

National Workshop

Co-hosted by UNORCID and UNDP

Indonesia's Moratorium on Primary Forests and Peatland; Opportunities and Challenges

Jakarta, 1st May, 2013

***Panel discussion; Indonesia's Moratorium on Natural Resource Exploitation –
a Global Perspective:***

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1. Context – a Global Perspective

- Let's start with the overall Global Perspective – and on an optimistic note; There is hope for the for the worlds lungs, the large rainforests along equator, but mankind needs to move faster if they are to be saved.
- The progress made in recent years shows that mankind is not doomed to strip the planet of its forest cover. Clearing forests may enrich those who are doing it, but will over the long run make the planet much poorer. If the world is to keep the protective cover that helps it to breathe, and water its crops, and which keeps our planet cool and nurtures its biodiversity – well, then mankind needs to move much faster.
- It's also worth keeping in mind that at the macro-level, economic development both causes deforestation, and slows it down. In the early stages of development, people destroy forests in order to make a living and provide for their family. Globalization has been speeding up this process by boosting the demand for agricultural goods produced in the tropical countries. However, after a while, people normally start thinking about issues beyond their family's welfare; their governments begin to enforce laws to conserve the environment. Trade can also allow the greener concerns of consumers to influence producers.
- The transition from “clearing” to “protecting”, however, is occurring too slowly. The main international effort to speed it up is known as REDD+, which pays forest-gifted countries for leaving their trees standing. There are several good reasons for providing funding in this way – one of them is that this is one of the most cost-efficient ways to tackle carbon emissions.
- Let me move on to further explain the background for the REDD+ process, and how Norway and Indonesia entered into its long term REDD+ partnership. I will then tell you why we find it so important to extend the Moratorium. I will do so by sharing with you some experiences from Norway – Norwegian lessons learned about sustainable management of natural resources.

2. Norway's engagement in Indonesia on forest and climate

- Indonesia's president Yudhoyono was one of the first leaders in the global community to declare ambitious and clear targets to reduce greenhouse gas emissions. Internationally it stands out as

unique, with its ambitions and magnitude, as well as political bravery. And this commitment formed the basis for the partnership between Indonesia and Norway. With the absence of a global agreement, the world urgently needs more partnerships like ours, -- there is clearly a need for countries to act now.

- Under this REDD+ partnership, Indonesia has committed to a series of ground breaking institutional and policy related reforms. Norway, on our side, has committed to provide financial support if Indonesia delivers results. The REDD+ partnership is divided into three phases, and we are expecting to soon complete the first preparatory phase.
- Important progress has been made in the REDD+ process here in Indonesia: especially legal review and law enforcement. We are very pleased with the excellent work done by the 10 working groups reporting to Task Force. It has been very promising progress on transformative policy actions as a follow-up of the moratorium, legal review, license review, mapping of forest, land ownership and licenses, as well as REDD+ strategies for several provinces.
- From my standpoint, it's been especially encouraging to observe the extensive consultation process leading up the REDD-Strategy. It's also very encouraging that 11 Provinces are developing their own provincial plans based on the national plan.
- But implementation of the REDD+ Strategy, and its ambitious reform plans, will very much depend on establishing a solid REDD+ Agency, a Financial mechanism, as well as a MRV-institution. And in order to move to Phase II of our partnership, the REDD+ Agency has to be established.

3. The Moratorium on Concessions for Primary Forests and Peatlands in Indonesia

- Today's topic, the Forest Moratorium, is indeed very timely. Although not perfect, the Moratorium has been an important initiative for improving management of forest resources – it has helped to “pause” “business-as-usual” patterns, and to give the government and other stakeholders more time to take actions needed for low-emission development.
- Furthermore, we regard the Moratorium to be instrumental in ensuring that investigations of various cases of forestry crime reported by the public have been carried forward in close coordination with the Ministry of Forestry, the State Police Department and the Attorney General.
- It is important to bear in mind that the Moratorium is not an end in itself, but rather a means to enable better forest governance through necessary coordination processes, data collection and, potentially new regulations.
- Some has criticized the moratorium for covering too little. WWF from the outset pointed out that although the moratorium had its weaknesses, it was the first time that Indonesia committed to halt deforestation at a large scale, and in this way committed to improve forest governance.
- I note that from media and public debate that the Moratorium have put issues like climate and green growth among the top policy issues. The Moratorium has also led to increased focus on sustainable use of all natural resources. It also calls for increased transparency, and discussion on land tenure issues related to overlapping concessions, and the rights of local communities. The

Moratorium has also helped to strengthen enforcement of sustainable logging and mining practices, the need to fight illegal logging, and to decrease the clearing of land through fires. These issues also have an huge economic side, as I remember reading a government report a while ago that said that Indonesia has lost up to USD 36 billion on “non-procedural” forest use, in Kalimantan alone.

- All these issues are necessary to address in creating sustainability in Indonesia’s REDD+ efforts, also after 2014. All these issues require engagement with different parts of society – with the plantation industry, with indigenous people, with fire brigades and law enforcement officers.
- Let me also mention FLEGT (*Forest Law Enforcement, Governance and Trade*) voluntary partnership agreement with the EU, which Indonesia signed in 2011. From the Norwegian perspective, this agreement is a key achievement, providing strong impetus for our joint efforts with Indonesia on REDD+. These processes are transformative, and aimed at changing past unsustainable practices into new ones that will reduce carbon emissions, ensure forest dependent people’s livelihoods and ultimately benefit Indonesia’s national economy and social progress. Here it is important that the business community prepares themselves to meet the new requirements. There is still a need to better engage with business, to get their support for REDD+, and to support their front runners.

4. Norwegian experiences with sustainable management of natural resources - fisheries management

- From the Forestry sector, let me quickly switch to another natural resource sector - the Fisheries sector – to share with you Norwegian experiences with sustainable management of fishery resources.
- Back in the 1980’s, the cod stock was in a very poor state in the Barents Sea, and in danger of being overexploited. A main reason for this was “*discarding*”, meaning that the fishermen actually threw a lot of fish back into the sea, often dead or dying.
- **Discard** led to unrecorded catches, which in turn lead to incorrect fishery statistics, and disrupted the basis for scientific assessments of stocks, and scientific advice on management.
- The Norwegian government addressed this problem by introducing a **ban** on discards, and also established a program of temporary closure of fishing grounds – a fishing Moratorium. The ban on discard, and closure of certain fishing areas, was highly contested. The Norwegian Minister of Fisheries was told that it was almost impossible to control and enforce.
- But, this bold decision turned out to be a very good one. The ban on the discarding of cod had an immediate positive effect on the fishing companies’ behavior on the fishing banks. Furthermore, the temporary closure was further developed, and today clear regulations and surveillance mechanisms ensure that the cod stock is no longer under threat.
- What were the lessons learned? Well, we experienced that it does take time, and that it might be unpopular to establish adequate regulation and the proper institutions for efficient control and enforcement. Any deviation from “business-as-usual” is by many perceived as a threat. The most valuable lesson learned from this was basically that it is possible to switch to a more sustainable

way of managing natural resources, and that it is not only good for the environment, but it is also economically profitable to do so. Sustainable management has shown to be “good business”. Clearly a win-win situation.

5. Brazil – Soya Moratorium

- Just one more example, this time from Brazil – which also provides some interesting lessons learned. In the mid-90’s, the deforestation rate in the Amazonas was very high. As much as ¼ of deforestation was caused by soya production. The soya industry in Brazil realized that their way of producing was not sustainable. This led to a Moratorium to stop further deforestation, - and here the civil society, retailers and traders played an important role to push for this.
- What became the outcome of this Moratorium? Soya production today stands for merely 0,3% of Brazil’s deforestation. Expansion of soya bean **production** became **decoupled** from **deforestation**.
- The same can be achieved in Indonesia, with the palm oil industry. Today we have a situation where there are a lot of vacant degraded land, and at the same time a situation where the industry is struggling with relatively low production yields. But via transformative policy measures, Indonesia can reach both its ambitious productions targets, as well as ambitious targets for reduced emissions. The challenge is to divert planned oil palm plantations away from natural forests, and towards already degraded, or low-carbon, areas. This provides an opportunity for sustainable expansion of the palm oil industry.
- In other words; **REDD is clearly a development alternative, not an alternative to development.**

6. Conclusion

- **In conclusion;** it’s urgent to save the main rainforest regions of the world, and Indonesia plays a key role in this context. The Moratorium has been important in the REDD+ process here in Indonesia. Yes, we do recognize that there are shortcomings to the Moratorium, but it has proven to be an important step in the right direction.
- Consequently, until we are sure that adequate regulation and institutions for efficient control and enforcement are established to protect the forests, we do hope the Moratorium will be extended. Furthermore, Norway firmly believes that in order to have greater impact, also the scope of the Moratorium should be extended.
- Thanks.