On January 5, President Susilo Bambang Yudhoyono issued a regulation allocating almost half of Kalimantan forests for conservation. The Indonesian part of Borneo island, he said, will be the “lungs of the world.”

The press release was light on detail but it was a statement that highlights the critical importance of Indonesia’s natural resources to the rapidly warming, choking world.

“Forests are now firmly on the international agenda,” says Terry Sunderland of the Centre for International Forestry Research (CIFOR) in Bogor. “I think countries like Indonesia, with such large amounts of forest cover, feel there is now scope for significant economic revenue to be generated from protecting them.”

Indonesia holds half of the planet’s tropical forests. But it is also the world leader in forest degradation and the third-biggest producer of greenhouse gases. It is estimated a huge 85 percent of Indonesia’s carbon emissions come from forest loss.

So in a climate of economic growth and faced with an increasingly voracious global appetite for natural resources like coal, palm oil, pulp and timber, how can the trees of Kalimantan survive? Under the new regulation, a network of conservation areas will be established, linked by a series of ‘ecosystem corridors’ to support flora and fauna to flourish across 45 percent of Kalimantan.

“This is a big commitment,” says Sunderland. “It’s positive in that it demonstrates that the political will for environmental protection is there, but meshing that with big business and pressures from very influential companies is another issue.”

Since the 2007 Bali Climate Change Conference, Indonesia’s forest conservation efforts have centered around the UN-backed REDD+ program; Reducing Emissions from Deforestation and Forest Degradation. Essentially, REDD+ aims to slow climate change by paying developing countries to stop cutting their forests. Globally, tropical deforestation accounts for 17 percent of carbon emissions, more than land transport and aviation combined. The fastest way to improve the atmosphere, then, is to save more trees.

And the world, it seems, is looking at Indonesia. Though REDD+ will not formally come into play until after 2013, countries like Norway, Germany, Australia, the UK and the US have already pledged more than US$6 billion to help developing countries roll out pilot projects. In 2010, for example, Norway gave US$1 billion for REDD+ activities in Indonesia, funding a two-year moratorium on new logging con-

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cessions. There are now 43 such projects across the archipelago.

The concept of a carbon trading market is also taking hold. A climate bill recently passed in Australia, for example, puts a price on carbon and allows Australia to source carbon credits from overseas. The policy opens up significant opportunities for Indonesia, said Fitrian Ardiansyah, a climate specialist at the Australian National University last year. “REDD+ could lend Indonesia a competitive edge in a low carbon future,” he said.

But it is not as simple as it might sound.

As part of CIFORS’ Forest and Livelihoods program, Sunderland is leading research into managing trade-offs between conservation and development. Having worked in the area for 20 years, he assures the ‘silver bullet’ approaches to forest conservation. One of the problems with REDD+ is that the mechanisms for transferring funds to local land-users are not yet in place.

“Indonesia may be doing extremely well at attracting REDD+ funding and in terms of thinking about policies, it’s way ahead of most other countries in the tropics,” he says. “But there are lots of unanswered questions about how those benefits will flow through to indigenous peoples. There has been a lot of push-back from local groups saying, ‘Actually, we don’t want REDD. It’s just another means of taking away our land, we can’t use it like we did before.’ They fear it is just another form of protectionism that will compromise their livelihoods.”

But Ade Soekadis, Forest Program Operations Director at The Nature Conservancy, believes a scaling up of
REDD+ projects like the one his organization manages could be the answer for Indonesia.

“REDD is an entry point to improve forest management,” he says. “If we can get the projects right, the benefits will definitely go to the forests and the community and be good for everyone.”

Soekadis is working on the Berau Forest Carbon Program (BFCP) in East Kalimantan; a REDD+ partnership between the district and national governments, NGOs, private companies, and local villagers. Among other donors, BFCP has received funding from Australia, Germany and America.

The forests of Berau are considered to be some of the world’s last untouched wilderness, home to endangered orangutans and more than 80 threatened tree species. But with only 17 percent of that forest under formal protection, Berau has a lot to lose. The threat of land conversion by logging, mining and palm oil companies is high.

Over the next five years, the BFCP project aims to bring 800,000 hectares of that forest under sustainable management and avoid 10 million tons of CO2 in the process. Work involves promoting community forestry, reduced impact logging, and a scheme for timber certification. The project is engaging pulp and palm oil companies to develop a roadmap for more sustainable plantations, and it “may need to tackle the coal issue next.”

“We want to identify the key drivers of emissions,” says Soekadis. “We’re not going to try to slow down economic growth in Berau, we’re not going to say no to mining or oil palm concessions, but we need to do it in a way that is sustainable.”

The BFCP vision is that carbon rights will be owned and traded by the local Berau administration, and land managers—whether they be local communities, timber or palm oil companies—will have a legal agreement with the government that rewards them financially for sustainable practices.

According to Soekadis such programs can protect the canopies of Kalimantan and the world’s clean air. However, a more comprehensive natural resource management is needed.

“At the moment, we have countries like Australia and Norway looking to value carbon in these forests. But at the end of the day it’s not about carbon trading, it’s about improving sustainable forest management for the benefit of the people,” he says. “If you only look at the carbon, it’s not worth much money, it’s not worth it for Indonesia to sell it.”

“Instead, we need to see all the ecosystem services the forest provides for human life. If we value these things, conservation can compete with mining and other industry,” says Soekadis.

“If you look at the total value of the forest—the livelihoods it provides, oxygen, CO2 sequestration, water, pollution, the climate stability factor—it’s actually priceless,” he says. “Not even US$100,000 per ton can compensate for the very vital functions of the lungs of the world. What happens if there’s no oxygen?”

Terry Sunderland agrees putting a dollar value on nature. “Unfortunately that’s the only thing that politicians and the public seem to understand,” he says. “If you show them that the forest is worth 10 times more standing than it is to convert it to an oil palm plantation, people start to pay attention.”

One of the constraints of REDD+ at the moment is that the value per hectare of conserved forest is so much lower than converted land. The demand for palm oil “is unbelievable” says Sunderland, and it is not going to decrease anytime soon.

“So there has to be a commitment from the government to forego those economic benefits and really put their money where their mouth is,” he says.

Is 45 percent of Kalimantan realistic and is it enough to sustain the world? “It’s a very noble political direction,” says Ade Soekadis. “But we question the numbers. We know by physical evidence that much of the forest cover is already lost in Kalimantan.”

Overall though, Soekadis says the future of forest conservation in Indonesia looks positive. “Even though it’s as slow as a turtle, we’re moving in the right direction. The political will is there, as is support from the international community. This is our time but we really have to seize the opportunity for the benefit of our people and the world.”

May Slater