5: Regional distribution of forests and Forest Area categories in 2012 in % of land area³⁰

2012	Sumatra	Java	Bali & NT	Kalimantan	Sulawesi	Maluku	Papua	Total Area
Forested Areas	29.35%	29.23%	35.84%	53.12%	48.33%	66.85%	77.05%	50.35%
Forest Area	57.78%	24.24%	39.87%	70.13%	63.96%	87.38%	93.90%	68.05%
Forest Protection area (HK+HL)	23.32%	10.98%	24.20%	22.90%	41.52%	24.78%	45.91%	29.44%
Production For. (HPT+HP+HPK)	34.46%	13.26%	15.66%	47.23%	22.44%	62.60%	47.99%	38.61%
Convertible (HPK)	11.34%	0.00%	1.36%	6.42%	2.19%	27.92%	14.78%	9.25%

²⁸ See MoF 2013a: 16 regarding shares of categories in 2013. For definitions of functional categories see also FAO 2010: 17 and MoF 2008a: 10-12. See MoF 2009: 9-14 regarding data for 2003.

²⁹ Data source MoF 2013a: 17.

³⁰ Source: MoF 2013a.

The highest shares of Forest Area allocated for production purposes are to be found on Maluku, where some 62.6% of the area are designated as Limited, Permanent, or Convertible Production Forest, as well as in Papua with some 48% production area and Kalimantan with 48% of its total land area allocated for forest production purposes. On Sumatra this area amounts to some 34.5% and on Sulawesi 22.4% are designated as Limited, Permanent or Convertible Production Forest. The latter category legally providing for the conversion of Forest Area into other land use categories is particularly high in Maluku, where Convertible Production Forest Area amounts to about 27.9% of the total area, and is also considerable in Papua with 14.8% and on Sumatra with 11.3% of its area. (See Table 3-5)

As administrative authority the MoF issues concessions and use rights for Forest Area (*Kawasan Hutan*) to different users and for different purposes. The legal instruments to allocate Forest Area are diverse and subject to frequent change. Currently the main instruments include Natural Forest Timber Concessions (*IUPHHK-HA*), Industrial Forest Plantation Concessions (*IUPHHK-HT*), Ecosystem Restoration Concessions (*IUPHHK-RE*), Non Forest Product Concessions (*IUPHHBK-HT*) and Forest Area allocated for temporary utilization (*IPPKH*), different forms of communally managed forests particularly Community Forest Plantations (*HTR*), Community Forests (*HKM*), and Village Forests (*HD*), as well as Estate Crop Plantations (*Kebun*) or Transmigration Locations (*Lokasi Transmigrasi*).³¹

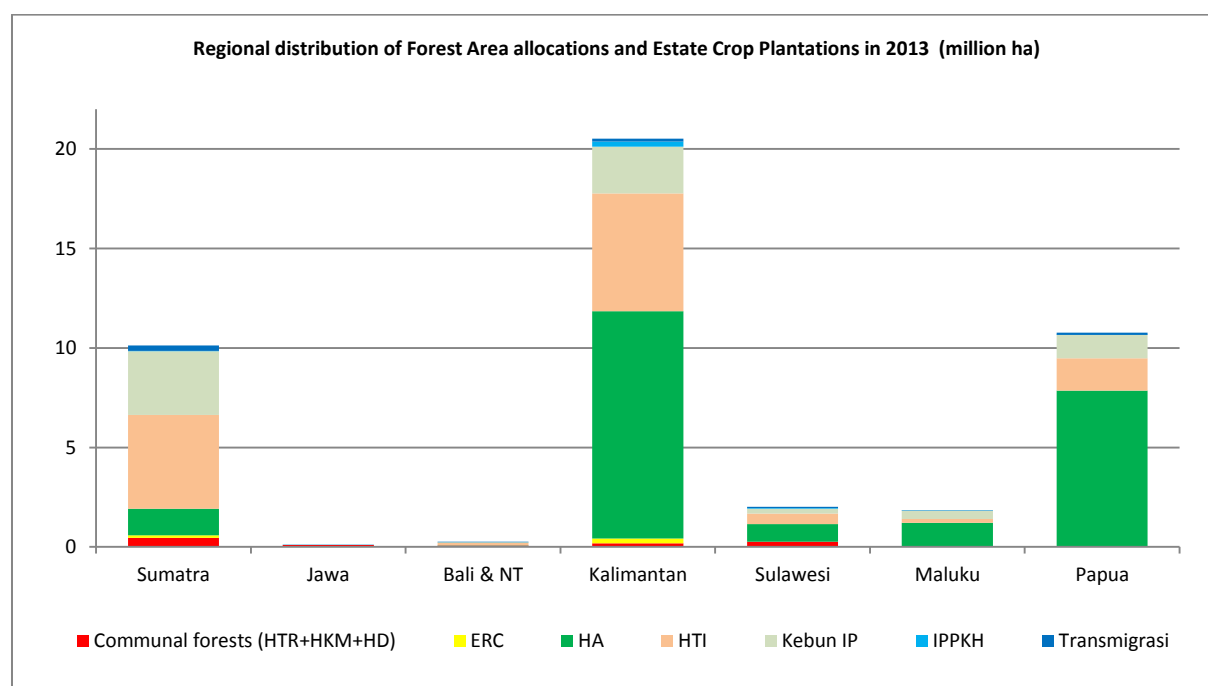


Figure 2-6: Regional distribution of Forest Area allocations and Estate Crop Plantations in 2013 (million ha)³²

In terms of area, Natural Forest Timber Concessions (HA) and Industrial Forest Plantations (HTI) provide the major share of Forest Area. While Natural Forest Timber Concessions (HA) cover particularly large areas in Kalimantan where they comprise 21.3% of the land area and in Papua with 18% of the land area, the largest areas allocated for Industrial Forest Plantations (HTI) are to be found on Sumatra on 9.5% of its area and on Kalimantan where HTI cover some 11% of the whole area. Estate Crop Plantation areas (Kebun IP) occupy extensive parts in Papua, Sumatra and Kalimantan. All other forms of allocation and rights to Forest Area together account for only another 1.2% of Indonesia's total land area. (See Figure 3-6 and Table 3-6)

³¹ See MoF 2013a and MoF 2013b.

³² Data source MoF 2013a: 18-109.

Table 2-6: Regional distribution of Forest Area allocations in 2013 in % of land area³³

2013	HA	HTI	ERC	IPPKH	HTR	HKM	HD	Transmig.
Sumatra	2.80%	9.92%	0.28%	0.05%	0.69%	0.12%	0.14%	0.58%
Java	0%	0%	0%	0.01%	<0.01	0.76%	0%	0%
Bali & NT	0.38%	1.96%	0%	0.09%	0.29%	0.48%	0.05%	0.05%
Kalimantan	21.29%	11.07%	0.46%	0.47%	0.16%	0.16%	0.02%	0.27%
Sulawesi	4.20%	2.49%	0%	0.12%	1.16%	0.06%	<0.01%	0.33%
Maluku	15.09%	2.39%	0%	0.15%	0.30%	0%	0%	0.24%
Papua	18.05%	3.76%	0%	<0.01%	0.07%	0%	0%	0.25%
Total	11.64%	6.75%	0.19%	0.17%	0.38%	0.15%	0.04%	0.32%

Deforestation rates in Indonesia over the last 30 years have fluctuated on a high level. Data from the Ministry of Forestry record a mean deforestation rate of 0.9 million ha per year between 1982 and 1990, 1.8 million ha per year for the period 1990-1997, and even 2.83 million ha of yearly forest loss between 1997 and 2000.³⁴ According to the data of the FRA 2010 report the mean forest loss over the period 1990 to 2010 was 1.2 million ha per year. For the period 2003-2006 reports of the Ministry of Forestry on deforestation calculate a mean forest loss of some 1.17 million ha per year³⁵ and some 0.45 million ha per year for the period 2009-2011.³⁶ (See Table 3-7)

Table 2-7: Deforestation in the periods 2003-2006 and 2009-2011³⁷

Land Category	Forest Area (68%)		Non Forest Area (32%)		Total land area (100%)	
	2003-2006	2009-2011	2003-2006	2009-2011	2003-2006	2009-2011
Primary Forest	52.3	14.0	24.1	3.2	76.4	17.2
Secondary Forest	620.2	264.4	359.1	111.9	979.3	376.3
Planted Forest	88.7	51.8	29.7	5.3	118.4	57.1
Total	761.2	330.2	412.9	120.4	1174.1	450.6
Region						
Sumatra	268.0	184.1	75.1	30.4	343.1	214.4
Java	2.5	4.4	3.8	2.9	6.3	7.4
Bali & NT	79.3	0.5	111.2	1.1	190.5	1.6
Kalimantan	239.0	113.8	123.8	72.2	362.8	186.0
Sulawesi	114.7	10.0	91.6	9.7	206.2	19.7
Maluku	33.9	9.3	4.7	1.7	38.6	11.0
Papua	23.9	8.2	2.7	2.4	26.6	10.5
Total	761.2	330.2	412.9	120.4	1174.1	450.6

In 1000 ha per year for different forest types and regions on Forest- and Non Forest Area

Over the last ten years, with regard to forest types, deforestation predominantly occurred in Forest Area categorised as secondary forests. Deforestation for the period 2003-2006 was rather evenly distributed between Forest Area and Non Forest Area according to their shares in Total land area. In the period 2009-2011 forest loss was significantly higher on Forest Area compared to deforestation on Non Forest Area with regard to their shares in Total land area. (See Table 3-7)

³³ Data source MoF 2013a.

³⁴ MoF 2009: 24. See also Indrarto et al. 2012: 3. For a more detailed analysis and discussion of CO2 emissions related to deforestation see MoF 2008a: 24-39.

³⁵ MoF 2008b: 11-13.

³⁶ See MoF 2012a: 10-13. For an analysis of the primary forest cover loss between 2000 and 2012 see Margono et al. 2014.

³⁷ Data source MoF 2008b: 10-13 and MoF 2012a: 10-13.

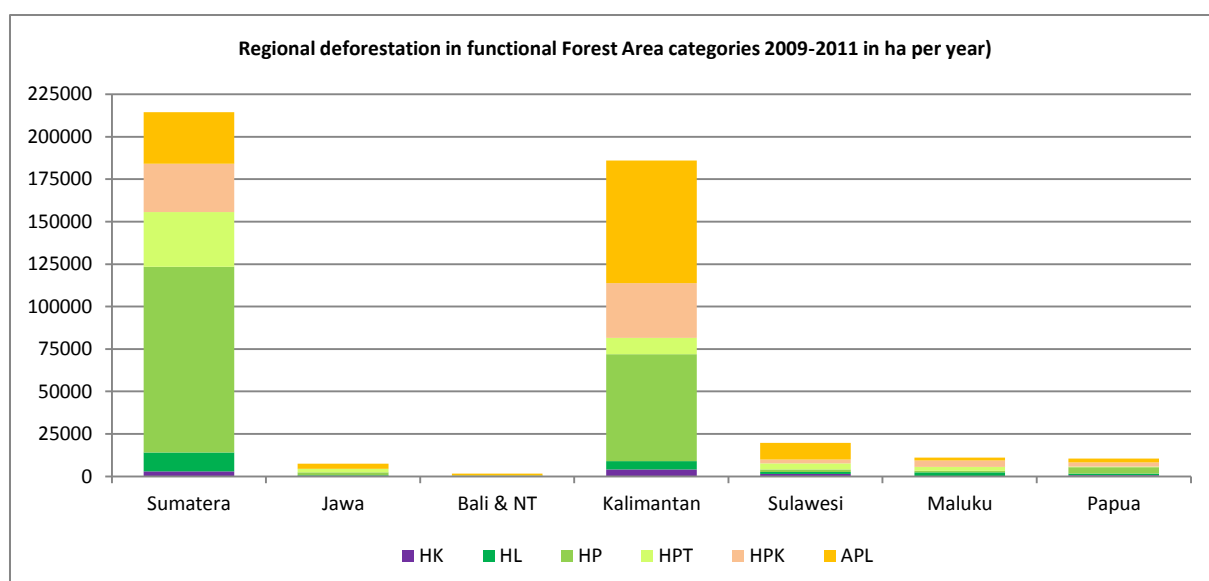


Figure 2-7: Regional deforestation in functional Forest Area categories 2009-2011 (ha/year)³⁸

Most of the forest loss in both periods occurred on Sumatra and Kalimantan. 20.7% of the total deforestation in the period 2003-2006 and 47.6% of the forest loss in the period 2009-2011 occurred on Sumatra, while Kalimantan had a share of 30.9% of total deforestation in 2003-2006 and 41.3% in the period 2009-2011.³⁹ On Sumatra deforestation predominantly occurred on Permanent Production Forest (HP) areas with large shares in terms of area on Limited (HPT) and Convertible (HPK) Production Forest Area as well as on Non Forest Area (APL). In Kalimantan the major shares of deforestation were to be found on Non Forest Area (APL) with an average of 72,200 ha annually and on Permanent Production Forest (HP) areas accounting for some 62,900 ha forest loss per year on average in the period from 2009 to 2011. Regarding all regions over this period, about 66.5% of total deforestation occurred on Production Forest Area (HP+HPT+HPK) and 26.7% on Non Forest Area (APL), while Protection Forest areas (HK+HL) together accounted for some 6.8% of total forest loss over the period 2009-2011. (See Figure 3-7, Table 3-7 and Table 3-8)

Table 2-8: Mean annual forest loss for regions and functional categories 2009-2011⁴⁰

Region	HK	HL	HP	HPT	HPK	APL	Total	% of Total
Sumatera	2,927	11,125	109,365	32,300	28,337	30,379	214,433	47.58%
Java	237	398	1,772	2,042	0	2,924	7,373	1.64%
Bali & NT	61	212	66	159	0	1,143	1,641	0.36%
Kalimantan	4,057	5,003	62,924	9,558	32,265	72,200	186,007	41.28%
Sulawesi	1,499	1,025	1,621	3,596	2,222	9,714	19,677	4.37%
Maluku	103	2,299	887	2,344	3,624	1,711	10,968	2.43%
Papua	751	834	3,767	358	2,457	2,372	10,539	2.34%
Total	9,635	20,895	180,403	50,357	68,904	120,443	450,638	100.00%
% of Total	2.14%	4.64%	40.03%	11.17%	15.29%	26.73%	100.00%	

In hectare per year and % of Total forest loss for the period 2009-2011

The main direct causes of deforestation and forest degradation in Indonesia are changes in forest land use, legal and illegal logging, forest fires, as well as weak forest management as overarching cause. During the past two decades, conversion to oil palm estates has been the dominant change in forest allocation encouraged by high palm oil prices and rising global demand. Growing global interest in renewable energy and biofuels as an alternative energy source increasingly encourages changes in forest land use too, at least at the policy level. Mining also required forest clearance and

³⁸ Data source MoF 2012a.

³⁹ For more detailed data on deforestation regarding functional forest categories and regions see MoF 2008b, 2012a.

⁴⁰ Data source MoF 2012a.

frequently led to environmental degradation and social conflict. Other economic activities directly resulting in deforestation include road building, settlements and aquaculture development. During the past decade, illegal logging constituted one of the major causes of deforestation and forest degradation, in conservation and protection forests as well as in production forests. Furthermore, the granting of Industrial Timber Plantation (HTI) permits for pristine natural forest frequently involves forest degradation. Forest and land fires which are often started as a means of clearing land for large and small scale agricultural activities constitute another major cause of deforestation. The expansion of small-scale agriculture is supposed to have been responsible for more than 20% of the total forest loss between 1985 and 1997 and led to government regulations prohibiting swidden agriculture and burning. In most areas, swidden agriculture has now become less prevalent, partly because communities have turned to plant more profitable tree crops and seasonal crops. Furthermore, continuous farming of land without leaving it fallow helps to strengthen informal recognition of land rights.⁴¹

Most scientists and activists concerned with the forestry sector in Indonesia could probably largely agree with the World Bank report on Strategic Options for Forest Assistance in Indonesia that sees the main causes of the current situation in the policies of past governments including:

- "Supported growth and concentration of the wood processing industry (plywood and pulp) in a few politically powerful hands.
- Subsidised rapid clearing of forest land for conversion to plantation crops, both oil palm and timber for pulp, to support industrial expansion, rather than re-planting.
- Perpetuated corrupt and collusive practices that insulated the sector from both the rule of law and the laws of markets.
- Centralised administration of forests to the extent that there is little effective management capacity, accountability, monitoring, or enforcement of access, practices, or outcomes in the field.
- Marginalised and alienated forest-dependent communities and indigenous peoples from traditional lands and uses, through denial of rights and access, backed by force."⁴²

The major underlying drivers of deforestation and forest degradation are identified as development interests, a natural resources-reliant economy, market demands, particular political dynamics and insufficient forest governance, unclear tenure rights, as well as population growth and transmigration.⁴³

- In a development-oriented natural resources-reliant economy many actors have an interest in securing benefits from forest resources and forest lands in legal and illegal ways, including central and regional governments, forestry business people, domestic and foreign mining and estate crop companies, international financial institutions, as well as communities that depend on forests for their livelihoods. In such an economy the Government of Indonesia furthermore uses forest resources to secure export revenues and foreign exchange, and has an interest in securing development funds. In this context the government may be even forced to submit to conditions imposed by other countries and international financial institutions to the effect of accelerating deforestation and forest and land degradation.⁴⁴

⁴¹ For analyses of the main direct causes see also MoF 2008a: 101-105; FCPF 2009: 41-45; Indrarto et al. 2012: 4-9. With regard to subsistence economies of indigenous peoples and swidden agriculture see e.g. Angelsen 1995, AIPP/IWGIA 2012.

⁴² See World Bank 2006a: 2.

⁴³ For an overlook see Indrarto et al. 2012: 9-13 and MoF 2008a: 101-105, for detailed analysis see also World Bank 2006a: 26-37. For a conceptual discussion of drivers of deforestation see Kissinger et al. 2012. The World Bank assessment of Indonesia's REDD Preparation Proposal lists as underlying drivers of deforestation: "(i) weak legal and political accountability; (ii) policies favouring large-scale commercial activity over small- and medium-sized businesses; (iii) distorted incentives for timber pricing and transport; (iv) an inadequate legal framework for protecting the poor and indigenous land-users; (v) undervaluation of forest assets and low revenue capture; and (vi) corruption." World Bank 2011: 4.

⁴⁴ See e.g. FCPF 2009: 43-45 and Indrarto et al. 2012: 13.

- Market demands are another important driver of deforestation. Global demand and high prices for timber have encouraged the government to formulate policies allowing for intensive timber harvesting. The main cause of forest degradation linked to timber supply and demand is supposed to be the unclear and uncertain availability of timber supply caused by weak policies regarding forest concessions and forest management. Demand of the world market for other Indonesian products such as pulp, palm oil and coal also continues to rise, frequently resulting in deforestation and forest degradation.⁴⁵
- Political dynamics and insufficient forest governance aggravate the pressures which profit interests and market demands exert on forests, and provide additional factors driving deforestation. Politicians frequently use forests as a means of gathering campaign funds for elections thereby increasing illegal logging and deforestation rates observably. The mining sector also provides opportunities for elected officials to profit from businesses based on natural resources exploitation. Collusion and corruption are frequently involved based on interests among government elites and business people and the absence of proper forest management.⁴⁶
- Unclear tenure rights and forest boundaries also drive deforestation and forest degradation. In terms of area, 22.5 - 24.4 million ha have been estimated to be subject to conflicts as a result of unclear boundaries between villages and state forests in 2010.⁴⁷ Population growth and transmigration are further drivers of deforestation. The transmigration programme of the Indonesian government, aimed at a more even population distribution and ethnic interaction, had a marked impact on forest cover in Indonesia too.⁴⁸

2.1.3 Forest policies, forest conflicts and land rights

Indonesia's forests are an important livelihood source for a great number of people. Studies from 2004 and 2005 account for some 50 to 60 million Indonesians living in areas designated as Forest Area, about 30% of them supposed to live in areas actually covered with forests.⁴⁹ Between 6 million to 30 million Indonesians are estimated to be directly dependent on forests.⁵⁰ Disputes and conflicts concerning state versus community control over forest resources have been important issues in Indonesia from the colonial period to the present.⁵¹ More recently, public disputes are particularly concerned with forest conflicts and resource exploitation in the context of logging concessions, industrial timber and plantation estates, as well as decentralisation processes, weak administration, and social equity issues.⁵² The World Bank straightforwardly asserts a discrepancy between written law and rule of law in the forest sector and deplores that while "... a sixth of Indonesians live in poverty and half live on less than \$2 per day ... tens of millions of hectares are controlled by only a few dozen large corporate groups that extract more than \$10 million from the forestry sector every day."⁵³

The World Bank report identified a large gap between industrial timber demand and sustainable legal supply coupled with corruption and inadequate law enforcement, as well as weak forest governance, especially regarding transparency, rule of law, and decentralisation, as constituting a key problem area in what is called a crisis of Indonesia's forest sector. The Indonesian Ministry of Forestry holds

⁴⁵ Indrarto et al. 2012: 9-10.

⁴⁶ Indrarto et al. 2012: 10-13.

⁴⁷ Indrarto et al. 2012: 13. On tenure problems see also USAID 2010 and Westholm et al. 2011.

⁴⁸ A study by Sunderlin and Resosudarmo concludes that although population growth is an important part of the explanation of deforestation, it should be seen as an intermediate variable, and not as an independent variable. Regarding forest protection they recommend to concentrate on non-population factors (Sunderlin/Resosudarmo 1999).

⁴⁹ FCPF 2009: 41f, see also Sunderlin et al. 2000: 3, 47f.

⁵⁰ In 2007 the MoF and the Statistics Agency (*Badan Pusat Statistik*) had stated that 16,760 (52.6%) of 31,864 villages throughout Indonesia were located in Forest Area. By 2009 this figure had fallen to 9,103 (23.6%) (Indrarto et al. 2012: 13).

⁵¹ See e.g. Peluso 1992, Li 1996.

⁵² See e.g. Gunawan 2004, Colchester et al 2006.

⁵³ See World Bank 2006a: xv, 1-2.

the legal authority over Forest Area, which includes granting concessions or issuing permits and licences for forest exploitation and cultivation. Under the Suharto regime from 1968 to 1998, the Ministry of Forestry (MoF) held virtually full authority to administer an area of 143 million ha or some 75% of Indonesia's land area classified as 'Forest Area' (*Kawasan Hutan*). Over this time, the Ministry allocated some 60 million ha of commercial timber concessions to private and state-owned logging companies which predominantly had ties to political and military elites at the national level and collected most of the fees and royalties from timber concessionaires. The roles of provincial and district governments were largely limited to implementing decisions made in Jakarta, and regional stakeholders received only a small portion of the resource rents amounting to hundreds of millions of USD each year.⁵⁴

With the introduction of Indonesia's 1999 regional autonomy law, aiming at a fundamental nationwide decentralisation of the administration, considerable authority was transferred particularly to district governments (*kabupaten*). The law was introduced just after a series of forestry sector reforms had been adopted in late 1998 and early 1999, which gave district governments and local communities a greater role in forest management. Studies regarding implications of these decentralisation processes indicate that in most forested regions of Indonesia, district officials initially used their expanded authority to issue large numbers of small-scale timber extraction and forest conversion permits, and to impose new types of fees and royalties on log harvesting. Furthermore, spatial plans and development strategies of district governments in many cases have been based heavily on the exploitation and conversion of forests. At the same time, forest-dependent communities tried to reassert claims over land and forest resources from which they had been displaced or excluded during Suharto's New Order period. While high expectations among civil society groups and parts of the administrative bodies have been involved in the decentralisation efforts, legal-regulatory measures adopted by the Ministry of Forestry since 2002, in a kind of backlash, have been designed explicitly to re-centralise authority over forest administration which had been transferred to district governments earlier, claiming that excesses of decentralisation had highly damaging effects on forest resources. These changes, controversies, and contradictions have resulted in conflicting practices and a patchwork of land tenure, concessions and permitting procedures in the forest sector.⁵⁵

Deeply interrelated with these problems of forest governance and commercial exploitation are tenure and livelihood problems which constitute another crucial problem area of the 'forestry crisis' in Indonesia, pertaining to problems of social equity and benefit sharing, as well as livelihoods based on forest use, land rights and forest legislation. Article 33(3) of the 1945 Constitution states that: "The land and waters, and the natural riches contained therein shall be controlled by the State and exploited to the greatest benefit of the people." The most important legislation governing land rights is the Basic Agrarian Law (BAL or *Undang Undang Pokok Agraria - UUPA*) of 1960 which describes the role of the state with regard to its direct use of land and defines the regulation of private rights and private uses of land. The BAL also refers to *adat* or customary law - which comprises diverse, predominantly communal approaches to regulate land rights varying considerably over different places - as being the basis of Indonesian land law, as long as it does not conflict with national interests or other regulations set out in the BAL.⁵⁶

Even though basically applying to the entirety of land, the BAL ceased to be applied to Forest Area after the adoption of the Basic Forestry Law (Law No. 5 of 1967) in 1967. While the BAL recognizes communal *adat* land rights known as *hak ulayat* at least to some degree, the 1967 Basic Forestry Law

⁵⁴ See Barr 2006 for an analysis of forest administration and development prior to 1998. Regarding revenues from Forest Area and their distribution among administrative bodies see Resosudarmo et al. 2006.

⁵⁵ For analyses of forest policies in the context of Indonesia's decentralisation process see Resosudarmo 2004, Barr et al. 2006, Moelino et al. 2009.

⁵⁶ See Mitchell et al. 2004, Contreras-Hermosilla/Fay 2005: 7-9, Wright 2011: 25-26.

essentially differentiated between 'state forest' (*hutan negara*) and forests subject to rights (*hutan hak*), rendering all forest land not privately owned including 'customary forests' (*hutan adat*) to the property of the state and thereby eliminated even the weak protections contained in the BAL as regards land rights of *adat* communities living in forested areas. The new Forestry Act No. 41 of 1999, which replaced the Basic Forestry Law of 1967, at least acknowledges that the state will respect customary laws, even though conditional to national interests and other legal regulations.⁵⁷ However, statutory law generally prevailed over customary law, and under the Forestry Act the Ministry of Forestry consistently ruled that the interests of the State override the interests of *adat* communities to use the trees or land that are classified as state forest. Thus, while *hak ulayat* continued to be observed as binding within communities, it was generally not recognized by the state and could not be registered as a form of tenure.⁵⁸

The discrepancies and ambiguities between forest legislation and *adat* rights continue to be fiercely disputed and are crucial regarding secure tenure rights for local and indigenous communities. Over the last ten years several administrative mechanisms have been established with the objective to improve access of these communities to Forest Area and its resources, including regulations on collaborative management in protected areas and forestry partnerships between private enterprises and local communities, as well as regarding community forests, community forest plantations, and village forests.

The government regulation Collaborative Management in Protected Areas of 2004 (*Peraturan Menteri Kehutanan No P.19/2004*) provided a formal framework for multi-stakeholder management of protected areas and addresses problems involving local communities in and around protected areas. However, the regulation basically limits collaboration to routine activities such as patrolling, re-forestation and boundary marking and does not create significant new opportunities for benefit-sharing from joint forest management.⁵⁹

Government Regulation No 6 Year 2007 and its implementation regulation issued in 2013 with the Forestry Ministerial Regulation No P.39/Menhut-II/2013 on local community empowerment through Forestry Partnerships provides a legal framework for partnerships based on agreements between non-communal forest utilization license holders of management rights and local communities. Obligations of large-scale employers in such partnerships include: (1) conducting cooperation with community cooperatives, (2) the provision of areas of at least 5% of the total areas as life plant space for local communities, and (3) assisting the development of Community Plantation Forest (HTR), Community Forestry Policy (HKM) and Village Forest (HD) around their work area.⁶⁰

The concept of Community Forests (*Hutan Kemasyarakatan* - HKM) had already been established in 1998, but implementation was weak and the concept was blamed to be impractical. It was revised in 2007 with the Forestry Ministerial Regulation No. P.37/Menhut-II/2007 which allows for the granting of conditional use rights over designated areas of production forest and protection forest to community-based groups for up to 35 years. The primary policy objective is poverty alleviation and

⁵⁷ For more comprehensive accounts and analyses of agrarian and forestry legislation with regard to tenure problems in Indonesia see Thorburn 2004, Contreras-Hermosilla/Fay 2005, USAID 2010, 2012, Mitchell 2011, Wright 2011.

⁵⁸ USAID 2010: 6-8, 13-14, see also FPP et al. 2011. The Forestry Act states that an area can be classified as 'state forest' through its designation by the Ministry of Forestry or through gazetting (publishing the status of an area as 'state forest' in the State Gazette of Indonesia). The Constitutional Court ruled in 2011 that the 'designation' of state forests is unconstitutional and that the Ministry of Forestry must gazette all state forest areas. Estimates are that only around 10% of state forest areas have been formally promulgated through the State Gazette. The consequences of this ruling have not yet been clearly addressed, but it could open up opportunities for increased participation of local communities and indigenous peoples as the gazetting procedure has to be introduced for the other 90% of state forests that have been 'designated' by the Ministry of Forestry. (See Indrarto et al. 2012: 22-23)

⁵⁹ MoF 2008a: 13.

⁶⁰ See MoF 2008a: 13f and Soepijanto et al. 2013: 9.

the restoration of unproductive Forest Area. Timber production is not allowed, but NTFPs may be collected and tree-based agricultural systems that have already been established are permitted. The Forestry Department had a target of 2 million ha of Community Forests by 2012. However, in 2013 Community Forests were only recorded for some 279 thousand ha in the statistics of the Ministry of Forestry.⁶¹ The 49 Village Forests which have been approved until 2013 ranged in size from 35 ha to 104,325 ha with an average size of about 5,955 ha.⁶²

Community Forest Plantations (*Hutan Tanaman Rakyat* - HTR) are regulated in Government Regulation P.6/2007 and give communities access to land within degraded portions of the production forest zone with the right to plant trees for commercial purposes. The primary policy objective of the program is economic development, job creation, and the supply of wood fibres for the pulp and paper industry. The HTR license can be for up to 100 years, and is given to a group of households, with each household allowed to manage up to 15 ha. Government guidelines stipulate the species permitted in each location related to the pulp wood market. The Ministry of Forestry is planning the allocation of 5.4 million ha for HTR and has identified broad areas where HTR licenses may be granted. Field investigation by ICRAF suggests that large proportions of the land designated for Community Forest Plantations has already been cultivated by local farmers, highlighting the need for government flexibility in the selection of species and in the design of the plantations.⁶³

Village Forests (*Hutan Desa* - HD) regulated in Forestry Ministerial Regulation No. P.49/Menhut-II/2008 are the most recent instrument of forest administration established to provide access to Forest Area to local communities. A Village Forest is a state forest managed by village institutions and not limited by right permission to a period of 35 years like Community Forest. Their primary purpose is to improve the welfare of local communities in a sustainable manner. While the government was targeting a Village Forest area of 500 thousand ha until 2014, in the MoF statistics for 2013 Village Forests account for some 81 thousand ha only. The 45 different Village Forests approved in 2013 ranged in size from some 23 ha to 6,825 ha with an average size of about 1,800 ha.⁶⁴

In terms of area, most of the communally managed Forest Area (CMF) are Community Forest Plantations (HTR) and are located on Sumatra and Sulawesi. Community Forests (HKM) cover some 0.76% of Java's land area and comprise also a considerable share of communally managed forests in Kalimantan and Sumatra, even though rather insignificant in terms of land area. Village Forests (HD) provide the smallest share in communally managed forests with a total of 81,387 ha and are predominantly located on Sumatra with 65,859 ha (about 0.13% of its land area) according to data of the MoF for 2013. (See Table 3-9 and Figure 3-8)

Table 2-9: Communally managed Forest Area (CMF) for different regions in 2013⁶⁵

	HTR ha	HTR %	HKM ha	HKM %	HD ha	HD %	CMF all ha	CMF all %
Sumatra	330,443	1.22 / 0.69	55,007	0.2 / 0.12	65,859	0.24 / 0.14	451,309	1.66 / 0.95
Java	328	0.01 / <0.01	104,522	3.44 / 0.76	0	0 / 0	104,850	3.45 / 0.77
Bali & NT	21,488	0.75 / 0.29	35,891	1.26 / 0.48	3,394	0.12 / 0.05	60,773	2.13 / 0.81
Kalimantan	84,480	0.23 / 0.16	83,315	0.22 / 0.16	10,940	0.03 / 0.02	178,735	0.48 / 0.33
Sulawesi	246,855	2.24 / 1.16	13,075	0.12 / 0.06	1,194	0.01 / <0.01	261,124	2.37 / 1.23
Maluku	24,120	0.35 / 0.30	0	0 / 0	0	0 / 0	24,120	0.35 / 0.30
Papua	29,350	0.08 / 0.07	0	0 / 0	0	0 / 0	29,350	0.08 / 0.07
<i>Total</i>	737,064	0.58 / 0.38	291,810	0.23 / 0.15	81,387	0.06%	1,110,261	0.87 / 0.57

In hectare as well as in % of Forest Area (first figure) and % of total land area (second figure)

⁶¹ MoF 2008a: 13, see also Soepijanto et al. 2013: 9-11, MoF 2013a.

⁶² If the largest single Community Forest on Jawa, Province Yogyakarta, encompassing 104,325 ha or more than one third of all Community Forests is excluded, the average size shrinks to 3,900 ha.

⁶³ MoF 2008a: 14.

⁶⁴ See MoF 2013a, Soepijanto et al. 2013: 9. Regarding problems and different procedures required for the establishment of communally managed forests see also Akiefnawati et al. 2010 and Bock 2012. For an overview on legal instruments see also Hindra 2007. For a review of the development of community based forest management in Indonesia see Safitri 2010.

⁶⁵ Data source MoF 2013a.

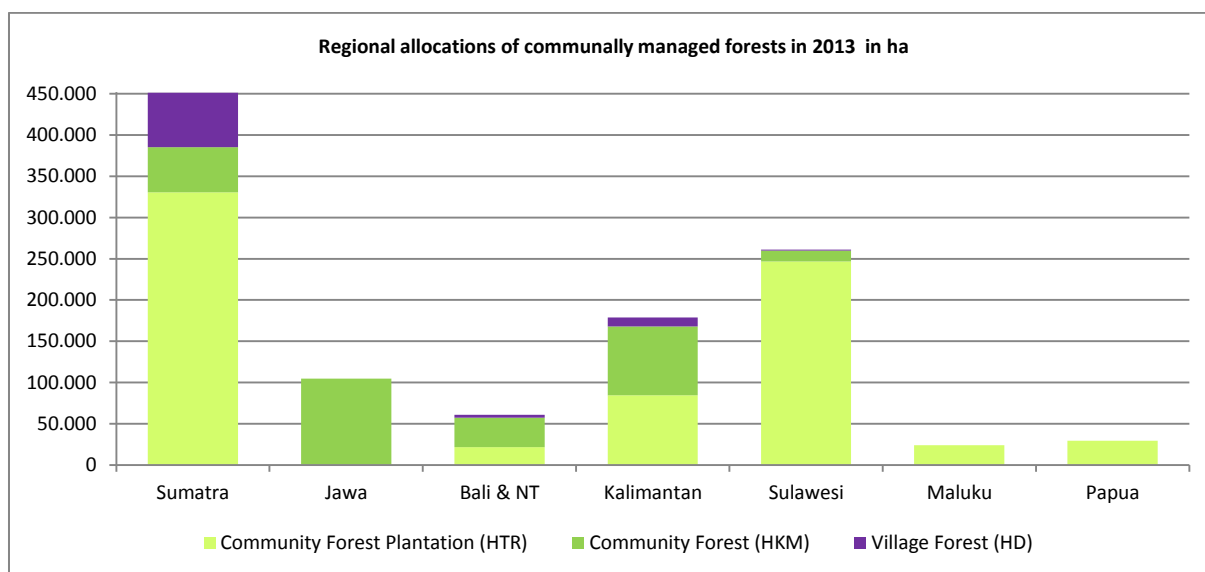


Figure 2-8: Communally managed Forest Area (CMF) in different regions for 2013⁶⁶

While the establishment of these different instruments reflects a growing willingness of the Government and the Ministry of Forestry to account for rights and interests of local communities dependent on forest resources and Forest Area, the adequacy and efficiency of these instruments are frequently questioned by researchers, local communities, and NGOs. Furthermore, so far these instruments did not satisfyingly address the basic ambiguities between state ownership claims on Forest Area and *adat* land rights (*hak ulayat*) of local communities.⁶⁷

This issue was brought to Indonesia's Constitutional Court in March 2012 with a petition filed by Indonesia's national indigenous peoples' alliance AMAN (*Aliansi Masyarakat Adat Nusantara*) which addressed the relation between customary forests and state forest in the 1999 Forestry Law. The Court ruled in favour of the petition and agreed that Article 1 Para. 6 of the law was in conflict with the constitution and should be changed to delete the word 'state' from the sentence "Customary forests are state forests located in indigenous peoples' territories", which also required other changes in the text of the law.⁶⁸ While forests remain divided into the main categories, *hutan negara* (state forests) and *hutan hak* (forests subject to rights), the decision moves 'customary forests' or '*hutan adat*' from the *hutan negara* into the *hutan hak* category which crucially improves the chances of local and indigenous communities to claim and secure rights to Forest Area and forest resources.

Customary Forests (*hutan adat*) refer to customary ownership claims or *hak ulayat* recognized under Forestry Law 41/1999. There seems to be no official figure for the extent of customary forests. As a legally recognized category within the forest zone it is also supposed to support *adat* institutions under pressure from various social, economic, and environmental forces in most parts of the country. However, designation of a customary forest requires prior recognition of the *adat* community that will hold rights to manage it, which must be given by local government decree. While the Ministry of Forestry has indicated support for this in principle, in practice the designation of customary forests

⁶⁶ Data source MoF 2013a: 19-55.

⁶⁷ E.g. Kleden et al. 2009, USAID 2010, Thorburn 2004; Contreras-Hermosilla/Fay 2005, FPP et al. 2011, see also World Bank 2011: 37-38.

⁶⁸ See DTE 2013 [A turning point for Indonesia's indigenous peoples](#), accessed May 2014, for an account of the amendments made and a review of the process. See also Rachman 2013 for an assessment of the decision and MAC: Mines and Communities 2013 [Indonesia's government to revoke concessions in customary forests](#), accessed June 2014, regarding statements on the decision.

could conflict with designated forest functions such as watershed protection and biodiversity conservation. In the view of the MoF these functions should be maintained regardless of the access rights granted, which may drastically curtail the scope for community-based management even where the customary rights of communities are recognized. It is believed that this will be developed as a separate government regulation.⁶⁹ However, since Indonesia has started its engagement in the REDD+ process in 2007, issues regarding rights and interests of indigenous and local communities to forest lands and resources are predominantly conceptualised and negotiated in the context of the establishment of an institutional and technical national REDD+ framework.

2.1.4 Government commitments, institutional context, and international involvement

As a country with large expanses of tropical forest cover, Indonesia plays an active and important role in forestry related international forums as well as regarding bilateral and multilateral agreements concerning forests and environmental issues. Indonesia has signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1978. In 1992 the country has signed the UN Framework Convention on Climate Change (UNFCCC) and ratified it two years later, while the Kyoto Protocol was signed in 1998 and ratified in 2004. The Convention on Biological Diversity (CBD) was ratified in 1994 and the Cartagena Protocol in 2005. Indonesia is an active member in the UN Forum on Forests (UNFF) since its establishment in 2000. In 2011 the Voluntary Partnership Agreement on Ensuring Legal Timber Trade and Strengthening Forest Governance (FLEGT-VPA) between Indonesia and the EU was finally signed, after discrepancies between the government's Timber Legality Verification System (SVLK) and the EU's view of the FLEGT Timber Legality Assurance System (TLAS) had been solved.⁷⁰ Indonesia has also included the rehabilitation of forests as one of the priorities in its National Medium-Term Development Plan 2010-2014 and has enacted a National Action Plan Addressing Climate Change.

With the country's involvement in the REDD process, this engagement in international forest policies as well as the importance of the forestry sector has increased considerably. REDD+ is regarded as the most important component of the countries efforts to reduce greenhouse gas emissions.⁷¹ Reports in 2006 had indicated that Indonesia ranked third as greenhouse gas emitter worldwide after the USA and China. In 2007 Indonesia hosted the COP 13 in Bali and was instrumental in putting REDD onto the international climate change agenda. After studies confirmed releases of about 2 billion tons of CO₂ annually from deforestation and peat soil degradation, Indonesia's President in 2009 announced at the G20 Major Economies Summit in Pittsburgh that the Indonesian Government had decided to cut greenhouse gas (GHG) emissions by 26% below business-as-usual projections unilaterally, and by up to 41% with international support by 2020, at the same time aiming for 7% economic growth.⁷² As some 85% of Indonesia's GHG emissions are estimated to result from land use activities and particularly agriculture and forestry (with 37% due to deforestation and 27% due to peat fires), these sectors are most important in order to achieve this target. In this context, Indonesia has signed a Letter of Intent with Norway in May 2010 in which Norway agreed to provide one billion USD over six to seven years to assist Indonesia in its efforts to reduce emissions from deforestation and forest degradation.⁷³ The grant was linked to a two-year moratorium on forest conversion, and in May

⁶⁹ See MoF 2008a: 14.

⁷⁰ See BMZ 2007, Hinrichs 2014.

⁷¹ Indonesia 2014: 7.

⁷² Indonesia REDD+ Task Force 2012: 2, Indonesia 2014: 6. For an overview on the development and institutional context of the Indonesian REDD+ readiness preparation process see World Bank 2011: 3-11 and Maryani et al. 2012, for an analysis of the political context see also Dermawan et al. 2011, Lutrell et al. 2014, Ituarte-Lima et al. 2014 in Press, Skidmore et al. 2014.

⁷³ See Norad 2010.

2011, the Indonesian President issued a two-year moratorium regarding new licenses for development in primary forests and peat lands, which was extended for another two years in 2013.⁷⁴

Indonesia has been among the first countries who engaged in the REDD readiness preparatory process and puts high expectations in the REDD facility.⁷⁵ Above-ground biomass for Indonesia in 2010 was estimated at about 20.8 billion metric tonnes (oven-dry weight) and another 6.9 billion tonnes of below-ground biomass, which is calculated to store together some 13 billion tonnes of carbon.⁷⁶ The 2008 Consolidation Report of the Indonesia Forest Climate Alliance (IFCA) which forms the basis of Indonesia's REDD readiness preparatory process estimates that "... if Indonesia could halve its recent annual rates of forest loss, the estimated value of carbon credits is between \$ 2.5 and \$ 4.5 billion per year. REDD market income for verified reductions in deforestation could assist existing forest industry plans to double the size of the pulp and paper industry from 6 million to 12 million tonnes; to more than double exports of palm oil from the current \$ 3.75 billion to something in the order of \$ 7 billion a year; and to sustain an expanded timber industry which currently generates about \$ 4 billion a year.", which has been calculated conservatively according to the report.⁷⁷

Indonesia was the first country to introduce a domestic REDD+ legal framework in 2009 and has since then continued to develop its REDD+ regulatory and legal framework on a high political level.⁷⁸ These efforts to develop REDD+ planning and implementation instruments on the national level are supported through the UN-REDD Programme⁷⁹ and the Forest Carbon Partnership Facility (FCPF)⁸⁰ in which the country is a member. In 2009 the Government has submitted a Readiness Preparation Proposal (R-PP) to the FCPF Steering Committee and in 2011 a readiness grant from the FCPF was signed to support the readiness preparation process.⁸¹ The R-PP suggests a preliminary REDD+ strategy based on (i) the implementation of strategies for more effective conservation and management of Protected Areas and Production forests; (ii) Strategies for forest and paper industry to procure their supply from sustainably managed sources created from degraded land; (iii) Strategies for shifting the expansion of palm oil plantations towards non-forest(ed) land based on improved spatial planning; (iv) Restoration of peat land; and (v) Enhancement of the capacity of community groups, including *adat* communities to engage in forest management, through REDD+ activities.⁸² To coordinate the REDD Readiness Preparation process the Indonesian REDD+ Task Force (later renamed into REDD+ Management Agency) was appointed in 2011 which launched the National REDD+ Strategy in September 2012 after an extensive stakeholder consultation process.⁸³

⁷⁴ See Indonesia 2014: 4, Brown/Peskett 2011: 8-10. For discussion and critique of the moratorium see FPP et al. 2011, Koh et al. 2011, Murdiyarso et al. 2011, Saxon/Sheppard 2011, Greenpeace 2012a.

⁷⁵ For broader analyses of the REDD+ instrument see e.g. Angelsen 2008, Angelsen/Brockhaus 2009, Costenbader 2009, Gregersen et al. 2011, Angelsen et al. 2012, den Besten et al. 2014, McDermott 2014.

⁷⁶ FAO 2010: 34-37.

⁷⁷ MoF 2008a: xiii. The report was prepared for the COP 13 Conference in Bali and was coordinated by the Indonesian Ministry of Forestry.

⁷⁸ See Indonesian REDD+ Task Force 2012, Widyaningtyas 2012, Indonesia 2013, 2014.

⁷⁹ See UN-REDD 2014 [Country reference Indonesia](#), accessed June 2014, and Mardiasuti 2012.

⁸⁰ See FCPF 2009, 2011a and FCPF 2014 [Country reference Indonesia](#), accessed June 2014.

⁸¹ The grant agreement on 3.6 million USD had four main components: 1. Analytical Works including analysis of available studies on deforestation and compilation of options for main investment types and other interventions. 2. Support of the Readiness process including assessments of REDD+ relevant regulations, capacity building of institutions and stakeholders, consultation and outreach, and a Strategic Environmental and Social Assessment (SESA) resulting into an ESMF. 3. Reference Emission Level (REL) and Measurement Reporting and Verification (MRV). 4. Regional Data Collection and Capacity Building. (See World Bank 2011: 11-12)

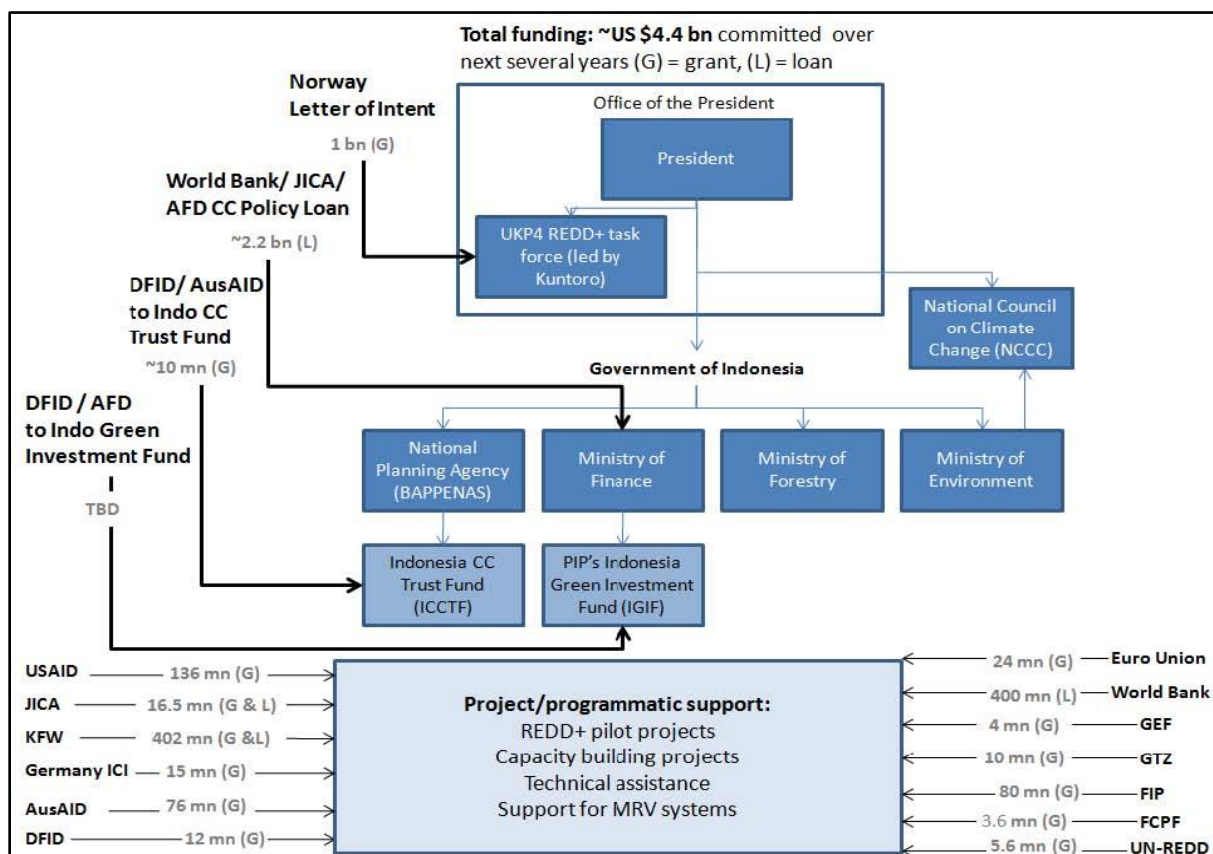
⁸² World Bank 2011: 4. See also FCPF 2009 and the World Bank 2014 [World Bank Grant Agreement](#), accessed June 2014. On problems related to benefit sharing and the inclusion of ethnic minority groups and forest dependent communities into the REDD process see also AIPP 2010, Blom et al. 2010, CBD/GIZ 2011, McDermott et al. 2012, Resosudarmo 2014, Sunderlin et al. 2014.

⁸³ See Indonesian REDD+ Task Force 2012. The strategy is a non-binding document that acts as a work plan.

Since 2009 a wide range of preparatory REDD+ activities is underway in Indonesia, ranging from national level programmes to those at the project level located all over the country.⁸⁴

The FCPF World Bank grant of 3.6 million USD is only a small part of the multi- and bilateral funding for the REDD readiness process in Indonesia which is substantial. Brown and Peskett have analysed these funding flows for Indonesia in 2011 and depicted the following map of climate finance flows, actors, and institutions (see Table 3-10).

Table 2-10: "National landscape of international public finance in Indonesia" (from Brown/Peskett 2011)



Source: Brown/Peskett 2011: 11

The total amount of 4.4 billion USD provided for climate change and REDD+ related activities in Indonesia by foreign donors which Brown and Peskett computed in their analysis covers a time period from 2007 to 2016 and includes roughly 1.5 billion in grants and some 2.9 billion USD as loans. About 3.5 billion are bilateral funds while 0.9 billion are provided multilaterally. At least another 0.8 billion USD are recorded as being in the pipeline for the support of the REDD Readiness Preparation process in Indonesia.⁸⁵ The 1 billion USD promised by Norway is by far the biggest grant of a single donor and particularly designated for the REDD Readiness Preparation process. Until now only a very small part of the money has been spent and Norway currently faces considerable problems to find suitable projects to distribute the money according to its designation.⁸⁶

Germany contributes to this amount with some 97 million USD of grants, and 332 million USD as loans which are predominantly provided via the KfW. Even though these funds are related to Climate

⁸⁴ See Indonesia 2014, Indonesian REDD+ Task Force 2012, or the [REDD desk](#), accessed June 2014.

⁸⁵ The figures are computed from the project data given in Annex II in Brown/Peskett 2011: 41-51. These data were also confirmed in the World Bank Readiness Preparation Assessment Note on the FCPF Grant to Indonesia where the Annex II from Brown and Peskett was identically reproduced as Annex VII (see World Bank 2011: 81-87).

⁸⁶ Interviews with GIZ and NGO staff in Indonesia, see also Norad 2010.

Change and REDD related activities in one way or another, most of them have not been designated specifically for the REDD Readiness Preparation process in Indonesia and also cover projects and measures not directly related to the REDD process or climate change mitigation objectives. (See Table 3-11)

Table 2-11: Climate Change and REDD related funding of major donors 2007-2016

	Australia	France	Germany	Japan	Norway	UK	US	EU	Intern. Org
Grants	87.90		97.35	10.00	1000.00	20.30	136.00	24.05	93.20
Loans		800.00	332.00	1006.50					800.00

In million USD for the period 2007-2016, compiled from Brown/Peskett 2011: 41-51

The government of Indonesia reporting on the implementation of the REDD Readiness Preparation process in its updated Mid Term Progress Report to the FCPF Steering Committee in April 2014 assesses the available funds at some 3.5 billion USD, which are supposed to be managed and channelled by the newly established Financing for REDD+ Indonesia (FREDDI or *INDRI*) national-level funding instrument.⁸⁷ Claiming that Indonesia's capacity and capability to be a global leader in advancing REDD+ has been progressing rapidly, the main objective of the updated mid-term progress report is to provide the rationale for requesting additional funding through a second FCPF Readiness Preparation Grant calculated at 5 million USD, supposed to "...allow Indonesia to maintain the same level of success previously achieved during the launch and the management of the investment phase."⁸⁸ The major challenges that still need to be addressed according to the report "...include: operationalising institutions for REDD+ at the national level, managing the high expectations for REDD+ payments and other incentives, implementing complex technical aspects of REDD+ (such as MRV systems and reference emissions levels) strengthening governance, and improving consistency and coordination amongst the Climate Change Action Plans ... and the REDD+ Strategy and Action Plans at the national and sub-national levels."⁸⁹ Besides establishing the institutional and technical framework for the REDD process, the involvement of indigenous peoples and local communities in the process was and continues to be an important and controversial issue in this context.

Conflicting claims regarding rights and interests to lands and forests between local communities on the one hand, and external authorities and actors on the other hand, have a long history in Indonesia as well as globally with regard to the colonial expansion of western societies and the global spreading of a culture of modernity and development. In the context of a growing awareness for a global environmental crisis since the 1970s, these conflicts have increasingly come into the focus of academic research, public discourse, and political regulation which successively led to a considerable strengthening of rights of indigenous peoples and forest dependent local communities, at least on the international level.⁹⁰ By now, references to the significance of local knowledge and commitments to principles of free prior and informed consent, full and effective participation, as well as compensation and benefit sharing are almost a matter of course in international institutions and agreements concerned with environmental and forestry issues.⁹¹ The implementation of these commitments is also receiving increasing attention by civil society actors, governments, and implementing organisations, even though frequently fiercely disputed and subject to pronounced differences between different countries.

In Indonesia, conflicts regarding rights and interests of indigenous and local communities to forest lands and resources have already come into the focus of public discourses after the fall of Suharto's

⁸⁷ See Indonesia 2014: 4, 8-9.

⁸⁸ Indonesia 2014: iii-iv, 36-42.

⁸⁹ Indonesia 2014: iii.

⁹⁰ See Buergin 2013 for a more comprehensive review of these transformations of discourses and policies.

⁹¹ See e.g. UN 1992, FCPF 2011b, UNFCCC 2011, Greenpeace 2012b, UN-REDD 2014 [Safeguards and benefits](#), the World Bank 2014 [Indigenous Peoples](#), accessed August 2014. Regarding FPIC principles see particularly Colchester/Ferrari 2007, Colchester 2010, Anderson 2011, National Forestry Council/UN-REDD Programme 2011.

New Order regime in 1998, in the country's move towards democratisation and decentralisation. To address these problems and to handle Indonesia's forestry crisis, the National Forestry Council (*Dewan Kehutanan Nasional DKN*) was established at the fourth Indonesian Forestry Congress in September 2006 as a multi-stakeholder advisory body of the Ministry of Forestry specifically created to discuss forest policies with the broader public and to enable cooperation amongst government institutions, local communities, the private sector, educational and research institutions, as well as NGOs including indigenous organisations.⁹²

In the context of Indonesia's engagement in the REDD process since 2007, the Government's interest and the necessity to address land tenure conflicts and social impacts of forest politics further increased. To deal with the complex and conflictive forests and climate change problematic, the Ministry of Forestry in 2007 established the Indonesia Forest Climate Alliance (IFCA) as a forum for communication, coordination, and consultation for stakeholders concerned with forest and climate change issues in Indonesia, including representatives from government ministries, the private sector and civil society, as well as international institutions. A major outcome of this forum was the IFCA Consolidation Report prepared in 2008 for the COP 13 conference in Bali, which also served as a basic document for Indonesia's application for the REDD+ Readiness Preparation process and the FCPF World Bank grant.⁹³ Even though community-based forest management and the involvement of local communities in the REDD process are addressed variously throughout the report, this generally does not take place in terms of rights of communities, and reference to particular rights and interests of indigenous communities is almost missing completely in the report.

A first draft of Indonesia's REDD Readiness Plan to the FCPF, which was prepared by the Ministry of Forestry team who was already involved in the IFCA report, was fiercely criticized by major NGOs concerned with indigenous and environmental issues in Indonesia for violating indigenous peoples' rights to effectively participate in decision making, for not complying with key requirements of the FCPF, as well as for insufficient stakeholder consultation processes. A revised version of the R-Plan has at least to some degree tried to amend these shortcomings and addresses the important role, involvement, and benefits for local and indigenous people, even though without any reference to rights or safeguards.⁹⁴ However, concerns were raised again when the readiness plan was to become a formal Readiness Preparation Proposal (R-PP) in 2010.⁹⁵ Official comments on the second version of the R-plan submitted to the FCPF in May 2009, which is the only R-plan version officially published on the FCPF website,⁹⁶ complain that the plan addresses indigenous peoples only as stakeholders and not as rights-holders, does not ensure the active participation of indigenous peoples, does not adequately accommodate their interests, and will likely continue to support centralistic forestry policies while indigenous people will probably have only very limited benefits from REDD implemented according to the readiness plan.⁹⁷ The Readiness Preparation Proposal including comments was adopted by the FCPF and the World Bank which agreed on the FCPF grant in May 2011.⁹⁸

While the Indonesian Government agencies concerned with the REDD preparation process obviously had difficulties to comply with the required standards, the UNFCCC, the World Bank, and the FCPF emphasize safeguard policies and make their standards obligatory for the REDD Readiness Preparation process, which is closely monitored by NGOs and academic observers on the national

⁹² See National Forestry Council 2006, DTE 2006 [Indonesia's Forestry Congress IV: hope and reality](#), accessed June 2014, World Bank 2011: 78-79.

⁹³ See MoF 2008a, FCPF 2009, World Bank 2011.

⁹⁴ See FCPF 2009.

⁹⁵ See the REDD-monitor 2010 [World Bank's FCPF in Indonesia fails to address civil society concerns](#), accessed June 2014, and FPP et al. 2011.

⁹⁶ See FCPF 2014 [Indonesia](#), accessed June 2014.

⁹⁷ See FCPF 2009: 18, see also Sawit Watch/AMAN 2009 and World Bank 2010.

⁹⁸ See FCPF 2011 [Grant agreement](#), accessed May 2014.

and international level.⁹⁹ To assess if and how the proposed REDD+ Readiness support activity complies with World Bank safeguard policies was a major objective of the World Bank Assessment Note on Indonesia's REDD Readiness Preparation Proposal in 2011.¹⁰⁰ The final R-PP is approved in this assessment but supposed to present a high level of risk because a successful REDD+ mechanism involves important changes to the existing institutional framework and touches sensitive issues, such as land tenure rights and revenue distribution across government levels. Key risks were identified with regard to stakeholder participation, the inclusion of forest dependent and indigenous people, governance and land rights issues, environmental and social safeguards, fraud and corruption, as well as economic impacts.¹⁰¹

The major instruments to mitigate these risks and to account for World Bank and FCPF safeguards policies and standards are an extensive consultation and participation process, as well as a Strategic Environmental and Social Assessment (SESA) and an Environmental and Social Management Framework (ESMF) as adequately budgeted key components of the R-PP, which is emphasized throughout the assessment. The SESA is negotiated and agreed upon in separate terms of reference and allows for the integration of social and environmental considerations into the REDD+ Readiness process, participation in identifying and prioritizing key issues, assessments of policies and problems, as well as recommendation and the disclosure of findings. The ESMF is supposed to be based on the SESA and to set out the principles, rules, guidelines, and procedures to assess potential environmental and social impacts and risks, and to contain measures to reduce, mitigate, and/or offset adverse environmental and social impacts and enhance positive impacts and opportunities of future Demonstration Activities.¹⁰²

In the World Bank Assessment Note, the SESA and ESMF are assessed as to be of particular strategic value because they apply directly to the policy framework for REDD+ and to future REDD+ projects respectively, and will be highly important as safeguard mechanisms once Indonesia enters the investment phase of REDD+ (phase 2). The ESMF recommended safeguard instruments are supposed to apply to investments financed by the World Bank and by other Donors willing to use World Bank safeguard policies, which is particularly significant because the program is deemed to have a high visibility internationally.¹⁰³ In Indonesia's Mid Term Progress Report to the FCPF these safeguard requirements focusing on the use of a strategic environmental and social assessment (SESA) and the environmental and social management framework (ESMF) as a key output of the SESA are referred to and adopted as "the Common Approach" which is to be integrated and implemented with a national Safeguards Information System (SIS).¹⁰⁴

Safeguards as a conceptual key component are not only crucial with regard to the FCPF grant, but also for the whole REDD readiness process in the context of the UNFCCC and particularly the Cancun agreements. The COP 16 requested parties undertaking REDD+ activities to develop a system for providing information on how the safeguards agreed upon in Cancun are being addressed in REDD+ implementation and Indonesia is developing a Safeguard Information System (SIS) referring to COP 16 and COP 17 decisions. For this purpose, a multi-stakeholders process has been carried out over the years 2011-2012 to identify elements of existing instruments relevant to REDD+ safeguards in accordance with the Cancun Agreement. As a result of this process, a report presenting draft principles, criteria and indicators from existing instruments relevant for REDD+ safeguards implementation was published by the Centre for Standardisation and Development at the Ministry of

⁹⁹ See e.g. HuMa 2010, Steni 2010, 2012, Greenpeace 2012b, Steni/Hadad 2012, Sukadri 2012.

¹⁰⁰ World Bank 2011, see also FCPF 2011b.

¹⁰¹ World Bank 2011: 17-19, 26.

¹⁰² See FCPF 2011a.

¹⁰³ World Bank 2011: 17-19, 26-27.

¹⁰⁴ Indonesia 2014: 27-28.

Forestry in 2013. The GIZ and particularly the FORCLIME programme were significantly involved in this process.¹⁰⁵

The report refers to already existing safeguards instruments in Indonesia, which are supposed to be in general adequate to provide a basis for developing appropriate Principles, Criteria and Indicators for a COP 16 safeguards specific framework, with the caveat that strengthened standards of implementation of the instruments and stronger over-arching coordination may be necessary. Overall the safeguards analysed are assessed to be best at ensuring good governance, respect for indigenous people, and for ensuring appropriate stakeholder engagement, while existing safeguards covered are deemed to be weak, or non-existent, for ensuring the permanence of carbon stocks and preventing leakage. However, the implementation of safeguards is supposed to be "challenging", particularly regarding the needs to be adapted to local conditions, to be practically implementable, and to satisfy international requirements.¹⁰⁶

With regard to the implementation of safeguards policies, the Mid Term Progress Report to the FCPF in May 2014 asserts that the National Safeguards Information System (SIS) has been built based on existing safeguards systems and is currently being tested in Kalimantan, while the integration of different approaches of the Ministry of Forestry and the REDD+ Task Force has been addressed.¹⁰⁷ Remaining gaps are identified as the need to integrate various safeguards initiatives in order to make them operational and easily monitored, a need to increase guidance and capacity development for project sponsors to implement safeguards approaches, the testing of safeguard approaches and their integration into the ESMF and subnational REDD+ systems, the improvement of capacities of Forest Management Units to implement safeguard, and the establishment of a legal framework for applying safeguards for REDD+ developers.¹⁰⁸

In the REDD+ National Strategy developed by the Indonesian REDD+ Task Force safeguards are also addressed, particularly in the context of one of the "five main pillars" that constitute the national REDD+ strategy conceptualised as Inclusion and Involvement of Stakeholders, which includes provisions regarding strategies for stakeholder participation, the implementation of principles of free, prior, and informed consent, the safeguards framework and information system, and benefit sharing.¹⁰⁹ The extensive consultation process preceding the establishment of the REDD+ National Strategy, which aimed to provide for equitable involvement of all stakeholders, was led by the UNREDD.¹¹⁰ UNREDD together with the National Forestry Council have also supported the development of national guidelines for Free, Prior and Informed Consent (FPIC).¹¹¹

While safeguard policies established by international environmental and developmental institutions have been gradually integrated into the national conceptual and legal frameworks regarding forest

¹⁰⁵ Centre for Standardization and Environment 2013. See also MoF 2012b, Sukadri 2012, Masripatin 2013.

¹⁰⁶ Centre for Standardization and Environment 2013: 6-8, 29.

¹⁰⁷ Indonesia 2014: iv. At about the same time when the MoF started to develop a Safeguards Information System (SIS) to comply with UNFCCC safeguard standards in early 2011, a largely independent process to determine Principles, Criteria, and Indicators for REDD+ Safeguards in Indonesia (PRISAI) has been started by the REDD+ Task Force focusing on the provincial level. Seemingly both efforts are not very well coordinated and need to be aligned (see PRISAI 2012, Masripatin 2013, Putro et al. 2013, Indonesia 2014: 9-13).

¹⁰⁸ See Indonesia 2014: 10.

¹⁰⁹ See Indonesian REDD+ Task Force 2012: 7, 26-32. In 2013 the REDD+ Agency was established to succeed the REDD+ Task Force with increased competences and responsibilities. The REDD+ Agency is mandated to integrate and institute safeguards in the REDD+ framework. At the project level, the picture is varied. While some projects are implemented accounting for safeguards, many projects of bilateral development cooperation in the context of the REDD+ preparatory process do not adequately apply safeguard policies. For a comprehensive study see HuMa 2010.

¹¹⁰ In total, more than 300 experts representing more than 200 local, national, and international organisations participated in the 7 regional and national REDD+ strategy public consultations. The process produced three public drafts ahead of the strategy being launched by the REDD+ Task Force in September 2012. (See REDD desk 2013 [REDD in Indonesia](#), accessed August 2014.)

¹¹¹ See National Forestry Council/UNREDD Programme Indonesia 2011.

policies and the REDD process, NGOs and forest dependent people addressed by these safeguards are much less satisfied with regard to their implementation, effectiveness and adequacy. In March 2014, the Forest Peoples Programme and Indonesian partner organisations co-hosted an international workshop on deforestation and forest peoples' rights that resulted in the Palangka Raya Declaration on Deforestation and the Rights of Forest Peoples.¹¹² Representatives of forest peoples, indigenous peoples, local communities, farmers, rubber tappers, rattan collectors, and peat land dwellers from Asia, Africa and Latin America, as well as supportive environmental, human rights and social nongovernmental organisations, gathered in Palangka Raya in Central Kalimantan to review and share experiences and assess the progress made to curb deforestation and secure rights and livelihoods of forest dependent people.

Regarding the situation in Indonesia they came to the conclusion that deforestation is accelerating despite government promises to reduce greenhouse gas emissions, while the national laws on lands and forests fail to secure rights of forest dependent people and many rural communities are being rendered landless. They assert that despite a moratorium on new concessions in forests, clearance for oil palm, timber estates, energy crops and mining is intensifying and hard fought-for legal gains are not being followed up on by the executive.¹¹³

In their assessment, global efforts to address deforestation through market mechanisms promoted by agencies like the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UNREDD) and the World Bank are failing, not just because viable markets have not emerged, but because these efforts don't take into account the multiple values of forests and in practice fail to respect their internationally recognised rights, despite standards to the contrary. By way of supporting imposed development schemes, they argue, many of these agencies even promote the take-over of their lands and territories thereby further undermining national and global initiatives aimed at protecting forests.¹¹⁴

Emphasizing distinctive ways of life based on long familiarity with forests and how to make a living from them without destroying them as well as particular institutions, customary laws and knowledge systems, they claim that a lack of respect for their different way of life is a major underlying cause of forest destruction, discrimination in their dealings with national and international society, and abuses of their rights to lands and territories. At the same time they perceive their different way of life and relations to lands and forests as a more promising approach to forest conservation and invoke rights to lands, territories and resources, self-governance, own institutions and customary laws as well as non-discrimination and food security acknowledged by the international community in various agreements and commitments.

Being particularly impacted by forest policies and REDD+ activities they welcome the potentially positive safeguard standards of the international institution, even though claiming that they are not adequately observed and in risk to be undermined by the lack of robust national, legal and governance reforms to ensure respect for forest peoples' rights. Recognising that in some countries advances have been made to revise Constitutions and adopt new laws that respect the rights of indigenous peoples, reform forest tenures, and encourage community based forest management, while many obstacles may remain in terms of implementation, they hope that these cases point the way for other countries to follow.¹¹⁵

¹¹² See FPP 2014 [Palangka Raya Declaration](#), accessed June 2014.

¹¹³ Palangka Raya Declaration 2014: 2.

¹¹⁴ Palangka Raya Declaration 2014: 2-4.

¹¹⁵ Palangka Raya Declaration 2014: 4-6.

In their common declaration they urge governments, international agencies and the international community to:

- halt the production, trade and consumption of commodities derived from deforestation, land grabs and other violations of the rights of forest peoples
- stop the invasion of forest peoples' lands and forests by agribusiness, extractive industries, infrastructures, energy and green economy projects that deny our fundamental rights
- take immediate and concrete actions to uphold forest peoples' rights at all levels including the right to land, territories and resources, the right to self-determined development and to continue to own, control and manage our lands according to our knowledge and livelihoods.

They further announce their intention to form a global grassroots accountability network to independently monitor, document, challenge and denounce forest destruction and associated violations of forest peoples' rights.¹¹⁶

¹¹⁶ Palangka Raya Declaration 2014: 1.

2.2 German development cooperation and forest related funding in Indonesia

2.2.1 Context of German bilateral development cooperation in Indonesia

According to statements of the BMZ as well as the German Foreign Office (AA), relations between Indonesia and Germany are long established, intensive, and good.¹¹⁷ Technical cooperation with Indonesia began already in 1958. On behalf of the BMZ, the GTZ (now GIZ) has been working in Indonesia since 1975 and opened its office in Jakarta the same year. In recent years, Indonesia has become particularly interesting for development cooperation and as a strategic partner for Germany, as well as for international investment, due to outstanding macroeconomic data and as one of the largest internal markets in South-East Asia with substantial development prospects.¹¹⁸ Together with India, Brazil, Mexico and South Africa, Indonesia counts among the global development partners of German development cooperation. These five countries are regarded as future major regional powers with a key role in resolving global development issues.¹¹⁹ Since 2007 Indonesia is classified as a middle-income country in transition and the German Foreign Office asserts a marked increase in mutual interest recently, while the BMZ refers to current changes of development cooperation with Indonesia and a transition towards a "partnership between equals".¹²⁰

For some years, Indonesian-German cooperation has focused on three jointly defined priority areas which had been reaffirmed at government negotiations in October 2011¹²¹:

- Climate protection and sustainable development,
- Private-sector promotion,
- Good governance and decentralisation.

In addition to these three priority areas, both sides in 2011 also agreed to cooperate on establishing a social security system and to continue health policy measures already under way. Indonesia (together with Sri Lanka) was also in the focus of German reconstruction aid after the tsunami disaster of 2004,¹²² and help was likewise provided following the 2009 earthquake in Indonesia¹²³. Since 1979 a successful bilateral agreement on cooperation in science and technology between Germany and Indonesia exists and in 2008 the German Federal Government has decided to step up international cooperation in research and technology with a special focus on Asia and Indonesia.¹²⁴

In the context of government negotiations in November 2013, the priority areas of bilateral development cooperation have been reframed as:

- Energy and climate change,
- Inclusive growth,
- Good governance and global networks.

¹¹⁷ See BMZ 2014 [Indonesia: Situation and Cooperation](#), accessed June 2014, and AA 2014 [Indonesia](#), accessed June 2014.

¹¹⁸ On the economic context of German development cooperation see also Chapter 3.

¹¹⁹ See GIZ 2014 [Indonesia](#), accessed June 2014.

¹²⁰ See AA 2014 [Indonesia](#), accessed June 2014, and BMZ 2013 [Dirk Niebel leaves for visit to Indonesia](#) (07.01.2013), accessed June 2014.

¹²¹ See BMZ 2014 [Indonesia: Situation and Cooperation](#), accessed June 2014, and AA 2014 [Indonesia](#), accessed June 2014. Both websites were not updated regarding the changes of priority areas in November 2013 according to GIZ!

¹²² Between 2005 and 2009, the German government made a total of 500 million euros available to Indonesia, making it the largest bilateral donor for post-tsunami reconstruction. Another 670 million euros to help victims of the disaster were donated by the German public. (BMZ 2014 [Indonesia: Situation and Cooperation](#), accessed June 2014)

¹²³ See AA 2014 [Indonesia](#), accessed June 2014.

¹²⁴ In the area of biotechnology, work on biodiversity is continuing and in June 2013 a joint strategy to identify medically relevant substances based on biodiversity was adopted. In the area of environmental research, German Research Foundation's (DFG) special research area on the ecological and socio-economic function of tropical forests and the analysis of monocultures, focusing on Jambi, Sumatra, commenced work with an opening workshop in June 2012. The long-standing cooperation in marine research is continuing with the launch of the Science for the Protection of Indonesian Coastal Ecosystems (SPICE) III project. Research here focuses on marine biodiversity, climate change and coral reef and mangrove ecology (see AA 2014 [Indonesia](#), accessed June 2014).

These redefinitions of the priority areas of German-Indonesian development cooperation seem to indicate shifts in the foci of all three areas, particularly a new focus on energy issues, equity in development processes, and the global context of governance.¹²⁵

Germany has been consistently among the major donors of ODA to Indonesia since 2002 and the relations between Germany and Indonesia are frequently characterised as particularly amicable. In 2012, net ODA from Germany to Indonesia amounted to 33.3 million USD, which made Germany the fourth-biggest bilateral donor in terms of net ODA, after Australia which provided by far the largest amount amounting to 606 million USD, the United States providing 131 million USD, and Korea with 37 million USD, which was not among the major donors during 2002-2012 (see Figure 3-9).

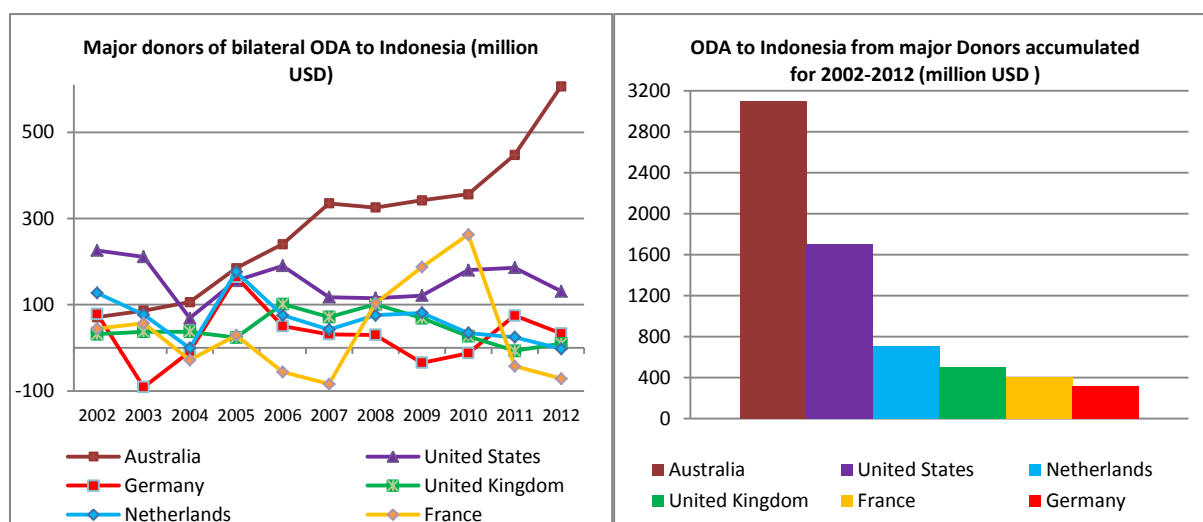


Figure 2-9: Major donors of ODA for Indonesia

In 2012, Indonesia received a total of about 2.3 billion USD gross ODA from All Donors, including some 126 million USD from Germany. 81.9% of the German ODA was given as grant and the mean share of grants over the period 2002 to 2012 was 72.3%. With regard to All Donors ODA, the mean share of grants over this period was 47% while 53% of the ODA was given as loans (see Figure 3-10).

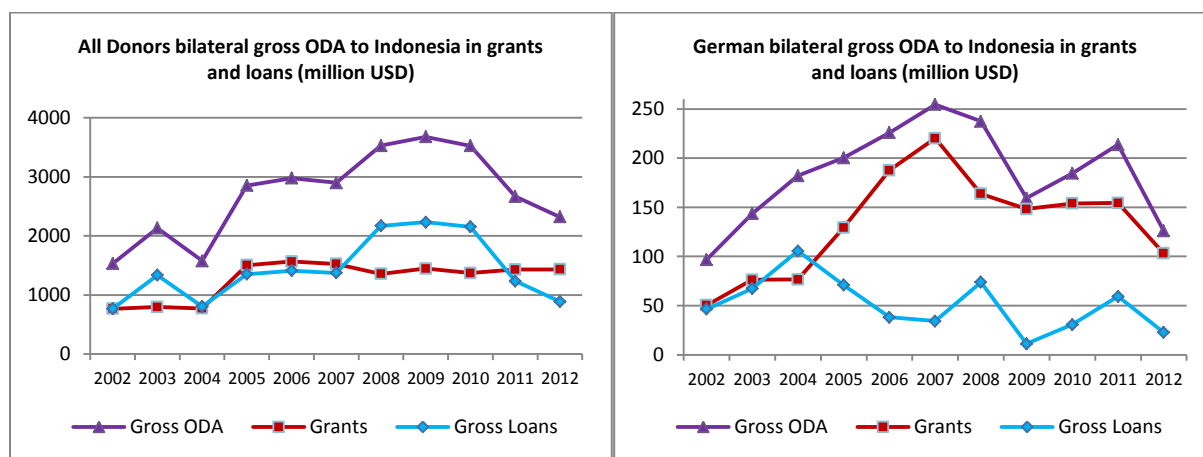


Figure 2-10: Bilateral gross ODA in grants and loans to Indonesia by all donors and Germany

In terms of net ODA, Indonesia in 2012 altogether received only about 67.8 million USD which comes up to less than 0.01% of the country's GDP in 2012 or some 0.27 USD per capita.¹²⁶ Germany

¹²⁵ See GIZ 2014 [Indonesia](#), accessed June 2014.

provided 33.3 million USD net ODA for Indonesia in 2012 and 2.6% of the total bilateral net ODA to Indonesia between 2002 and 2012. Imputed multilateral ODA from All Donors to Indonesia exceeded bilateral net ODA in 2012 and was calculated at a total of 265.2 million USD including about 25.9 million USD of multilateral ODA from Germany. Apart from bilateral and multilateral ODA, German NGOs provided additional 16.8 million USD for development projects in Indonesia which were reported to the BMZ.¹²⁷ (See Figure 3-11)

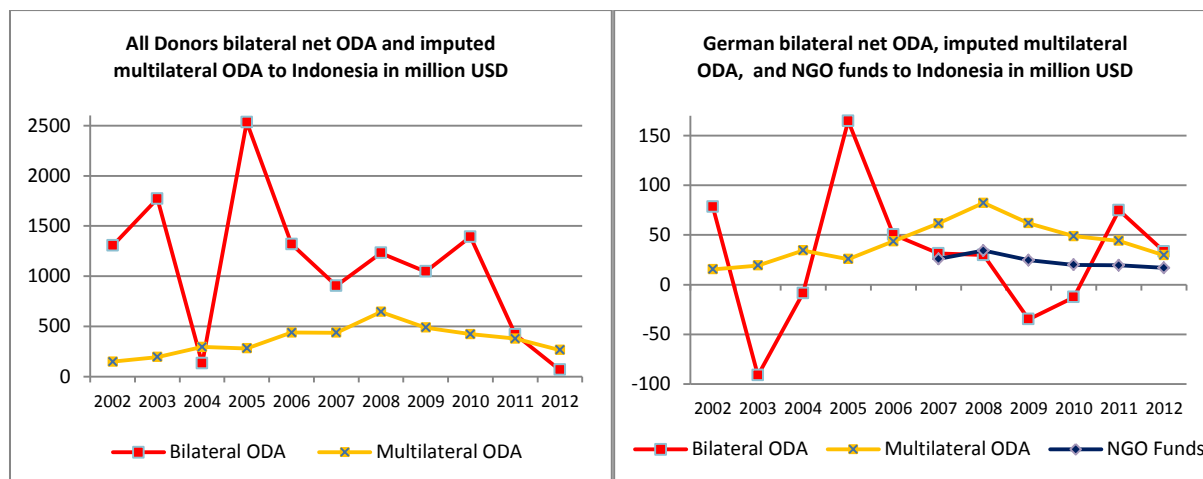


Figure 2-11: Imputed multilateral ODA by all donors and Germany

The rather small amount of total net ODA is due to considerable loan repayments to major donor countries, particularly to Japan which in 2012 received 1.7 billion USD as loan repayments from Indonesia. Over the period 2002 to 2012 loan repayments to Japan amounted to almost 12 billion USD, some 1.5 billion USD were paid back to Germany, as well as about 0.9 billion to France and 0.8 billion to the United States. Debt reliefs have been insignificant with regard to Indonesia. (See Figure 3-12)

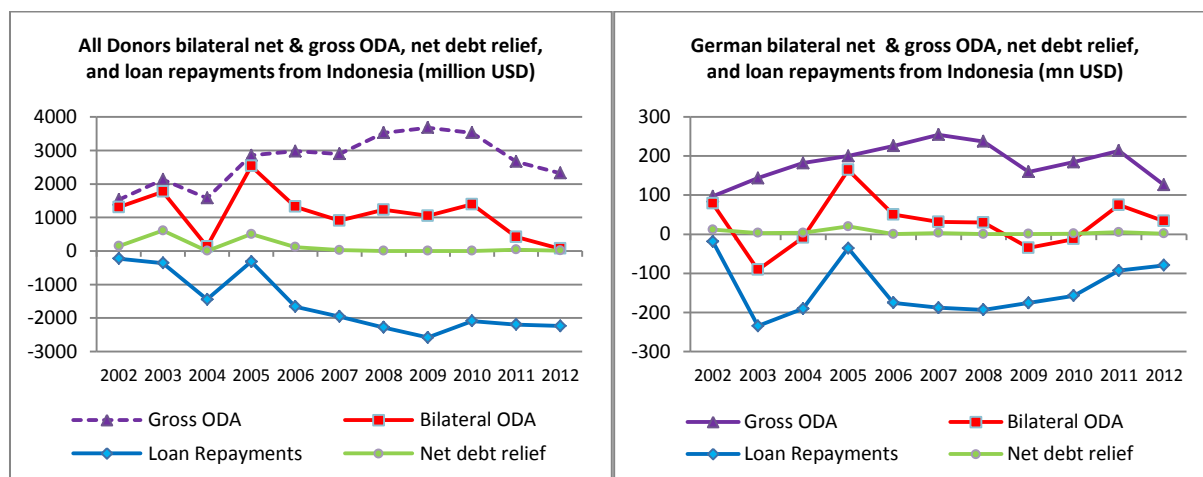


Figure 2-12: ODA, Loan Repayments, and Debt Reliefs by all donors and Germany

German bilateral ODA to Indonesia is predominantly channelled through the public sector with an average share of 83.5% over the period 2002-2012, while NGOs and civil society accounted for 6.3%

¹²⁶ For a comparison of the significance of ODA in terms of national economies between the three case study countries see Chapter 3.3.

¹²⁷ See BMZ 2014 [Bi- und multilaterale Netto-ODA nach Ländern 2008-2012](#), accessed June 2014, BMZ 2014 [Leistungen von NGOs aus Eigenmitteln an Entwicklungsländer 2008-2012](#), accessed June 2014, and BMZ 2014 [Bilaterale ODA nach Instrumenten und Ländern 2012 im Detail](#), accessed June 2014.

and multilateral organisations for 1.0%. Public-Private-Partnerships have not been recorded for this period. With regard to All Donors ODA the public sector is also the primary channel accounting for 52.2%, while NGOs and civil society had a share of 4.7%, multilateral organisation 9.2%, and PPPs 0.15% for the period from 2006 to 2012. (See Figure 3-13)

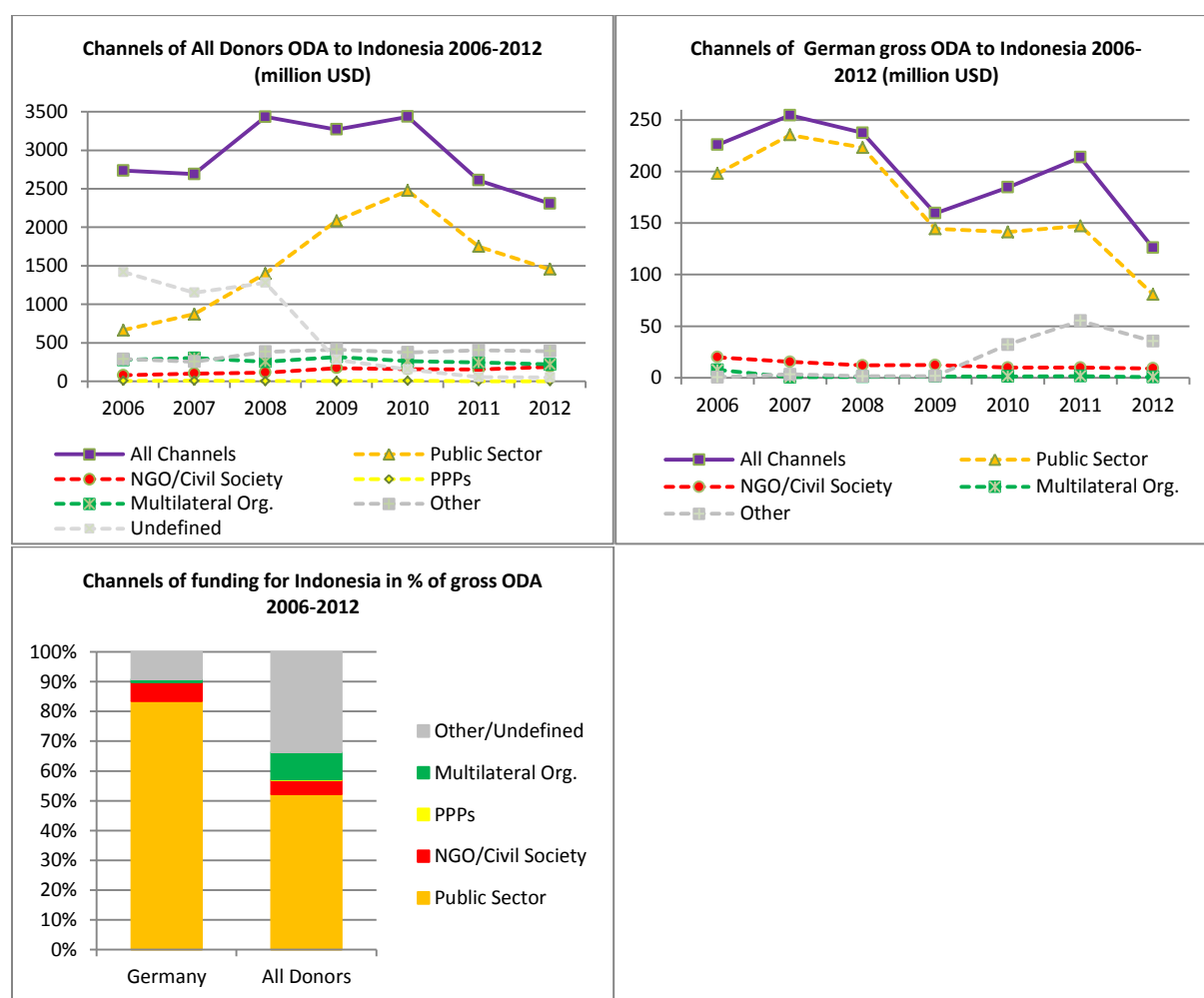


Figure 2-13: Channels of funding of All Donors and German ODA to Indonesia

In terms of sector funding, the sectors Education (DAC code 110), Transport & Storage (210), and Action relating to debt (DAC code 600) received the largest shares of German ODA, accounting for 22.3%, 17.9%, and 13.5% of all sector ODA over the period 2002-2012 respectively. Other major sectors in terms of amounts of funding are Health (120) with a share of 9.6% and Government & Civil Society (DAC code 150) with 7.2% of total German sector ODA over the period 2002-2012. Forestry (312) and General Environment Protection (410) on average over this period together accounted for about 5.6%, with a general tendency to increase over this period. This tendency to increase in terms of shares of sector ODA seems even to be accelerating if one looks at commitments for the coming years up to 2016 recorded in the IATI data on German development programs in Indonesia, where the Forestry and Environment Protection sectors together account for 29.7% of all sector ODA (see also below). (See Figure 3-14)

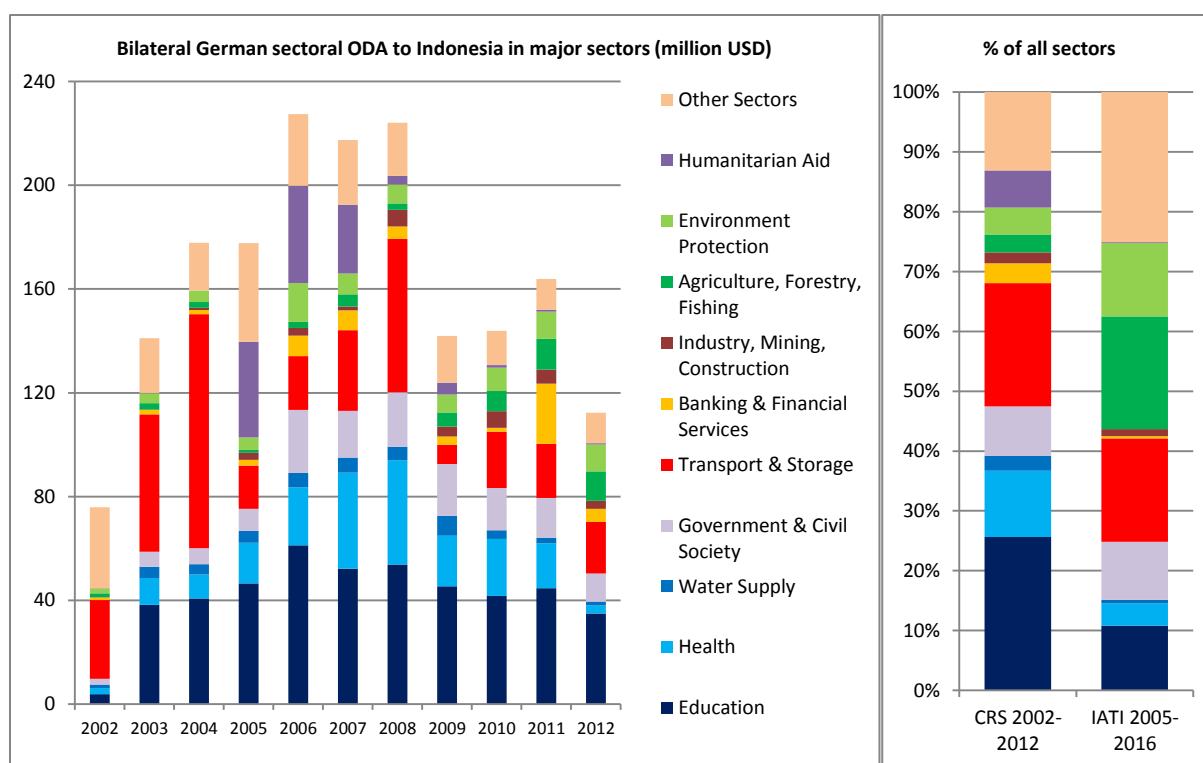


Figure 2-14: German ODA to Indonesia by sector (disbursements and commitments)

2.2.2 Actors and programs of German development cooperation in Indonesia

The leading government agency responsible for German development cooperation is the Federal Ministry for Economic Cooperation and Development (BMZ). However, various other public agencies and actors are engaged in development cooperation.¹²⁸ Funding for Indonesia comes predominantly from the BMZ and the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB). Considerable amounts are also provided from other government agencies like the Federal Ministry of Education and Research (BMBF), the Federal Ministry for Economic Affairs and Energy (BMWi) and the German Federal Foreign Office (AA). NGOs like the World Wide Fund for Nature (WWF), the Frankfurt Zoological Society (FZS) and the Naturschutzbund Deutschland (NABU), as well as the Evangelische Zentralstelle für Entwicklungshilfe (EZE) and the Katholische Zentralstelle für Entwicklungshilfe (KZE) have also provided funds for Indonesia. Official Indonesian partner of German development cooperation is the State Ministry of National Development Planning (*Badan Perencanaan Pembangunan Nasional, BAPPENAS*). Other Indonesian ministries, institutions and organisations are involved as required by the particular programs and projects.

The major actor of German development cooperation in Indonesia is the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The sole shareholder of GIZ is the Federal Republic of Germany, represented by the Federal Ministry for Economic Cooperation and Development (BMZ)

¹²⁸ In 2012 the BMZ had a share of 60.6% in the total bi- and multilateral German ODA, the Federal Foreign Office (AA) provided 9.3%, the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) 1.3%, and the Federal Ministry of Education and Research (BMBF) 1%, while another 7.2% came from the Federal States, 6.6% out of the Federal Property, and 3.6% was provided by the Deutsche Investitions- und Entwicklungsgesellschaft (DEG/KfW). (See BMZ 2014 [Mittelherkunft der bi- und multilateralen ODA 2011-2012](#), accessed June 2014.) For detailed information on sources and allocation of funds see Deutscher Bundestag 2011, 2012, 2013.

and the Federal Ministry of Finance (BMF).¹²⁹ Besides the BMZ, other parties that commission GIZ to carry out projects with Indonesia include the BMUB, the AA and the European Union (EU). The GIZ office in Jakarta is also responsible for regional projects implemented in conjunction with the ASEAN Secretariat. The second major actor of German development cooperation in Indonesia is the KfW Development Bank which is owned by the Federal Republic of Germany and her States.¹³⁰ The KfW office in Jakarta is located just next-door to the GIZ main office in the same building and the two organisations cooperate in many programs. In such joint programs, the KfW part is generally labelled as 'Financial Cooperation' (FC), while the GIZ part is normally denominated as 'Technical Cooperation' (TC). These two organisations are responsible for the implementation of the majority of German development programs and projects in Indonesia. However, various other actors including intergovernmental organisations (IGOs), nongovernmental organisations (NGOs), churchly organisations, academic institutions, and private enterprises are involved in the implementation of German development projects in Indonesia (see below).

The GIZ as primary implementing organisation of the BMZ assigns their programs to five target areas which are not directly related to the three priority areas agreed on between the governments of Germany and Indonesia but are relevant in this context.¹³¹ The broad groupings distinguished by the GIZ are: Sustainable Infrastructure, Social Development, Governance and Democracy, Economic Development and Employment, as well as Environment and Climate Change.

In the category ***Sustainable Infrastructure***,¹³² three of the five programs are related to energy issues and two are referring to transportation problems. The programs [Energising Development \(EnDev\)](#) (executing agency Ministry of Energy and Mineral Resources (EBTKE), term 2009 - 2018) and [Sustainable Urban Transportation Improvement Project \(SUTIP\)](#) (executing agency Indonesian Ministry of National Development Planning (BAPPENAS), term: 2009 to 2016) are commissioned by the BMZ, while the program [Promotion of Least Cost Renewables in Indonesia \(LCORE-INDO\)](#) (executing agency Directorate General of New, Renewable Energy and Energy Conservation (NREEC), term 2012 - 2015) is funded by the BMUB. The two programs [Regional Programme 'Cities – Environment – Transport'](#) (executing agency ASEAN Secretariat, term 2013 - 2015) and [Renewable Energy Support Programme for ASEAN \(ASEAN RESP\)](#) (executing agency ASEAN Centre for Energy (ACE), term 2009 - 2013) are regional programs addressing the ASEAN countries and are both funded by the BMZ.

Three of the five ***Social Development*** programs are health related, all of them commissioned by the BMZ. While the programs [Surges in demand for health services: evaluating health system impacts and capacity to respond in countries with limited resources](#) (executing agency Ministry of Health, term 2011 - 2013) and [Combating Contagious Diseases: Interactive Influenza Preparedness Exhibitions and Programs](#) (executing agency Science and Technology Centre of Indonesia (IPTEK), term 2011 - 2012) are focusing on Indonesia, the program [Fit for School – Effective school health programme](#) (executing agency SEAMEO INNOTECH / Department of Education of the Autonomous Region in Muslim Mindanao, term 2011 - 2014) is a regional program including the Philippines, Indonesia, Cambodia, and Laos. The [Social Protection Programme \(SPP\)](#) (executing agency BAPPENAS, term 2014 - 2015) which is also commissioned by the BMZ supports the development of a social protection system in Indonesia, and the [Project for Training, Education and Consulting for Tsunami Early Warning System \(PROTECTS\) – Capacity Development in Local Communities](#) (executing agency Ministry for Research and Technology (RISTEK), term 2011 - 2014) which is commissioned by

¹²⁹ GIZ 2014 [Indonesia](#), accessed June 2014. In 2013/2014 GIZ employs around 350 staff in Indonesia, including 50 seconded and 260 national personnel, 22 development workers and 13 CIM experts.

¹³⁰ See Thies 2011.

¹³¹ GIZ 2014 [Indonesia](#), accessed June 2014.

¹³² Two programs listed under Sustainable infrastructure in 2013 are not listed in 2014: [Mini Hydro Power Project for Capacity Development \(MHPP\)](#); and [Green PNPM Micro Hydro Power – Technical Support Unit \(MHP-TSU\)](#).

the German Research Centre for Geosciences (GFZ) and financed by the German Federal Ministry of Education and Research (BMBF) supports measures to facilitate the effective use of a Tsunami Early Warning System which has already been established in a previous program.

The three bilateral programs in the category **Governance and Democracy** are all commissioned by the BMZ. They are designated to [Strengthening Women's Rights \(SWR\)](#) (executing agency Ministry of Women Empowerment and Child Protection (MOWECP), term 2010 - 2014), [Decentralisation as a Contribution to Good Governance \(DeCGG\)](#) (executing agency: Indonesian Ministry of Home Affairs (MoHA), term 2010 - 2014), and [Assistance in Prevention and Campaign against Corruption \(KPK\)](#) (executing agency Indonesian Corruption Eradication Commission (KPK), term 2007 - 2015). A regional program termed [Capacity Building for the ASEAN Secretariat \(CB ASEC\)](#) (executing agency ASEAN Secretariat, term 2008 - 2015) is funded by the German Federal Foreign Office (AA) and addresses all 10 ASEAN Member States.

Only one of the six programs dedicated to **Economic Development and Employment** labelled [Local and Regional Economic Development \(RED\)](#) (term 2013 - 2016) and commissioned by the BMZ is exclusively focusing on Indonesia and conceptualised as a pilot project without a lead executing agency. The program [Regional leadership and capacity development in TVET](#) includes Indonesia, Laos, and Viet Nam (executing agencies MoMT, MoEC (Indonesia); MoLISA, MoET (Viet Nam); MoE, MLSW, (Laos), term 2012 - 2013) and the program [Competition Policy and Law in ASEAN \(CPL\)](#) (executing agency ASEAN Secretariat, term 2011 - 2014) addresses all ASEAN countries, both programs funded by the BMZ. Two more programs related to Economic development and employment, [Supporting the Make it in Germany welcome portal \(BMW-i\)](#) and [Sustainable economic development through technical and vocational education and training \(SED-TVET\)](#), include the countries India, Indonesia, and Viet Nam and are both commissioned by the German Federal Ministry for Economic Affairs and Energy (BMWi) (executing agencies Ministry of Overseas Indian Affairs; Ministry of Manpower and Transmigration, Indonesia; Ministry of Labour, Invalids and Social Affairs, Viet Nam, term 2012 - 2014).

Three of the five programs listed under **Environment and Climate Change** are focusing on Indonesia and two have a regional scope. With regard to Indonesia, the BMZ has commissioned the [Forests and Climate Change Programme \(FORCLIME\)](#) (executing agency Indonesian Ministry of Forestry (KEMHUT), term 2009 - 2020) and the program [Policy advice for environment and climate change \(PAKLIM\)](#) (executing agency Indonesian State Ministry of Environment (MoE), term 2009 - 2015) while the BMUB is funding the program [Data and Information Management for Adaptation to Climate Change \(DATACLIM\)](#) (executing agency Indonesian Agency for Meteorology, Climatology and Geophysics (BMKG), term 2011 - 2014, BMUB grant 2 million EUR). The regional programs [ASEAN-German climate change programme: agriculture, forestry and related sectors \(GAP-CC\)](#) (term 2012 - 2015) and [Sustainable Agrifood Systems in South-East Asia \(ASEAN Biocontrol\)](#) (term 2011 - 2013, first phase) are both commissioned by the BMZ with the ASEAN Secretariat as lead executing agency.

Several ongoing programs implemented by the GIZ and funded via the **International Climate Initiative (ICI)** of the BMUB are not listed on the GIZ website but are referred to on the ICI website.¹³³ The two programs exclusively addressing Indonesia are [Biodiversity and climate change](#) (partner institution Indonesian Ministry of Forestry, term 2012 - 2016, BMUB grant 3.8 million EUR) and the program [Optimising cost and benefits in the promotion of renewable energies](#) (partner institution Directorate General of New Renewable Energy and Energy Conservation (NREEC) under the Ministry of Energy and Mineral Resources (MoEM), term 2012 - 2015, BMUB grant 3 million EUR). Three programs are focusing on climate change issues, particularly the [Inventory of Methods for Climate Adaptation](#) (term 2011 - 2013, BMUB grant 3.3 million EUR) which besides Indonesia also addresses

¹³³ See BMUB 2014 [International Climate Initiative](#), accessed June 2014.

Grenada, India, Mexico, the Philippines, South Africa, and Tunisia, the program [Transfer of Climate-friendly Transport Technologies and Measures \(TRANSfer\)](#) (term 2010 - 2013) funded with a BMUB grant of 1.5 million EUR which also includes Colombia and South Africa and works with national transport ministries, national environment ministries, and local authorities as partner institutions, and the program [V-NAMAs - vertically integrated NAMAs for including subnational actors in national climate strategies](#) (partner institutions South Africa: Department of Environmental Affairs (DEA), Indonesia: National Development Planning Agency (BAPPENAS), term 2012 - 2015, BMUB grant 1.9 million EUR) which addresses South Africa and Indonesia. Two programs focusing on marine and coastal ecosystems also have a broader range of involved countries, including Indonesia, Malaysia, and the Philippines in the case of the program [Implementation of a Trilateral Action Plan for the Sulu-Sulawesi Marine Ecoregion \(SSME\)](#) (partner institution Indonesia: Ministry for Marine Affairs and Fisheries (MMAF); Malaysia: Ministry of Science, Technology and Innovation (MOSTI); Philippines: Department of Environment and Natural Resources (DENR), term 2012 - 2017, BMUB grant 7 million EUR), and Bangladesh, Costa Rica, India, Indonesia, Malaysia, Mauritania, Mexico, Philippines, Vietnam with regard to the program [Blue Solutions - Implementation of the Strategic Plan of the Biodiversity Convention in Marine and Coastal Ecosystems](#) (term 2013 - 2018, BMUB grant 6.3 million EUR), generally in cooperation with the respective environmental ministries of the different countries as partner institutions.

The second major actor of German development cooperation is the **KfW Development Bank** which was responsible for the implementation of projects accounting for some 119 million EUR in Indonesia between 2007 and 2012.¹³⁴ On their website they refer to two ongoing projects in Indonesia. The program [Emissionminderungsprogramm in Städten - Abfallmanagement](#) (partner institution Indonesian Ministry of Public Works) is commissioned by the BMZ and supported from the KfW with an 'Entwicklungskredit' of 75 million EUR. The second program [Naturschutzkonzessionen \(Ecosystem Restoration Concessions\) zum Tropenwaldschutz](#) (partner institutions Directorate General of Forestry Production Development (BUK), Directorate General of Forest Protection and Nature Conservation (PHKA), Ministry of National Development Planning (BAPPENAS), term 2012 - 2019) is funded through a BMUB grant of 8.1 million EUR from the ICI¹³⁵ and is implemented together with the Birdlife Indonesia Association, WWF Germany, the Naturschutzbund Deutschland (NABU), and the Frankfurt Zoological Society. A third program which is implemented by the KfW is not referred to on their website but is listed as an ICI program on the BMUB website titled [Climate change mitigation and species conservation in the Leuser ecosystem of Sumatra](#) (partner institutions Indonesian Ministry of Forestry (MoF), Directorate General of Forest Protection and Nature Conservation (PHKA), BAPPEDA Aceh, Gunung Leuser National Park (TNGL), Regional Natural Resources Conservation Bureau (BKSDA) Singkil, term 2013 - 2019) and funded with a BMUB ICI grant of some 8.5 million EUR. Two other ICI projects supposed to have been finished in 2013 likewise focus on the link between environmental protection and climate change. The [Harapan Rainforest - Pilot Restoration of a Degraded Forest Ecosystem on Sumatra](#) (partner institution Indonesian Ministry of Forestry (MoF), term 2009 - 2013) was funded with a BMUB grant of 7.6 million EUR and implemented by the KfW in cooperation with Burung Indonesia, Yayasan Konservasi Ekosistem Hutan Indonesia (Yayasan KEHI), the Royal Society for the Protection of Birds, the Naturschutzbund Deutschland (NABU), and Birdlife International. The program [Securing Natural Carbon Sinks and Habitats in the 'Heart of Borneo'](#) (term 2009 - 2013, BMUB grant 870.000 EUR) was implemented

¹³⁴ Total KfW commitments for Indonesia between 2007-2012 accounted for some 119 million EUR, provided for Emergency response 10 million, Health 11.85 million, Education 22.88 million, Transport & Storage 32.5 million, Agriculture, forestry & fishing 27.72 million, Environment 0.87 million, Banking & financial services 5.09 million, and Energy 7.72 million EUR. (See KfW 2014 [Indonesia](#), accessed May 2014). The Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) - a subsidiary of the KfW which promotes private-sector initiatives in developing and transition countries - made its first commitment in Indonesia in 1972 and has maintained a representative office there since 1988. To date, DEG has provided a total of about 700 million EUR for approximately 60 projects in Indonesia. Its current portfolio comprises of 265 million EUR for around 20 projects. (DEG 2014 [Indonesia](#), accessed June 2014).

¹³⁵ See also BMUB 2014 [Nature conservation concessions to protect tropical rainforest in Indonesia](#), accessed June 2014.

together with WWF Germany and WWF Indonesia while partner institutions also included Borneo Orangutan Survival (BOS), CARE Indonesia, the Ernst-Moritz-Arndt University Greifswald (EMAUG), the University of Palangka Raya (UNPAR), and the Wetlands International Indonesia Programme (WIIP).

The ***International Climate Initiative (ICI)*** of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) is funding climate and biodiversity projects in developing countries and emerging economies, as well as in countries in transition, and provides a sum of at least 120 million EUR annually.¹³⁶ Besides GIZ and KfW, various multilateral organisations, NGOs, research institutes, foundations and private companies are involved in implementing ICI programs, many of them addressing several countries, regions, or even global scales. Exclusively focusing on Indonesia are the programs [Building a Marine Protected Area Network Covering the Lesser Sunda Islands Ecoregion](#) (partner institution Provincial Offices of the Ministry of Marine Affairs and Fisheries (MMAF), term 2013 - 2017) which is funded from the BMUB with a grant of 2.9 million EUR and implemented by The Nature Conservancy (TNC), and the program [Energy Efficiency for Sustainable Tourism in Pangandaran, Indonesia](#) (partner institutions Ministry of Culture and Tourism (MoCT), Institute for Essential Services Reform (IESR), and Indonesian Ecotourism Network (INDECON), term 2010 - 2013) which is implemented by the United Nations World Tourism Organization (UNWTO) with a BMUB grant of 1.2 million EUR.

Four ICI programs have a regional focus on Asia and the Pacific. The program [End-User Finance for Access to Clean Energy Technology in South and South-East Asia](#) (term 2010 - 2014, BMUB grant 5 million EUR) is implemented by the United Nations Environment Programme (UNEP) and the Frankfurt School of Finance and Management in Indonesia and Vietnam together with financial institutions in partner countries. The [NAMA programme for Asia's construction sector](#) (term 2013 - 2017, BMUB grant 5 million EUR) is also implemented by the UNEP together with various government agencies, public and academic institutions in the partner countries China, India, Malaysia, Philippines, Thailand, Vietnam, and Indonesia. Indonesia, Thailand, Vietnam are also the partner countries in the ICI program [Adaptation to Climate Change in Water Resource Management in Coastal Towns and Cities in South-East Asia](#) (partner institution in Indonesia Urban and Regional Development Institute (URDI); in Thailand Community Organizations Development Institute (CODI) and Chumchonchai Foundation; in Viet Nam Ho Chi Minh University of Technology (HCMUT), term 2011 - 2014, BMUB grant 90.000 EUR) which is implemented by the Asian Institute of Technology (AIT). Indonesia, the Philippines, Micronesia, the Marshall Islands, and the Federal States of Palau are addressed with the program [Scaling up innovative, community-based protection of coastal biodiversity in Indonesia, Philippines, and Pacific](#) (term 2013 - 2017) implemented by Rare Inc. with a BMUB grant of 3.4 million EUR.

Several other ICI programs have a somehow global scale including different countries without a regional focus, two of them with a focus on economic development. The World Bank is implementing a program [Partnership for Market Readiness \(PMR\)](#) (term 2011 - 2021) in Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, Peru, Thailand, Turkey, Ukraine, Vietnam funded by a BMUB grant of 5 million EUR in cooperation with ministries in the respective countries. The [Clean Energy Finance Innovation Programme](#) (term 2009 - 2013) implemented by the United Nations Environment Programme (UNEP) together with the Frankfurt School of Finance and Management funded with a BMUB grant of 2 million EUR included Bangladesh, Cambodia, China, India, Indonesia, Mongolia, Nepal, Pakistan, Philippines, and Singapore, cooperating with various financial institutions in the partner countries.

¹³⁶ "Since the ICI was launched in 2008 until the end of 2013, BMUB has initiated 411 projects with funding totalling some 1.45 billion euros. Additional capital contributed by the agencies implementing the projects and co-funding from other public and private sources of national or international origin like the European Union brings the total financing volume disbursed for ICI projects to 3.89 billion euros." See BMUB 2014 [International Climate Initiative](#), accessed June 2014.

Brazil and Indonesia are addressed with the program [Forest and landscape restoration in key countries](#) (partner institutions Brazilian Ministry of the Environment (MMA), Secretariat of Environment of the State of Pará (SEMA); in Indonesia BAPPENAS, Unit for Development Control and Monitoring (UKP4), term 2013 - 2017) implemented by the International Union for Conservation of Nature (IUCN) and the World Resources Institute (WRI) with a BMUB grant of 3 million EUR. [Land-use planning and sustainable biomass production for climate protection](#) (partner institutions in Indonesia Ministry of Public Works and Ministry of Home Affairs, term 2010 - 2013) was in the focus of a program which besides Indonesia and Brazil also included Colombia and which was funded with a BMUB grant of 2.7 million EUR and implemented by the World Wide Fund for Nature (WWF). The United Nations Development Programme (UNDP) is implementing the [Low Emission Capacity Building Programme](#) (term 2010 - 2014) with a BMUB grant of 10 million EUR together with various government agencies in Argentina, Bhutan, Chile, China, Colombia, Costa Rica, Ecuador, Egypt, Ghana, Indonesia, Kenya, Lebanon, Malaysia, Mexico, Moldova, Morocco, Peru, Philippines, Tanzania, Thailand, The Democratic Republic of Congo, Trinidad and Tobago, Uganda, Vietnam, and Zambia. The program [Capacity development in the fields of renewable energy and grid integration \(CapREG\)](#) (term 2014 - 2016, BMUB grant 2 million EUR) includes Ecuador, Indonesia, Mexico, Peru, Philippines, Thailand, and Vietnam, and is implemented the Renewables Academy (RENAC) AG together with the relevant energy ministries in the countries.

Four of the ICI programs with a 'global' scope are focusing on climate change mitigation: [Mitigation Action Implementation Network \(MAIN\) - Stimulating Ambitious Nationally Appropriate Mitigation Actions \(NAMAs\) to Reduce Greenhouse Gases \(GHGs\) in Developing Countries](#) (term 2011 -2013, including Argentina, Cambodia, Chile, China, Colombia, Costa Rica, Dominican Republic, Indonesia, Korea, South Korea, Malaysia, Pakistan, Panama, Peru, Philippines, Singapore, Thailand, Uruguay, and Vietnam, BMUB grant 1.9 million EUR) implemented by the Centre for Clean Air Policy; [Mitigation Action Implementation Network \(MAIN\) Phase II](#) (term 2014 - 2016, Argentina, Chile, China, Colombia, Costa Rica, Dominican Republic, Indonesia, Malaysia, Pakistan, Panama, Peru, Philippines, Thailand, Uruguay, Vietnam, BMUB grant 1.9 million EUR) implemented by the Centre for Clean Air Policy (CCAP); [Mitigation Momentum - Bringing a range of supported mitigation activities in selected countries to the next level](#) (term 2012 - 2014, Chile, Indonesia, Kenya, Peru, Tunisia, BMUB grant 1.9 EUR) implemented by The Energy research Centre of the Netherlands (ECN); and [Mitigation Momentum II](#) (term 2012 - 2015, Ethiopia, Georgia, Indonesia, Kenya, Peru, Thailand, Tunisia, BMUB grant 2.5 million EUR) implemented by Ecofys, all of them in cooperation with the responsible ministries in the different countries.

In June 2014, the major funding and implementing organisations of German development cooperation listed some 54 ongoing programs of development cooperation in Indonesia, covering a time period from 2008 to 2021, most of them with a planning horizon not exceeding 2017.¹³⁷ 19 of these programs are commissioned and funded by the BMZ and 31 are funded by the BMUB, most of them via the ICI. Additionally two programs are funded by the BMWi, one program is funded by the BMBF, and another program by the AA. The leading implementing organisation for 33 programs is the GIZ, while five are implemented by the KfW, six by Intergovernmental Organisations, nine programs are implemented by various NGOs, and one program by an academic institution. Most of

¹³⁷ Only one of the programs was supposed to last until 2021, one until 2020, and one up to 2019. For the purpose of this study, programs with a supposed date of completion of 2013 and later have been regarded as 'ongoing'. For a list of programs see Annex. The 9 programs referred to on the ICI website supposed to have been completed in 2012 or before are: [Combating Contagious Diseases; Biodiversity Conservation through Preparatory Measures for Avoided Deforestation \(REDD+\) in Merang Peat Swamp Forests](#) (€ 1,471,556); [Forest Management Financed through Emission Certificates in UNESCO World Heritage Site 'Tropical Rainforest Heritage of Sumatra'](#) (€ 527,000); [Information and knowledge management for REDD+ pilot projects in Merang peat forests](#) (€ 651,709); [Strategic Support for the Autonomous Village Energy Programme 'Desa Mandiri Energi'](#) (€ 250,000); [Coral Triangle Initiative](#) (€ 1,389,653); [Global Bioenergy Partnership Pilot Project](#) (€ 640,000); [Climate Impacts: GRASP](#) (€ 1,796,915); [Gender Justice in the Climate Debate](#) (€ 132,500).

the programs not implemented by the GIZ are funded via the ICI of the BMUB. 23 of the ongoing programs are only addressing Indonesia, while 31 programs are also including at least one other country besides Indonesia. (See Table 3-12 and Figure 3-15)

Table 2-12: Projects of German development cooperation with Indonesia (2008-2021)

	Lead implementing organisation									
	GIZ 33 (38)				KfW 5		IGOs 6 (8)		NGOs 10 (12)	
	Funding organisation									
	BMZ 18 (19)		BMUB, BMBF, BMWi, AA 15 (19)		BMZ 1	BMUB-ICI 4	BMUB-ICI 6 (8)		BMUB-ICI 10 (12)	
	Indonesia only	Several Countries	Indonesia only	Several Countries	Indonesia only	Indonesia only	Indonesia only	Several Countries	Indonesia only	Several Countries
Energy	1	1	2 (3)				1	2 (3)		1
Infrastructure	1	1		1	1					1
Economy	1	3		2				1		
Health	1(2)	1								
Nutrition		1								
Social security	1									
Disaster help			1							
Human rights	1									(1)
Good governance	2			1						
Climate change	1		2	3 (4)				2		4
Marine ecosystems				2					1	1 (2)
Forests	1	1	1 (3)			4	(1)			2
Total	10 (11)	8	6 (9)	9 (10)	1	4	1 (2)	5 (6)	1	9 (11)

Figures in brackets include programs completed until 2012. For a list of forest related programs see Annex 5.3.3

In terms of problem areas addressed by the programs, 19 programs are predominantly related to energy, infrastructure, and economic growth. Nine of the 54 programs are focusing on social welfare, including two programs addressing health, one program on nutrition, social security, disaster prevention, and women's rights respectively, as well as three programs targeting good governance. Twelve programs are related to climate change issues, four are focusing on marine and coastal ecosystems including mangrove forests, and nine of the 54 ongoing programs are predominantly forest related. (See Table 3-12 and Figure 3-15)

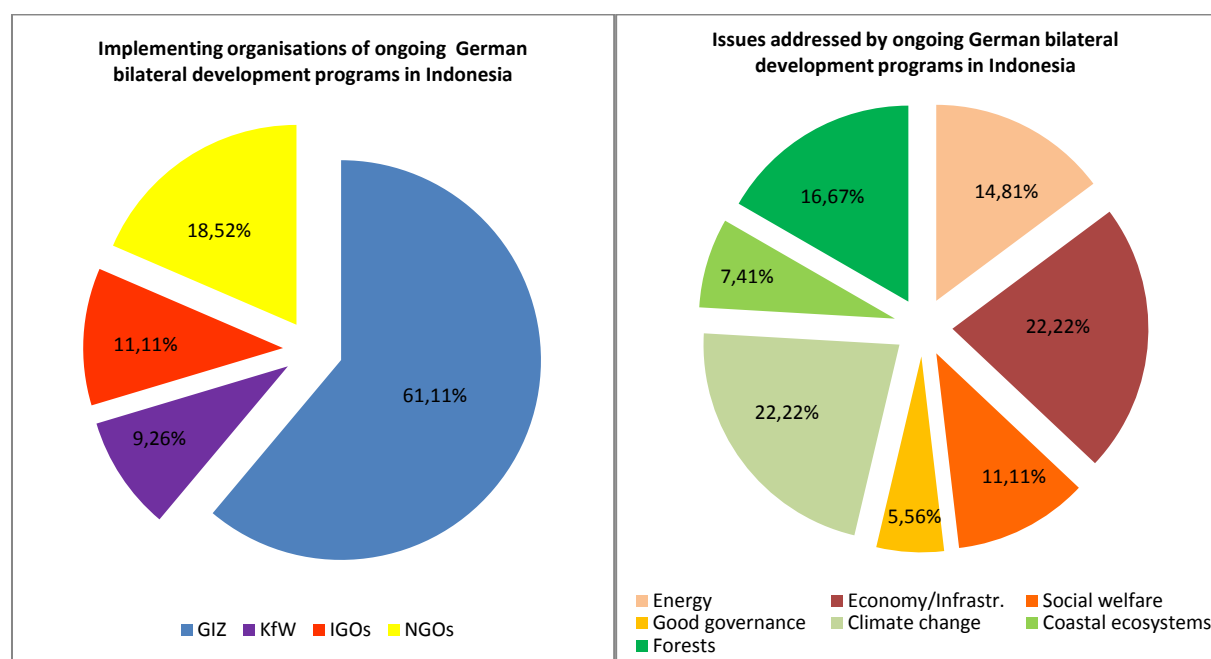


Figure 2-15: Implementing organisations and issues of German development projects in Indonesia

2.2.3 Forest related German development cooperation in Indonesia

In 2014 the German Foreign Office refers to Indonesia as "one of the Earth's three green lungs" and emphasizes German efforts in development cooperation to ensure that in future Indonesian forests and peat lands continue to regulate the climate as natural carbon sinks besides preserving biodiversity and protecting water catchment areas.¹³⁸ Ten years ago, the issue of forests was almost dead in German-Indonesian development cooperation, and the decision-makers in the responsible agencies were reportedly discussing whether to let funding to the forestry sector in Indonesia phase out completely until 2010.¹³⁹

To some extent, this resigning perspective reflected a more general attitude in the international forestry community, referred to in the 2006 World Bank report regarding forest assistance to Indonesia. The report asserts that while in 1993 at least 40 donors were supporting more than 74 projects in the forestry sector in Indonesia, by 2003 only a small number of foreign-funded projects continued to operate. According to the report, this change was due to perceived weaknesses of past project approaches, the economic crisis and political transitions, the rapid decentralisation process, as well as perceived new opportunities to work directly on governance issues, both inside and outside of the government. From the Indonesian side, at the same time, many donor efforts were judged to be top-down rather than participatory, not fully responsive to stakeholder expectations and concerns, too technically-oriented rather than situated in the political economy of incentives and disincentives, and predominantly output-oriented instead of focusing on progress towards major objectives.¹⁴⁰

The comprehensive 2006 World Bank report with the title "Sustaining Economic Growth, Rural Livelihoods, and Environmental Benefits: Strategic Options for Forest Assistance to Indonesia" accompanied by a World Bank scenario for the period 2006-2009 titled "Sustaining Indonesia's Forests"¹⁴¹ can be seen as a major effort to overcome this impasse of development cooperation in the Indonesian forestry sector and to approach what is labelled Indonesia's forestry crisis with new efforts and strategies. While the World Bank report and the activities involved in its preparation have been influential, the most important trigger for a kind of turn of development cooperation in the forest sector in Indonesia has probably been the growing importance of climate change issues on the international agenda - which has been no issue in the 2006 World Bank report¹⁴² - and Indonesia's dedicated engagement in the REDD+ process since 2007.

Climate change is a major focus of German development cooperation and a priority area in the cooperation with Indonesia. The two countries concluded a strategic partnership on climate change in 2007, focusing on the issues emissions in cities, geothermal energy, and forests. Out of the 54 ongoing German development programs in Indonesia, 24 programs refer to climate change mitigation or adaptation as a primary objective while another 15 programs address climate change issues as secondary objectives or as important context, adding up to 72% of the current development programs referring to climate change issues, including all forest related programs. Many of the

¹³⁸ See AA 2014 [Indonesia](#), accessed June 2014.

¹³⁹ This situation is lively remembered by leading GIZ staff responsible for the establishment of FORCLIME, the major ongoing forestry program in Indonesia (see below).

¹⁴⁰ See World Bank 2006a: 3.

¹⁴¹ See World Bank 2006b.

¹⁴² In the comprehensive 2006 World Bank report comprising more than 200 pages, the term 'climate change' appears only in three marginal instances referring to carbon storage as one of the services forests provide besides other environmental services. In the accompanying strategy scenario of the same year the term 'climate change' is not used at all. (See World Bank 2006a, 2006b) While the World Bank report was finished before the REDD instrument had been established 2007 in Bali, such a marginal reference to climate change issues holds also true for the Indonesia Forestry Outlook Study which the MoF prepared for the FAO and which was published in 2009 (see MoF 2009).

programs of German development cooperation with Indonesia have more or less direct impacts on forests, particularly those addressing climate change, energy, economic development, and governance (see above). However, in the context of the climate change debate, forests re-emerged as a particular, important issue in Indonesian - German development cooperation.

In the context of bilateral development cooperation, programs focusing on forests are predominantly financed over the sectors Forestry (312) and General Environmental Protection (410) (see also Chapter 3.4). In 2012, Germany provided 9.6 million USD ODA for the Forestry sector in Indonesia, which was about 29.4% of the 32.6 million USD ODA provided for the Forestry sector (312) from All Donors. The German share to the Environment sector (410) in Indonesia was about 10.4 million USD or 9.8% of All Donors ODA for the sector in 2012 which amounted to some 106.2 million USD. (See Figure 3-16)

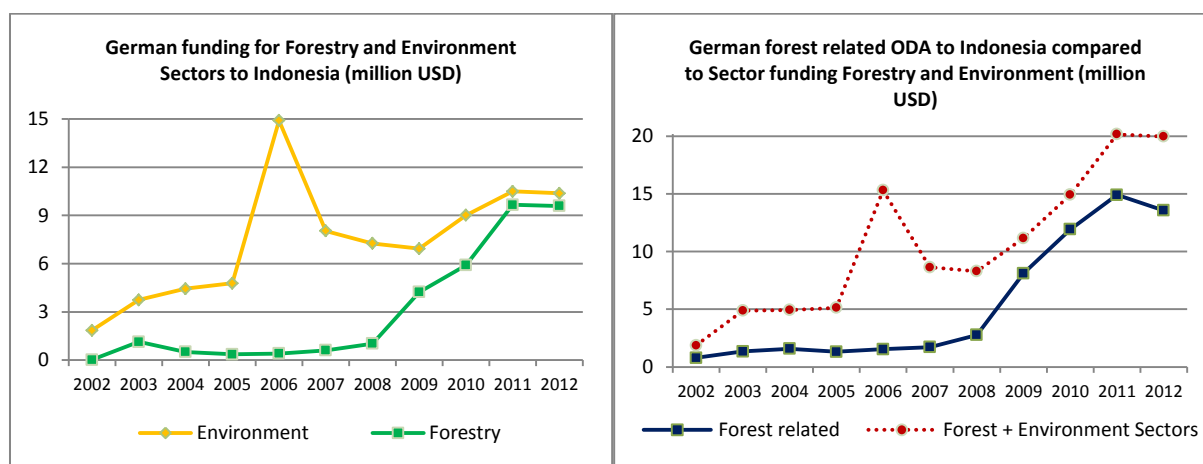


Figure 2-16: ODA for environment and forests in Indonesia

Over the period from 2002 to 2012, German funding for the Forestry as well as the Environment sector on average has increased considerable, with the Forestry sector rising particularly steep since 2008.¹⁴³ The development of Forest related funding shows the same trend in terms total amounts of German ODA provided for forest related projects in Indonesia. The trend of increasing funding for the Forestry and Environment sectors at least to some degree is also observable with regard to All Donors ODA, but is much more pronounced regarding German funding for Indonesia.¹⁴⁴ (See Tab F and Chapters 3.4 and 3.5 for details of analysis.)

¹⁴³ The spike of the German ODA for the Environment sector in 2006 is due to a singular grant of 7.6 million in the context of a program on Marine and Polar Research which is not forest related.

¹⁴⁴ The spikes in All Donors Environment sector funding for the years 2008 to 2010 are predominantly caused by a huge United States programme supporting biodiversity conservation and natural resource management in Indonesia titled "Conserve biodiversity and manage natural resources in ways that maintain their long-term viability and preserve their potential to meet the needs of present and future generations".

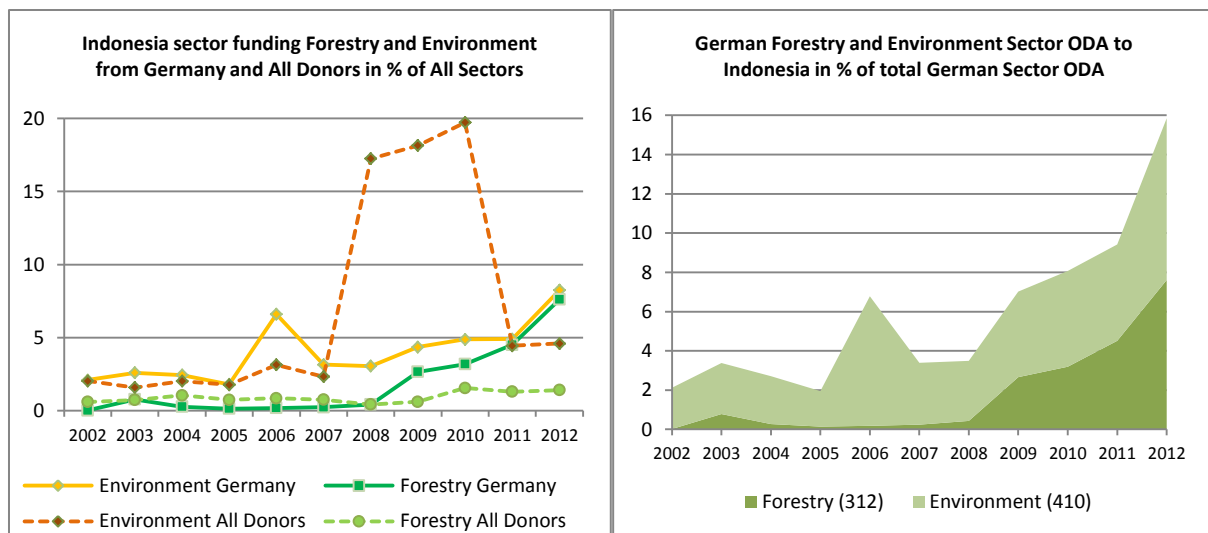


Figure 2-17: ODA for the Environment and Forestry sectors in Indonesia

In terms of % of total German sector ODA to Indonesia over the period 2002-2012 the increasing importance of the two sectors and particularly the Forestry sector in the context of overall German development cooperation is obvious (see Figure 3-17b). While in 2002 the Environment and the Forestry sector together accounted for about 2.1% of all sector ODA, in 2012 the two sectors together had a share of 15.9% of German all sector ODA to Indonesia. Compared to All Donors ODA for the two sectors to Indonesia, which has also increased over the period 2002-2012, the German increase in funding for the two sectors is even more pronounced. On average over the period 2002-2012 Germany provided about 13.1% of All Donors ODA for the Forestry sector, rising to almost 30% in 2012. Regarding the Environment sector the average share over the period was 3.5% and went up to almost 10% in 2012. (See Figure 3-17)

With regard to sector categories, the additional funding was mainly assigned for the categories Forestry Policy and Administrative Management (CRS code 31210) and Forestry Development (31220), as well as Environmental Policy and Administrative Management (41010) and Biosphere Protection (41020). According to the tentative purpose categorisation of Forest related ODA analysed in Chapter 3.6, the additional funding was predominantly used for the improvement of forest management facilities and capacities. (See Figure 3-18 and Chapter 3.6)

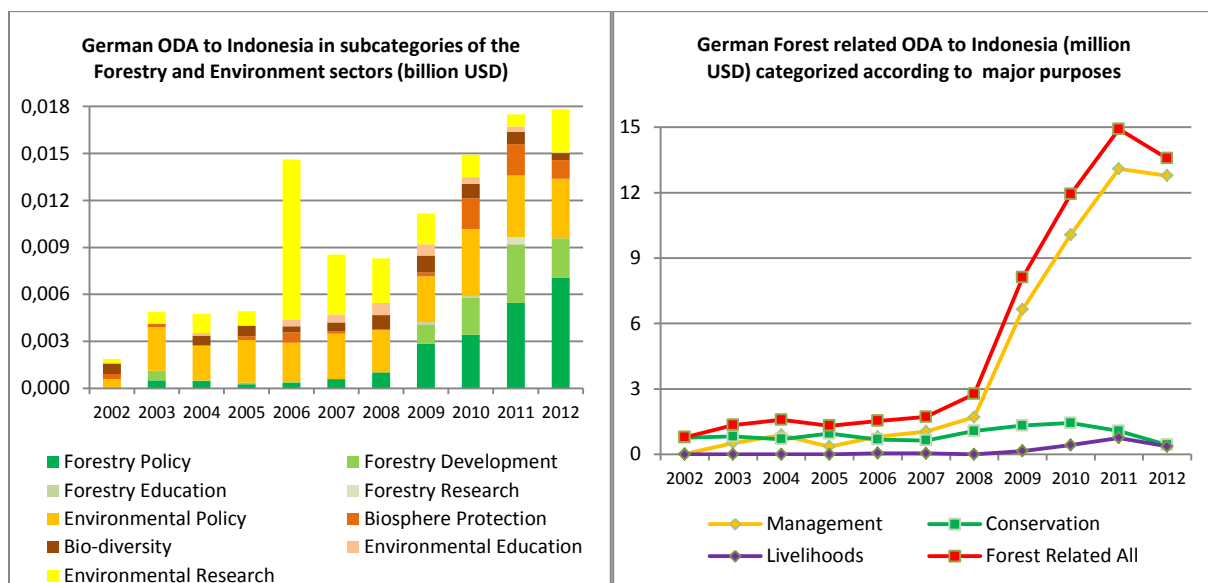


Figure 2-18: German ODA for Forestry and Environment sectors by subcategories and purposes

The increasing importance of the Environment and Forestry sectors as well as Forest related funding for German development cooperation has already been scheduled as a continuing trend for the coming years, which is indicated by a comparison of the sector shares of disbursements of ODA over the period 2002-2012 according to CRS data with the commitments for ongoing and coming programs referred to in the IATI data bases. (See Figure 3-19)

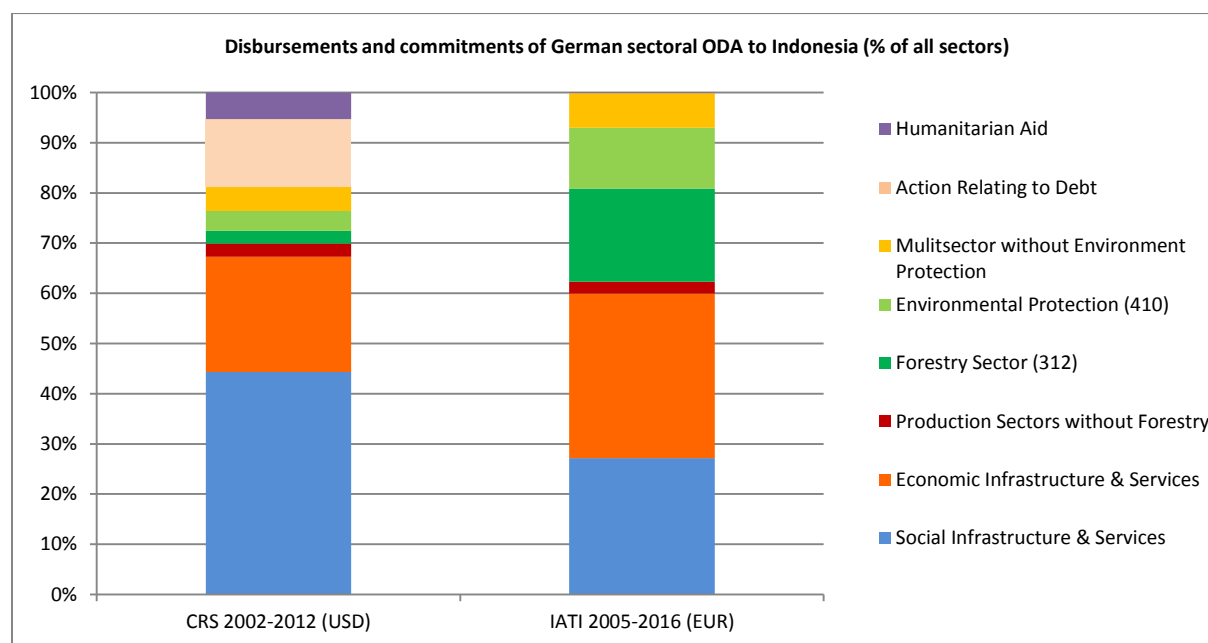


Figure 2-19: Disbursements and commitments of German sector ODA to Indonesia

While the disbursements for the Forestry sector on average over the period 2002-2012 accounted for about 1.6% of sector ODA and the Environment sector funding for another 3.9%, the commitments to the Forestry sector displayed in the IATI data covering a period from 2005 to 2016 amounted to about 17.5%, and 12.2% for the Environment sector. These official figures referring to German sector ODA are close to the figures calculated based on the identification of Forest related funding which shows a share of 2.87% for the CRS data covering the period 2002-2012, and amounting to a share of 29.7% based on the IATI data covering the period 2005-2016. (See Figure 3-19)

2.2.4 Programs of forest related German development cooperation in Indonesia

In June 2014, the major funding and implementing organisations of German development cooperation refer to twelve development programs with Indonesia which have a primary focus on terrestrial forests (excluding mangrove forests) and an overall budget of more than 88 million EUR. For the purpose of this study, nine of these programs are categorised as 'ongoing' accounting for a committed budget of some 85.4 million EUR, and three are supposed to be 'completed' with an overall budget of 2.7 million EUR.¹⁴⁵ Six of the ongoing programs with an overall budget of 76.7 million EUR are confined to Indonesia as single partner country, while three programs which together account for some 8.7 million EUR include other countries as well. Apart from these twelve forest related programs, another five programs are addressing coastal ecosystems including mangrove forests with a total budget of about 21 million EUR, which are not included in this analysis.¹⁴⁶ (See also list of programs in Annex).

¹⁴⁵ Programs with a planned date of completion of 2012 or earlier are categorized as 'completed', while programs with a planned completion date of 2013 or later are categorized as 'ongoing'.

¹⁴⁶ The six programs focusing on coastal ecosystems are [Building a Marine Protected Area Network Covering the Lesser Sunda Islands Ecoregion](#) (€ 2,900,000); [Implementation of a Trilateral Action Plan for the Sulu-Sulawesi Marine Ecoregion](#) (€

The three completed programs were all related to the REDD preparatory process. They were all funded via the BMUB International Climate Initiative (ICI) with the Indonesian Ministry of Forestry as partner institution, and were concentrating on Sumatra. The GIZ was responsible for the implementation of the program [Biodiversity Conservation through Preparatory Measures for Avoided Deforestation \(REDD+\) in Merang Peat Swamp Forests](#) (term 12/2008 - 01/2012, BMUB grant € 1,471,556) and the [Information and knowledge management for REDD+ pilot projects in Merang peat forests](#) (term 10/2009 - 01/2012, BMUB grant € 651,709)¹⁴⁷, while the UNESCO World Heritage Centre in cooperation with the Wildlife Conservation Society-Indonesia Program (WCS) has implemented the program [Forest Management Financed through Emission Certificates in UNESCO World Heritage Site 'Tropical Rainforest Heritage of Sumatra'](#) (term 09/2009 - 12/2011, BMUB grant € 527,000).

The three ongoing programs which are addressing other countries besides Indonesia are also concerned with climate change issues. One of these programs is including all ASEAN member countries. The [ASEAN-German climate change programme: agriculture, forestry and related sectors \(GAP-CC\)](#) (term 2012 to 2015, BMZ grant € 3,000,000) is funded by the BMZ with the ASEAN Secretariat as lead executing agency.¹⁴⁸ Two other programs are addressing Brazil together with Indonesia, both funded with BMUB ICI grants. The program [Forest and landscape restoration in key countries](#) (term 01/2013 - 12/2017, BMUB grant € 2,998,593) is implemented by the International Union for Conservation of Nature (IUCN) and the World Resources Institute (WRI) in cooperation with the Brazilian Ministry of the Environment (MMA) and BAPPENAS in Indonesia. The program [Land-use planning and sustainable biomass production for climate protection](#) (12/2010 - 12/2013, BMUB grant: € 2,726,999) includes Colombia as a third country besides Brazil and Indonesia and is implemented by the WWF in cooperation with government offices of the respective countries, the Ministry of Public Works and the Ministry of Home Affairs in the case of Indonesia.

Among the six ongoing programs with Indonesia as the exclusive partner country, four are focusing on Sumatra with a planned overall budget of 28 million EUR, while two have a focus on Kalimantan with a funding volume of together 25.7 million EUR, one of them with a predominantly national scope. The latter program with a national scope and a focus on Kalimantan is funded by the BMZ and implemented by the GIZ, while the other program with a focus on Kalimantan is funded by the BMUB ICI and is implemented by the KfW. All four programs concentrating on Sumatra are funded with BMUB ICI grants, three of them implemented by the KfW and one by the GIZ.

The only forest related GIZ program on Sumatra [Biodiversity and climate change](#) (term 10/2012 - 11/2016) is funded with an ICI grant of 3.8 million EUR and is implemented with the Indonesian Ministry of Forestry and the South Sumatra Provincial Forestry Department as partner institutions. The major purpose is to develop the central elements of a participatory system for the measurement, reporting and verification (MRV) of greenhouse gas emissions in accordance with national requirements taking into account the specific characteristics of the ecosystems. In addition, the program is supposed to develop alternative income opportunities for people living within the protected areas addressed by the program.¹⁴⁹

7,000,000); [Blue Solutions - Implementation of the Strategic Plan of the Biodiversity Convention in Marine and Coastal Ecosystems](#) (€ 6,300,000); [Coral Triangle Initiative](#) (€ 1,389,653); [Scaling up innovative, community-based protection of coastal biodiversity in Indonesia, Philippines, and Pacific](#) (€ 3,400,000).

¹⁴⁷ For a report of results and achievements until 2011 see Steinmann et al. 2011.

¹⁴⁸ See ASEAN 2011 [ASEAN Secretariat Signs Agreement with Germany to Address Food Security and Impacts of Climate Change](#), accessed June 2014, and GIZ 2013.

¹⁴⁹ See BMUB 2014 [Biodiversity and climate change](#), accessed June 2014, see also ACB/GIZ 2011. Very few information is available about the specifications and the implementation of this program which apart from the BMUB ICI website is almost 'non-existent' in the web.

The three other programs concentrating on Sumatra are all implemented by the KfW and are funded with ICI grants amounting to a total of more than 24 million EUR. Two of them are focusing on Ecosystem Restoration Concessions (ERC) in Southern Sumatra. The third one is concerned with the Gunung Leuser National Park in Northern Sumatra, which together with the Bukit Barisan Selatan and the Kerinci Seblat National Parks was inscribed as the UNESCO World Heritage Site 'Tropical Rainforest Heritage of Sumatra' in 2004.¹⁵⁰

The latter program [Climate change mitigation and species conservation in the Leuser ecosystem of Sumatra](#) (term 08/2013 - 04/2019, BMUB grant € 8,499,414, partner institutions Indonesian Ministry of Forestry, Directorate General of Forest Protection and Nature Conservation (PHKA), BAPPEDA Aceh, Gunung Leuser National Park (TNGL), Regional Natural Resources Conservation Bureau (BKSDA) Singkil) states as primary aim "to balance the needs for conserving biodiversity with those of the population for using the natural resources." The project is supposed to provide the necessary infrastructure to the protected areas' administrative bodies, to advise them on setting up new structures and improving existing ones, as well as to provide new GIS instruments to improve the planning and monitoring ability of the regional planning authorities. In cooperation with the concerned municipalities land-use plans shall be developed and borders of land use and conservation defined. Furthermore, agroforestry projects and communal forests are supposed to be established to create additional income, and conflicts between people and wild animals shall be analysed to find solutions.¹⁵¹

The two KfW programs focusing on Ecosystem Restoration Concessions on Sumatra are funded with ICI grants totalling some 15.7 million EUR. Besides the KfW, the program [Harapan Rainforest - Pilot Restoration of a Degraded Forest Ecosystem on Sumatra](#) (term 10/2009 - 12/2013, BMUB grant € 7,575,000) is implemented by the two Indonesian NGOs Burung Indonesia and Yayasan Konservasi Ekosistem Hutan Indonesia (Yayasan KEHI), as well as the Royal Society for the Protection of Birds, Birdlife International, and the Naturschutzbund Deutschland (NABU). Main objectives of the program are to ensure that around 10-15 million tonnes of CO₂ are sequestered over 30 years by way of combating deforestation and forest degradation as well as promoting forest restoration. The findings are supposed to provide important information to support the development of a REDD+ strategy for Indonesia and other rainforest areas around the world. The Harapan Rainforest Project was the first project to implement the new Indonesian legislation on ecosystem restoration and is regarded as a pilot project and model for an additional 24 million hectares of tropical forests in Indonesia, which are currently not being actively managed or protected.¹⁵²

The second KfW program focusing on Ecosystem Restoration Concessions on Sumatra and Sulawesi [Nature conservation concessions to protect tropical rainforest in Indonesia](#) (term 08/2012 - 04/2019, BMUB grant: € 8,100,000, Indonesian partner institutions Directorate General of Forestry Production Development (BUK), Directorate General of Forest Protection and Nature Conservation (PHKA), Ministry of National Development Planning (BAPPENAS)) is implemented together with the Birdlife Indonesia Association, WWF Germany, NABU, and the Frankfurt Zoological Society. The aim of the project is to support the use of ecosystem restoration concessions (ERC) or similarly appropriate land use strategies in order to protect threatened tropical rainforest in the Bukit Tigapuluh National Park. The Indonesian government allocates ERCs to private organisations seeking to restore forest areas that have been used in the past for commercial logging. ERCs are supposed to contribute to the conservation of forests as carbon sinks, as a living space for indigenous peoples and for the

¹⁵⁰ See UNESCO 2014 [Tropical Rainforest Heritage of Sumatra](#), accessed June 2014. From 2009-2011 the WHS had already been addressed by a program funded with a BMUB ICI grant of some 0.5 million EUR (see DKF 2014 [Mit Emissionszertifikaten finanzierte Waldbewirtschaftung in der Welterbestätte 'Tropische Regenwälder Sumatras'](#), accessed June 2014).

¹⁵¹ See BMUB 2014 [Climate change mitigation](#), accessed June 2014.

¹⁵² See BMUB 2014 [Harapan Rainforest](#), accessed June 2014.

conservation of biological diversity. Over the medium term, local communities should become shareholders in the concessionaire in order to ensure sharing of benefits and avoid conflicts of interest.¹⁵³

Two of the nine ongoing forest related programs of Indonesian - German development cooperation have a focus on Kalimantan, one of them national in scope and implemented by the GIZ. The smaller program [Securing Natural Carbon Sinks and Habitats in the 'Heart of Borneo'](#) (term 08/2009 - 03/2013, BMUB grant: € 870,055) is implemented by the KfW together with WWF Germany and WWF Indonesia. Further partner institutions are the Borneo Orangutan Survival (BOS), CARE Indonesia, the Wetlands International Indonesia Programme (WIIP), the University of Palangka Raya (UNPAR), and the Ernst-Moritz-Arndt University Greifswald (EMAUG). The aim of the project is to conserve forests as natural carbon reservoirs and to create new carbon sinks through afforestation in the province of West Kalimantan. Problems with slash-and-burn farming in the buffer zone around Bukit Baka - Bukit Raya National Park are supposed to be mitigated through new zoning and alternative forest uses. In cooperation with a forestry enterprise in the area bordering the national park forests with high conservation value shall be identified to mark these as protection areas. Furthermore, isolated and degraded areas of forest between the national parks of Betung Kerihun and Danau Sentarum are supposed to be reconnected through reforestation activities at the community level.¹⁵⁴

The second program with a focus on Kalimantan is the [Forests and Climate Change Programme \(FORCLIME\)](#) (term 2009 to 2020, BMZ grant TC € 24,778,413, FC € 23,000,000) implemented by the GIZ. With a committed overall budget from the BMZ of about 47.8 million EUR this program is the most important program of Indonesian - German development cooperation in the forest sector, not only in terms of funding but also regarding objectives and impacts. While various provinces in Kalimantan are in the focus of regional and local projects and measures of the program, the scope of the program is explicitly national. With a kind of assertive understatement the objectives of the comprehensive program are summarized as expected outcomes: "Public and private stakeholders have improved the institutional and regulatory framework needed to apply methods and services for sustainable forest management, nature conservation and greenhouse gas reduction. In the longer term, GHG emissions from the forest sector are reduced and livelihoods improved in poor rural communities."¹⁵⁵

To further explore and analyse German - Indonesian development cooperation in the forest sector two examples have been chosen. One of them is the major forestry program in Indonesia, the Forests and Climate Change Programme (FORCLIME), which addresses more or less the whole forestry sector in Indonesia and consists of a Technical Cooperation (TC) module implemented by the GIZ and a Financial Cooperation (FC) module implemented by the KfW. The second example focuses on the Ecosystem Restoration Concessions (ERC) on Sumatra implemented by the KfW, which are based on a new legal instrument and which are supposed to have considerable relevance for the future protection, use, and restoration of forests in Indonesia and possibly other countries as well. The FORCLIME program as well as support for ERCs have a time frame of up to 2020 and together comprise the major share of German development assistance in the forest sector in Indonesia.

¹⁵³ See BMUB 2014 [Nature conservation concessions to protect tropical rainforest in Indonesia](#) and KfW 2014 [Naturschutzkonzessionen \(Ecosystem Restoration Concessions\) zum Tropenwaldschutz](#), accessed June 2014.

¹⁵⁴ See BMUB 2014 [Securing Natural Carbon Sinks and Habitats in the 'Heart of Borneo'](#), accessed June 2014.

¹⁵⁵ See GIZ 2014 [Forests and Climate Change Programme \(FORCLIME\)](#), accessed June 2014.

2.3 Examples of bilateral development cooperation in the forest sector in Indonesia:

To better understand the functionality of German bilateral forest funding as well as the effects and possible problems, in Indonesia two German programs of the forest sector have been studied in more detail, including field visits to assess their performance on the ground: the Forest and Climate Change Program 'FORCLIME' representing the largest current forest initiative in Indonesia funded by Germany, and the more recent approach of 'Ecosystem Restoration Concessions' that is actually receiving increasing attention and is supposed to provide a promising model for the restoration of degraded production forests not only in Indonesia.

2.3.1 FORCLIME: Forest administration, economic development, and communal forest use

The [Forests and Climate Change Programme \(FORCLIME\)](#), at least to some degree, is a reaction to the perceived crisis of development cooperation in the forest sector almost ten years ago (see Chapter 4.1.7) and an outcome of the deliberate decision of the relevant German government agencies to continue development cooperation with Indonesia in the forestry sector. After a first fact finding mission of GTZ and KfW staff in July 2007, assistance for preparatory activities for the program was provided as a result of a bilateral negotiation held in October 2007. In November 2008 an agreement on a formal program framework was enacted and some 10 million EUR were provided by the BMZ for the period from October 2007 until January 2013. In February 2009 the program officially started with the GIZ implemented Technical Cooperation (TC) module, while the Financial Cooperation (FC) module implemented by the KfW was still in preparation.¹⁵⁶ In May 2011 the BMZ finally committed 23 million EUR for the FC module, and in December 2012 another 14.8 million EUR were provided for the second phase of the TC module with a planned activity end date of December 2014, while the overall term for the program is scheduled until 2020.¹⁵⁷

The conceptualisation of the program on the one side is based on German know how and conceptions of German forest administration and sustainable forest management, on the other side it is crucially related to Indonesia's interests and engagement in the REDD+ process. The concept is an attempt of German forestry experts to approach the difficult forestry problematic in Indonesia in a new and comprehensive way by addressing at the same time policy and administrative problems in the forest sector, interests of private enterprises and communities to use forest resources, as well as national development objectives. Compared to other GIZ programs, FORCLIME is a particularly complex and ambitious program, which is ascertained by leading staff of the program involved in its conceptualisation and development. The experiences and the know-how acquired in the context of FORCLIME are supposed to provide a basic model for other programs possibly implemented worldwide, which is even conceived of as a kind of promotion and future business model by GIZ staff.¹⁵⁸

The primary partner institution of the program is the Indonesian Ministry of Forestry (MoF) (*Kementerian Kehutanan*), and the FORCLIME office is located in the office building of the Ministry.

¹⁵⁶ The KfW funding for the FC-Module is co-financed by a 10% contribution from the Indonesian Government. The project executing agency is the Ministry of Forestry, and within the MoF Baplan is the National Program Management Unit, with responsibility for FC-Module coordination and management, including reporting to the Ministry of Finance and coordination with the TC-Module. The implementation of the FC-module is supported by a consultant who supports all aspects of the program and has special responsibility for overseeing the selection of demonstration activity sites, and who is recruited by the MoF with KfW approval. (See HuMa 2010: 60.)

¹⁵⁷ See IATI data, Tab. C and FORCLIME 2010. In a presentation of the FORCLIME program at the UNFCCC COP 19 Side Event 'The Role of Forestry Sector towards Low Carbon Development' in Warsaw in November 2013 the supposed duration of the program was dated until 2020 with a total volume of 28 million EUR for the TC and 200 million EUR for the FC module of the program, the latter figure probably being a typing error (see FORCLIME 2013b).

¹⁵⁸ Interviews with FORCLIME staff in March 2014 (see list of interview partners in Annex), see also GTZ 2010. Interview partners recalled the development of the FORCLIME as outcome of the conceptual work of a rather small group of dedicated German foresters and assessed its complexity to be probably only comparable with the GIZ program in Ecuador.

All interview partners asserted that the cooperation with the MoF is cooperative and efficient. The quality of the cooperation with the different administrative bodies involved on the provincial and district level seems to vary considerably, which influences decisions regarding the development and implementation as well as outcomes of projects and measures. All interview partners emphasized problems related to diverging interests between district, provincial and national administrative bodies. Furthermore, several interview partners referred to deficiencies and difficulties regarding the coordination between different donor organisations, implementing organisations, and development projects.¹⁵⁹

The stated overall objective of the program is "... to reduce greenhouse gas emissions from the forest sector while improving the livelihoods of Indonesia's poor rural communities. To achieve this goal, the programme team will assist the Indonesian government to design and implement legal, policy and institutional reforms for the conservation and sustainable management of forests, at local, provincial and national level. Support to REDD+ demonstration activities is a key feature of the programme, providing decision-makers with experience of how REDD+ can be implemented 'on the ground'.¹⁶⁰ To this end, the program was developed as a multilevel approach consisting of a TC module which focuses on forestry administration reform processes and human capacity development at all levels, and a FC module concentrating on the support of district-based REDD+ pilots and demonstration activities.¹⁶¹

In terms of funding, organisation, and implementation the two modules are largely independent.¹⁶² This separation, at least to some degree, seems to reflect different preferences, priorities and interests of the two implementing organisations as well as the two cooperating countries. Even though both modules refer to the REDD+ process as the primary context of the program, the TC module is predominantly concerned with changes of institutions and attitudes based on German models of good forest administration and a high percentage of German administrative staff, experts, and development workers, while the FC module is much more directly focused on the development of the REDD+ framework as an instrument for national development and is predominantly implemented with Indonesian staff supported by consultancy services.¹⁶³

Until 2013 the TC module was subdivided into three components:

- Forest Policy, strategic planning and institution building,
- Implementation of strategic plans for SFM and REDD+,
- Nature Conservation and Sustainable Development in Heart of Borneo Areas.

While the first component focused on advisory services to the Indonesian government at national, provincial and district level regarding policy development and reform including the development of Forest Management Units (FMU), the second component provided support for the development of province and district forest plans, strategies for the REDD process, as well the establishment of model FMUs in three pilot districts in Kalimantan (Kapuas Hulu, Malinau, and Berau). The third component concentrated on conservation areas in the context of the WWF Heart of Borneo (HoB)

¹⁵⁹ See list of Interviewees from GIZ and NGOs in Indonesia in Annex.

¹⁶⁰ See FORCLIME 2014 [About FORCLIME](#), accessed June 2014.

¹⁶¹ See FORCLIME 2013a, and FORCLIME 2014 [About FORCLIME](#), accessed June 2014.

¹⁶² Interview partners from the GIZ assessed the collaboration with the KfW as good without major problems, and a short visit of the new Chief Technical Advisor of the FC module at the FORCLIME office during an interview left the impression of close and almost amicable personal relationships. However, something like a common program identity is hardly visible, neither in the views expressed in interviews nor with regard to the public presence on the internet. While activities and publications of the TC module are comparably well documented on the internet, it is rather difficult to find any first-hand information about the FC module of FORCLIME.

¹⁶³ See FORCLIME 2014 [Who is Who](#), accessed June 2014. The GFA consulting group has been contracted by the KfW for some 3.4 million EUR to support the Government of Indonesia in the development of the REDD mechanism and constitutes a major actor in the FORCLIME FC module (see GFA 2014 [Forest & Climate Protection Program, Indonesia](#), accessed June 2014).

initiative and was predominantly based on an earlier GIZ cooperation project concerned with the Kayan Mentarang National Park, which was included into the FORCLIME program in 2009.¹⁶⁴

In 2013 the TC module was significantly reorganised into five strategic areas as separate organisational units:¹⁶⁵

- [Strategic Area 1](#) 'National and Sub-National Regulatory Framework (Forest Policy)' is largely congruent with the former first component Forest policy and institution building. It is supposed to support the Ministry of Forestry in establishing the institutional and regulatory framework required for the implementation of sustainable forest management including the establishment of FMUs, as well as in preparing the implementation of a future REDD+ mechanism.
- [Strategic Area 2](#) 'Forest Management Unit (FMU) Development' concentrates on FMUs as crucial element of institutional change in the forest sector. It supports the establishment of FMUs responsible for managing and monitoring forests with a community based forest management approach on the national level, as well as the development of three model FMUs in Kalimantan on the district level.
- [Strategic Area 3](#) 'Sustainable Forest Management (SFM)' in cooperation with the Indonesian Forest Concession Holders Association (APHI) supports private forest companies in the FSC certification process of their forest concessions, particularly companies located in the pilot districts Berau, Malinau and Kapuas Hulu. This includes the development of concepts how to better integrate the interests of communities living in or close to the concession areas and how communities could benefit from the certification process.
- [Strategic Area 4](#) 'Integration of Conservation and Development (Green Economy)' supports mainstreaming of Green Economy principles in development planning and among relevant stakeholders. To enhance sustainable livelihoods of communities in and around forests the economic value of non-timber forest products is promoted and local stakeholders are encouraged to participate in evolving marketing and investment strategies. Furthermore, a Monitoring and Evaluation (M&E) system will be designed to effectively measure the Green Economy impacts at various levels.
- [Strategic Area 5](#) 'Human Capacity Development (HCD)' provides assistance on human resource capacity development at the national and sub-national levels in order to support sustainable forest management contributing to the benefit and welfare of communities as well the reduction of GHG emissions. Assistance focuses on (1) Developing policies with regard to human resource capacity development; (2) Strengthening the management capacity of training and educational institutions (particularly the Centre of Forest Education and Training in Bogor); and (3) Development of trainings related to Forest Management Units (FMU) and climate change mitigation in the forestry sector.

Compared to the earlier conceptual division with the three components Forest policy and institution building, Strategic planning for SFM and REDD+, and Conservation and Development in the HoB area, this reorganisation into five strategic areas seems to reflect or anticipate a new focus on economic development and private enterprises under the concept of 'green economy', as well as an increasing emphasis on education and training measures.

While the GIZ implemented TC module is working since 2009, the FC module which is implemented by the KfW and focuses on the implementation of REDD+ has only started in 2011 with the development of REDD financing mechanisms, selection of pilot districts and REDD demonstration

¹⁶⁴ See FORCLIME - Briefing notes 1-9 and Kayan Mentarang - Briefing papers 1-9 on the FORCLIME site on [Media and Publications](#), accessed June 2014, as well as HuMa 2010: 58-59.

¹⁶⁵ See FORCLIME 2014 [Organizational Structure](#), accessed June 2014, and FORCLIME 2013a. The Implementation Agreement for the Phase-2 of the TC module was signed at [The annual Project Steering Committee \(PSC\) meeting](#) of FORCLIME on 26 April 2013.

activities, as well as consulting services for the implementation process.¹⁶⁶ As one of the first REDD "on the ground projects" in Indonesia and worldwide, the FORCLIME REDD pilot projects are supposed "to demonstrate the viability of a pro-poor REDD mechanism in Kalimantan to decision-makers and stakeholders, thus enriching the national and international debate on REDD+ with practical experience of its implementation."¹⁶⁷

The financial cooperation (FC) module has six components:

- Establishing district Reference Emission Levels (REL) that are in line with national REL.
- Implementing a district-wide system for monitoring carbon emissions from deforestation and forest degradation.
- Designing an investment program for REDD+ demonstration activities that targets a range of project proponents (government, private sector, communities, NGOs).
- Engaging in capacity building to support the implementation of the investment programme (fund management, tendering, and so on).
- Implementing REDD+ demonstration activities based on 'carbon- sensitive' land use planning, aiming to promote sustainable land use and create alternative income opportunities.
- Developing and testing innovative financing and fair compensation schemes.

Very little information about current activities and the status of the implementation as well as regarding outputs and achievements of the FORCLIME FC module so far is published or seems to be easily accessible.¹⁶⁸

The achieved results of the FORCLIME program which are referred to on the [GIZ website](#) so far are all related to the TC module of the program and are summarized as follows:¹⁶⁹

- Indonesia's Ministry of Forestry has drawn up long- and medium-term strategies for the development of professional standards for FMU staff and for other major components that create a link between forest management and GHG emission reduction objectives.
- FORCLIME is the most important external supporter of Indonesia's forestry reform. In recent years it has made a substantial and innovative contribution towards developing the FMUs, which has resulted in greater transparency, stronger participation in planning processes, and more efficient action.
- The Ministry of Forestry has granted three villages in the pilot districts the right to use the local forests for a period of 25 years. This has improved the position of the local communities in terms of land rights.
- Local governments in the programme area are investing in small-scale hydropower schemes, which link the conservation of natural resources with the development of a sustainable energy supply. Activities in the field of small agroforestry include a project to promote sustainable supply chains in Kalimantan's cocoa processing industry and in turn, encourage the development of a green economy in the region.

This self-assessment of results achieved so far on the one hand refers to significant and far reaching impacts regarding forest policies and institutional changes in Indonesia's forestry sector, particularly regarding the development and implementation of Forest Management Units (FMU). On the other hand it mentions rather moderate achievements regarding the improvement of livelihoods of local communities and 'green economy' development. The development and implementation of REDD+ mechanisms is only referred to in the context of the general improvement of forest management capacities.

¹⁶⁶ See HuMa 2010: 59-60 and FORCLIME [Financial Cooperation](#), accessed June 2014.

¹⁶⁷ See FORCLIME 2013a.

¹⁶⁸ See e.g. [Forest Climate Center](#), accessed June 2014. This seems to apply also to Indonesian sources at least with regard to information and documents available on the internet.

¹⁶⁹ See GIZ [Forests and Climate Change Programme \(FORCLIME\)](#), accessed June 2014.

An assessment of the published outputs of the program referred to on the [FORCLIME Media and Publications](#) website partly confirms and amends the results given on the GIZ website. The development and implementation of Forest Management Units is subject matter of two major publications published by the Ministry of Forestry with support from GIZ.¹⁷⁰ Achievements and impacts of the program regarding Indonesian forest policies, administration and institutional change apart from the implementation of FMUs is less well documented in publications, but becomes comprehensible at least to some degree in the accounts of study tours, expert meetings, training courses, and public presentations referred to on the programs website.¹⁷¹

In contrast to publications regarding Forest policy and institutional change, publications referring to climate change issues and REDD+ are dominating the publication list presented on the FORCLIME website. However, many of them are only information brochures from the beginnings of the program.¹⁷² Publications referring to REDD related activities include reports about earlier completed projects predating the FORCLIME program,¹⁷³ consultancy reports on the conceptualisation of the REDD framework¹⁷⁴ and sustainable forest management in natural forests¹⁷⁵, as well as two studies regarding the development and implementation of safeguards in the context of the REDD+ process.¹⁷⁶ With regard to REDD related outputs and achievements the most important contribution is probably the project to determine and map land cover changes in Kalimantan (Malinau and Kapuas Hulu districts) as basis for the assessment of carbon emission levels.¹⁷⁷

The few references referring to activities in support of 'green economy' development are predominantly focusing on ecotourism development¹⁷⁸ and cocoa production¹⁷⁹ in the context of the Heart of Borneo Initiative, and are more concerned with future prospects than with past or current activities. With regard to project activities this 'strategic area' of the FORCLIME program is crucially based on the former third component of the program related to the Heart of Borneo Initiative, which was the only part of the program with a particular focus on conservation areas and local livelihoods as well as their role in national development.¹⁸⁰

FORCLIME support for the improvement of local livelihoods and rights is not focused in a separate strategic area, but is supposed to be integrated into all activities of German development cooperation. In the context of the FORCLIME program local livelihoods are specifically addressed with regard to green economy development (see above) and with the concept of Community Based Forest Management (CBFM / *Pengelolaan Hutan Berbasis Masyarakat*) which is supposed to be the basic approach of forest management on the local level. Activities supporting CBFM are documented in a conceptual framework for CBFM in Indonesia¹⁸¹, a review of the legal frameworks and potentials of different forms of communally managed forests¹⁸², and a report on a socio-economic survey of forest dependent communities in the pilot districts of the FORCLIME program in Kalimantan.¹⁸³ Rights of Indigenous peoples and forest dependent communities as well as their empowerment have been

¹⁷⁰ See [MoF 2011a](#), [2011b](#), [2011c](#). See also [FORCLIME Briefing note No. 2](#) and [Briefing note No. 8](#), accessed June 2014.

¹⁷¹ See e.g. [GTZ 2010](#) and [FORCLIME Briefing note No. 5](#) as well as FORCLIME [Press Review](#) and [Pescott et al. 2010](#).

¹⁷² See [REDD: The way forward \(GTZ 2007\)](#), [Climate Change and Forests \(GTZ 2008\)](#), [Biodiversity, Livelihoods and REDD Benefits \(CBD/GTZ 2009\)](#), [REDD: Making REDD work \(GTZ 2009\)](#), and [FORCLIME Briefing note No.1](#).

¹⁷³ See [Steiner 2011](#) and [Steinmann et al. 2011](#).

¹⁷⁴ See Tuttle 2008, [2011](#).

¹⁷⁵ See [Purbawiyatna et al. 2012](#).

¹⁷⁶ See [Anderson 2011](#) and [Centre for Standardization and Environment 2013](#).

¹⁷⁷ See [Navratil 2013](#) and [Bellot et al. \[2014\] n.d.](#)

¹⁷⁸ See [Kehl/Sekartjakrarini 2012](#) and [FORCLIME Briefing note No.4](#).

¹⁷⁹ See [Milz 2012](#) and [FORCLIME Briefing note No.9](#).

¹⁸⁰ See [Kayan Mentarang Briefing paper No. 1](#) and [FORCLIME Briefing note No.3](#).

¹⁸¹ See [Rahmina et al. 2011](#) and [FORCLIME Briefing note No.6](#).

¹⁸² See [Rahmina 2012](#).

¹⁸³ See [Mackay/Marbyanto 2013](#).

more directly addressed in the earlier Briefing papers on the Kayan Mentarang project,¹⁸⁴ which has been included into the FORCLIME program in 2009 (see above), but which seems not to have been subject to significant follow up activities since then. Women's rights are supposed to be supported in the context of gender mainstreaming in the forestry sector as well as specifically with regard to the FORCLIME program, and resulted in a survey on gender roles in pilot areas and the development of a gender concept.¹⁸⁵

Interview partners from the FORCLIME program generally confirmed the central role of the FMUs for the FORCLIME approach as well as substantial achievements regarding institutional reform processes in the forest sector and considerable influence on Indonesian forest policies. Apart from FMUs and institutional change, the mapping project regarding land cover changes, land use demarcation, and carbon stocks is emphasized as another major achievement of the program. Assessments of other elements and activities of the program are much more heterogeneous among FORCLIME staff. Shortcomings and problems referred to by different interview partners, but not necessarily shared by all staff, include a general problem of upgrading experiences and know how acquired in pilot projects and 'on the ground' activities to become effective on a broader provincial or national level, a predominating focus on forest administration neglecting concerns and interests of local communities, deficiencies to support projects established in communities closely and sustainably, a missing openness for innovative ideas and rigid hierarchic organisational structures, excessive preoccupations with the outflow of funds, unbalances between bureaucratic apparatus and project funding, as well as a disproportionate and expensive GIZ main office in Jakarta.

Among other interview partners from government agencies as well as from NGOs the assessment of German development cooperation in the forest sector, and the FORCLIME program in particular, was surprisingly homogenous and predominantly positive.¹⁸⁶ Officials on the national as well as on the district level characterised the cooperation in the context of the program as thoroughly good and effective, and NGO staff with experiences in joint projects likewise emphasised cooperative collaborations without any major problems. The positive assessment of the importance and success of the establishment of FMUs in the context of the FORCLIME program emphasized by the GIZ staff was also widely shared by the various interviewees from NGOs which were queried about their assessment of German development cooperation in the forest sector. They also generally assumed significant positive impacts of German development cooperation in the forest sector as well as considerable influence regarding forest policies in Indonesia.

To better understand impacts of the FORCLIME program on people which are directly addressed by activities of the program, two Village Forest projects in the Kapuas Hulu district of Kalimantan were visited. The Village Forest (*Hutan Desa*) scheme is the latest legal instrument supposed to provide access to Forest Area to local communities, adopted by the Ministry of Forestry in 2008. Village Forests are established on state Forest Area but are managed by village institutions with the stated primary purpose to improve the welfare of local communities in a sustainable manner which supports the conservation of forest ecosystems. The process of establishing a Village Forest is rather intricate for the communities, including mapping activities, a verification process, and a work plan, and generally requires facilitating organisations to support the communities.¹⁸⁷ The first *Hutan Desa*

¹⁸⁴ See [Kayan Mentarang Briefing paper No. 1](#) and [Kayan Mentatang Briefing papers No. 2-9](#). On the Kayan Mentarang National Park and indigenous Dayak populations in the context of the Heart of Borneo Initiative see also Eghenter 2000, 2002, 2008, Eghenter/Topp 2005.

¹⁸⁵ See [Engelhardt/Rahmina 2011](#) and [FORCLIME Briefing note No.7](#).

¹⁸⁶ The selection of interviewees is far from being systematic, comprehensive, or representative. However, they include high ranking government officials as well as leading staff from various international, national, and regional/local NGOs concerned with forestry issues in Indonesia (see list of interviewees in Annex).

¹⁸⁷ Costs for establishing *Hutan Desa*: 170,000 USD (2 billion IDR) for 4 villages over 2 years (Albetus, WWF Putussibau), 48,000 - 64,000 USD (600,000,000 - 800,000,000 IDR) not including staff costs and management costs (Diki, WARSI Jambi)

was approved in May 2009 in the Jambi province on Sumatra.¹⁸⁸ Until today most of the Village Forests are to be found on Sumatra amounting to a total area of some 66,000 ha. In Kalimantan in 2013 some 11,000 ha had been approved as Village Forest area and another 3,500 ha on other islands. According to the MoF statistics Village Forest areas altogether in 2013 accounted for some 81 thousand ha only, while the government in 2008 had targeted a Village Forest area of 500 thousand ha until 2014 (see Chapter 4.1.3).

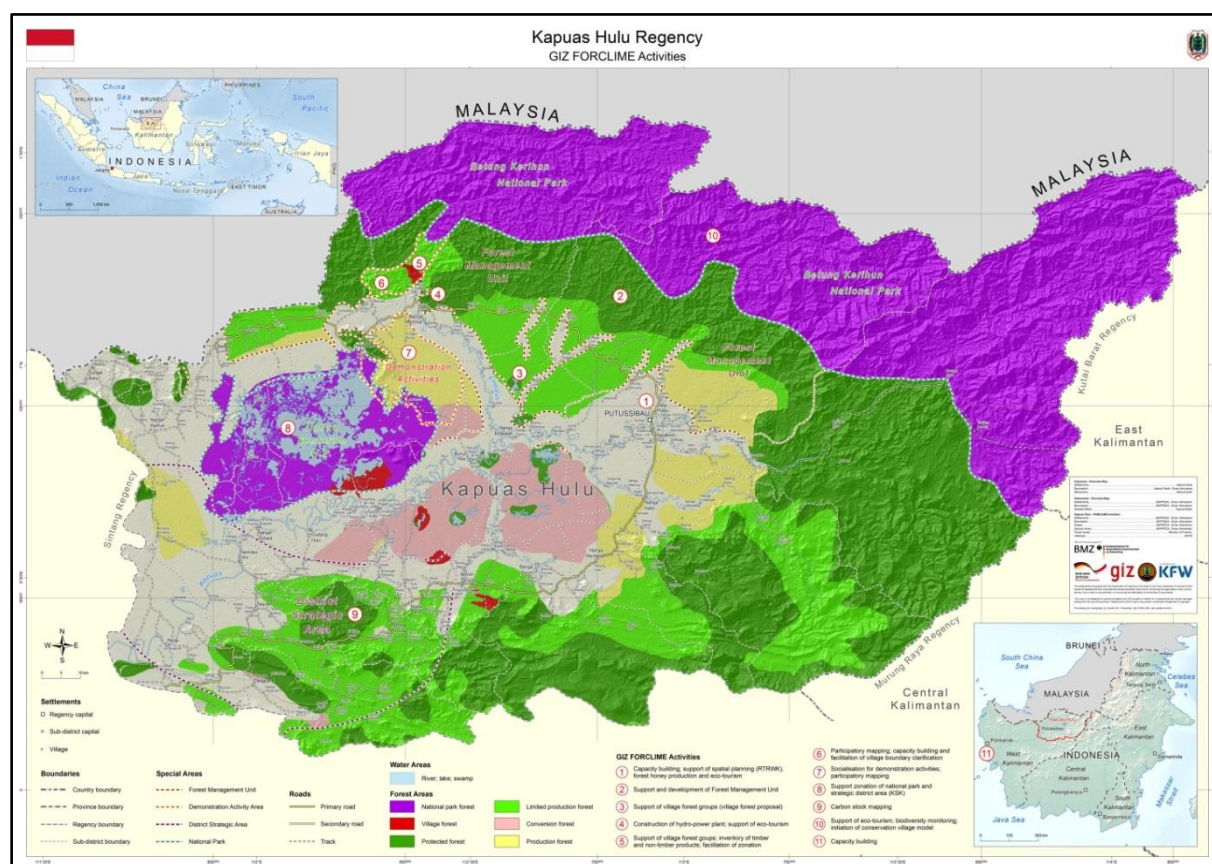


Figure 2-20: FORCLIME activities and forest classification in Kapuas Hulu province, Kalimantan¹⁸⁹

FORCLIME's involvement in community forest activities in Kalimantan basically started in 2010, and in 2011 two workshops on communal forest management were organised together with NGOs and the Forestry Training Centre of Samarinda. The workshops were intended to explore and discuss possibilities to support the establishment of communally based forest management and particularly Village Forests (*Hutan Desa*) in Kalimantan, the latter being new for Kalimantan while on Sumatra (Jambi) experiences with this legal instrument already existed.¹⁹⁰ Further workshops were organised in 2012 to exchange experiences and to promote and spread the establishment of Village Forests¹⁹¹ as well as in 2014 to prepare a Village Forest Management Plan (*RKHD*) for the Kapuas Hulu district.¹⁹²

So far Village Forests for two villages in the Malinau district and eight villages in the Kapuas Hulu district in Kalimantan have been verified by the Ministry of Forestry. FORCLIME was significantly

¹⁸⁸ See Akiefnawati et al. 2010 and Bock 2012.

¹⁸⁹ Source: FORCLIME office Putussibau, Kalimantan, 2014.

¹⁹⁰ See FORCLIME [Village Forest development in Kalimantan – sharing lessons learned](#) and [Capacity building for community empowerment](#), accessed June 2014.

¹⁹¹ See FORCLIME [Encouraging village forest programme development in Berau District](#) and [Advancing Village Forest Development in East Kalimantan](#), accessed June 2014.

¹⁹² See FORCLIME [Facilitating Village Forest Management Planning in Kapuas Hulu](#), accessed June 2014.

involved in the application process of three villages, while other projects are supported by various local NGOs affiliated to or supported by international NGOs like Fauna and Flora International (FFI)¹⁹³, World Wide Fund for Nature (WWF), or The Nature Conservancy (TNC). CIFOR was also involved in some of these processes. In the Malinau district FORCLIME has assisted the community of Setulang (*Kenyah Dayak*), earlier supported by CIFOR, in its efforts to establish a Village Forest, which was verified in 2012 and approved in July 2013.¹⁹⁴ The two villages in Kapuas Hulu which were supported by FORCLIME, together with the local NGO *Perkumpulan Kaban*, are Nanga Lauk and Kerangan Bunut (a sub-village of Menua Sadap).¹⁹⁵ Their Village Forests were verified in 2013 and approved by the Ministry of Forestry in January 2014.

Assistance provided by FORCLIME included support for the mapping of the Village Forest areas, capacity building activities regarding the members of the village forest committees, as well as technical support and participation in the verification process. Furthermore, the facilitation of interexchange and intermediation between different actors and stakeholder groups as well as lobbying at the responsible administrative agencies seems to have been a major concern of FORCLIME activities with regard to the establishment of Village Forests in Kalimantan.¹⁹⁶

For the purpose of this study, the two villages Menua Sadap and Nanga Betung in the Kapuas Hulu district in Kalimantan have been visited whose Village Forests have been recently approved by the Ministry of Forestry. While the establishment of the Village Forest for Menua Sadap's sub-village Kerangan Bunut was facilitated by FORCLIME, the community of Nanga Betung was supported by FFI Kapuas Hulu in their efforts to establish a Village Forest. The regional NGO *Perkumpulan Kaban* based in Pontianak was involved in the application process of both villages.

Menua Sadap (Sub-district Embaloh Hulu) is an Iban Dayak indigenous community¹⁹⁷ at the Embaloh River, a tributary to the Kapuas River, with its headwaters in the Betung Kerihun National Park.¹⁹⁸ The village is located in the very north of the Kapuas Hulu district at the border to Malaysia. It consists of the three sub-villages Sadap, Kelayam, and Kerangan Bunut. FORCLIME has been working in all of the three sub-villages and has facilitated the establishment of the Village Forest for the sub-village Kerangan Bunut.¹⁹⁹ Kerangan Bunut is a new Iban longhouse (*rumah betang*) which is currently under construction. The related Iban families which are building the longhouse have received permission from the government to settle in the buffer zone of the National Park. Some 50 years ago they had to

¹⁹³ See FFI 2010 for a comprehensive assessment of High Conservation Value Forests in the Kapuas Hulu District.

¹⁹⁴ See FORCLIME [Desa Setulang makes efforts to get the right to manage its forest](#), [Field verification of the Proposed Village Forest of Setulang, Malinau](#), and [Village Forest becomes part of Setulang Tourism Village](#), accessed June 2014.

¹⁹⁵ The concentration on villages located in the buffer zone of the Betung Kerihun National Park seems to have been mandatory for GIZ through the bilateral agreement. The reason to focus mainly on the last villages upstream the Embaloh river before the entrance of the National Park allegedly was their important function in maintaining ecological services in the buffer zone and their potential for future ecotourism activities (see Royer 2011: 12-13).

¹⁹⁶ See FORCLIME [Ministry of Forestry verifies Village Forest proposals in Kapuas Hulu District](#), [Two villages supported by FORCLIME obtain their forest management permits](#) and [Facilitating Village Forest Management Planning in Kapuas Hulu](#), accessed June 2014.

¹⁹⁷ For a sensible MSc field study in Menua Sadap exploring the socio-economic and cultural context of a future REDD+ implementation in the village see Royer 2011. Information on gender issues with regard to Menua Sadap have been gathered in the context of a participatory gender analysis in the village, see Engelhardt/Rahmina 2011: 25-34.

¹⁹⁸ The Betung Kerihun NP shares common borders with two other protected areas in Sarawak, Malaysia (Lanjak Entimau Wildlife Sanctuary and Batang Ai National Park) and is one of the key units in Indonesia's conservation area network on Borneo. It is part of the Heart of Borneo Program initiated by WWF International, and in 2004 Indonesia and Malaysia submitted a proposal to the UNESCO for the recognition of the three conservation areas as the first transboundary World Heritage Site (Royer 2011: 44-45).

¹⁹⁹ FORCLIME in collaboration with the Tanjungpura University in Pontianak, West Kalimantan, has facilitated the forest inventory in Menua Sadap village. This activity was undertaken together with the community of Kerangan Bunut. Prior to data collection, which took place over a period of ten days, all parties involved in the inventory received a five-days training on how to conduct data collection in the field. The training also aimed at enabling the community to independently conduct forest inventories in the future (FORCLIME [Activities and Achievement](#), accessed June 2014).

leave the area which they conceive as their homeland when this border area was the scene of heavy violent conflict.²⁰⁰

The Iban communities in Menua Sadap, with a total of 84 households in 2012,²⁰¹ predominantly subsist on the cultivation of rice in swidden fields, fishing and hunting. NTFPs used include rattan, dammar, bamboo, palm heart species, fruits, different sorts of medicinal plants, and leaves used as vegetables, but are rarely exploited for commercial purposes. Small cash incomes stem from rubber tapping and the occasional gathering of *tenkawang* nuts. Income opportunities from NTFPs and handicraft are basically limited due to the difficult access to markets. Young Iban men and women frequently work temporarily in Malaysia for additional cash income. In the years between 1998 and 2004, before the logging ban was established, some of the villagers were involved in profitable logging activities but at the moment illegal logging is not a problem in the area.²⁰²

The establishment of a nature reserve in 1982 and its promotion into the Betung Kerihun National Park (*Taman Nasional Betung Kerihun*) in 1995 occurred without any consultation or participation of the local Iban, which is still deplored and induced lasting mistrust towards government agencies. The National Park encompassing some 8,000 km² included vast areas of land traditionally used by the Iban and considerably restricts their possibilities to use forest resources inside the National Park and its buffer zone.²⁰³ However, for very few villagers the National Park provides income opportunities, and expectations regarding ecotourism are high among some people in Sadap. The Iban who are settling in Kerangan Bunut are planning to build a lodge at the site of their longhouse to facilitate ecotourism targeting the National Park.

Kerangan Bunut's Village Forest of 1,640 ha was finally approved in January 2014. The Village Forest is located in the buffer zone of the Betung Kerihun National Park on state land categorised as watershed protection forest (*hutan lindung*). For the Iban community of Kerangan Bunut the approval of their Village Forest is not only important regarding their forest dependent subsistence,²⁰⁴ but even more so as a means to have their claims on lands and forest resources based on *adat* regulations and customs acknowledged officially at least to some degree.²⁰⁵ However, these 'community claims' are also highly disputed locally between different social groups within and between local communities with regard to conflicting interests as well as historical and cultural legacies.²⁰⁶

The second village visited was Nanga Betung (Sub-district Boyan Tanjung), a village with about 170 households located in the south of the Kapuas Hulu district. The people in Nanga Betung are predominantly Malay and almost all of them are Moslem. Only a small number of Javanese resides in this village to work as civil servants, merchants, and as part of a transmigration program. Most villagers earn their living from community gold mining and agriculture, particularly rice farming on

²⁰⁰ In 1968 the Iban hamlet Kerangan Bunut had been evacuated and transferred by the Indonesian military during the *Paraku* and the communist rebellions in the area (see Davidson/Kammen 2002, on the ethno-history of the region see also King 1976). The inhabitants of the hamlet were resettled further downriver but remained the owners of the land on which their longhouse was formerly located. Now Iban from Kerangan Bunut have returned to their land of origin approved by a resettlement plan of the Government (see Royer 2011: 68, 82). During the visit of the village in March 2014 the reconstruction of the longhouse by the Iban was underway.

²⁰¹ See Mackay/Marbyanto 2013: 11.

²⁰² See Royer 2011: 86-91 for more details on subsistence and economic circumstances of the Iban in Menua Sadap in 2010. Regarding basic socio-economic data on forest dependent communities in the Kapuas Hulu district see also Mackay/Marbyanto 2013: 31-58.

²⁰³ See Royer 2011: 44-47. Complaints about the National Park were also an issue in the gender survey, see Engelhardt/Rahmina 2011: 36, 38.

²⁰⁴ For a review of their forest use and customary forest management see Royer 2011: 51-57, 88-91.

²⁰⁵ See Royer 2011: 42-47. This interest and 'local' conception of the Village Forest was also emphasised by the interviewees queried in the context of this study.

²⁰⁶ See Royer 2011: 71-84.

swidden fields and rubber plantations. Compared to the Menua Sadap Iban communities in the North of Kapuas Hulu, living standards, social infrastructure and incomes are considerably higher in Nanga Betung, even though the latter is not a particularly wealthy community.²⁰⁷

In 2012 villagers from Nanga Betung had formally proposed the establishment of a Village Forest which was approved by the Ministry of Forestry in January 2014. The application process for the Village Forest was facilitated by the regional Kapuas Hulu subsidiary of Fauna and Flora International (FFI) which is located in Putussibau. FFI Kapuas Hulu has supported several other communities in their efforts to establish Village Forests²⁰⁸ particularly regarding awareness raising and training in forest inventory, management, and monitoring.²⁰⁹ The Village Forest of Nanga Betung with 1,891 ha has been established on former timber concession land which is categorised as Limited Production Forest (HPT) by the Ministry of Forestry. The village has classified the forest area into a core area which is predominantly supposed to serve for conservation purposes, a 'cultivation zone' where the community can harvest woods as well as planting and tapping rubber, and a 'customary zone' for ceremonial and traditional needs of households and the village community. During the village meeting which was attended in Nanga Betung soon after the approval of the Village Forest by the MoF and which was focusing on future activities and benefits from the forest, discussions about strategies and prospects for ecotourism did play a crucial role besides issues regarding the demarcation of the forest area to prevent encroachment from neighbouring villages.

While the issue of possible benefits from REDD+ payments was not discussed at the village meeting, this is an important issue for the NGO which facilitated the application process for the Village Forest of Nanga Betung. FFI Kapuas Hulu is trying to establish the Village Forests they have facilitated as future REDD+ projects. The conservation zone of the Village Forest in Nanga Betung is proposed as a Carbon Accounting Area supposed to provide an estimated 1.4 million tons of avoided CO₂ emissions over a project period of 30 years. As major threats to the forest area, poaching and illegal logging from the surrounding communities and conversion to oil palm plantations are identified, and payments are supposed to be provided for 'avoided unplanned deforestation' in REDD terminology.²¹⁰ Financing for the FFI activities in the Kapuas Hulu villages in Kalimantan comes predominantly from the Biodiversity and Agricultural Commodities Program (BACP) of the International Finance Corporation (IFC) of the World Bank Group.²¹¹

NGOs and scholars concerned with the implementation of community based forest management, the REDD preparation process, and community empowerment in Indonesia, frequently conceive of Village Forests (*Hutan Desa*) as an important prerequisite for a future REDD implementation in Indonesia that benefits local communities.²¹² This assessment of the role of Village Forests for the REDD process was also expressed in the interviews with NGO representatives involved in the establishment of Village Forests in Kalimantan. However, knowledge about the REDD process and possible future benefits from REDD+ implementation was surprisingly scarce to non-existent among the various interviewees in Menua Sadap actively involved with the Village Forest,²¹³ and have been

²⁰⁷ The average annual household income for the sub-district to which the Menua Sadap village belongs was calculated at some 9.4 million Indonesian Rupiah in 2012 (Mackay/Marbyanto 2013: 41) and the households of Kerangan Bunut most probably have had incomes below average, while the average household income for Nanga Betung was assessed at about 18 million Indonesian Rupiah per year (FFI/BACP n.d.).

²⁰⁸ See FFI/BACP n.d.

²⁰⁹ See FFI/BACP 2012.

²¹⁰ Not entirely consistent with this assessment of threats, the proposal at the same time justifies the REDD financing with the need to pay the opportunity costs of the community of not converting forest to other land uses (see FFI/BACP n.d.).

²¹¹ See IFC [Fauna & Flora International - Grant II](#), accessed June 2014.

²¹² See e.g. Akiefnawati et al. 2010, Bock 2012, Royer 2011: 30-35 or REDD-Monitor 2011 [Villagers respond to REDD in West Kalimantan](#), accessed June 2014.

²¹³ In a meeting with the village head of Sadap, the head of the Village Forest committee, and several other villagers where we talked about the Village Forest and my visit to Kerangan Bunut, the only person who seemed to have at least some very basic knowledge about REDD has been the village facilitator who has been working together with FORCLIME.

without any relevance in the village meeting which was joined in Nanga Betung. This may be due to deliberate NGO policies not to fuel expectations within the communities as well as the still preliminary status of REDD activities and regulations even among the government institutions involved in the preparatory process for REDD and its future implementation.²¹⁴ However, it is a crucial issue to be addressed with regard to FPIC mechanisms in the context of the implementation of future REDD+ activities in the villages.

In Kapuas Hulu FORCLIME is working closely together with local NGOs and initiatives as well as regional NGOs with an international backing like FFI Kapuas Hulu and the WWF office in Putussibau. FORCLIME employs NGOs in the context of development cooperation projects and supports workshops and training facilities.²¹⁵ The program seems to be particularly important for the dissemination of concepts of community based forest management in government agencies, as well as regarding the facilitation of communication and cooperation between the forest service, NGOs, and local communities.

Representatives from NGOs as well as people from the visited villages who have made experiences with the program generally emphasized good relations with FORCLIME staff and support from the program. Villagers from Menua Sadap generally described working relations in FORCLIME projects as beneficial and participative. Only one of the villagers interviewed who was involved in a FORCLIME project openly complained about not being adequately paid for work and functions provided for the project. However, expectations regarding continuing job opportunities and wage incomes in the context of projects may be more widely spread. Expectations expressed by villagers from Menua Sadap regarding future cooperation with FORCLIME focused on continuing support in their dealings with the forestry service and other government agencies, further assistance in the promotion of ecotourism or agroforestry projects, or the amendment of the malfunctioning hydropower generator established in one of the villages in the context of another GIZ program. In these expectations there sometimes resonated cautious complaints about missing 'sustainability' of the support and wishes to be more closely guided and accompanied in the projects initiated by FORCLIME. Based on the selective and piecemeal experiences gathered with regard to the Village Forest projects in the two villages that have been visited, it may seem that the assistance from FFI staff in the case of the Malay village Nanga Betung has been more 'intimate' than assistance from FORCLIME for the Iban community Menua Sadap. However, if this difference should be relevant it may well be less related to different organisational approaches and structures of cooperation than to ethnic and religious differences, the different socio-cultural context of the two projects, or personal affinities and competences of staff involved in the projects.

2.3.2 Ecosystem Restoration Concessions: Economization of conservation and forest conflicts

The concept of Ecosystem Restoration Concessions (ERC) was formally established by the Indonesian Ministry of Forestry in June 2004 as a new type of concession area for the management of Production Forest areas provided under an 'Ecosystem Restoration Timber Forest Product Utilization License' (IUPHHK-RE).²¹⁶ The purpose for this government legislation was to establish a new market oriented instrument with the objective to counter prevailing deforestation and degradation processes in Production Forests and to restore forest ecosystems in logged-out concession areas. This Indonesian ERC concept emerged in the context of growing efforts among transnational conservation organisations to approach nature conservation on a global scale involving increasingly

²¹⁴ Regarding the situation and perceptions of actors in Kapuas Hulu see Royer 2011: 35-48.

²¹⁵ See e.g. FFI/BACP 2012, Royer 2011: 11.

²¹⁶ The legal basis for ERCs is Decree 159/Menhut-II/2004 which was further developed with Government Regulation No. 6/2007 and amended variously in 2008, 2010 and 2011. For a study regarding the legal framework for ERCs and its development see particularly Walsh et al. 2012a.

private enterprises, economic incentives, and market oriented instruments.²¹⁷ From the outset, the conceptualisation of ERCs in Indonesia has been significantly influenced and promoted by the British Royal Society for the Protection of Birds (RSPB) as well as BirdLife International and particularly Burung Indonesia, BirdLife's affiliate conservation organisation in Indonesia.²¹⁸ Since 2004 the legal framework for ERCs has been variously amended, and is still disputed and in progress, a process in which Burung Indonesia is crucially involved.²¹⁹

The conservation organisations conceive of ERCs as a promising strategic tool to reverse the deforestation and degradation of forests on Indonesia's Production Forest areas. These areas are supposed to be particularly threatened but at the same time to be ecologically valuable with a high potential regarding nature conservation objectives.²²⁰ In 2013 some 75.2 million ha or 56.7% of all Forest Area has been designated as Production Forest (HPT+HP+HPK) while 57.3 million ha comprising about 43.3% of the Forest Area has been categorised as Conservation Forest (HK) and Protection Forest (HL) areas which are primarily designated for the protection of forests. Production Forest areas are supposed to predominantly serve commercial purposes and are allocated by the MoF to be used by private enterprises under various licenses.²²¹ (See Figure 3-21)

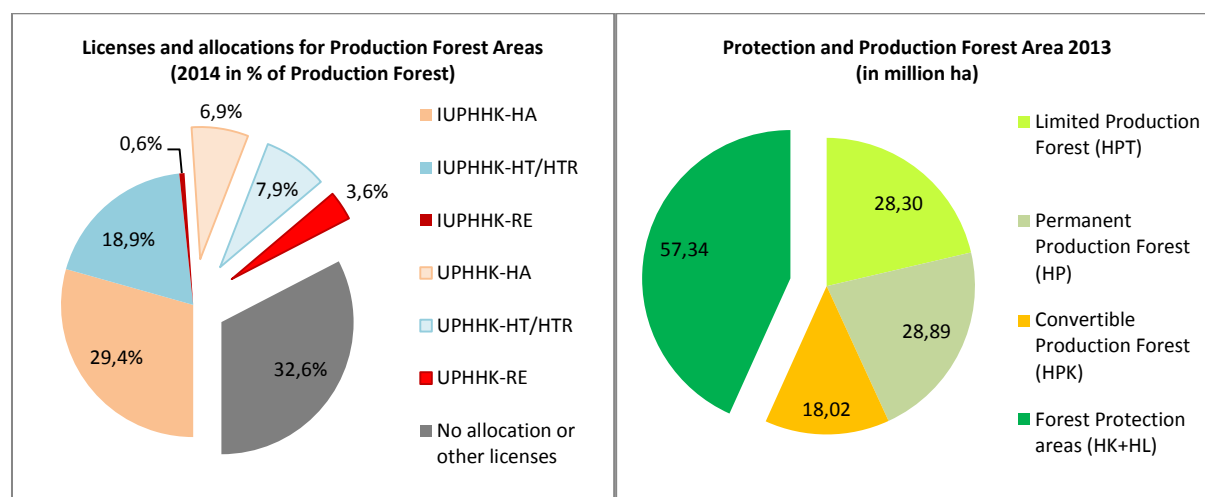


Figure 2-21: Allocation and licences for production forest areas

In early 2014, the MoF had issued licenses for some 36.8 million ha or about 49% of the Production Forest area. About 30% of these issued licenses had been for Logging Concessions (IUPHHK-HA), 19% for Forest Plantations (IUPHHK-HT and IUPHHK-HTR), and some 0.6% of the Production Forest area or 480,093 ha has been licensed for Ecosystem Restoration Concessions (IUPHHK-RE). Furthermore, about 13.9 million ha or 18.4% of Production Forest had been allocated for prospective licensing, respectively 6.9% for Logging Concessions (UPHHK-HA), 7.9% for Forest Plantation (UPHHK-HT/HTR),

²¹⁷ Regarding the concept of conservation concessions see e.g. Rice 2002, Niesten/Rice 2004, Wunder et al. 2008. For the broader debate on the privatization of conservation see also Hardner/Rice 2002, Pagiola et al. 2002, Karsenty 2007, Wunder 2007, Brockington et al. 2008, Brockington/Duffy 2010, Barnaud/Antona 2014, Ladle et al 2014. Besides neoliberal socio-economic developments, this increasing trend since the 1990s to privatize and economize nature conservation, variously referred to as 'free market environmentalism' (Anderson/Leal 1991), 'green developmentalism' (McAfee 1999), or 'neoliberal conservation' (Igoe/Brockington 2007), is crucially related to changing paradigms as well as conflictive approaches regarding development and conservation since the 1980s (see Buerger 2013: 12-17).

²¹⁸ RSPB and BirdLife are conceived of as "the world's largest network of conservation organisations" and have worked together with the Indonesian Ministry of Forestry to develop the new licence for Production Forests particularly with regard to the establishment of conservation areas on degraded logging concession areas on Sumatra (see BirdLife 2008, NABU 2010, see also Hein 2013: 5-6).

²¹⁹ See e.g. Burung Indonesia 2010, Walsh et al. 2012a,b, Mardiatuti 2013, Silalahi/Utomo 2014 regarding English language sources only.

²²⁰ See e.g. Walsh 2012b, Silalahi/Utomo 2014.

²²¹ MoF 2013a, b, see also Chapter 4.1.2 and Tab. E.

and another 3.6% or 2.69 million ha for further ERC development (UPHHK-RE). Together with the already established ERCs, the targeted area for ERCs thus adds up to more than 3 million ha or about 4.2% of the Production Forest area.²²² For the remaining 24.5 million ha or 32.6% of Production Forest areas, other licenses and allocations exist only for very small areas (see Chapter 4.1.2). Therefore conservation organisations perceive of these areas predominantly as kind of 'open access areas' particularly prone to illegal logging and encroachment. They conceive of ERCs as a promising instrument for all of these areas and the Harapan Project as an important pilot project to promote this approach.²²³

ERC licences are granted for a period of 60 years and are extendable for another 35 years. The government regulation defines ERCs as re-management and restoration efforts on former production forest, including biotic and abiotic components, in order to re-establish a biological balance. As long as restoration activities are underway, logging and conversion into agricultural areas is prohibited. However, the licence holders may generate incomes by way of producing and selling NTFPs like rattan, sago, bamboo or Gaharu wood, by using areas for the cultivation of mushrooms, medicinal and ornamental plants as well as bee keeping and animal-raising, or by commercialising ecosystem services such as biodiversity protection, ecotourism, water resources and carbon sequestration. The license also requires that there should be an equitable sharing of benefits through job creation and other economic development activities with local communities. After the forest has reached its "biological equilibrium" timber may be cut for commercial purposes once again.²²⁴

In early 2014 a total area of 480,093 ha had been provided for twelve ERCs,²²⁵ which in terms of area is far behind the 2.5 million ha targeted for 2014 in the MoF strategic plan for the period 2010-2014 as well as with regard to the 3 million ha of Production Forest already allocated for ERCs by the Ministry. This discrepancy is less due to missing interest, which seems to be considerable,²²⁶ but is supposed to be predominantly related to deficiencies of the legal framework and ongoing disputes about the design and implementation of the concept.²²⁷ ER licenses must be held by an Indonesian business entity, which emphasises the central role the private sector is supposed to play in restoring logged-out natural forest concessions. Applications require a business plan which has to outline how revenues will be generated over the whole time spanned by the concession licence.²²⁸ Licensing fees are considerable, and start-up costs for the first six years of operation are estimated at some 14 - 18 million USD.

Particular strengths of the ERC concept with regard to conservation objectives are supposed to be the explicit commitment of this type of concession to habitat restoration and rehabilitation; the

²²² See Silalahi/Utomo 2014 and Tab.E.

²²³ See NABU 2011 [Erfolgsmodell für biologische Vielfalt und Klimaschutz](#), accessed July 2014.

²²⁴ See e.g. Walsh 2012a: 18-21.

²²⁵ See Silalahi/Utomo 2014: 11. The 12 ERCs approved so far are: PT Restorasi Ekosistem Indonesia (2007) South Sumatera 52,170 ha; PT Restorasi Ekosistem Indonesia (2010) Jambi 46,385 ha; PT Restorasi Habitat Orangutan Indonesia (2010) East Kalimantan 86,450 ha; PT Ekosistem Katulistiwa Lestari (2011) West Kalimantan 14,080 ha; PT Gemilang Cipta Nusantara (2012) Riau 20,265 ha; PT Rimba Raya Conservation (2013) Central Kalimantan 37,151 ha; PT Sipef Biodiversity Indonesia (2013) Bengkulu 12,672 ha; PT Rimba Makmur Utama (2013) Central Kalimantan 108,255 ha; PT Gemilang Cipta Nusantara (2013) Riau 20,450 ha; PT Karawang Ekawana Nugraha Sumatera Selatan 8,265 ha; PT Sinar Mutiara Nusantara Riau 37,100 ha; PT Global Alam Nusantara Riau 36,850 ha. Licenses for two additional ERCs on 203,471 ha are to be issued in 2014, and for another two ERCs of 100,188 ha licences are in process, also expected to be approved in 2014. Together these 16 ERCs are supposed to comprise a total area of 783,752 ha (see Silalahi/Utomo 2014).

²²⁶ See Walsh 2012a: 5-6.

²²⁷ See Walsh 2012a: 11-17.

²²⁸ A cost-benefit analysis regarding the economic feasibility of ERCs and their attractiveness as a business opportunity indicated that the benefits of natural ecosystems are not sufficient to attract funds or investment for ERCs. Benefits from carbon sequestration in the study have been assessed as the most important and promising possibility to secure economic efficiency of ERCs to an extent that makes it difficult to imagine how ERCs without a REDD component could be economically viable at all. The study concludes that policy support, sustainable funding mechanisms, and financial incentive schemes such as tax breaks are needed for ERCs to ensure their viability (see Rahmawati 2013).

secure land tenure ownership which provides legitimate authority to fully manage the area; the possibility to more effectively conduct monitoring and safeguarding; and the potential for obtaining sustainable financing through carbon credit (REDD) projects.²²⁹ As major problems which obstruct the rapid extension of this concept four bottlenecks in the licensing process are identified, specifically insufficient transparency regarding the designation of areas for ERCs, the unclear and disputed role of provincial and district governments in the licensing process, expensive and intricate requirements for non-timber business permits needed in addition to the ERC license, as well as the lack of an incentive package including fiscal incentives to support the economic viability of ERCs.²³⁰

Germany so far has agreed to grant some 15.6 million EUR for the support of Ecosystem Restoration Concessions in Indonesia, provided via the International Climate Initiative (ICI) of the BMUB and supposed to be implemented by the KfW. The ERCs supported by German development assistance include the Harapan Rainforest Project on Sumatra (98,555 ha), as well as two planned ERC projects, one of them in the buffer zone of the Bukit Tigapuluh National Park on Sumatra (45,000 ha), and another planned ERC project in the Gorontalo Province on Sulawesi (84,798 ha) supposed to connect the Panua Nature Reserve and the Nantu Wildlife Reserve. While the Harapan Project has been the first ERC established in Indonesia, the two latter projects are still in the licensing process, however, supposed to get approved in 2014.²³¹ Besides official German development assistance via the ICI grants, in all three ERC projects German conservation organisations are also significantly involved, specifically the Deutscher Naturschutzbund (NABU), the Frankfurt Zoological Society (FZS), and WWF Germany. To assess German development cooperation with regard to ERCs in Indonesia, the Harapan Rainforest projects on Sumatra will be further explored.

The project 'Harapan Rainforest' (literally 'Hope Rainforest') was initiated in 2001 as a common project of Burung Indonesia, the Royal Society for the Protection of Birds (RSPB), and BirdLife International, which at the same time all worked together with the Indonesian Ministry of Forestry to develop the ERC concept. After the legal instrument had been established in 2004, the 'Harapan Rainforest' was the first forest area to be allocated under the new ERC framework in 2005. In 28 August 2007 the [Harapan Rainforest](#) project received a first concession right for an area of 52,170 ha in the province of South Sumatra, and in 25 May 2010 another license for an adjoining area of 46,385 ha in Jambi Province was approved.²³² Both areas had been logging concessions previously, the north-eastern part of the Harapan project in Jambi Province being used by PT Asialog and the south-western part of the ERC in the South Sumatra Province by PT Inhutani V. Legal logging activities in the south-western part of the Harapan forest area had stopped in 2007, while legal logging in the north-eastern part in Jambi Province lasted until 2008. Here furthermore considerable illegal logging and encroachment occurred after the logging concession had ended and before the area was licensed as ERC in 2010 (see below).²³³ Even though completely logged over to various degrees, much of the forest in the Harapan ERC is supposed to be still in rather good condition and to represent about 20%

²²⁹ See Walsh et al. 2012a, 2012b, Sitompul et al. 2011: 28. Regarding the relevance of ERCs for the REDD process see also Hein/van der Meer 2012 and USINDO 2010: 22-23, Peters-Stanley et al. 2012: 56, 59, Indonesia 2013: 14 and 2014: 15.

²³⁰ See Walsh et al. 2012a.

²³¹ The Bukit Tigapuluh ERC which is particularly promoted by the Frankfurt Zoological Society is supported by ICI funds in the context of the KfW ERC program since the beginning of 2014, and is supposed to get a preliminary license still in 2014, while the approval of the final license is delayed by upcoming government reshuffles (Peter Pratje personal communication August 2014, see also Sitompul/Pratje 2009, WARSJ et al. 2010, Iswanto/Puspita 2011, WWF et al. 2011). The project has had to face particular difficulties due to efforts of Asia Pulp & Paper (APP) - one of the largest pulp and paper companies worldwide which already holds industrial plantation concessions in the buffer zone of the National Park - to get hold of the area by also applying for an ERC concession using good connections to regional politicians and the economic power of a big business enterprise (Peter Pratje personal communication May 2014, see also APP n.d. and APP 2014 [APP to support the protection and restoration of one million hectares of forest in Indonesia](#), accessed August 2014, Barr 2007, Effendi 2014).

²³² While the southern part was licensed for a period of 100 years, the license for the northern part in Jambi Province was given for 65 years with an option to extend for another 35 years (see Wardah 2013: 37, Marthy 2014: 9).

²³³ See NABU 2012a, Hein 2013: 14-15, Hauser-Schäublin/Steinebach 2014: 5.

of the few remaining Sumatran dry lowland forests which are biologically highly diverse but also most threatened.²³⁴

To manage the Harapan Project, Burung Indonesia, the RSPB and BirdLife International had created the non-profit foundation Yayasan Konservasi Ekosistem Hutan Indonesia (Yayasan KEHI). Yayasan KEHI is the major shareholder of the company PT Restorasi Ekosistem Indonesia (PT REKI) which was established in order to fulfil the requirements for the application of the ERC license and with the purpose to manage the ERC. Running costs for the ERC amount to some 2 million USD per year and another 2 million are supposed to accrue for restoration activities over a period of about 10 years. Funding comes from many sources, including members from the RSPB and BirdLife Partners in Switzerland, Belgium, Singapore, Luxembourg, and the Netherlands. Major grants have been provided from the European Union, the UK Government's Darwin Initiative, Conservation International, the British Birdfair, the Italian Nando Peretti Foundation, as well as business companies in Japan, Singapore and the UK. The 7.5 million EUR provided by the German BMUB via its International Climate Initiative (project term 2009 until end of 2013) counts among the most important single contributions to the project besides some 9 million EUR provided by DANIDA, a 2.5 million EUR grant from EuropeAid, and 3 million USD donated by Singapore Airlines. NABU as the German partner of BirdLife International has supported the project through fundraising, technical advice and the promotion of lessons learned to policy makers.²³⁵

From the outset of the project, major threats to the forests in the Harapan ERC have been forest fires, illegal logging, encroachment and poaching. Most recently, efforts to build a coal road through the Harapan ERC by a mining company poses another threat to the protection of the remaining forest areas in the ERC.²³⁶ Measures to protect and restore the area so far include the establishment of forest patrols and awareness raising activities to reduce illegal logging, the construction of observation towers, installation of water tanks and training of staff and local people in fire-fighting, re-forestation activities on some 4,000 ha of degraded forest areas, support of local communities and particularly indigenous people to start up sustainable livelihood schemes such as rubber cultivation and to develop alternative income opportunities, as well as studies regarding the biological diversity of the forests and its conservation.²³⁷

While the presentations of the involved conservation organisations provide a predominantly successful and promising balance of the Harapan project, transnational organisations and initiatives focusing on people's rights and environmental justice emphasise shortcomings and unresolved conflicts incriminating the project. The scenario of the problems and conflicts regarding the Harapan Rainforest resembles a globally wide spread pattern of different interrelated stakeholders and their diverging interests focusing on forest use and conservation areas, which includes NGOs, government agencies and business co-operations, as well as local forest dependent communities and indigenous peoples, old-established and new-coming settlers, activists, researchers, business men, and politicians. In the context of this study, two crucial issues of this general scenario will be highlighted with regard to the controversies related to the Harapan Project: the status and role of forest dependent communities and indigenous peoples in the Harapan conflict, and the disputes in transnational discourses on nature conservation and social justice related to the conflicts.

²³⁴ See NABU 2010, Marthy 2014.

²³⁵ See BirdLife 2008, NABU 2010, 2012a, 2012b, EuropeAid n.d.. Regarding organisations providing financial support for the Harapan project see also [Harapan Rainforest 2012](#), accessed July 2014, and Singapore Airlines 2010 [Singapore Airlines commits to Rainforest Preservation](#), accessed August 2014.

²³⁶ See Silalahi/Kusuma n.d. [2014], Harapan Rainforest 2014 [Coal Road Threatens Ecological Integrity of Harapan Rainforest](#) and Mongabay 2013 [Mining Road Plan Threatens Forest Restoration Project in Indonesia](#), accessed July 2014.

²³⁷ See NABU 2012a, 2012b as well as Birdlife International [Innovation in the protection of forests in Indonesia](#) and RSPB [Harapan provides hope for rainforest conservation](#), accessed July 2014.

From a historical perspective, roots of the current conflicts involving communities and local people in and around the Harapan concession area may be traced back to colonial and pre-colonial legacies.²³⁸ Since then, the 'local conflicts' in the Harapan area are crucially related to processes of ethnic identification and ascription as well as assertions of social power relations and claims to resources. More recently these conflicts have been furthermore incorporated into national and transnational struggles regarding contestations and reconfigurations of power relations and identities in modern societies.²³⁹ From such a historical perspective, the 'local people' involved in the conflicts comprise very different groups with regard to origins, identities, and possibilities to claim and access resources of the area.

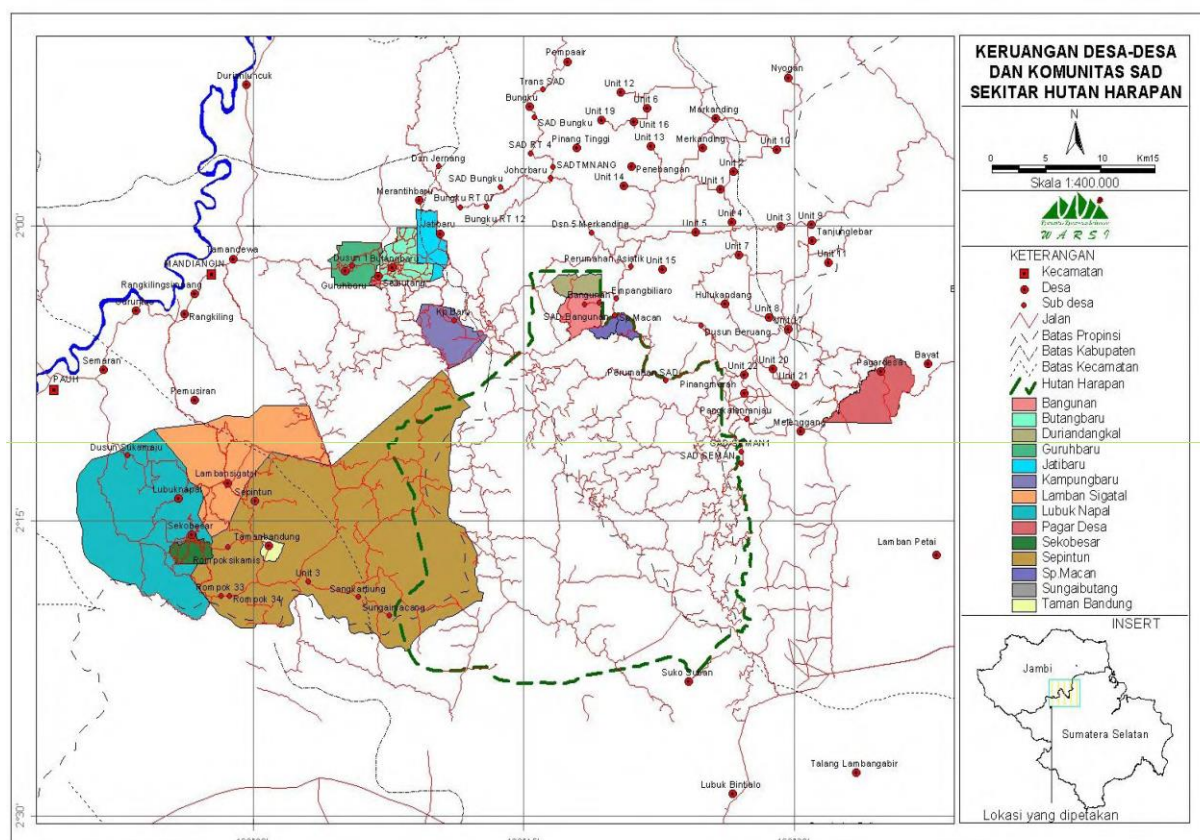


Figure 2-22: Harapan Ecosystem Restoration Concession and villages in the Harapan area²⁴⁰

The conflicts between people living inside and close to the Harapan Forest area and the managing company of the Harapan Project PT REKI concentrate on the north-eastern part of the ERC.²⁴¹ The main villages in this area, Bungku and Tanjung Lebar, are legally established and are located outside of the Harapan ERC. Ethnic minority groups most frequently referred to as Batin Sembilan²⁴² have

²³⁸ See Steinebach 2012: 56-75, Steinebach 2013: 69-73.

²³⁹ For a review of transformations of these conflicts and related discourses on a global scale see Buergin 2013.

²⁴⁰ Source: WARSI, provided from PT REKI.

²⁴¹ Relations to settlers producing rubber in the southern part of the ERC to date seem to be less problematic. The ERC management works together with them to develop alternative income possibilities with the target to prevent further deforestation and to achieve their complete relocation from the concession area (NABU 2012a: 3).

²⁴² The 'Batin Sembilan' (literally 'River Nine') trace their descent from nine brothers who are supposed to have settled along nine local rivers in the border area of what are nowadays the Indonesian Provinces of Jambi and Southern Sumatra and in pre-colonial times constituted the Sultanates of Jambi and Palembang. For the history and names of the nine groups see also Wardah 2013: 24-25 and a letter of representatives of the groups to the KfW published on the REDD-Monitor 2013 [A letter from members of the Batin Sembilan to KfW and Germany's International Climate Initiative](#), accessed July 2014.

traditionally lived in the area now including the Harapan Rainforest ERC and adjoining areas as semi-nomadic shifting cultivators and hunter gatherers. In the early 1970s the Indonesian state had designated almost the entire lowland rainforests of Jambi Province as logging concessions and in 1971 the land where the Batin Sembilan lived was allocated as a logging concession to the timber company PT Asialog. In 1972 a resettlement scheme was launched to concentrate the semi-nomadic Batin Sembilan population in the new village of Bungku which was established in 1973 and which became an administrative village (*desa*) in 1982. The village Tanjung Lebar is supposed to have been founded by indigenous Batin Sembilan already in the pre-colonial era.²⁴³ As long as the logging activities did not require the permanent use of the whole concession area, the Batin Sembilan were still able to practice dry rice farming and to collect NTFPs within the logging concession area. With the conversion into plantation and conservation concessions these subsistence activities have been increasingly restricted.

In the 1980s, the logging concessions in Jambi were increasingly converted into plantation concessions, particularly for oil palm, acacia, and rubber cultivation.²⁴⁴ In 1986 parts of the PT Asialog logging concession were converted into a palm oil concession which was initially managed by PT Bangun Desa Utama (PT BDU) and transferred to PT Asiatic Persada (PT AP) in 1992, which holds the concession adjoining the north-eastern part of the Harapan ERC until today.²⁴⁵ This change from a predominantly extracting economy to a production economy not only deprived many of the Batin Sembilan of their customary lands and resources, but was also much more dependent on external labour force than the logging business had been. Between 1984 and 1997 more than 14,000 families or 60,000 people, mainly originating from Java, were placed in the Harapan region by transmigration schemes. The transmigration settlements generally formed enclaves within the existing village territories and became independent villages later. Each of the migrating families was given some 3 ha of land accompanied by officially issued land titles of private ownership (*hak milik*). Most of the autochthonous Batin Sembilan groups, who hold no official land title from the Indonesian government, were alienated from their ancestral territories and either retreated into still forested areas where concession holders had not yet started planting agricultural crops, or were resettled in housing estates provided by the social department.²⁴⁶

With the fall of the Suharto regime in 1998 and in the following decentralisation process the circumstances in the region changed crucially. Regional and local political scopes were enlarged considerably and provided new opportunities to acquire influence and to make profits. In this context also customary rights re-emerged as an effective means to assert and enforce claims to lands and resources. Since then another estimated 40,000 of 'spontaneous migrants' have come into the area, many of them from Jambi province and other parts of Sumatra, but also people from Java and other Indonesian Islands. Most of them are supposed to have been attracted by reports which the transmigrants had sent home. However, an increasing number of new migrants were also attracted in the course of the activities of the Indonesian peasant movement for which the Harapan area became an important focus of political struggle.²⁴⁷ In this regard, the conflict between people who

Anthropologists generally relate these local groups to a broader category of autochthonous people of Sumatra labelled Orang Rimba. In Indonesia the most common denomination for these groups is 'Kubu', which is conceived of as a highly pejorative term by the groups themselves (see e.g. Steinebach 2012: 214-218).

²⁴³ Hein 2013: 15, Hauser-Schäublin/Steinebach 2014: 29.

²⁴⁴ Since 2012, a DFG research program at the University of Göttingen explores ecological and socioeconomic impacts of these transformation processes in Jambi (see Faust et al. 2013 and Uni Göttingen [SFB 990: EFForTS](#), accessed July 2014). Even though some of the researchers are addressing the Harapan conflicts in their research and publications, there seems to have been no direct cooperation between the research project and the ERC development project.

²⁴⁵ See IPAC 2014: 7. The PT AP concession area nowadays is adjoining the north-eastern border of the Harapan ERC. Since 2000 PT AP had belonged to the Commonwealth Development Cooperation (CDC) and was sold to the world's largest oil palm company Wilmar in 2006, after having been owned for several months by Cargill (IPAC 2014: 6). Regarding the changing concession holders in the Harapan area see also Wardah 2013: 37-38.

²⁴⁶ See Steinebach 2013: 65, Hauser-Schäublin/Steinebach 2014: 4, 11-12, Hein 2013: 15.

²⁴⁷ See Hauser-Schäublin/Steinebach 2014: 14-17, IPAC 2014.

claim access to lands and forests in the Harapan Ecosystem Restoration Concession and the company PT REKI which manages the ERC are only one location in a broader struggle, even though with its own history and particular actors.

Most of the land in the Harapan area²⁴⁸ is classified as Forest Land, some of it designated as protected forest but predominantly licensed as plantation concession land for private companies and for the Harapan restoration concession. The people living in the area are predominantly dependent on this 'forest area', be it as labourers for the companies which control large parts of the area and/or with regard to their possibilities to access lands and resources individually for commercial or subsistence purposes. The different groups which have lived customarily on the land or later migrated into the area have different possibilities and strategies to gain and secure access to the land and its resources.

The settlers which came into the region in the course of the transmigration scheme are in a comparably comfortable situation because they have legal settlement rights and even land titles which may be mortgaged and sold. The local 'indigenous people', which are roughly estimated to account for some 10% of the current population in the area,²⁴⁹ until now predominantly do not have any legal titles for their customary lands and have been forced to almost completely abandon their traditional livelihoods. However, their chances to claim and enforce rights to lands and resources in a changing national and international context are increasing and promising. Furthermore, at least in some villages and with regard to land use issues, their position is strong in the context of local power structures which facilitate less formal avenues to access lands and resources, legitimized and facilitated locally through customary leaders, formal village administrations or sub-district authorities. Such 'less formal' avenues to lands and resources not based on national legislation include land titles issued by the village governments, bartering and direct payments to customary or formal leaders, as well as marriages into villages and ethnic groups.²⁵⁰

For the 'spontaneous migrants' these less formal, informal, and often 'illegal' avenues are the most important possibilities to access land and forest resources in the Harapan area, even though always entailing the risk of being evicted from the land by the concession holders or state authorities. In this way furthermore patron-client relationships are created in which decisions about land use and the sale of the crops cannot always be autonomously made by the migrant farmers. Wealthier people living in other areas of Sumatra also purchase land from local authorities and leave the farming of the land to migrants who cannot afford to pay compensation or do not have network connections. Such relationships and agreements may include the opening, preparing and planting of forested land, as well as rubber tapping or harvesting of oil palms.²⁵¹ With the local engagement of national and transnational organisations related to the peasant movement (see below), new chances and possibilities to claim and enforce access to lands and resources have emerged, not only for 'spontaneous migrants' and newcomers, but also for indigenous groups living in the area.

²⁴⁸ The north-eastern part of the Harapan ERC which is in the focus of the conflicts is located in the south of Jambi province at the border to the province South Sumatra and belongs to the districts Batang Hari and Muaro Jambi which have only been separated in 1999 (see Figure 5-3).

²⁴⁹ The Harapan ERC management estimates that this figure drops to less than 3% if limited to the Batin Sembilan people that may be considered indigenous to this forest area (see REDD monitor 2012 [Response from Harapan Rainforest Project](#), accessed July 2014). According to a REKI survey for Bungku village in 2011 about 71% of the villagers came from Java, about 5% from the Sunda islands, and some 14% from other parts of Sumatra. Local Batin Sembilan in this survey accounted for about 6% and other local groups from Jambi province for another 4% (see Wardah 2013: 34).

²⁵⁰ See Hein 2013: 17, Hein/Faust 2014: 23, Hauser-Schäublin/Steinebach 2014: 12-13.

²⁵¹ See Hein 2013: 15-17 and Hauser-Schäublin/Steinebach 2014: 14-18. Hauser-Schäublin and Steinebach estimate that about 43% of the land use in the Harapan area falls under the 'illegal' heading according to state law (Hauser-Schäublin/Steinebach 2014: 17f).

After 2000 in the context of Indonesia's decentralisation process and the revival of local identities and *adat* - even before the peasant movement had started to actively engage in the area - the Batin Sembilan had begun to act more assertive and demanding and had started to organise together with other local groups to support their interests in land and resources. These initiatives were going along with a new self-identification of the Batin Sembilan as 'Suku Anak Dalam' (SAD) (literally 'Tribe of the Children of the Interior') indicating a shift towards a greater regional inclusiveness as well as national integration.²⁵² Besides claiming a total area of some 70,000 ha as their customary land (*tanah ulayat*), including village and concession lands, protected forest areas, as well as parts of the Harapan ERC, various Batin Sembilan groups furthermore organised together with migrant settlers and political activists to negotiate and enforce access to lands claimed by concession companies.²⁵³

In 2000, during the palm oil boom, Suku Anak Dalam (SAD) together with non-SAD farmers from Tanjung Lebar and surrounding villages formed a cooperative with the aim to find investors to establish a palm oil plantation on 5,100 ha customary land on the border between Batang Hari and Muaro Jambi districts. Their efforts to apply for the plantation permit from the district government failed predominantly due to unclear border mapping between the two district administrations which had been newly established in 1999. Their negotiations with the palm oil company PT AP which was in hold of concession rights for some 600 ha of the claimed customary lands lasted over several years and were finally terminated without results when the company was sold to Wilmar in 2006.²⁵⁴ At about the same time Batin Sembilan, migrant settlers and political activists in the Bungku village area were also negotiating and quarrelling with PT AP about rights and access to lands within the concession areas. In 2003 they organised as a group under the name SAD 113 claiming some 3,550 ha as customary land.²⁵⁵ In both cases, activists and organisations related to the national and transnational peasant movement became actively involved in the conflicts. In the case of the SAD 113 conflict, which mainly focuses on lands in the PT AP concession area, the peasant union Serikat Tani Nasional (STN) is involved in the conflicts,²⁵⁶ while Serikat Petani Indonesia (SPI) has become a major actor in the conflicts which concern areas within the Harapan ERC and have considerable implications for restoration and conservation objectives of the Harapan project.²⁵⁷

According to the managing company of the Harapan ERC PT REKI, there has been no major encroachment on the concession area before 2005. The few settlements of the Batin Sembilan inside of the concession area were not regarded as a direct threat to the forests in the ERC. However, for the period 2005-2008 PT REKI, referring to aerial surveys, asserts deforestation of some 9,000 ha in the north-eastern edge of the ERC due to encroachment, as well as another 4,000 ha for the period between 2009 and 2011.²⁵⁸ PT REKI basically distinguishes three groups of actors living inside the project territory, respectively the Batin Sembilan (or SAD) as local indigenous group, local

²⁵² See Steinebach 2013: 73-77. The term was originally introduced by the Dutch and used by the local government to classify different ethnic groups according to certain cultural characteristics. In the context of the recent conflicts, the name has been chosen by Batin Sembilan groups deliberately in to position themselves and their land claims vis-à-vis the state and transnational companies (Hauser-Schäublin/Steinebach 2014: 23).

²⁵³ See Hauser-Schäublin/Steinebach 2014: 10, 13. These claims to customary lands encompass the area between the Bahar River and Lalan River tributaries and include all the villages in the area as well as large parts of the PT Asiatic Persada palm oil concession and the Harapan ERC.

²⁵⁴ See Colchester et al. 2011, IPAC 2014: 8-9, see also CAO 2012 regarding Wilmar's involvement in the SAD conflict.

²⁵⁵ The group SAD 113 is supposed to have been established in 2003. 'SAD' refers to the Batin Sembilan or 'Suku Anak Dalam' while the figure 113 is either supposed to refer to the number of original claimants which established the group (IPAC 2014: 5) or to the size of the area they were claiming as customary lands (Steinebach 2013: 73).

²⁵⁶ The SAD 113 conflict at the northern edge of the Harapan ERC which has even led to the death of a SAD spokesman in March 2014 (see IPIR 2014 [Indonesia: Conflict In The PT Asiatic Persada Concession Leads To A Casualty](#), accessed August 2014) by now has gained considerable national fame and is regarded as one of the best documented land conflicts in Indonesia, even though "poorly understood and often misreported." (IPAC 2014: 5). For informed reviews of the conflict see particularly Colchester et al. 2011, Steinebach 2013, Beckert et al. 2014, and IPAC 2014.

²⁵⁷ There are indications that the involvement of SPI in the Harapan conflicts, at least to some degree, is also related to rivalries and different approaches of competing organisations within the peasant movement (see IPAC 2014: 3-4, 26).

²⁵⁸ See REDD-Monitor 2012 [Response from Harapan Rainforest Project](#), accessed July 2014.

communities which have lived long-term and permanently in the area, and rural migrants or 'encroachers' from 'outside'. Land claims of the Batin Sembilan and, to a lesser extent, those of established local communities are regarded as more or less legitimate by PT REKI. Most of the land claims of recent rural migrants are considered illegitimate and their use of areas inside of the ERC as encroachment. However, these actor categories used by PT REKI are ambiguous, since many of the 'encroachers' have bought land from Batin Sembilan or local communities, while some Batin Sembilan are also converting forests for oil palms inside of the ERC. Furthermore, most of the settlements within the ERC are ethnically diverse, and some are even officially recognized as sub-villages of Bungku by village and sub-district authorities, which have also legitimized land claims. Agricultural activities and settlements in the area have been also promoted by District agencies which have even established an elementary school service.²⁵⁹

The conflicts with people living inside of the ERC or people which are trying to get access to land and resources of the Harapan ERC predominantly focus on three different areas: Some established Batin Sembilan villages in the Simpang Macan area in the very north of the ERC, a relocation area for Batin Sembilan called Mitra Zone close to the main project camp, and various villages of migrant settlers - but also including Batin Sembilan people - in the Kunangan Jaya area in the southeast of the main project camp, the latter involving the most serious conflicts in terms of deforestation and violence (see below). Not least due to the missing of an adequate FPIC process prior to the project implementation, conflict mediation is difficult.

With most of the Batin Sembilan families and villages in the Simpang Macan area PT REKI has negotiated conservation agreements which allow them the permanent cultivation of land predominantly for subsistence and the use of NTFPs within the ERC, while oil palms, slash and burn cultivation, logging for commercial purposes and hunting are prohibited. In addition PT REKI provides healthcare and school service free of charge, wells and improved sanitation, rubber seedlings and improved marketing for NTFPS, as well as new income opportunities for some of the Batin Sembilan families in community nurseries and as workers for PT REKI.²⁶⁰ Most of the Batin Sembilan in the Simpang Macan area seem to be more or less content with their arrangements with PT REKI. However, more recently some of the families have expressed discontent and are claiming *adat* rights to lands in the ERC (see below).

On a small area close to the main Harapan project camp at the north-eastern border of the ERC, PT REKI has established a 'community development zone' also called Mitra Zone, where PT REKI seeks to settle the scattered and semi-nomadic SAD families living in the ERC. The settlement provides improved sanitation facilities and includes a community nursery. Further development and provision of income opportunities for the Batin Sembilan in the Mitra Zone are planned. However, many community members reportedly were complaining about unemployment, a failure to pay them compensation for giving up their slash and burn farming practices, and the fact that they have not received land for rubber cultivation as promised. Some of them also reported that they would have preferred to live scattered following their traditional way of live rather than in the closed settlement in the small Mitra Zone area.²⁶¹

The major conflicts so far have occurred and persist in the Kunangan Jaya area. More or less explicitly, PT REKI holds Serikat Petani Indonesia (SPI) to be responsible for logging and encroachment on the area (see below). SPI leaders claim to have been active in the area since 2007. They affirm that their settlements and land conversion activities have been approved by Batin Sembilan and members of the village government of Tanjung Lebar. In 2013 SPI supposedly occupied

²⁵⁹ See Hein 2013: 17-19 and Wardah 2013.

²⁶⁰ See Hein/Faust 2014: 23, Hein 2013: 18-19, Wardah 2013: 20-21, 45-46.

²⁶¹ Hein 2013: 19. But see also Wardah 2013 who rather emphasises positive experiences and assessments of the Batin Sembilan in the Mitra Zone (Wardah 2013: 45).

more than 2,000 ha inside of the ERC and allocated parcels of up to 6 ha land to farmer households according to self-established criteria.²⁶² PT REKI in contrast claims that SPI moved into the area only after it was licensed as ERC in 2010 and accused SPI for occupying the most valuable forest areas as well as for illegal logging and for growing oil palms. While PT REKI emphasises its legal right to the land and its duty as concession holder to protect and restore the area, SPI members in order to legitimize their occupation and management of the land invoke the approval of local authorities, Indonesia's Basic Agrarian Law (BAL) which refers to a social function of land, as well as transnational discourses contesting coercive conservation and REDD+ activities.²⁶³

The public disputes about Harapan started soon after the establishment of the ERC. While the Prince of Wales during his visit of the Harapan project in March 2008 had fully supported the project and highlighted the benefits it was supposed to provide for the local villagers,²⁶⁴ representatives from the SPI in December 2008, as part of the delegation of the transnational peasant organisation Via Campesina at the COP 14 UN climate negotiations in Poznan, accused the managing company of the ERC and the conservation organisations involved in the project of having wrongfully intimidated, evicted, and jailed farmers and indigenous people living in the area.²⁶⁵ The controversy was adopted on the internet by the REDD-Monitor forum, which followed up the conflict over the years variously inviting stakeholders and observers for statements and comments, and which became an actor in the conflict itself.²⁶⁶

In February 2012 the public dispute on Harapan was fuelled again with an interview with representatives from Via Campesina and SPI, on which the management of the Harapan Rainforest Project responded in a mail to REDD-Monitor in April 2012. SPI on the one side now claimed that the farmers which they supported in that area only stay along the border of the Harapan project and grow paddy fields and rubber trees. As farmers who had come into the area because of a transmigration programme they had the right to stay there. They blamed the Harapan project to be a REDD project²⁶⁷ and complained about missing compensations, the clearing of crops and the destruction of houses of the farmers. For SPI it didn't make sense to protect animals, but not to care about people living in the area. Regarding reproaches with illegal logging activities they emphasised the limited capacities of farmers to cut down forests compared to the impacts of mining or plantation companies which were the real culprits of forest destruction.²⁶⁸

PT REKI in their detailed response to the REDD-Monitor interview tried to prove with aerial surveys that, contrary to the SPI spokesman's statement in the interview, the SPI settlement was located deep inside Harapan and large enough to compromise the ecological integrity of the forest. REKI also indicated a link between large-scale, organised illegal logging and following settlement by SPI members. The ERC management also referred to a visit of the vice chair of the national SPI Council to the encroachment area in the Harapan ERC in June 2011 where he according to PT REKI had

²⁶² Other sources state an area of 17,000 ha being occupied (see Lang/ICI 2012). According to SPI members farmers have to meet two criteria to receive land use rights: They have to be poor thus unable to buy land on the formal land market, and they have to agree to not planting oil palms (Hein/Faust 2014: 23).

²⁶³ See Hein 2013: 18-19, Hein/Faust 2014: 23-25, REDD-Monitor 2014 [Harapan](#), accessed August 2014.

²⁶⁴ See e.g. Daily Mail 2008 [Prince Charles shows it is easy being green as he visits forest dwellers in need of a helping hand](#), accessed July 2014.

²⁶⁵ See REDD-Monitor 2008 [Via Campesina and an Indonesian farmer denounce the Harapan Rainforest project in Indonesia](#) and REDD-Monitor 2009 [Harapan Rainforest project in Indonesia "exposes cracks in UN climate plans"](#), accessed July 2014.

²⁶⁶ See REDD-Monitor [Harapan](#), accessed July 2014.

²⁶⁷ In the public disputes the issue of being a REDD project seems to be a challenging and ambiguous argument (see REDD Monitor [On-going land conflicts at Harapan Rainforest Project - Comments](#), accessed July 2014). In this context PT REKI is at pains to reject allegations to be a REDD project, while the BMUB/ICI highlights the importance of the project for carbon sequestration and the development of a REDD+ strategy for Indonesia and other rainforest areas around the world (see BMUB [Harapan Rainforest](#), accessed July 2014). A cost-benefit analysis of ERCs in Indonesia supports doubts whether ERCs without a REDD component may be economically viable at all (see Rahmawati 2013).

²⁶⁸ See REDD-Monitor 2012 [Interview with Tejo Pramono, La Via Campesina, and Elisha Kartini, SPI](#), accessed July 2014.

expressed his believe that the encroached areas should be returned to natural forest and settlers removed. They were furthermore emphasising differences between indigenous Batin Sembilan groups and established smallholder farmers on the one side, and on the other side new migrant farmers and land speculators coming from outside, which were supposed to be predominantly interested to make profit and didn't care about forests. According to PT REKI, the latter not only destroyed the forests but also the livelihoods of the local indigenous groups which were supported from the Harapan project.²⁶⁹

Throughout 2012 the conflicts heated up²⁷⁰ and finally hit the German government as a major donor for the project. In the context of a 'Kleine Anfrage' about Germany's involvement in REDD, and after a KfW mission had visited the Harapan project in August 2012, the German government in September 2012 stated with regard to the Harapan conflict: "In the project good relations based on partnership exist with the Indigenous People living there, whereby mistakes and inaccuracies were detected in the media coverage. The complaints are thus not from the local population, but by new settlers who exploit the partially unclear legal situation and partly promoting illegal logging and land grabbing in protected areas under the cover of advocacy for the rights of small farmers. A clarification process with Indonesian (government) institutions has been initiated."²⁷¹ In December 2012 the REDD-Monitor in letters to the BMUB/ICI and the KfW called for a statement of the German government regarding the escalation of the Harapan conflict and the "clarification process" referred to in the government response to the query. In a joint reply of BMUB, KfW, and the Programme Office of ICI they regretted not to be able to disclose the internal evaluation reports of the KfW mission, but provided detailed information about the status of the clarification process and their efforts aiming at conflict resolution.²⁷²

In the context of this clarification process, Indonesia's Minister of Forestry had visited the Harapan Rainforest Project in November 2012, and requested that squatters have to be removed from the forest. His order was executed in December 2012 by some 150 members of the Forest Police Rapid Response Force (SPORC), the Indonesian National Police special operations unit BRIMOB and Indonesian Army forces which evicted particularly villagers affiliated to SPI living inside the Harapan project area. A stand-off between farmers and officials took place and houses were burned. In January 2013 the National Commission on Human Rights (Komnas HAM) indicated that severe human rights violations had been involved in the evictions.²⁷³ In an interview with REDD-Monitor in March 2013, the chairman of SPI Jambi accused PT REKI of not being serious about negotiations and a non-violent approach as long as they only insist on their legal rights to the area and refuse to negotiate with SPI on equal terms. He also stated that SPI had never backed up or supported any illegal loggers or land speculators, but rather indicated that SPI was able to prove that "illegal loggers come from PT REKI internal employer" and that PT REKI staff collaborates with them.²⁷⁴ In response to the SPI accusations, the PT REKI management emphasised the legal basis under Indonesian law for PT REKI's operations and their obligation to protect the concession area in accordance with the

²⁶⁹ See REDD-Monitor 2012 [Response from Harapan Rainforest Project](#), accessed July 2014, see also Burung Indonesia 2013.

²⁷⁰ A film on the Harapan project sponsored by the ICI and produced by the Deutsche Welle in April 2012 had referred to severe intimidations of Harapan staff and police by illegal loggers and illegal settlers, and film documents which were posted in August 2012 allegedly showed how local people were excluded from the project and how their livelihoods were threatened by the project. See also Wardah 2013: 46-47.

²⁷¹ See Lang/ICI 2012.

²⁷² See Lang/ICI 2012 and REDD-Monitor 2012 [Response from Germany's International Climate Initiative](#), accessed July 2014. See also Harapan Rainforest 2012 [Harapan Rainforest Starts Peaceful Dialogue With Encroachers](#), accessed July 2014, and Burung Indonesia 2013.

²⁷³ See REDD-Monitor 2013 [Two contrasting views of the Harapan Rainforest Project, Sumatra, Indonesia](#), accessed July 2014, and Hein 2013: 18.

²⁷⁴ "SPI never rejected negotiation and is in favour of conflict resolution based on a non-violent approach, if it is all done the right way. All parties should have the same position. PT REKI should not feel that they have a superior position over SPI simply because they have a permit from Ministry Forestry." REDD-Monitor 2013 [Interview with Sarwadi Sukiman, Chairman of SPI Jambi](#), accessed July 2014.

licence agreement they hold from the Government of Indonesia, as well as their continuing willingness for mediation and negotiation. They rejected SPI's incriminations of violence and illegal activities against villagers and asked REDD-Monitor to provide an equivalent opportunity for an interview as the one with the SPI chairman.²⁷⁵

While the communication and negotiations between PT REKI and SPI seem to be largely deadlocked, representatives from Batin Sembilan groups from the village Simpang Macan Luar in another part of the ERC in early 2013 had also started to voice their concerns in the transnational public dispute supported by NGOs. In December 2012 some 50 Batin Sembilan and local NGOs had met with PT REKI staff and Burung Indonesia to discuss and resolve problems. The meeting was followed by discontent and ongoing irritation regarding agreements of the meeting,²⁷⁶ and in February 2013 Batin Sembilan sent and published a letter to PT REKI in which they expressed their concerns and interests publicly. Referring to the negotiations in December 2012, as well as PT REKI's commitment to respect indigenous peoples in the implementation of donor policies, they reminded the implementation of agreed compensations for poisoned oil palms and shrubs planted by PT REKI staff, expressed their hopes of not being furthermore intimidated due to their critical position towards the Harapan Project, and requested appropriate and easy to understand information as well as cooperation from the management regarding conflict resolution. PT REKI in their response to the Batin Sembilan letter in March 2013 denied that the Harapan Rainforest management had been involved in poisoning oil palm trees but offered to help the family by providing other plants instead of the palm oil trees not allowable in the ERC. While some of the problems addressed in the Batin Sembilan letter supposedly had been conjointly settled, PT REKI on their part deplored clearing activities in forested areas as a violation of collective agreements and expressed concerns about support for increasing encroachment activities on a larger scale. The reply closed emphasising the continuing willingness of PT REKI to work with all groups of indigenous communities and assertions not to intimidate or violate them.²⁷⁷

A few days after receiving the responding letter from PT REKI, the Batin Sembilan in March 2013 sent another letter to the KfW and the BMUB/ICI. In the letter they reaffirmed their concerns about being intimidated and insufficiently informed by the ERC management. Referring to customary rights to the lands now constituting the ERC, and deploring that this land had been given to the company without their free and prior informed consent, they emphasised their right of not to cooperate with the company as other Batin Sembilan groups have done, but to defend their customary rights to land as well as to struggle for sovereignty over sources of livelihood without having to work for or partner with the company. From the KfW and BMUB/ICI as funders of the Harapan project they requested to remind PT REKI to respect these rights and not to intimidate and violate Batin Sembilan or prevent them from asking for help and building communication with NGOs supporting their claims. They furthermore required an evaluation of the project regarding its information policies and appropriate consultations with concerned Batin Sembilan groups.²⁷⁸

In April 2013 the Programme Office of the ICI at the BMUB responded to the Batin Sembilan letter assuring to take their concerns and requests very seriously. Referring to common goals of all project partners regarding the protection of globally important wildlife, climate change mitigation as well as respect for customary rights of indigenous people, they emphasised the regular visits and monitoring

²⁷⁵ See REDD-Monitor 2013 [Interview with Sarwadi Sukiman, Chairman of Serikat Petani Indonesia \(SPI\) Jambi](#), as well as comments by Kim Worm Sorensen 2013, accessed July 2014.

²⁷⁶ The meeting was organised by Burung Indonesia and took place in Simpang Macan Luar, a sub-village of Bungku. The four NGOs which were supporting the Batin Sembilan have been CAPP, SETARA, Perkumpulan Hijau, and AGRA (all based in Jambi) and have raised concerns of their own towards PT REKI regarding obstructions of their support activities. See REDD-Monitor 2013 [Indigenous rights and the Harapan Rainforest Project](#), accessed July 2014, and Warhadi 2013: 48-49.

²⁷⁷ See REDD-Monitor 2013 [Indigenous rights and the Harapan Rainforest Project](#), accessed July 2014.

²⁷⁸ See REDD-Monitor 2013 [A letter from members of the Batin Sembilan to KfW and Germany's International Climate Initiative](#), accessed July 2014.

of the project by KfW in close contact with the ERC management as well as benefits provided for indigenous communities such as free schooling, sanitation, healthcare and job opportunities. With regard to different interests of different Batin Sembilan groups they acknowledged the need for further discussion and negotiation and pointed to their dedication to support peaceful conflict resolution as well as an ongoing mediation process supposed to meet both national human rights laws and international best practice. However, in their response they defined the conflict to be managed by mediation as an 'encroachment' conflict which basically contradicts the perspective expressed by the Batin Sembilan.²⁷⁹

In face of the various meetings of representatives from affected communities, PT REKI, the provincial Government, and NGOs which have not lead to a successful mediation process, the Forest Peoples Programme (FPP)²⁸⁰ and the regional NGO Scale Up offer to assist in mediating the negotiations if both sides agree. Concerned about deficiencies regarding ready access of the communities to legal advice and support from parties of their choice as well as missing transparency of the negotiations, which does not conform with the right of the communities to give or withhold their Free, Prior and Informed Consent, they propose an assessment of the conflict following the approach set out in the Whakatane Mechanism developed by the IUCN to assess the situation and resolve conflicts regarding indigenous peoples in protected areas.²⁸¹ Until September 2014 this is the latest act of the public dispute about the Harapan project on the REDD-Monitor forum which has not been resumed since the FPP letter has been published in June 2013.

This short review of the conflicts and disputes regarding local communities and the Harapan ERC shows that these conflicts are manifold, long-lasting, and highly complex. A rough classification of different 'local communities' living inside and close to the ERC includes 'indigenous' Batin Sembilan, transmigration settlers, established and new migrant settlers as well as political activists. All of them variously depend on wage labour and cash income, oil palm plantation and cash crop cultivation, NTFPs and swidden cultivation, some very small groups of Batin Sembilan even subsist on a semi-nomadic way of life in the remote forest areas until today. Most of the communities involved in the conflicts with the Harapan project do not fit neatly into categories of ethnicity, origin, and livelihood. They frequently constitute conglomerates of different interests and livelihoods, and even ethnic identities and boundaries are highly blurred and permeable. The chances and strategies of local actors to access local resources are likewise diverse including legal titles from national, regional or local offices (sometimes in contradiction with each other and sometimes acquired illegally), customary and indigenous rights claims, patronizing from local and regional authorities, support from political movements and NGOs, bargaining and bribery, as well as occupation, encroachment, and illegal activities.

These complexities and ambiguities of local actors, interests, and strategies involved in the conflicts are largely disregarded in the national and transnational disputes addressing the Harapan conflicts. The major players in these public disputes are NGOs, government agencies and private enterprises. It is only recently that also local communities and actors are trying to access this arena. For the NGOs the public discourse is the major battlefield and instrument of power, while governments and enterprises tend to be more reluctant to enter this battleground. On the Harapan battleground two struggles are fought more or less simultaneously, one of them focusing on 'nature conservation', the other one on 'social justice'. In the first battle about 'nature conservation', which seems to be more easily adopted and visible in the transnational disputes on the Harapan conflicts, the major combatants are on the one side conservation oriented NGOs predominantly interested in nature

²⁷⁹ See REDD-Monitor 2013 [A response from Germany's International Climate Initiative](#), accessed July 2014.

²⁸⁰ FPP together with AMAN has already been involved in a mediation process in 2011 regarding the SAD 113 conflict with PT AP in Bungku, see above and Colchester et al. 2011.

²⁸¹ See Scale Up/FPP 2013, REDD-Monitor 2013 [A letter from Scale Up and Forest Peoples Programme](#), accessed July 2014, and [Whakatane Mechanism](#), accessed August 2014.

conservation versus on the other side more people oriented NGOs focusing on social justice issues and people's rights.²⁸² The second battle addressing 'social justice' is apparently more important and urgent in the disputes on the national level, and the primary opponents in this battle are people oriented NGOs and movements versus private enterprises and government institutions.²⁸³ With regard to both battles there seems to be considerable common ground between conservation NGOs, state institutions, and private enterprises, while the 'social justice' camp appears to be more isolated. Even though actors and real conflicts are frequently related to both battles, on the discursive battleground the two battles seem to be kept largely separate.

On this discursive battleground, 'local communities' are a crucial element for legitimation and justification, even though requiring particular framings, ascriptions, and stereotyping depending on the different combatants and battles fought. Compared to the real conflicts 'in the field', here the boundaries between different actors and 'communities' involved tend to be much more clearly defined, frequently indicating demarcations between 'good' and 'bad', 'friend' and 'enemy'. In the battle regarding 'nature conservation' a crucial divide runs between 'indigenous' and 'local' communities suitable for forest stewardship on the one side, and illegal encroachers as well as profit-oriented speculators and companies on the other side. In the battle about 'social justice' the crucial difference is marked between marginalized landless peasants which demand their equal share in a developing modern society versus entrepreneurs, companies, and elite groups which appropriate natural resources, labour, and the benefits of economic development. Both targets of the battles, 'nature conservation' and 'social justice', have well established strongholds in the civil society which are addressed and involved in these battles, and almost all combatants claim to pursue both targets at the same time. However, the major front-lines in these discursive battles are marked by different priorities regarding the two targets as well as competing ideological framings of the conflicts and possible solutions: Plainly speaking which target to prefer if there should be no win-win-solutions or conjoint agreements for a conflict, and whether 'capitalism' is the reason or the solution for the conflicts. While these different positions mark the lines between 'friends' and 'enemies' in the discursive battles, they hardly capture the complexity and ambiguity of the real conflicts and may be even counterproductive regarding solutions for these conflicts.

²⁸² See e.g. the comments in the [Harapan dispute](#) on the REDD-Monitor forum, accessed July 2014

²⁸³ See e.g. IPAC 2014, FPP 2014 [IFC Ombudsman strongly criticises palm oil giant Wilmar for selling off PT Asiatic Persada in mid-mediation](#), accessed July 2014, as well as Rettet den Regenwald 2014.

2.4 Country specific synthesis Indonesia

2.4.1 Bilateral German development cooperation in the forest sector in Indonesia

Over the period 2002 to 2012 Indonesia has received a total of some 12.1 billion USD of net ODA from All Donors. While debt relief for Indonesia was not important over this period, considerable repayments resulted in significant differences between gross and net ODA, and even led to negative balances with regard to German net ODA for the years 2003, 2004, 2009 and 2010. On average over the period from 2004 to 2012, All Donors ODA accounted for about 0.24% of the annual GDP of Indonesia. In terms of ODA per capita some 4.3 USD per capita and year were provided by ODA on average over this period. Aggregated over the period from 2002 to 2012, Australia has been the most important donor of ODA for Indonesia while Germany ranks on the fifth place with a total of about 0.3 billion USD for this period and an average share of some 2.6% of German ODA in percent of All Donors ODA. In 2012 German gross ODA to Indonesia amounted to about 125.9 million USD, while net ODA only accounted for some 33.3 million USD or about 0.26% of total German ODA, predominantly due to loan repayments of some 79.8 million USD.

Accumulated over the period 2002-2012 Germany provided about 33.4 million USD for the Forestry Sector (DAC Code 312) and another 81.9 million for the General Environmental Protection Sector (410) in Indonesia, the two sectors where forest related ODA funding is predominantly allocated. Starting from 2005, forest related bilateral German development assistance for Indonesia has increased considerably with a particularly steep rise since 2008. This holds true for the two sectors Forestry and Environment, as well as with regard to a more specific analysis of forest related ODA funding. Annual forest related bilateral German ODA more or less continuously has increased from some 1.3 million USD in 2005 to about 13.6 million USD in 2012. This high level of forest related ODA funding in Indonesia is likely to continue for the coming years due to the commitments already made for ongoing programs and projects, despite the new status of Indonesia as a middle-income country in transition and its changing relation to Germany towards a "partnership between equals".

This increasing importance of forest related bilateral German ODA for Indonesia since 2005 is not only observable in absolute terms of monetary amounts disbursed and committed, but also with regard to the increasing share of forest related ODA in relation to overall German ODA as well as compared to the share of global Forestry sector ODA from All Donors. The share of German Forestry sector ODA in percent of all sectoral German ODA to Indonesia has increased continuously from 0.14% in 2005 to 7.61% in 2012, and the shares of Environment sector ODA in percent of all sectoral German ODA have been 1.81% in 2005 and 8.24% for 2012. Compared to All Donors ODA this increase is even more pronounced, as in 2012 the respective share from All Donors ODA has only been 1.41% for the Forestry sector and 4.60% for the Environment sector.

The growth of forest related funding in absolute and relative terms seemingly went along with an increasing complexity of projects and programs, not only regarding their structure, organisation, and duration, but also with regard to the different problems and objectives addressed in a program, as well as regarding the diversity of approaches and instruments involved. While the 'internal' complexity of forest related projects and programs has increased considerably, overall funding in the forest sector in Indonesia has come to concentrate on a few big programs which engross most of the available resources. These are the Forests and Climate Change Programme (FORCLIME) funded by the BMZ with a planned amount of some 48 million EUR, and four other major projects funded by the BMUB via its International Climate Initiative (ICI) together accounting for another 28 million EUR, in particular grants of about 15.7 million EUR for the support of 'Ecosystem Restoration Concessions' (ERC), some 8.5 million EUR for the program 'Climate Change Mitigation and Species Conservation in the Leuser Ecosystem of Sumatra' which focuses on a large conservation area and its buffer-zones, and another 3.8 million EUR for the program 'Biodiversity and Climate Change'.

German development cooperation in Indonesia is predominantly funded from the BMZ and the BMUB, and is mainly implemented by the GIZ and the KfW. 31 of some 54 ongoing programs and projects are commissioned and funded by the BMUB, and another 19 by the BMZ. The leading implementing organisation for 33 of these 54 ongoing programs is the GIZ, while five are implemented by the KfW. Four of the five programs implemented by the KfW are focusing on the forest sector, while only three of the 33 programs with the GIZ as lead implementing organisation concentrate on forests, one of them with a regional scope. In terms of grants provided for ongoing forest related programs and projects in Indonesia, GIZ is responsible for some 28.6 million EUR, while KfW manages about 48.1 million EUR. Organisation and implementation of development cooperation of the two organisations is largely independent from each other and shows considerable differences, even in programs where the two organisations cooperate like in the FORCLIME program where KfW is responsible for the FC module and GIZ for the TC module.

All of the major forest related programs address climate change as a crucial issue and are more or less directly related to Indonesia's engagement in the REDD+ preparatory process. Indonesia puts high expectations in the REDD mechanism and has probably emphasised these interests in the negotiations on forest related development cooperation between Germany and Indonesia. Besides this common reference to climate change issues, the jointly agreed programs and projects of German development cooperation display two major foci of intervention, particularly the establishment of an efficient forest administration including necessary institutions, regulations, and monitoring facilities, as well as the management of forest resources and forest uses based on ideas of sustainability and benefit sharing. In this regard, German experiences and models of forest administration, sustainable forest use, and communal forest management seem to be highly influential with regard to forest related German development cooperation in Indonesia. However, these experiences and models may be more easily applicable with regard to forest administration and management on the national and provincial level in Indonesia, while problems of forest use and resource management on the local and district level are crucially embedded in specific cultural, historical, political and socio-economic contexts which may require approaches more sensible and adapted to these particular circumstances. While all the programs and projects at least on the conceptual level reflect strong Indonesian interests in the REDD+ process, German conceptualisations of sustainable forest management and forest administration seem to be significant and of far reaching influence regarding forest policies and the development of administrative institutions in Indonesia.

2.4.2 Observations about strategies and instruments and their effectiveness

According to the BMZ Strategy on Forests and Sustainable Development, the primary goal of development cooperation in the forest sector is to assist governmental, civil society and private actors in partner countries - and particularly poor and indigenous people - to protect and use forests sustainably with the aim to permanently preserve the capacity of forests to maintain the global ecological balance and to contribute to poverty reduction and sustainable development. Even though phrasing and justifications of this comprehensive goal suggest strong interrelations and favourable interdependencies between the various components included, the pursuit and implementation of this primary goal will necessarily imply varying considerations and emphases with regard to the different objectives, and has to address and involve various stakeholders with very different interests.

To assess the implementation of these different objectives and the effectiveness of German development cooperation in the forest sector, four different target areas of forest related activities had been distinguished as an initial hypotheses for this study, specifically 'Forest Governance', 'Conservation Areas', 'Forest Concessions', and 'Community Forests'. With regard to forest related German development cooperation in Indonesia, these categories have been only partly suitable to

capture and analyse the various programs, projects and activities. This was not least due to the complexity of the programs and projects which in their conceptualisation and implementation frequently address several or all of these target areas. Furthermore, demarcations between these four categories are frequently blurred and shifting with regard to the forest sector in Indonesia.

In the course of this study it has become more useful to categorise and analyse projects, instruments and activities of German-Indonesian development cooperation with regard to different strategic approaches pursued to support the stated objectives of development cooperation in the forest sector. With regard to Indonesia, different strategies may be basically categorised into three different strategic approaches. Even though programs and projects frequently involve more than one of these approaches, the instruments and measures used to implement these programs and projects generally can be attributed basically to one of the three approaches. In the context of this study, these different strategic approaches are conceptualised as 'governance approach', 'economization approach', and 'empowerment approach': While the 'governance approach' focuses on the establishment of administrative institutions and management capacities with regard to forest lands and resources, the 'economization approach' predominantly supports the marketization and privatisation of forest use, resources, and services, and the 'empowerment approach' focuses on the improvement of local livelihoods and the empowerment of forest dependent communities.

Instruments particularly related to the governance approach include the establishment of Forest Management Units (FMU), GIS mapping, the development of Reference Emission Levels (REL) and Measuring, Reporting and Verifying (MRV) systems, as well as the training of forest administration staff. The economization approach predominantly focuses on the implementation of REDD+ projects, Ecosystem Restoration Concessions (ERC), ecotourism projects, as well as diverse instruments like Reduced Impact Logging (RIL), FLEGT, Certification Systems, Payments for Environmental Services (PES) and projects aiming at the marketing of forest products and services, increasingly conceptualised under the Green Economy label. While some of the instruments predominantly related to the economization approach may be also relevant in the context of an empowerment approach with the objective to economically support and strengthen local communities, more particular instruments of the empowerment approach include Community Based Forest Management (CBFM), Participatory Village Mapping (PVM), support for networking, legal advice, and gender mainstreaming, the facilitation of inclusive and equitable participation and decision-making processes, as well as the establishment of education facilities for local communities.

Given the limitations of this study, assessments of the effectiveness of different projects and instruments of German development cooperation in the forest sector in Indonesia are difficult. This is not least due to the limited explorations in the field that have been facilitated and due to the short time available for analysis. It is also due to a restrictive policy of the implementing organisations GIZ and KfW regarding project specific so-called 'internal' evaluations and reports, which were not accessible despite frequent commitments to transparency and citizen-friendly information policies of these organisations and responsible government agencies. However, based on the analysis of publicly available information, interviews with different actors and stakeholders, as well as personal experiences in the field, a rough and tentative assessment of the relative importance and effectiveness of the different approaches and some of the instruments applied in Indonesia is possible.

In terms of resources and activities involved, the governance approach is probably the most important of the three approaches, even though it is not possible to determine a definite share in comparison with the other approaches. However, the largest parts of the FORCLIME program are in support of this approach including support for the improvement of forest administration on the national and provincial level, the development of FMUs on the district level and training for foresters, as well as GIS mapping and the development of RELs and MRV systems. The establishment and

strengthening of administrative structures and capacities is also the major focus of the Leuser Ecosystem project, and the major purpose of the Biodiversity and Climate Change program is the development of a MRV system. The governance approach is probably also outstanding among the three approaches regarding its 'effectiveness' and evident impacts. FORCLIME's influence on national forest policies and administration seems to be considerable, achievements and benefits provided by the FMUs have been emphasised even by critical interviewees, and the quality of German technical support regarding mapping, measuring and monitoring as well as training seems to be undisputed.

The economization approach engrosses another major share of the total forest related ODA to Indonesia already due to the considerable grants provided for ERCs, which are conceived of as an important and promising instrument of this approach. Furthermore, all of the major programs and projects have integrated components addressing income generation based on forest resources and services, most frequently supporting the marketing of NTFPs, certification instruments, and ecotourism projects. In this context REDD+ projects are regarded as an important future instrument. However, to date REDD+ projects are not yet fully implemented, are assessed very disparately by different actors involved in development cooperation, and are variously disputed among stakeholders and observers. If the share of funding that is provided to develop and implement the institutional, instrumental, and personnel administrative requirements for the implementation of future REDD+ projects is also assigned to the economization approach, this approach in terms of allocated funds is very probably even more important than the governance approach.

An assessment of the effectiveness and of impacts of the economization approach with regard to the objectives of development cooperation in the forest sector is particularly difficult for several reasons. ERCs and REDD+ projects which are conceived of as most promising instruments of this approach in Indonesia are both new instruments. Accordingly there exist only few if any experiences regarding their impacts on forests and local livelihoods while expected future impacts are disputed. With regard to instruments supposed to improve local livelihoods and economic development, the success of development assistance in terms of generated income opportunities or increased household incomes may be assessed reasonably without too much problems. However, these effects may be confined to particular actors and groups in communities and may go along with stratification processes within and between communities which may even worsen the livelihoods of many other people. Such complex interdependencies make it very difficult to generally assess effects and benefits of achievements of the economization approach in development cooperation. Even if achievements with regard to improvements of livelihoods and economic development should be adequately assessable, it is even more difficult to directly link these successes or failures to impacts on forest resources, a link which may be frequently much more assumed than empirically substantiated. Economic development may reduce dependencies on forest resources and increase capacities to decide and act deliberately in view of impacts on forests and environment, but per se does not warrant that such new scopes are used in support of the objectives of German development cooperation in the forest sector or in an environmentally sustainable way. Last but not least, most of the instruments of the economization approach are predominantly targeting the local or regional level. Here achievements and impacts significantly depend on particular circumstances and are related to exemplary or singular projects, which makes a general assessment of effectiveness and impacts difficult. Given these general problems as well as the limitations of this study, it is not possible to generally assess the effectiveness and impacts of this approach in Indonesia. However, problems related to particular instruments of the economization approach are addressed below.

In terms of allocated funds, the empowerment approach is considerably less important in forest related German development cooperation in Indonesia compared to the economization and governance approaches. Even though all of the programs address livelihood issues of forest dependent local communities in their stated objectives and conceptualisations, in none of the major programs and projects are livelihood support and empowerment of local communities the main

objective or even a major focus. Furthermore, measures and activities targeting the improvement of livelihoods and the empowerment of communities generally have a local focus and are not implemented on a larger scale or seem to have broader impacts. Even though Community Based Forest Management is conceived of as an important instrument to improve local livelihoods and support sustainable forest use in the context of the FORCLIME program - with regard to the establishment of FMUs as well as in view of REDD+ projects - actual activities supporting CBFM have basically focused on three community forest projects which seem to be almost insignificant in the overall context of the program. This somehow marginal relevance holds also true with regard to measures in support of gender mainstreaming or activities supporting inclusive democratisation, education, participation and empowerment of local communities. Even support for the improvement of livelihoods and the development of new income opportunities - which may be more closely related to the economization approach - until now has been restricted to relatively few projects and places which show heterogeneous and not always convincing achievements (for reservations regarding the assessment of these instruments see above). Looking at the performance of existing ERC projects so far, support of local livelihoods, stakeholder participation and community empowerment seems to be even more disputed and problematic with regard to this instrument of the economization approach.

2.4.3 Problems and challenges

A general problem regarding the effectiveness of development cooperation is the difficulty of upscaling experiences and achievements made in singular projects and activities to effect impacts on a broader scale. This problem is particularly relevant with regard to such a complex program like FORCLIME, which basically targets a restructuring of the whole forest sector in Indonesia. In this context, the spreading and generalisation of necessarily particular experiences, interventions, and projects is a problem with regard to all spatial scales and a major challenge for development cooperation in Indonesia which still has to be tackled. This problem is even aggravated if there are competing approaches, models, or standards which may be even subject to political bargaining, as it seems to be the case with the FORCLIME forest and land cover changes mapping project, or may be the case regarding the establishment of RELs and MRV systems.

While upscaling is regarded as a major problem from the perspective of interviewed GIZ staff and development institutions, several of the interviewees which have been the target of or were involved in development cooperation referred to problems of 'sustainability' and 'accountability' of projects and measures. Most of the interviewees from NGOs and local communities which had been involved in forest related German development cooperation emphasised good relations and predominantly reported positive experiences, while complaints have been the exception. However, people from local communities frequently have expressed expectations regarding more guidance and support during a development project, but may be even more so after a project had been finished. Furthermore, they sometimes seemed to conceive of projects and activities as something predominantly induced from outside and in responsibility of the development organisation, which may indicate only little identification with these projects. Such 'extrinsic' perceptions of projects and development cooperation frequently went along with high expectations on sustained support from outside and continuing obligations of the external development actors.

Such 'misunderstandings' and heterogeneous expectations may be related to more general problems and deficiencies regarding communication and participation between local communities and external actors of development cooperation. There are no indications that in the context of the FORCLIME program any projects or activities have been imposed, and there is no reason to doubt that FORCLIME staff is committed to FPIC ideas and principles. However, when listening to people involved in or affected by FORCLIME activities and projects, the level and accuracy of information about these projects and activities, and even more so regarding their context in development

cooperation or national policies, frequently seemed to be surprisingly low. The basis for this impression in the context of this study is rather small, even though with enough evidence to cause doubts whether prerequisites for an informed and inclusive participation and cooperation between the local communities and development actors are warranted. With regard to the establishment of ERCs such concerns are even considerably graver, however predominantly based on second-hand information.

In the cases observed in Indonesia, the difficulties to establish such prerequisites for a free and informed prior consent of communities have been particularly related to cultural differences and power structures. Cultural differences and associated communication problems are often specifically complex and precarious if ethnic minority groups are involved in forest related development cooperation. In these cases particular efforts are required to avoid misunderstandings and to facilitate cooperation between development actors and local communities on an equal, inclusive, and informed basis. Such requirements seem to be difficult to establish in regular development projects and have not been accomplished convincingly with regard to the projects explored for this study. Besides such problems of intercultural communication and cooperation, problems related to power structures and fractions within and between communities pose another more general difficulty regarding communication and participation with local communities in development cooperation. External (and internal) development actors more or less necessarily will establish different relations to different actors and fractions in communities. The information, involvement, and consent of all fractions and stakeholders as a prerequisite for an informed and inclusive participation in development cooperation is a particularly challenging task for development actors. With regard to the establishment and management of ERCs as well as community forests, both problems are highly relevant but have not been satisfactorily addressed, even though so far with less problematic implications in the case of the establishment of community forests.

Given these difficulties and reservations, the community forest projects in the context of the FORCLIME program seem to have been planned and implemented meeting at least basic standards of FPIC principles and participation of local stakeholders, while in the case of the Harapan ERC project this has probably not happened with adequate prudence. However, the general difficulties to determine and establish preconditions for free, prior and informed consent in the context of development cooperation due to differences of culture and power also point to basic problems regarding the implementation of safeguard policies. Safeguards can be powerful instruments to claim and assert interests of forest dependent communities in the context of development projects, but they provide no easy solutions for difficulties related to intercultural discrepancies as well as uneven access to resources and power structures within local communities. Safeguards neither can prevent intercultural misunderstandings and hegemonic interrelations between development actors and local communities, nor do they warrant equal benefits and participation for all groups and stakeholders within communities. Furthermore, the usefulness of safeguards for these communities is crucially related to easy access to information and legal instruments, which in the case of forest dependent communities is frequently anything else but a matter of course. In cases where external advocates and mediators tried to provide such information and access, they generally at the same time pursued agendas of their own which may lead to complications of conflicts or may be even counterproductive regarding interests of local communities and the resolution of conflicts. Safeguard policies have their roots in the economization approach and are an important instrument to guard people or 'nature' against uncontrolled exploitation in the context of economic development. However, safeguards may not always be a very efficient instrument in the context of an empowerment approach aiming at the development of well-informed communities capable of deciding and acting in their own interest.

As already pointed out above, it is not possible to reasonably assess the effectiveness of the economization approach in Indonesia's forest sector due to few experiences as well as basic problems to assess the impacts of this approach on forests and forest dependent communities

generally. It is far from clear and highly disputed whether efforts to support economic development based on the economization of forest resources and services will lead to the protection and sustainable use of forests. From the interviews with relevant actors in Indonesia it was furthermore obvious that objectives and expectations regarding this approach differ considerably between different actors. This may be sketchily exemplified with regard to the Heart of Borneo Initiative (HoB) but is not at all restricted to this case.

The Heart of Borneo Program (HoB) is a government-led and NGO-supported program jointly declared by the governments of Brunei, Indonesia and Malaysia in 2007.²⁸⁴ The program was predominantly initiated by WWF international with the objective to conserve the biodiversity of one of the largest remaining transboundary rainforests worldwide. GIZ and the FORCLIME program are supporting the initiative specifically with regard to the improvement of local livelihoods and economic opportunities of some forest dependent communities in the context of FORCLIME's green economy component (Strategic Area 4), even though only few activities have already taken place so far. The KfW together with WWF implements a smaller project to conserve forests as natural carbon reservoirs and to create new carbon sinks through afforestation in the context of the Heart of Borneo Initiative. For the Indonesian Government - stated clearly by relevant government representatives - the HoB program in first instance is a possibility to open and develop an economically promising peripheral area of the country, sufficiently legitimized in critical national and international public discourses. In such a context, the economization approach in development cooperation may be regarded as a strategy to mitigate unavoidable deforestation and environmental degradation due to development processes and as a chance to make sure benefits from economic development trickle down to local communities. From a less complaisant perspective, however, this approach in this context can be also conceived of as financial, technical, and ideological support for the programmatic conversion of largely intact forest areas into economically valuable and exploitable resources.

Assessments of the effectiveness and impacts of the economization approach are not only difficult and disputed regarding the protection and sustainable use of forest resources, but also with regard to the improvement of livelihoods and the empowerment of forest dependent communities, particularly in situations involving pronounced cultural differences, uneven access to resources and power structures, as well as strong external interests. In such situations chances and benefits provided by economic development based on the marketization and privatisation of forest resources and services may easily be appropriated by local actors aligned to this approach, at the same time possibly disappropriating communal resources and increasing socioeconomic differences and conflicts within and between forest dependent local communities. The assessment of the effectiveness and impacts of the economization approach and its instruments is highly dependent on the particular socioeconomic and cultural contexts of development projects as well as different ideological perspectives of actors and observers. Outcomes of this approach regarding the objectives of forest protection and equitable improvements of local livelihoods furthermore seem to be hardly predictable.

While this study has focused on different strategic approaches to forest related development cooperation in Indonesia, the distinction between two different organisational approaches generally differentiated as technical cooperation and financial cooperation - represented by the two development organisations GIZ and KfW - is basic for German development cooperation. Even in programs where the two organisations cooperate they work largely independent from each other, and the organisation and implementation of development cooperation shows considerable differences between the two organisations.

²⁸⁴ See HoB Program 2008, Persoon/Osseweijer 2008, WWF 2014 [Heart of Borneo](#), accessed August 2014.

Indonesia is a priority partner country of German development cooperation with various offices of GIZ and KfW. While GIZ is responsible for some 28.6 million EUR, KfW manages about 48.1 million EUR committed for forest related projects. GIZ employs about 350 staff in Indonesia, including 50 seconded and 260 national personnel, 22 development workers and 13 CIM experts.²⁸⁵ GIZ managing staff in interviews frequently expressed a vision of the GIZ as a highly competent and globally competitive consulting company, not least with specifically relevant know how regarding forest administration and management. While some of the GIZ staff thoroughly supported changes of the organisation into an innovative and competitive global enterprise, others were concerned about increasing preoccupations with cash outflow, a neglect of dedication, and disregard for basic development work. Massive costs particularly for the representative GIZ Jakarta office are questioned even by leading GIZ staff. In terms of staff, the KfW presence in Indonesia on the national level as well as in different projects seems to be slimmer, and administrative costs are probably lower compared to GIZ. With regard to forest related projects the implementation of KfW projects was mainly based on Indonesian staff, while supervision of projects was predominantly conducted by consultants.

Both ways of implementing forest related development cooperation may have their pros and cons. Compared to the more remote implementation approach of the KfW focusing on the financing of projects and measures, the direct involvement of GIZ staff as experts and facilitators in projects and measures of development cooperation generally provides more possibilities to steer and monitor projects directly. It seems likely that outcomes from financial cooperation are generally less determinable and controllable compared to technical cooperation funding. At the same time the GIZ approach of technical cooperation, which provides and requires more opportunities to influence and direct the implementation of projects, may be more susceptible to hegemonic roles and attitudes of development actors. On the other side, the GIZ approach also facilitates more sensible comprehensions of contexts and particularities of projects as well as their adaptation to particular circumstances and problems. Whether these chances have been always used efficiently may be questioned (see above). Regarding transparency and information policies of KfW as well as GIZ, both organisations seem to fall considerably behind their self-assessments. Generally public information on GIZ programs is better and easier available than information on KfW projects and activities. However, there are also big differences with regard to different GIZ programs, the web presence of FORCLIME being particularly laudable.

Transparency and information policies regarding forest related programs and projects of development cooperation are not only important because public money is involved, but also because these programs and projects are subject to controversial public discourses and political disputes in Germany as well as in Indonesia. Assessments of forest related development projects are significantly dependent on different positions in national and transnational discourses as well as on varying expectations of different stakeholders in the donor and in the receiving country. These projects are furthermore deeply embedded in political disputes which crucially determine their effectiveness and impacts as well as actual conflicts and their possible solutions. This is particularly relevant with regard to the conflicts on ERCs in Indonesia. Accountable development cooperation requires a comprehensive understanding and assessment of such disputes and conflicts, in order to be able to decide about the implementation of projects and measures as well as to support reasonable conflict resolutions. Such sensible assessments and interventions may be particularly difficult to achieve in the context of a predominantly financial cooperation approach, which is generally less directly involved in the implementation of projects than the TC approach. Another major challenge for forest related development cooperation in Indonesia constitute prevalent turf wars between different NGOs, development organisations, and government agencies, which significantly affect the effectiveness and impacts of development projects in the forest sector in Indonesia. Also in this

²⁸⁵ GIZ 2014 [Indonesia](#), accessed August 2014.

regard transparency and citizen-friendly information policies are a prerequisite for responsible development cooperation in highly controversial social conflict areas.

2.4.4 Discourses, approaches, and mindsets

The two different organisational approaches classified as 'technical' and 'financial' development cooperation represented by GIZ and KfW provide different instruments, are suitable for different purposes, and have specific implications as well as different advantages and shortcomings. However, for the purpose of this study different strategic approaches to development cooperation have been more important. Based on the analysis of programs, projects, instruments, and measures of forest related German - Indonesian development cooperation, three different strategic approaches have been distinguished and classified as governance approach, economization approach, and empowerment approach. Differences regarding the importance, effectiveness, impacts and problems of these different approaches and their instruments have been tentatively assessed above. These different strategic approaches are also differently related to the various objectives supposed to be achieved through German development cooperation in the forest sector, and are furthermore significantly informed by particular mindsets and ideological framings.

The stated objectives of German development cooperation in the forest sector are various and far-reaching, including the utilization and conservation of forests, the maintenance of a global ecological balance, poverty reduction and livelihood improvements for local communities, as well as sustainable development, with a particular focus on forest dependent and indigenous people. The conceptualisation of relations between these various objectives of German forest policies suggests a close and mutually supportive interdependence between these different objectives. Such auspicious assumptions not only prevail in the statements of German forest policies, but also in international discourses on environment and development which provide the context for these policies. However, in practice disparate emphases and uneven resource allocations for different objectives, as well as goal conflicts or even contradicting objectives seem to be more often the rule than the exception. Furthermore, the policies and strategies to achieve these objectives are frequently changing and are crucially dependent on political power relations, public disputes, academic discourses, as well as ideological framings and mindsets. It is far beyond the scope of this study to analyse policies and strategies of German development cooperation in the context of these complex interdependencies. However, to understand and assess forest related development cooperation in Indonesia it is necessary to very coarsely review different perspectives on tropical forests and forest use in changing academic discourses on environment and development, as well as the relation of these perspectives and discourses to ideological framings and conflicting mindsets.

Throughout the 1950s and 1960s, tropical forests in developing countries have been predominantly conceived of as valuable resources for national development and demands of global markets. It was not before the 1970s that deforestation and degradation of forests in developing countries became increasingly perceived as a problem and forest conservation emerged as a crucial issue on the international agenda. Until the 1980s, disputes and conflicts regarding the use and conservation of tropical forests in developing countries were predominantly related to two major discourses concerning 'development' and 'nature', which were only loosely connected. In the context of the 'nature discourse' the primary cleavage of disputes about forest use and conservation was between those conceiving of forests and forest lands predominantly as a resource to be exploited for profit and economic development, and on the other side those who tended to attribute to forests and nature a dimension of value beyond human utility which was frequently associated with conservation approaches excluding human use. The major controversy in the context of the 'development discourse' occurred between those supporting capitalist and market oriented approaches to development and forest use on the one side, and advocates of socialist and predominantly state led

development concepts on the other side, a controversy which at least partly reflected the dispute between the two major political ideologies of the cold war.²⁸⁶

In the 1980s, the two discourses on environment and development together with a third discourse on indigenous peoples were increasingly merged and transformed, particularly informed by a changing awareness for local and indigenous forest dependent communities as well as by a new focus on cultural diversity and civil society as a third power besides market and state. Since the late 1980s, problems of forest use and conservation were predominantly addressed in terms of biodiversity conservation and sustainable development, which reconciled at least discursively frequently conflictive interests to utilize forest resources and to protect forest ecosystems at the same time. In the context of this fusion of discourses on environment, development, and indigenous peoples in the 1980s - which marks a kind of biocultural turn in environment and development discourses - forest dependent communities and indigenous peoples have emerged as an important issue and as new actors in discourses and policies on environment and development.²⁸⁷ While these people in the context of commercial forest exploitation and 'fortress conservation' approaches have been predominantly conceived of as disruptive factors and culprits of forest destruction, they became increasingly regarded as potential allies and promising partners for forest conservation since the late 1980s. At the same time rights of forest dependent communities and indigenous peoples regarding lands, local resources, and self-determination became increasingly established in international and national discourses, policies, and legal frameworks.

Since the late 1980s and rooted in these transformations, academic discourses and political struggles regarding a global environmental crisis as well as the use and protection of forests are significantly informed by three different and competing perspectives and conceptual framings which may be categorised as 'global governance', 'free market', and 'community empowerment' mindsets. In this context, the 'global governance' mindset promotes an equitable and sustainable management of resources as well as a proper consideration of rights of forest dependent people in the context of national and international legal frameworks based on good governance principles. The 'free market' mindset emphasises the regulative power of markets as well as benefits for the common welfare deriving from competitive behaviour, and promotes the deregulation of markets and privatisation, as well as the economization of human living conditions and economic development for forest dependent communities. While the difference between the 'global governance' and the 'free market' mindset is partly based on earlier ideological cleavages between 'state' and 'market' or 'socialism' and 'capitalism', the 'community empowerment' mindset has predominantly emerged as a response to the failure of these ideologies and political strategies to warrant economic development and environmental conservation, and has gained strength as a countermovement to the increasing supremacy of neoliberalism and market triumphalism in the 1990s. In contrast to the 'global governance' mindset focusing on administrative structures and state control on the one side, and the 'free market' mindset focusing on private enterprises and competition on the other side, the 'community empowerment' mindset predominantly relies on civil society actors and local communities, emphasises the diversity and particularity of these communities as well as their interests and rights in local resources, and promotes communal self-determination and resource control as an alternative approach to forest protection, sustainable livelihoods, and more equitable societies.²⁸⁸

Objectives and strategies of forest policies are significantly related to these changing academic and public discourses and disputes. Regarding objectives, the conceptualisation of German forest policies in development cooperation basically emphasises forest utilisation, forest conservation, and the

²⁸⁶ A more detailed analysis of the complexities and changes of these discourses is provided in Buergin 2013: 3-8.

²⁸⁷ For a more comprehensive review of this fusion of discourses which constitutes a biocultural turn in environment and development discourses see Buergin 2013.

²⁸⁸ See Buergin 2013: 15-17.

improvement of local livelihoods integrated under the concept of sustainable development. All of the objectives and concepts stated in forest related German development policies are well established and generally undisputed goals in international forest policies and discourse. The programs, projects, instruments, and measures adopted in forest related German development cooperation in Indonesia address state institutions responsible for forest administration and management, private enterprises and economic instruments to commercialise forest resources and services, as well as civil society organisations and local communities depending on forests for their livelihoods and identities. The three strategic approaches used to implement forest policies in development cooperation show particular affinities to these three social target areas of state, economy, and civil society, but are not exclusively tied to one target area. While the 'governance approach' is closely related to state institutions and government agencies, it may likewise serve to regulate economic exploitation of forest resources and services or support the interests and rights of local communities in forest resources and lands. The 'economization approach' which is crucially linked to the economic sphere may likewise serve to strengthen forest administration and legitimise state control over forest lands and resources, or support the improvement of local livelihoods and the empowerment of forest dependent communities. Finally, the 'empowerment approach' is closely linked to ideas of civil society as a specific social sphere apart from state and economy, but may also serve to improve state governance and legitimacy or support economic development. While these different strategic approaches are not necessarily or exclusively linked to their 'related' social domains, their focus and impacts are highly dependent on the actors adopting these approaches and the particular interests and mindsets which are guiding their practices.

The three different strategic approaches which have been distinguished with regard to forest related German development cooperation in Indonesia not only show particular affinities to the different domains of social organisation 'state', 'economy' and 'civil society', but also to the different ideological framings and mindsets in the global environment and development discourse. The 'governance approach' is probably easily adopted in the context of the 'global governance' mindset focusing on the strengthening of state control and management capacities of administrative institutions as most important way to warrant a sustainable management of forests. The 'economization approach' most likely will be favoured in the context of the 'free market' mindset which conceives of free markets as most effective way to use and protect forests and which advocates economic development as primary solution for deforestation problems and the global environmental crisis. The 'empowerment approach' may be the first choice within a 'community empowerment' mindset which is rather critical towards state control and market forces and which envisions the strengthening of civil society and local communities as alternative way towards sustainable forest use and equitable societies. While the different strategic approaches in Indonesia have been used side by side and - at least conceptually - are supposed to be mutually supportive, the different related mindsets or ideological frameworks represent conflicting positions in highly controversial social and political disputes.

In the context of this study it is not possible to explore the pros and cons of these different conflicting mindsets with regard to stated objectives and assumed impacts on forests in the context of development cooperation, or even to assess the 'truth' of their assumptions and ideological framings. However, it seems important to reflect at least tentatively about their relative influences on forest policies. With regard to forest related German development cooperation in Indonesia, the 'global governance' mindset is probably more closely related to the technical cooperation approach of GIZ, while the financial cooperation approach of KfW seems to be more affiliated to the 'free market' mindset. However, it is difficult to decide which of these two mindsets may be more influential, even more so as the 'free market' mindset seems to become more important within GIZ too. The 'community empowerment' mindset still plays a marginal role predominantly limited to smaller NGO projects. With regard to German forest policies stated in the forest sector concept, the 'global governance' mindset is clearly predominating, while the presentation of objectives and

strategies on the BMZ website seems to be more biased towards the 'free market' mindset. From an academic perspective it is necessary to reflect such biases of development cooperation and the necessarily ideological and political dimension of these mindsets, in order to be able to decide about strategies and instruments in forest related development cooperation more rational and deliberately. In this context, a new assessment of the role of the 'community empowerment' mindset and the empowerment approach seem to be particularly important. It is also necessary to further analyse impacts of the economization approach on forests and livelihoods as well as to explore the interdependencies of this approach with the 'free market' mindset.

2.4.5 Possibilities for improvements

Apart from such general reflections regarding mindset biases and the relevance and adequacy of different strategic approaches, forest related German development cooperation in Indonesia may be improved by various more specific adaptations, provisions, and measures:

In view of the frequently experienced and reported deficiencies regarding information and knowledge of stakeholders and concerned people it is absolutely necessary to put more efforts into activities to inform and educate people about projects and measures of development cooperation, about the context of these projects and measures in national and international development policies, as well as about the role, obligations, impacts and possibilities these projects provide for the people involved and affected.

To furthermore support inclusive participation of stakeholders and the 'sustainability' of projects and their impacts, it is important not only to inform and educate key persons and project facilitators, but to address and involve all fractions and interest groups in communities, as well as to establish procedures and institutions which facilitate an inclusive and sustained participation of different groups and fractions within communities. In this context it is also necessary to reflect and review conceptualisations of forest dependent communities and indigenous peoples as 'stewards' of forest protection towards a more rights based approach focusing on supporting forest dependent communities to become inclusive communities and competent partners in development cooperation which are able to communally decide and act with regard to lands and forest resources.

Given the high potential for conflict as well as the diverse actual controversies regarding forest related projects of development cooperation in Indonesia it is necessary to develop and establish specific procedures and institutions to facilitate mediations and resolutions of forest related conflicts. Such mechanism should be systematically integrated into the planning and implementation of programs and projects of forest related development cooperation.

Such mediation and conflict resolution instruments should also include easily accessible facilities to voice discontent and to raise complaints by stakeholders and people affected by development projects. These instruments could also be an important component in support of desirable improvements of the accountability of development cooperation, together with improvements regarding the transparency and information policies of development cooperation.

Despite initial efforts and frequent assertions to improve transparency and information policies in German development cooperation, it has been difficult to obtain specific data on particular programs and projects. Due to information deficiencies as well as very heterogeneous and incomplete data sources it is also difficult to compare and analyse data from different sources. The BMZ decision to provide data for IATI is an important step to improve transparency and to establish basic standards. However, these efforts have to be broadened to include all programs and projects as well as all government institutions and involved organisations.

Meaningful evaluation reports regarding the programs, projects, and measures of forest related German development cooperation in Indonesia have not been accessible at all. This may reflect a widespread policy of not disclosing so called 'internal documents', but seems to be hardly justifiable with regard to evaluation reports on projects and measures of forest related development cooperation funded with public money.

The dissemination and accessibility of information about programs and projects of German development cooperation differs considerably between different programs and development actors, and seems particularly in need of improvement regarding projects implemented by the KfW. To support citizen-friendly information policies with regard to development cooperation it is desirable to establish mandatory standards for the public dissemination of information regarding the planning, implementation, development, and evaluation of all programs and projects.

Research activities did only play a marginal role in forest related German development cooperation in Indonesia. A more systematic integration of research components into programs and projects would be desirable and may improve the effectiveness and impacts of development cooperation. It may be furthermore advisable to integrate cooperation with academic institutions more generally into the planning, implementation, and supervision of programs and projects of development cooperation.

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4 ANNEXES

4.1 Basic Socioeconomic and ODA Data for the Case Study Countries

	Cameroon	DR Congo	Indonesia
Surface area	475,440 km ²	2,344,860 km ²	1,904,570 km ²
Population	22,253,959 (2013)	67,513,677 (2013)	249,865,631 (2013)
Population density km ²	46.81 (2013)	28.79 (2013)	131.19 (2013)
Population growth rate	2.53 % (2013)	2.72 % (2013)	1.21 % (2013)
Population in rural areas	46.75 (2013)	64.62 % (2013)	47.8 % (2013)
Human Development Index ranking	150 of 187 (2012) 152 of 187 (2013)	186 of 187 (2012) 186 of 187 (2013)	121 of 187 (2012) 108 of 187 (2013)
Corruption Perception Index ranking	144 of 177 (2013) (Score 25)	154 of 177 (2013) (Score 22)	114 of 177 (2013) (Score 32)
Infant mortality	94.5 (2013)	118.5 (2013)	29.3 (2013)
Life expectancy	54.59 (2012)	49.63 (2012)	70.61 (2012)
Literacy rate	71.3 % (2010)	67 % (?)	92.82 % (2011)
Spending on education	3.11 % (2012)	2.51 % (2010)	3.57 % (2012)
GNI	28,185 m USD (2013)	26,919 m USD (2013)	894,967 m USD (2013)
GNI per capita	1,267 USD (2013)	399 USD (2013)	3,582 USD (2013)
GDP growth	5.51 % (2013)	8.49 % (2013)	5.79 % (2013)
GINI Index	38,9 (2007)	44,4 (2006)	34,1 (2008)
% absolute poverty	?	?	16.21 % (2011)
% national poverty line	?	?	11.4 % (2013)
Undernourishment	13.3 % (2012)	?	9.1 % (2012)
Exports in % of GDP	27.9 % (2012)	27.38 % (2009)	23.75 % (2013)
Imports in % of GDP	30.55 % (2012)	36.9 % (2009)	25.74 % (2013)
Inflation	1.95 % (2013)	1.64 % (2013)	6.42 % (2013)
Jobs in agriculture	53.3 % (2010)	?	35.09 % (2012)
Unemployment rate	3.8 % (2012)	7.2 % (2012)	6.6 % (2012)
Total foreign debt	3,672 m USD (2012)	5,651 m USD (2012)	254,899 m USD (2012)
Foreign debt per capita	169 USD (2012)	86 USD (2012)	1033 USD (2012)
Total net ODA	612 m USD (2011) 596 m USD (2012)	5,533 m USD (2011) 2,859 m USD (2012)	419 m USD (2011) 68 m USD (2012)
Total net ODA per capita	28.91 USD (2011) 27.48 USD (2012)	86.57 USD (2011) 43.52 USD (2012)	1.72 USD (2011) 0.27 USD (2012)
Total net ODA % of GDP	2.40 % (2011) 2.35 % (2012)	32.25 % (2011) 16.62 % (2012)	0.05 % (2011) 0.01 % (2012)
Total gross ODA	698 m USD (2011) 692 m USD (2012)	7,487 m USD (2011) 2,877 m USD (2012)	2,666 m USD (2011) 2,323 m USD (2012)
German net ODA	97 m USD (2011) 89 m USD (2012)	94 m USD (2011) 594 m USD (2012)	75 m USD (2011) 33 m USD (2012)
German gross ODA	97 m USD (2011) 89 m USD (2012)	94 m USD (2011) 594 m USD (2012)	214 m USD (2011) 126 m USD (2012)
Forested land area	41.67 % (2011)	67.86 % (2011)	51.75 % (2011)
Annual change rate of Forest Area (FAO statistics FRA 2010)	-0.94 % (1990-2000) -1.02 % (2000-2005) -1.07 % (2005-2010)	-0.20 % (1990-2000) -0.20 % (2000-2005) -0.20 % (2005-2010)	-1.75 % (1990-2000) -0.31 % (2000-2005) -0.71 % (2005-2010)
Cultivated land	20.31 % (2011)	11.37 % (2011)	30.09 % (2011)
Conservation areas	11 % (2012)	12.05 % (2012)	14.7 % (2012)
Power consumption/cap.	255.53 kWh (2011)	105.32 kWh (2011)	679.71 kWh (2011)
CO2 Emissions per capita	0.36 tonnes (2010)	0.05 tonnes (2010)	1.81 tonnes (2010)

Compiled and calculated from OECD statistics, The World Bank, Transparency International, and data from the BMZ website [Countries](#), accessed September 2014.

4.2 List of Interviewees and Informants

	<i>Institution / Organisation</i>	<i>Department / Office / Program</i>	<i>Name</i>	<i>Position / Function</i>
Government agencies	Government, Indonesia	Coordinating Ministry for Economic Affairs	Prabianto Mukti Wibowo	Assistant to Deputy Minister for Forestry; Head of Indonesia Heart of Borneo National Working Group
	Government, Indonesia	Provincial Forestry Office, Putussibau, Kapuas Hulu Province	Indra Kumara	Head of Forest Management, <i>Bidan Pengelolaan Hutan</i>
Development organisations	GIZ, Germany	Monitoring & Evaluation Unit Section Central Evaluation	Claudia Kornahrens	Head of Section Central Evaluation
	GIZ, Indonesia	FORCLIME, Jakarta Office	Rolf Krezdorn	FORCLIME Programme Director
	GIZ, Indonesia	FORCLIME, Jakarta Office	Heinz Terhorst	Strategic Area Manager, Green Economy, Heart of Borneo Initiative
	GIZ, Indonesia	FORCLIME, Jakarta Office	Helmut Dotzauer	Strategic Area Manager, Sustainable Forest Management
	GIZ, Indonesia	FORCLIME, Putussibau Office	Klothilde Sikun	GIS Adviser
	GIZ, Indonesia	FORCLIME, Putussibau Office	Franz-Fabian Bellot	GIS Adviser, Development Worker
	KfW, Germany	Evaluation Department	Martin Dorschel	Head of Department
	KfW, Germany	Evaluation Department	Matthias von Bechtolsheim	Forestry projects
	KfW, Germany	Natural Resources and Climate Asia (LEc4)	Marcus Stewen	Indonesia Projects
NGOs / Civil society	FFI, Indonesia	Flora & Fauna International, Kapuas Hulu, Putussibau	Eko Darmawan	Director of Regional FFI Office Kapuas Hulu Province
	FZS, Indonesia	Frankfurt Zoological Society, Bukit Tigapuluh National Park, Jambi	Peter-Hinrich Pratje	Indonesia Program Director, Country Representative
	Greenpeace, Belgium	Greenpeace Belgium	An Lambrechts	Coordinator Forest Policy Indonesia
	WARSI, Indonesia	Indonesian Conservation Community WARSI, Jambi	Diki Kurniawan	Executive Director
	WWF, Indonesia	WWF-Indonesia, Jakarta Office	Anwar Purwoto	Sumatra - Kalimantan Director, Heart of Borneo Initiative,
	WWF, Indonesia	WWF-Indonesia, Jakarta Office	Nancy 'Ochie' Ariaini	Communications Officer, Heart of Borneo Initiative
	WWF, Indonesia	Indonesia, Kapuas Hulu Province, Putussibau Office	Albertus Tjiu	Director of Putussibau Office, Conservation Biologist
	WWF, International	WWF International, Heart of Borneo Initiative	Tom Maddox	Head of Heart of Borneo Global Initiative
Private sector	Kompakh, Indonesia	Kompakh Travel Agency Putussibau	Andri San	Travel Guide
	PT REKI, Indonesia	Harapan Rainforest Project, Jambi	Yussuf Yulius	Head of Community Partnership Department
	PT REKI, Indonesia	Harapan Rainforest Project, Jambi	Desri Erwin	Staff Community Partnership Department

	<i>Institution / Organisation</i>	<i>Department / Office / Program</i>	<i>Name</i>	<i>Position / Function</i>
Local actors & initiatives	Menua Sadap, Indonesia	Sadap sub-village GIZ Putussibau	Robert Baker	GIZ Village Facilitator
	Menua Sadap, Indonesia	Sadap sub-village	Husen	Head of Village
	Menua Sadap, Indonesia	Sadap sub-village	Lawrensius Jantan	Head of Village Forest Committee (<i>Lembaga Pengelola Hutan Desa</i>)
	Menua Sadap, Indonesia	Sadap sub-village	Bonifasius Tungku	Ecotourism Manager
	Menua Sadap, Indonesia	Sadap sub-village	Various villagers in discussions	GIZ workers and Sadap villagers
	Menua Sadap, Indonesia	Kelayam sub-village	Various villagers in village meeting and discussion	Kelayam villagers
	Menua Sadap, Indonesia	Kerangan Bunut sub-village	Various villagers in discussion	Kerangan Bunut villagers
	Nanga Betung, Indonesia	Nanga Betung village, FFI Putussibau	Nurhakim	Head of Nanga Betung village
	Nanga Betung, Indonesia	Nanga Betung village, FFI Putussibau	Herman Acin	Head of Village Forest Committee (<i>Lembaga Pengelola Hutan Desa</i>)
	Nanga Betung, Indonesia	Nanga Betung village	Various villagers in village meeting and discussion	Village Forest Committee and Nanga Betung villagers
Academic institutions	Bonn University, Germany	Institute for Oriental and Asian Studies	Irendru Radjawali	Ph.D. Candidate, Kapuas Hulu Project
	CIFOR, Indonesia	Forests & Livelihoods Research	Christine Padoch	Director, Forests & Livelihoods Research.
	CIFOR, Indonesia	REDD+ Study	William Sunderlin	Head of research on the sub-national level of the Study on REDD+
	CIFOR, Indonesia	Central Africa	Terry Sunderland	Head of research on biodiversity conservation, landscapes, food security
	EFI, European Union	European Forest Institute, EU FLEGT Facility	Alexander Hinrichs	Team Leader Regional Coordination Asia

4.3 Forest Related Projects of Bilateral German Development Cooperation in the CSC since 2002

4.3.1 Forest related German development projects in Cameroon since 2002

Cameroon						
Data source	Project / activity titles	Sector Code	Period	Organisation	EUR	Status
CRS	Support to National Park	41030	2002-2003	GIZ	498,000	completed
CRS	Consultancy for Ministry of Environment and Forests	41010	2002-2004	GIZ	491,000	completed
CRS	Forest Protection Southeast Cameroon	41030	2003	GIZ	36,000	completed
CRS	SFM Cameroon Hill	41030	2003	GIZ	354,000	Completed
CRS	Forest Protection Akwaya	41030	2003-2004	GIZ	202,000	Completed
CRS	Forest Certification	31210	2004	BMZ	43,000	Completed
CRS	Environmental Legislation and Sustainable Development	41010	2004	BMZ	22,000	Completed
CRS	Support to COMIFAC / Cameroon	31210	2004-2010	GIZ	1,502,000	Completed
CRS	Sustainable Resource Management I	41010/41030	2004-2012	KfW/GIZ	20,028,000	Completed
CRS	Afforestation	31210	2005-2010	BMZ	715,000	Completed
CRS	Biodiversity Conservation	41030	2005-2010	GIZ	4,628,000	Completed
CRS/IATI/DKF	KV Forstsektorkorbfinanzierung	31210	2006-2014	KfW	17,500,000	Ongoing
CRS	Monitoring and Enforcement in the Forest Sector	31210	2007	BMZ	94,000	Completed
CRS	Preparatory activities Environmental Management	41010/41081	2008-2010	BMZ	101,000	Completed
CRS	Congo Basin Forest Management / Cameroon	41010/15110	2009-2012	BMZ	477,000	Completed
CRS/IATI/DKF	PV Nachhaltiges Ressourcenmanagement in Kamerun	41030	2009-2014	KfW	10,000,000	Ongoing
CRS	Funding for Lobeke Park	41030	2010	BMZ	4,780,000	Completed
CRS/IATI/DKF	Supporting the implementation of the National Forestry and Environmental Programme (ProPSFE)	31210	2010-2015	GIZ	19,187,354	Ongoing
CRS	Implementation of German Development Cooperation Aims	31220/41030	2011	BMZ	744,000	completed
CRS	Environmental Education and Climate Change	41081	2012	BMF	22,000	completed
IATI/DKF	Support to implementation of national forest and environmental program	31210	2012-??	BMZ	22,000,000	ongoing
IATI	Sustainable Management of Natural Resources - South West Region (PSMNR-SWR)	41030	2012-??	KfW	10,000,000	ongoing
IATI	Klimaschutz - REDD	31220	2012-??	BMZ	10,000,000	ongoing
DKF	Forstsektorkorbfinanzierung		2011-2015	KfW	25,500,000	not included

DKF	Programm Unterstützung der Umsetzung des nationalen Waldprogramms (PSFE)		n.d.	GIZ	1,187,354	not included
DKF	Förderung von eigenständiger Entwicklung und interreligiöser Zusammenarbeit, Schwerpunkt Umwelt und Konfliktprävention		n.d.	EZE	272,500	not included
DKF	Informations-, Begleitungs- und Lobbyarbeit zum Schutz der Bevölkerung vor Folgen von Bergbau und Ausbeutung fossiler und nachwachsender Energierohstoffe		n.d.	KZE	250,000	not included
Regional funding including Cameroon						
IATI	Regional Support for the Central Africa Forests Commission (COMIFAC)	41010	2005-2014	GIZ	4,000,000	ongoing
ICI	Trinational Forest Conservation Area (TNSF)		2008-2012	KfW/WWF	1,451,243	completed
IATI	Certified Sustainable Forestry Management (SFM) in the Congo Basin	31220	2008-2015	KfW	10,000,000	ongoing
ICI	Climate Change Scenarios for the Congo Basin		2009-2013	GIZ	1,530,000	ongoing
IATI	Sustainable forest management in the Congo Basin (TNSF)	41030	2010-2015	KfW	20,000,000	ongoing
IATI	Sustainable forest management in the Congo Basin (TNSF, Lobeke Park)	41030	2011-??	BMZ	5,500,000	ongoing
IATI	Sustainable forest management in the Congo Basin, Regional support for COMIFAC	41010	2011-2015	GIZ	10,700,000	ongoing
IATI	Sustainable forest management in the Congo Basin, Regional support for COMIFAC	41030	2013-??	BMZ	9,000,000	ongoing
IATI	Sustainable forest management in the Congo Basin, Access and Benefit-Sharing ABS	41030	2013-??	DEG (KfW)	4,500,000	ongoing
IATI	Sustainable forest management in the Congo Basin (Yamoussa Park)	41030	2013-??	BMZ	6,900,000	ongoing

4.3.2 Forest related German development projects in the DR Congo since 2002

Democratic Republic of the Congo						
Data source	Project / activity titles	Sector Code	Period	Organisation	EUR	Status
CRS	Consulting for Nature Conservation Authorities	41030	2002-2004	GIZ	1,199,000	completed
CRS	Environmental education & training	41081	2002-2005	BMZ/NGO	79,000	completed
CRS	Nature Conservation East Congo	41030	2003-2006	GIZ	1,097,000	completed
CRS	Afforestation Burhinyi	31220	2004-2007	BMZ	65,000	completed
CRS	Forestry policy & admin. Management	31210	2005	BMZ	657,000	completed
CRS	Biodiversity Conservation	41030	2005-2006	GIZ	166,000	completed
CRS/IATI	Sustainable Natural Resource Management I	41030	2005-2015	KfW	11,000,000	ongoing
CRS	Biodiversity Conservation and Forest Management	31210	2006-2008	GIZ	2,029,000	completed
CRS	Salonga Wildlife Conservation	41030	2008	BMZ	361,000	completed
CRS	Gorilla Conservation Project	41081	2008-2009	FeMi	72,000	completed
CRS	Kivu Agroforestry	31220	2008-2011	BMZ	296,000	completed
CRS/ICI/DKF	Ngiri Triangle Integrated Conservation Project I & II	41030	2008-2013	KfW/WWF	2,596,388	ongoing
CRS/IATI/DKF	Biodiversity Conservation and Sustainable Forest Management	41010	2008-2014	GIZ	28,000,000	ongoing
IATI	Sustainable Natural Resource Management II	41030	2008-??	KfW	15,000,000	ongoing
IATI/DKF	Biodiversity Conservation and Sustainable Forest Management	41030	2009-??	KfW	40,000,000	ongoing
CRS	Congo Basin Forest Management / DR Congo	41010/15110	2009-2011	BMZ	224,000	completed
CRS/ICI/DKF	Assessment and development of a Protected Area Network	41030	2009-2014	WWF	1,999,361	ongoing
CRS/IATI/DKF	Maiko National Park Management	41030	2011-2013	FZS	499,905	ongoing
IATI	Integrated rural environment protection programme on the High Plateau of Minembwe	31130	2011-2014	OXFAM	444,390	ongoing
IATI	Biodiversitätserhalt und nachhaltige Waldbewirtschaftung	41030	2012-??	BMZ	10,000,000	ongoing
IATI/DKF	Treuhandfonds zur Unterstützung des nationalen Wald- und Naturschutzprogramms	41030	2012-??	KfW	15,000,000	ongoing
ICI/DKF	Development of a Carbon Storage Map and Carbon Payment Modell Regions for the DR Congo Forest Belt	41030	2012-2016	KfW/WWF	6,100,000	ongoing
IATI/DKF	Biodiversity Conservation and Sustainable Forest Management (TC-Module)	41010	2012-2016	GIZ	25,300,000	ongoing
IATI	Reforestation and education for Forest management in Eastern Congo	31220	2013-2017	LHL	287,046	Ongoing
DKF	Aufbau einer Fachstelle für Berufsbildung im Bereich Bau und erneuerbare Energie		n.d.	EZE	145,000	not included
DKF	Erweiterung einer kirchlichen Universität im Ostkongo, Schwerpunkt Landwirtschaft und		n.d.	EZE	980,000	not included

	<i>Umweltmanagement</i>					
<i>DKF</i>	<i>Hochschul- und Berufsqualifizierung, Schwerpunkt Medizin und Umweltmanagement in Post-Konfliktregion</i>		<i>n.d.</i>	<i>EZE</i>	<i>1,110,000</i>	<i>not included</i>
Regional funding including DR Congo						
IATI	Regional Support for the Central Africa Forests Commission (COMIFAC)	41010	2005-2014	GIZ	4,000,000	ongoing
ICI	Trinational Forest Conservation Area (TNSF)		2008-2012	KfW/WWF	1,451,243	completed
IATI	Certified Sustainable Forestry Management (SFM) in the Congo Basin	31220	2008-2015	KfW	10,000,000	ongoing
ICI	Climate Change Scenarios for the Congo Basin		2009-2013	GIZ	1,530,000	ongoing
IATI	Sustainable forest management in the Congo Basin, Regional support for COMIFAC	41010	2011-2015	GIZ	10,700,000	ongoing
IATI	Sustainable forest management in the Congo Basin (TNSF)	41030	2010-2015	KfW	20,000,000	ongoing
IATI	Sustainable forest management in the Congo Basin, Regional support for COMIFAC	41030	2013-??	BMZ	9,000,000	ongoing
IATI	Sustainable forest management in the Congo Basin, Access and Benefit-Sharing ABS	41030	2013-??	DEG (KfW)	4,500,000	ongoing
IATI	Transboundary use and protection of natural resources in the SADC-region	41030	2012-2015	GIZ	5,710,000	ongoing
IATI	Training facilities & programs for wildlife rangers & managers in the SADC region (pot.)	41030	2011-??	KfW	10,000,000	ongoing
ICI	Development of Integrated MRV Systems for REDD+ in the SADC region (potentially)	31220	2011-2015	GIZ	3,764,260	ongoing

4.3.3 Forest related German development projects in Indonesia since 2002

Indonesia						
Data source	Project / activity titles	Sector Code	Period	Organisation	EUR	Status
CRS	Integrated Forest Fire Management	31220/41030	2002-2004	GIZ/KfW	1,610,000	completed
CRS	Afforestation	31220	2002-2006	GIZ	130,000	completed
CRS	Sustainable Forest Management	31210	2003-2004	GIZ	36,000	completed
CRS	Integrated Experts Forestry and Environmental Management	31210/41010	2004-2006	BMZ	245,000	completed
CRS	Biodiversity Conservation	41020	2005	FeMi	664,000	completed
CRS	Forestry policy and administrative management	31210	2005-2011	BMZ	1,957,000	completed
CRS	Rural development and Biodiversity Protection in West-Kalimantan	31120	2006-2007	BMZ	65,000	completed
CRS	Kayan Mentarang National Park Management	41030	2006-2011	GIZ	1,170,000	completed
CRS	Park- and wildlife-management	31210	2007-2010	BMZ	274,000	completed
CRS/IATI/DKF	Forests and Climate Change (FORCLIME I)	31210	2007-2013	GIZ	9,966,913	ongoing
CRS/IATI	Forestry Programme I (Support for the Ministry of Forestry)	31210	2007-2014	KfW	20,000,000	ongoing
CRS	Bukit Tigapuluh Management Plan	41030	2008	BMZ	101,000	completed
CRS/ICI/DKF	Biodiversity Conservation through Prep. Measures for REDD+ in Merang Peat Forests	41030	2008-2012	GIZ	1,406,875	completed
CRS/IATI/DKF	Policy Advise on Environment and Climate Change (PAKLIM I)	41010	2008-2014	GIZ	8,617,987	ongoing
CRS	Banda Aceh Environmental Administration	41010	2009	BMZ	3,000	completed
CRS/IATI	Networking on sustainable forestry and resource management in defence of land rights	31220	2009-??	KZE	230,000	ongoing
CRS	Sustainable use of natural resources through training programmes	31281	2009-2010	BMZ	137,000	completed
CRS	Bukit Tigapuluh Environmental Education	41081	2009-2010	FeMi	51,000	completed
CRS/ICI/DKF	Forest Management Financed through Emission Certificates in UNESCO World Heritage Site 'Tropical Rainforest Heritage of Sumatra'	41020	2009-2011	UNESCO	527,000	completed
CRS/ICI/DKF	Knowledge Management for the REDD Pilot Project in the Merang Peat Forest Area	41081	2009-2012	GIZ	625,787	completed
CRS	Local initiative to fight the expansion of biofuel in Sumatra	15150	2009-2012	BMZ	188,000	completed
CRS/ICI/DKF	Harapan Ecosystem Restoration Concessions	31220	2009-2013	KfW	7,575,000	ongoing
CRS/ICI/DKF	Securing Natural Carbon Sinks and Habitats in the 'Heart of Borneo'	41030	2009-2013	KfW/WWF	870,055	ongoing
CRS/IATI	Climate Community Sovereignty	41020	2010-??	KZE	160,000	ongoing
IATI	Water, sanitation, reforestation, and credit programme, South-East-Sulawesi	43040	2010-??	GeDo	694,824	ongoing
CRS	Forestry education & training	31281	2010-2011	BMZ	108,000	completed
CRS	Partnerships with indigenous Communities in the Highlands of Borneo	15150	2010-2011	BMZ	390,000	completed

CRS	Sustainable BioProduction	31281	2011	FeMi	267,000	completed
CRS/IATI/DKF	Climate justice and sustainable livelihoods in Indonesia	41010	2011-??	KZE	88,000	ongoing
CRS/IATI/DKF	Sustainable and climate-sensitive forest Management, Jambi	41030	2011-??	KZE	140,000	ongoing
CRS/IATI/DKF	Community initiative to protect small-scale food production area from large-scale oil palm expansion in Sumatra	15150	2011-??	KZE	270,000	ongoing
CRS/IATI/DKF	Securing the rights of indigenous peoples in planned oil palm plantation expansion areas Westpapua and Central Sulawesi	15160	2011-??	KZE	250,000	ongoing
CRS	Conservation and Sustainable Development in Borneo / Peat Swamp Restoration	41030	2011-2012	FeMi	433,000	completed
IATI/DKF	Forestry Programme II (REDD+)	31210	2011-2013	KfW	23,000,000	ongoing
CRS	Forest Anti-corruption Solutions and Advocacy (Indonesia, Papua New Guinea)	31210	2012	BMZ	325,000	completed
CRS/IATI/DKF	Forests and Climate Change (FORCLIME II)	31210	2012-2016	GIZ	14,811,500	ongoing
IATI/DKF	Forestry Programme III (Sulawesi)	31210	2012-2017	KfW	13,500,000	ongoing
ICI/DKF	Ecosystem Restoration Concessions to protect tropical rainforest in Indonesia		2012-2019	KfW	8,100,000	ongoing
ICI/DKF	Biodiversity and Climate Change	41030	2013-2016	GIZ	3,800,000	ongoing
CRS/IATI/DKF	Policy Advice on Environment and Climate Change (PAKLIM II)	41010	2013-2016	GIZ	13,747,000	ongoing
GIZd	Green Economy and Locally Appropriate Mitigation Actions in Indonesia (GE-LAMA-1)	41010	2013-2017	GIZ	4,551,500	ongoing
ICI/DKF	Climate Change Mitigation and Species Conservation in the Leuser Ecosystem Sumatra		2013-2019	KfW	8,500,000	ongoing
GIZd	<i>Appraisal Mission - Low Carbon Oil Palm Development in Indonesia</i>	23070	2013	GIZ	125,000	not included
CRS/IATI/DKF	<i>Mitigating Climate Change Impact by Way of Conservation Activities, Economic Development and Empowerment in North Sumatra</i>	31120	2011-??	EZE	520,000	not included
Regional funding including Indonesia						
IATI	Biodiversity and Climate Change Project with ACB	41030	2010-2015	GIZ	5,200,000	ongoing
IATI	Adaption and Mitigation Strategies in Support of AFCC (GAP-CC)	41010	2010-2015	GIZ	3,667,000	ongoing
IATI	ASEAN Centre for Biodiversity - Small Grants Programme	41030	2011-??	KfW	10,000,000	ongoing
IATI	Building resiliency of indigenous communities on climate change adaptation	41010	2012-??	KZE	340,000	ongoing
ICI	Forest and Landscape Restoration in Key Countries		2013-2017	IUCN/WRI	2,998,593	ongoing
GIZd	Forestry and Climate Change (FOR-CC) (ASEAN AFCC)	41010	2014-2017	GIZ	4,800,000	ongoing

4.4 Ongoing Forest Related Projects in the CSC

Ongoing forest related Programs and Projects in the Case Study Countries based on IATI, ICI, GIZ, and KfW data as of October 2014

Data source	Project / activity titles	Sector Code	Start / Period	Implement. Organisation	EUR	Objectives	Target Areas	Approaches	DQ
Cameroon									
CRS / IATI / DKF	KV Forstsektorkorbfinanzierung (Basket fund for preservation of national forest & wildlife)	31210	2006-2014	KfW	17,500,000	BC2 / FU1 / LL1	GA2 / PE / CS / FC / AI	GG2 / EC1 / LE0	1
CRS / IATI / DKF	PV Nachhaltiges Ressourcenmanagement in Kamerun	41030	2009-2014	KfW	10,000,000	BC1 / FU2 / LL1	GA2 / PE / CS / FC / AI	GG1 / EC1 / LE0	1
CRS / IATI / DKF	Supporting the Implementation of the National Forestry and Environmental Programme (ProPSFE)	31210	2010-2015	GIZ / GIZd	19,187,354	BC1 / FU2 / LL1	GA2 / PE1 / CS1 / FC0 / AI0	GG2 / EC2 / LE0	3
IATI / DKF	Support to implementation of national forest and environmental program	31210	2012-??	??? (GIZ?)	22,000,000	BC1 / FU2 / LL1	GA2 / PE1 / CS1 / FC0 / AI0	GG2 / EC2 / LE0	1
IATI	Sustainable Management of Natural Resources - South West Region (PSMNR-SWR)	41030	2012-??	??? (KfW?)	10,000,000	BC1 / FU2 / LL1	GA2 / PE / CS / FC / AI	GG1 / EC1 / LE0	1
IATI	Klimaschutz - REDD	31220	2012-??	???	10,000,000	BC1 / FU1 / LL1	GA / PE / CS / FC / AI	GG0 / EC0 / LE0	1
Demotatic Republic of the Congo									
CRS / IATI	Sustainable Natural Resource Management I	41030	2005-2015	KfW	11,000,000	BC1 / FU1 / LL1	GA / PE / CS / FC / AI	GG1 / EC1 / LE0	1
IATI	Sustainable Natural Resource Management II	41030	2008-??	KfW	15,000,000	BC1 / FU1 / LL1	GA / PE / CS / FC / AI	GG1 / EC1 / LE0	1
CRS / IATI / DKF?	Biodiversity Conservation and Sustainable Forest Management	41010	2008-2014	GIZ	28,000,000	BC1 / FU1 / LL1	GA2 / PE1 / CS1 / FC1 / AI1	GG2 / EC1 / LE0	3
IATI / DKF?	Biodiversity Conservation and Sustainable Forest Management (TC-Module)	41010	2012-2016	GIZ / GIZd	25,300,000	BC1 / FU1 / LL1	GA2 / PE1 / CS1 / FC1 / AI1	GG2 / EC1 / LE0	3
IATI / DKF?	Biodiversity Conservation and Sustainable Forest Management	41030	2009-??	KfWd	40,000,000	BC2 / FU1 / LL1	GA1 / PE / CS1 / FC1 / AI	GG2 / EC1 / LE0	2
IATI	Biodiversitätserhalt & nachhaltige Waldbewirtschaftung (sustainable ressourcenmanagement)	41030	2012-??	???	10,000,000	BC2 / FU1 / LLO	GA / PE / CS / FC / AI	GG1 / EC1 / LE0	1

IATI / DKF	Treuhandfonds zur Unterstützung des nationalen Wald- und Naturschutzprogramms	41030	2012-??	<i>KfW</i>	15,000,000	BC2 / FU1 / LL1	GA2 / PE / CS / FC / AI	GG2 / EC0 / LE0	1
CRS / IATI / DKF	Maiko National Park Management	41030	2011-2013	FZS	499,905	BC2 / FU1 / LL0	GA2 / PE / CS / FC / AI	GG2 / EC0 / LE0	1
IATI	Integrated rural environment protection programme on the High Plateau of Minembwe	31130	2011-2014	OXFAM	444,390	BC2 / FU1 / LL1	GA / PE / CS1 / FC1 / AI	GG1 / EC1 / LE0	1
IATI	Reforestation and education for Forest management in Eastern Congo	31220	2013-2017	LHL	287,046	BC1 / FU2 / LL1	GA / PE / CS1 / FC1 / AI	GG1 / EC1 / LE1	1
CRS / ICI / DKF / DKF	Ngiri Triangle Integrated Conservation Project I & II	41030	2008-2013	KfW/ WWF	2,596,388	BC2 / FU1 / LL1	GA1 / PE / CS1 / FC1 / AI	GG2 / EC1 / LE0	3
CRS / ICI / DKF	Assessment and Development of a Modernised, Expanded Network of Protected Areas	41030	2009-2014	WWF	1,999,361	BC2 / FU0 / LL0	GA2 / PE / CS2 / FC1 / AI	GG2 / EC0 / LE0	3
ICI / DKF / DKF?	Development of a Carbon Storage Map and Carbon Payment Modell Regions for the DRC Forest Belt	41030	2012-2016	KfW/ WWF	6,100,000	BC1 / FU2 / LL1	GA2 / PE1 / CS / FC1 / AI	GG1 / EC2 / LE0	2
Indonesia									
CRS / IATI	Forestry Programme I (Support for the Ministry of Forestry)	31210	2007-2014	KfW	20,000,000	BC1 / FU2 / LL0	GA2 / PE / CS / FC / AI	GG1 / EC2 / LE0	1
IATI / DKF	Forestry Programme II (REDD+)	31210	2011-2013	KfWd	23,000,000	BC2 / FU1 / LL1	GA2 / PE / CS / FC1 / AI	GG2 / EC1 / LE0	3
CRS / IATI / DKF	Policy Advise on Environment and Climate Change (PAKLIM I)	41010	2008-2014	GIZ	8,617,987	BC0 / FU1 / LL1	GA2 / PE1 / CS1 / FC / AI	GG2 / EC1 / LE0	3
CRS / IATI / DKF	Policy Advice on Environment and Climate Change (PAKLIM II)	41010	2013-2016	GIZ / GIZd	13,747,000	BC0 / FU1 / LL1	GA2 / PE1 / CS1 / FC / AI	GG2 / EC1 / LE0	3
CRS / IATI / DKF	Forests and Climate Change (FORCLIME I)	31210	2007-2013	GIZ / GIZd	9,966,913	BC1 / FU2 / LL1	GA2 / PE1 / CS1 / FC1 / AI	GG2 / EC1 / LE0	3
CRS / IATI / DKF	Forests and Climate Change (FORCLIME II)	31210	2012-2016	GIZ / GIZd	14,811,500	BC1 / FU2 / LL1	GA2 / PE1 / CS1 / FC1 / AI	GG2 / EC1 / LE0	3
IATI / DKF	Forestry Programme III (Sulawesi)	31210	2012-2017	<i>KfW</i>	13,500,000	BC1 / FU1 / LL0	GA / PE / CS / FC / AI	GG2 / EC1 / LE0	1
IATI	Water, sanitation, reforestation, and credit programme, South-East-Sulawesi, Indonesia	43040	2010-??	GeDo	694,824	BC1 / FU2 / LL1	GA / PE / CS / FC / AI	GG0 / EC2 / LE1	1
CRS / IATI	Networking on Sustainable Forestry & Resource Management aiming at the defence of Land Rights	31220	2009-??	KZE	230,000	BC1 / FU1 / LL2	GA / PE / CS / FC2 / AI	GG0 / EC1 / LE2	1
CRS / IATI	Climate Community Sovereignty	41020	2010-??	KZE	160,000	BC1 / FU2 / LL2	GA / PE / CS / FC2 / AI	GG0 / EC2 / LE2	1

CRS / IATI / DKF	Climate justice and sustainable livelihoods in Indonesia	41010	2011-??	KZE	88,000	BC1 / FU1 / LL2	GA / PE / CS / FC2 / AI	GG0 / EC0 / LE2	1
CRS / IATI / DKF	Sustainable and climate-sensitive forest Management, Jambi	41030	2011-??	KZE	140,000	BC1 / FU2 / LL1	GA / PE / CS / FC2 / AI	GG0 / EC1 / LE2	1
CRS / IATI / DKF	Securing rights of indigenous peoples in planned oil palm plantation expansion areas	15160	2011-??	KZE	250,000	BC1 / FU1 / LL2	GA / PE / CS / FC2 / AI	GG0 / EC0 / LE2	1
CRS / IATI / DKF	Community initiative to protect food production area from oil palm expansion in Sumatra	15150	2011-??	KZE	270,000	BC0 / FU1 / LL2	GA / PE / CS / FC2 / AI	GG0 / EC0 / LE2	1
CRS / ICI / DKF	Harapan Ecosystem Restoration Concessions	31220	2009-2013	KfW	7,575,000	BC2 / FU2 / LL1	GA / PE2 / CS1 / FC / AI	GG0 / EC2 / LE0	3
CRS / ICI / DKF	Securing Natural Carbon Sinks and Habitats in the 'Heart of Borneo'	41030	2009-2013	KfW / WWF	870,055	BC2 / FU1 / LL1	GA2 / PE1 / CS / FC1 / AI	GG2 / EC1 / LE0	3
ICI / DKF	Biodiversity and Climate Change	41030	2013-2016	GIZ / GIZd	3,800,000	BC2 / FU1 / LL1	GA2 / PE / CS / FC1 / AI	GG2 / EC1 / LE0	2
ICI / DKF	Climate Change Mitigation and Species Conservation in the Leuser Ecosystem Sumatra		2013-2019	KfW	8,500,000	BC2 / FU1 / LL1	GA2 / PE / CS / FC1 / AI	GG2 / EC1 / LE0	2
ICI / DKF	Ecosystem Restoration Concessions to protect tropical rainforest in Indonesia		2012-2019	KfWd	8,100,000	BC2 / FU2 / LL1	GA / PE2 / CS1 / FC / AI	GG0 / EC2 / LE0	2
GIZd	Green Economy and Locally Appropriate Mitigation Actions in Indonesia (GE-LAMA-1)	41010	2013-2017	GIZ / GIZd	4,551,500	BC1 / FU1 / LL1	GA2 / PE / CS / FC / AI	GG1 / EC2 / LE0	1
Regional funding including Cameroon & DR Congo									
ICI	Climate Change Scenarios for the Congo Basin (Cameroon/DRC)		2009-2013	GIZ	1,530,000	BC1 / FU2 / LL0	GA2 / PE / CS / FC / AI2	GG2 / EC1 / LE0	3
IATI	Certified Sustainable Forestry Management (SFM) in the Congo Basin (Cameroon/DRC)	31220	2008-2015	KfW	10,000,000	BC1 / FU2 / LL0	GA / PE / CS / FC / AI	GG1 / EC2 / LE0	1
IATI	Regional Support for the Central Africa Forests Commission (COMIFAC) (Cameroon/DRC)	41010	2005-2014	GIZ	4,000,000	BC2 / FU2 / LL1	GA2 / PE / CS1 / FC / AI	GG2 / EC2 / LE0	3
IATI	Sustainable forest management in the Congo Basin, Regional support for COMIFAC (Cameroon/DRC)	41010	2011-2015	GIZ / GIZd	10,700,000	BC2 / FU2 / LL1	GA2 / PE / CS1 / FC / AI	GG2 / EC2 / LE0	3
IATI	Sustainable forest management in the Congo Basin, Regional support for COMIFAC (Cameroon/DRC)	41030	2013-??	???	9,000,000	BC2 / FU2 / LL1	GA2 / PE / CS1 / FC / AI	GG2 / EC2 / LE0	1
IATI	Sustainable forest management in the Congo Basin, Access and Benefit-Sharing ABS (Cameroon/DRC)	41030	2013-??	DEG (KfW)	4,500,000	BC1 / FU2 / LL1	GA / PE1 / CS1 / FC / AI	GG1 / EC2 / LE0	1
IATI	Sustainable forest management in the Congo Basin	41030	2010-2015	KfW	20,000,000	BC2 / FU1 /	GA / PE / CS / FC /	GG2 / EC1 /	1

	(TNSF) (Cameroon/DRC)					LL0	AI	LE0	
IATI	Sustainable forest management in the Congo Basin, TNSF Lobeke Park (Cameroon)	41030	2011-??	???	5,500,000	BC2 / FU1 / LL0	GA / PE / CS / FC / AI	GG2 / EC1 / LE0	1
IATI	Sustainable forest management in the Congo Basin, Yamoussa Park (Cameroon)	41030	2013-??	???	6,900,000	BC2 / FU1 / LL0	GA / PE / CS / FC / AI	GG2 / EC1 / LE0	1
IATI	Transboundary use and protection of natural resources in the SADC-region (DR Congo)	41030	2012-2015	GIZ / GIZd	5,710,000	BC2 / FU1 / LL1	GA2 / PE / CS1 / FC / AI	GG2 / EC0 / LE0	3
IATI	<i>Training facilities & programs for wildlife rangers & managers in the SADC region (DRC potentially)</i>	41030	2011-??	KfWd	10,000,000	BC2 / FU1 / LL0	GA2 / PE / CS / FC / AI	GG2 / EC1 / LE0	3
ICI	<i>Development of Integrated MRV Systems for REDD+ in the SADC region (DRC potentially)</i>	31220	2011-2015	GIZ / GIZd	3,764,260	BC0 / FU2 / LL0	GA2 / PE / CS / FC / AI	GG1 / EC2 / LE0	3
Regional funding including Indonesia									
IATI	Biodiversity and Climate Change Project with ACB	41030	2010-2015	GIZ / GIZd	5,200,000	BC2 / FU1 / LL0	GA / PE / CS / FC / AI	GG2 / EC1 / LE0	1
IATI	Adaption and Mitigation Strategies in Support of AFCC (GAP-CC)	41010	2010-2015	GIZ / GIZd	3,667,000	BC1 / FU2 / LL0	GA2 / PE / CS / FC / AI1	GG1 / EC2 / LE0	3
IATI	ASEAN Biodiversity Centre Small Grants Programme	41030	2011-??	KfWd	10,000,000	BC2 / FU1 / LL1	GA1 / PE / CS1 / FC1 / AI	GG1 / EC1 / LE1	2
ICI	Forest and Landscape Restoration in Key Countries		2013-2017	IUCN / WRI	2,998,593	BC2 / FU0 / LL0	GA1 / PE / CS1 / FC / AI	GG2 / EC0 / LE0	2
GIZd	Forestry and Climate Change (FOR-CC) (ASEAN AFCC)	41010	2014-2017	GIZ / GIZd	4,800,000	BC1 / FU2 / LL0	GA2 / PE / CS / FC / AI	GG2 / EC1 / LE0	1

4.5 Abbreviations, annotations and codes used in the lists of projects

Data Sources:

CRS	OECD Creditor Reporting System
DKF	Deutsche Klimafinanzierung data bank
GIZd	GIZ project data
IATI	International Aid Transparency Initiative data bank
ICI	BMUB International Climate Initiative
KfWd	KfW project data

Project / activities titles as given in the source from which basic data have been derived. In a few instances similar or identical titles have been used for different data entries in the IATI data base. For the purpose of this study these entries have been treated as different programs because objectives, instruments and target groups of these programs with similar titles may have been very different.

Sector Codes:

151xx	Government and Civil Society general
311xx	Agriculture Sector
312xx	Forestry Sector
410xx	Environment Sector (General Environmental Protection)
430xx	Other Multisector

Period or start of programs derived from the basic data sources where available, in some cases complemented from other sources. Data on start and periods of programs are frequently changing over time and data from different sources may not match.

Funding and implementing Organisations:

BMZ	Funding by BMZ, implementing organisation unspecified
EZE	Evangelische Zentralstelle für Entwicklungshilfe
FeMi	German Federal Ministries unspecified
FZS	Frankfurt Zoological Society
GeDo	German Doctors e.V.
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
KfW	Kreditanstalt für Wiederaufbau
KZE	Katholische Zentralstelle für Entwicklungshilfe
LHL	Lernen-Helfen-Leben e.V.
NGO	Non-governmental Organisation unspecified
UNESCO	United Nations Educational, Scientific and Cultural Organization
WWF	World Wide Fund for Nature

Funding amounts refer to disbursements and commitments. Amounts are given in Euro but in the case of CRS data have been converted from USD and are only approximately calculated.

Status:

Completed: Programs, projects and activities which have been notified as completed before 2013.

Ongoing: Programs and projects which according to IATI data were designated as in implementation, decided, or in the pipeline in 2013, or which were recorded as ongoing programs in the ICI, GIZ, and KfW data bases.

Not included: Programs and projects which have been recorded in the DKF data base but could not be reconfirmed in other data bases and which have not been included in the analysis.

Projects listed in *italics* were not included in calculations and analysis because the possibility could not be ruled out that these entries refer to identical projects already listed under other entries of the list.

Codes used for the classification of ongoing programs and projects:

Codes for Objectives:

BC	Biodiversity Conservation
FU	Forest Utilisation
LL	Local Livelihoods

Codes for Target Areas:

GA	Government Agencies
PE	Private Enterprises
CS	Civil Society
FC	Forest dependent Communities
AI	Academic Institutions

Codes for Approaches:

GG	Global Governance Approach
EC	Economization Approach
LE	Local Empowerment Approach

DQ - Classification of Data Quality:

1	Only very basic data available
2	Basic data and additional information on objectives and/or target groups available
3	Further information on instruments, activities or results available