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Learning from Green Enclosure Practice in Indonesia: Katingan REDD+ case study project in Central Kalimantan

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Abstract

In this paper, I analyse the way new corporate enclosure initiatives under the banner of climate mitigation projects have been implemented at a particular location in Indonesia. Using a reducing emission from deforestation and forest degradation (REDD) project located in Central Kalimantan province, Indonesia, I discuss the multiple strategies that the company has developed to deal with multiple actors (nongovernment organizations, local governments, other companies, and local communities) to gain support and to reduce resistance to the company land enclosure plan. The case study under investigation is the Katingan Peat Restoration Project (KPRP), a REDD demonstration project that has been proposed by Rimba Makmur Utama company (PT RMU). PT RMU was formed in 2007 by two young Indonesian entrepreneurs who saw an opportunity for a new green investment in the forestry sector. On 25 October 2013, after about five years or more of intense negotiation with the national and local governments, the Ministry of Forestry of Indonesia (now called the Ministry of Environment and Forestry) finally granted PT RMU a forest restoration permit. However, the Ministry of Forestry only granted PT RMU an area of 108,255 hectares or about half of the total area of 217,000 hectares that the company had originally proposed. For other REDD+ projects that were funded by AusAid in the Kapuas district and located in Central Kalimantan province, resistance and protests from local communities and civil society groups emerged. In the PT RMU case, on the other hand, no open local protests that had been reported against the company initiative. To understand this, I explore the strategy that the company developed with local villagers long before the government had even granted the company a formal forest restoration permit. I also explore the company strategies, the factors that allowed PT RMU to conduct such strategies and how the company dealt with the local political actors and found ways to prevent the villagers from openly protesting against the company. In this paper, I also attempt to debate the dynamic process of access and exclusion that took place in Indonesia due to the newly emerging green enclosure initiatives.

Keywords: REDD+, Indonesia, Central Kalimantan, Ecosystem Restoration, Green Grab

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Introduction

This paper focuses on the new forms of control of large-tracts of land in Indonesia for environmental purposes. Some of the authors refer to this type of land enclosure for environmental ends as a 'green grab' (Fairhead et al., 2012). The green grab phenomenon is not new in Indonesia or elsewhere. The state in the colonial and post-colonial period has been actively involved in allocating land to be used for various green projects, such as for biodiversity conservation projects, biofuel, watershed protection, etc. (McCarthy et al., 2012). However, as Fairhead et al. (2012) argue, compared to previous green development projects, the recent large-scale land control for environmental ends is new 'in terms of the actors ... the cultural and economic logics and political dynamics involved' (Fairhead et al., 2012).

In this paper, I attempt to explore the establishment of an ecosystem restoration (ER) scheme as the emerging type of land enclosure for a specific conservation objective in Indonesia. I show that the ER scheme is a new type of green enclosure process for several reasons. One important reason is that the advocate of this new scheme has specifically targeted the former logging areas in order to keep the remaining forest cover and to rehabilitate the forest area. Their actions put an end the possibility of this logged over area being cleared for other development projects, most likely for monoculture industrial timber or palm oil plantations. My objective in this paper is to learn how this new initiative has played out at a specific site in Indonesia and the effect of this project on those communities that lived in the surrounding area.

The specific case that I will be focusing on in this paper is the ER project located in Central Kalimantan Province. In 2013, the Ministry of Forestry granted a permit to Rimba Makmur Utama company (PT RMU) for an area of 108,255 hectares in the production forest in the district of Katingan to be managed as an ER scheme. So far, this is the largest area for which the government has granted such a permit. If we compare the land enclosure for conservation purposes in Indonesia in the past, the ER scheme is a new form of green enclosure process not only because there is a new network of actors who are involved in establishing this scheme but also in the way the project has been framed and the way the project has developed numerous strategies to reach the local community.

To establish the ER project as a new form of commoditization over nature in one location, the ER project initiator has to compete with other development projects promoted by other players, the private sector, NGOs or the state apparatus. In the case study area in the Katingan district, PT RMU was not the only development actor to control large land areas. Other development projects that existed in the proximity were two companies that established palm oil plantations and a national park. In terms of access to land, PT RMU's ER project mostly competed with the palm oil investment initiative. This competition was shaped by the fact that many local governments in Indonesia usually favour initiatives to establish palm oil plantations. In the local government's view, a palm oil project would provide more economic return than a green project, such as an ER scheme. Few government actors began to support the recent international promotion to reduce emissions from deforestation and forest degradation (or REDD+) in Indonesia, as they expected to tap economic benefits from a carbon marketing project. But the most significant policy that influenced the dynamics of local land access for the private sector is the national government forest moratorium regulation that passed in 2011. The forest moratorium closed down the opportunity to get new permits for extractive industries in the state production forest areas that have been designated as 'primary forest' and a 'peat land ecosystem'. This created a new category of land that is available for the target area of the ER scheme.

Another issue that is interesting about PT RMU's ER project in Katingan, at least in my view, is the fact that no local opposition has been publically reported against the ER initiative. This picture contrasts with some green development projects in Central Kalimantan. One of the cases that received a lot of international attention was the \$100 million Kalimantan Forest Carbon Project (KFCP) located in the neighbouring district of Kapuas (Olbrei & Howes, 2012). In 2008, the Australian government

signed an agreement with the Indonesia government to fund the KFCP project. The KFCP project area was approximately 70,000 hectares and located in the former mega rice project area. Based on a number of reports, a number of protests emerged against the KFCP initiative (Friends of the Earth, 2012; FPP & Pusaka, 2012; Lang, 2012; Redd-monitor.org). This resulted in the Australian government terminating the project in 2013 (Pearse, 2013). Through this example, we can learn that each development project creates its own specific relationship with other projects and networks with various actors. The way the ER project has been played out in a specific location and how this project has affected the local communities, therefore, depends on the political, social, and economic contexts at that location. The local community responded against the large-land deal for environment ends that was not only different in different places (Franco & Borrás, 2013) but was also different among the development projects .

From time to time, villagers in Katingan protested the Sebangau national park although these protests had not been openly reported by the media. There was an incident where villagers burned down the local park office. This was because each land enclosure project might have a different effect on people's lives and their livelihood. We can't make a general assumption that land enclosure always displaces local people. Through this case, we learn that each commoditization process over land and nature creates a different effect on people's lives and their livelihood. It creates different forms of inclusion and exclusion processes. Therefore, local people have their own perspectives on what they consider a 'good' or 'bad' project, and these perspectives might change over time. Local people's positions often shape and are shaped by the way the development initiatives accommodate their political and economic interests. In this particular example, villagers in Katingan were not against the restoration ecosystem project since they expected it could bring jobs.

I organize the paper as follows. I start with a brief explanation of the ER scheme based on the government regulations enacted by the Ministry of Forestry of Indonesia (now is the Ministry of Environment and Forestry).¹ I also discuss how the ER scheme is fundamentally different from previous land appropriations for biodiversity conservation, i.e. nature reserves and national parks. Then, I continue to discuss the particular framing and discourse processes that shaped the emergence of the ER scheme as a new practice in managing the state forest. After explaining the national and international contexts that influenced the emergence of ER in Indonesia, the next section addresses the question of how this new scheme played out in a particular site in the Katingan district. I explore the actors, motivations, networks, approaches and effect on the local people.

Ecosystem restoration as a new scheme of green enclosure

Before I describe ER policy in Indonesia, I shall first explain how the state forest is classified in Indonesia. The total land area of Indonesia that is currently designated as a state forest area (*kawasan hutan*), now controlled by the Ministry of Forestry of Indonesia is 124,022,848.67 hectares (or approximately 65 per cent of the total land area of Indonesia). The government divides the state forest area into three major classification functions: production (45.62 per cent), protection and conservation (41.86 per cent), and conversion (12.52 per cent) (Kementerian Kehutanan, 2014). The state forest classified as 'production forest' is the area where Ministry of Environment and Forestry allocates permits for timber extraction activities. The land classified as 'protection and conservation' are supposed to be for soil erosion protection, watershed protection and biodiversity conservation

¹ In 2014, the new elected government under president Jokowi Widodo (known by his nick name Jokowi) merged the Ministry of Environment and Forestry into one Ministry, namely the Ministry of Environment and Forestry. For the purpose of this paper, I used the Ministry of Forestry instead of the Ministry of Environment and Forestry, because most of the policy on ecosystem restoration has been created under the previous Minister for Forest.

purposes. Very restricted human activities are allowed in the protection and conservation forest. Meanwhile, the area classified as 'conversion' is supposed to be released from state forest areas for agriculture, settlements and other non-forest sector-based activities. In each of these classified forest areas, the Ministry of Environment and Forestry at the national office in Jakarta will grant a permit for specific utilization activities, such as a permit for cutting timber, for harvesting non-timber product, for developing timber plantation, for recreation project, etc.

In 2004, the Ministry of Forestry of Indonesia passed a new type of license for managing the production forest as an ER (Walsh, 2012a). Those who hold this ER license are not allowed to cut the timber for a long period of time in order to let the forest regrow. Thus, the main activities allowed in the ER areas are activities related to reforestation, forest protection and forest rehabilitation in order to turn logged over areas under the ER permit back into 'its natural habitat'. The main economic activities within the ER areas that are allowed to be conducted are mostly related to the extracting of the non-forest products and obtaining profit or payment from ecosystem services, such as from carbon trading. Although according to Wash et al., 2012b) report there were 37 applications for ER licence in 2011, in reality, however, the Ministry of Environment and Forestry only issued nine ER licenses until 2013, and the area covered under this scheme reached 397,878 hectares; this is approximately one per cent of the total areas of production forest in Indonesia. In term of geographic distribution of the ER licences, five of which were located in Sumatra and the rest in Kalimantan. The area covered by the ER license is expected to increase in the near future, as the government plans to allocate at least 2.5 million hectares of production forest to ER management.

Based on the Ministry of Environment and Forestry regulation, those who can apply for ER permits might be individuals, cooperatives, private companies or state enterprises. In practice, the majority of the nine ER license holders are private companies. In practice, most of the applications that are currently approved were from companies.

These private companies that currently hold the ER permits are not necessarily the companies that have a background in logging activities. A number of these companies were actually set up by actors who have a strong conservation background. These conservationists collaborate with actors who could provide funds sourced from international investment. The ER permit is valid for a longer time than the permit for logging activity. The timeframe for the ER license is 65 years, and when it ends, it can be extended for another 35 years. Timber licenses, on the other hand, cover a maximum of 55 years. The focus area of the ER management scheme in Indonesia in the production of forests is also different from similar schemes in other countries, which focus on protection and conservation areas. Therefore, under the Indonesian scheme, the Ministry of Environment and Forestry allow the ER license holder to harvest non-timber forest product, to utilize the timber after the restoration has been successfully implemented and profit from ecosystem services, such as tapping the clean water and selling it for profit or for tourism activities. The first ER license was given in 2007 to a project in Jambi (*Restorasi Ekosistem Indonesia* [PT REKI]), a company established by the BirdLife consortium (Walsh et al., 2012b).

Table 1. The list of ER licences granted by the Ministry of Forestry until 2013.

No	PROVINSI	NAMA PERUSAHAAN	LUAS	LOKASI	SK IUPHHK-RE
			Ha	Kabupaten	NOMOR
1	2	3	4	5	6
I.	Bengkulu	PT. SIPEF BIODIVERSITY INDONESIA	12.672,00	Mukomuko	SK.622/Menhut-II2013
II.	Riau	PT. GEMILANG CIPTA NUSANTARA	20.265,00	Pelelawan	SK.395/Menhut-II2012
		PT. GEMILANG CIPTA NUSANTARA	20.450,00	Kep. Meranti	SK.825/Menhut-II2013
III.	Jambi	PT. RESTORASI EKOSISTEM INDONESIA	52.170,00	Sarolangun	SK.327/Menhut-II2010
IV.	Sumatera Selatan	PT. RESTORASI EKOSISTEM INDONESIA	46.385,00	Muba	SK.293/Menhut-II2007
V.	Kalimantan Barat	EKOSISTEM KATULISTIWA LESTARI	14.080,00	Kubu Raya	SK.560/Menhut-II2011
VI.	Kalimantan Tengah	PT. RIMBA RAYA CONSERVATION	36.331,00	Seruyan	SK.735/Menhut-II2013
		PT. RIMBA MAKMUR UTAMA	108.255,00	Katingan	SK.734/Menhut-II2013
VII.	Kalimantan Timur	RESTORASI HABITAT ORANGUTAN INDONESIA	86.450,00	Kutai Timur	SK.464/Menhut-II2010
JUMLAH			397.058,00		

Sumber : Direktorat BUHT, Ditjen BUK

The national and international contexts that have influenced the emergence of ecosystem restoration in Indonesia

At the international level, the concept of 'restoration ecology' has been around for more than 15 years. In the Indonesian context, the term 'ecosystem restoration', which adopted the same concept, has only recently gained popularity, particularly since the government passed the regulation in 2004. Promotion started in early 2000, when a number of conservationists from *Burung Indonesia*, an Indonesian-based conservation NGO that is part of the BirdLife consortium, began to promote the ER concept. Their main intention was to create a new target area for a conservation project. *Burung Indonesia* specifically looked for a logged over area in the production forest zone that still had forest cover. The director of Birdlife, who was the pioneer of ER project, explained his intention when he promoted the Bukit Harapan project, the first ER proposal that received a government permit (Walsh, 2012 a, b). One of the initiators from *Burung Indonesia* explained to me the reason he promoted the ecosystem restoration scheme in early 2000:

We were interested in the logged-over area in Sumatra because, based on our survey, these areas still contain some good remaining forest cover that could be maintained for habitat protection for birds and biodiversity. We knew that the Ministry of Forestry would not support our proposal if we suggested these logged over areas in the production forest should not be cleared for timber plantations. No one would support the conversion of production forest into a conservation area ... Even those many civil society groups in Indonesia would not support this idea. So we had to find a new innovative way to promote conservation activities. Also, since the area that we proposed was not governed by conservation policy, there will be more opportunities and flexibility to work with local communities to develop a sustainable livelihood program. Such things would be difficult to do within the conservation areas. Funding for managing park area is increasingly limited. Since Bukit Harapan [the area that *Burung Indonesia* promoted for ecosystem restoration scheme] is still a production forest area, so we have to pay tax similar obligations to the government, like a logging company. The only different is that we will not extract timber from the area like the

normal logging company. (Personal communication, 2006)

As a result of these activists, *Burung Indonesia* successfully lobbied to gain support from the authorities. The Ministry of Forestry of Indonesia passed the first regulation on ER in 2004. Three years later, this ministry granted the Bukit Harapan project, which was initiated by Burung Indonesia in collaboration with the Royal Society for Protection of Birds and BirdLife consortium, as the first project that received an ER license in Indonesia.

After the UN Climate Change meeting (COP 13) in Bali, Indonesia, the interest of the newer applicants who wanted to gain the ER permit was influenced by the intensive promotion of reducing emission from deforestation and forest degradation (REDD) preparation in Indonesia. The Indonesian government, under former president Susilo Bambang Yudhono, known by his nickname SBY, was one of the top advocates for the implementation of the UN REDD initiative. In the UN COP meeting that was held in Bali in 2007, SBY was very active in promoting the REDD idea as the international agenda to mitigate climate change. International funding for REDD projects in Indonesia increased after SBY announced that his government was committed to reducing greenhouse gas emissions by 26 per cent or 46 per cent with international assistance, compared to forecasted business-as-usual emissions by 2020. After the SBY announcement, international donors increased their funding support for Indonesia REDD preparation projects. The Norwegian government, in particular, pledged USD\$1 billion to Indonesia if it is successful in reducing carbon emissions from the forest sector (Luttrell, 2014).

One of the key government policies under president SBY, which was important in designating more areas to the ER scheme, was the forest moratorium policy. In 2011, the SBY government passed the presidential instruction regulation to freeze all new permits for forest or plantation concessions in the primary forest and peat land areas. This policy resulted in a letter of intent between the government of Indonesia and the Norwegian government and was signed on 26 May 2010. The area implicated under the forest moratorium policy was between 46 and 66.4 million hectares or about 37 to 53 per cent of the total land that the state designated as forest area (Murdiyaso et al., 2011). To accompany this policy, government created a moratorium map, which was released to the public, specifically showing which areas within the state forest land were omitted for new concession permits. Every six months, this map was updated after receiving input for correction.

The peat land ecosystem is one of the most important targeted areas covered under the forest moratorium policy. This policy was based on the argument that peat soil contains 18 to 28 times more carbon than the forest (Page, Rieley & Banks, 2011). Therefore, the objective of the REDD project in Indonesia was to keep as much peat as possible in the soil and prevent it from conversion to other uses. The highest source of emission from peat land areas in Indonesia is due to the conversion of peat land into palm oil plantations and forest fires. According to Murdiyaso et al. (2011), the total peat land area in Indonesia is approximately 20.2 million hectares. Of this, almost 14.4 million (or about 71 per cent) has been a forest moratorium target.

The biggest complaint against the government forest moratorium policy came from, not surprisingly, palm oil plantation advocates (Lubis, 2013). Among this camp are private sectors backed by many local government officials. Not only for economic reason, palm oil investors have been important players in supporting politicians in elections for local and national parliaments or in direct elections for heads of districts or governors (Anderson, 2014). Once they were elected, these officials have an obligation to the companies that support them. Thus, without a forest moratorium policy, ER project advocates might find them difficult to establish. This is because one of the requirements for investors in ER projects was to gain local government endorsement for the project.

Because peat land area has become the main target for private investors to apply ER schemes, from the geographic point perspective, these schemes can be found in the provinces that have the

highest distribution of peat land. These provinces are Sumatra, Kalimantan and Papua. According to the representative from Indonesia REDD Agency, at least 32 million hectares of the total degraded peat land areas could be targeted for ER project (*Kompas*, 31 October 2013). Central Kalimantan is one of the provinces in Indonesia that has extensive peat land area, which about 3 million hectares (or 59.4 per cent of the total peat land forest in Kalimantan) (Agus & Subiksa, 2008). This is one of the reasons for the national government to select this province as one of the priority provinces for the national program of REDD+ in Indonesia in 2010 (Tahilramani, 2012).

The other consequences for this substantial shift in the rationale for the conservation project means that the target area for this new green enclosure is not necessary an area that has the highest number of endangered species. Thus, the rational framing to justify land enclosure under the ER scheme substantially differs from the rational for environmental enclosure under classic conservation concepts in the past. Furthermore, targeting the peat land for new green enclosures might have a different effect on villagers. Peat land areas to a large extent were not an ideal place for farming. Few agriculture crops that local people cultivate can survive in this harsh environment. Therefore, even if local people establish a traditional claim over the peat land areas, in many cases, their main intention was to get land compensation payment from the palm oil or timber estates. Even from a company perspective, to establish a plantation estate in the peat land area is more expensive compared to the cost of establishing the plantation in non-peat land area.

With the fact that most peat land areas are not an ideal place for agriculture, in some case and contexts, ER project might not effect a displacement of local communities. In some cases, land enclosures in the peat land area might not cause a direct exclusion that affects local people if large areas are not extensively used. Since the ER company has to adopt certain practices that considered as a 'good' social responsible company, which is set by international certification standards that require the company to conduct free and prior informed consent (FPIC), ER applicants develop a corporate social responsibly (CSR) program for villagers who live surrounding their project areas. It is important, therefore, to understand who are included and excluded from the FPIC and CSR processes and what the effects are of these processes to the local communities. The rest of this paper will discuss the findings from my investigation from the specific ER site in Central Kalimantan province.

Katingan district: Local political and economic contexts

In this section, I will briefly discuss the political and economic contexts of the Katingan district, most importantly, the two sub-districts of Mendawai and Kamipang, the sites where the ER project takes place. It provides an important insight to understand the social, political and economic relations between the ER project and local communities compared other large land deals projects nearby.

Katingan is one of the 14 districts in Central Kalimantan Province. It is one of the new districts, which was formed in 2002. The total size of administrative area is less than two million hectares, with the total population of approximately 156,000 in 2014 (. From the administrative perspective, Katingan district was divided into 13 sub-districts. The ER project falls in two subdistricts: Mendawai and Kamipang.

It is important to mention that the majority land classification in Katingan district is state forest area at approximately 77.2 per cent of the total land area. The state divided this state forest area in Katingan into three major zoning function: production forest (approx. 37.1 per cent), protection and conservation forests (approx. 43.8 per cent), and conversion forest (approx. 19.1 per cent) (Pemda Katingan, 2014). The classification of land as a state forest area (or *Kawasan hutan negara*) means that the Ministry of Forestry of Indonesia is the government authority that has absolute control over this land. It decided the types of utilization that are allowed and not allowed and control the process to obtain legal access to utilize these lands.

Based on the forest regulation, no settlements or farming activities are allowed to exist inside state forest areas. The regulation demands that even the local communities who live inside and adjacent to the state forest area must obtain a permit from the Ministry of Environment and Forestry to access the land, extract timber or benefit from forest resources. Thousands of settlements are located inside the state forest areas and some indigenous communities have land right claims within state forest areas. Conflict with local communities emerged because they are not often properly consulted during the demarcation process of the state forest boundaries. Only after 2011, after an international meeting to promote the rights of people to the forest, which was held in Lombok, the Indonesia Minister of Forestry, Zulkifli Hassan, made a public statement admitting that thousands of settlements, some 33,000 villages, existed inside and surrounding the boundaries of the state forest area (Marusiak, 2011). Therefore, based on state forest law, all these activities (settlements, farming, buildings, plantations, etc.) are illegal.

From the legal perspective, most of the Katingan district has been designated as a state forest area, which means all the permits for development projects within this area must be obtained from the Ministry of Environment and Forestry's national office in Jakarta. Local government, such as Katingan district, do not have the legal right to provide permits for companies that want to establish plantations or mining in the land inside the state forest areas. After the autonomy law was passed in 2011, however, the demand for decentralization brought some changes in the process to obtain permits. Although the Ministry of Environment and Forestry still has full control over permit provision, a company must first get an endorsement from the local government.

It terms of the history of forest extraction industries, large land deals for private companies in Indonesia started when the national forest law was passed in 1967. The first wave of permits for extractive industries in state forest areas in Katingan were mostly for cutting valuable timber from the forest areas. This period of extensive logging operation occurred in Katingan in the 1980s and 1990s. Company licenses to extract timber were given in areas that the national government classified as production and conversion. After the logging operation declined at the end of 1990s, many government permits were granted to establish industrial palm oil plantations. In 2013, the total area in Katingan district under palm oil plantations was approximately 65,000 hectares (BPS, 2014).

However, granting more permits to palm oil plantations caused state forest areas to decline. The government policy decided which commodity belonged to which sector: forest or agriculture. Palm oil trees were considered a commodity of the agriculture sector under the responsibility of the Ministry of Agriculture. Because palm oil did not belong to the forestry sector, according to forest regulations, the land for palm oil plantations had to be released from state forest areas. Thus, as the land for the palm oil increased, the size of state forest areas was reduced. Once the state forest areas were released for palm oil, the plantation became the subject of local government policy. Local governments favour palm oil plantations because they can get more economic returns than from the forest sector industries.

From the government's administrative point of view, the ER project falls under the jurisdictions of the two subdistricts: Mendawai and Kamipang. The total population of these two subdistricts are around 10,000 people. People live in 16 villages: nine villages in Kamipang and seven villages in Mendawai (BPS, 2014). All these villages are located along the Katingan river. Many households in these areas depend on at least three major commodities: rubber, rattan and fish. Before the government increased the enforcement program to stop the illegal logging activities in the mid-2000s, a significant number of household income came from cutting timber, although a relatively small number of households depended on small-scale gold mining activities. Local people claimed their income was affected after the government forced them to stop their involvement in the small-scale logging activities. Meanwhile, the price of other commodities, i.e. rubber, rattan and fish, also declined for a number of reasons. Rattan price in Katingan declined, for example, after the national government passed a regulation to ban the export of raw rattan. A number of people I interviewed expected that the

two palm oil companies that were established near their villages would provide them with a better source of income.

The process to establish the ecosystem restoration project in Katingan

The objective of this section is to discuss in what ways the ER project in Katingan has differed from previous green enclosure projects in Indonesia. I attempt to show that this is an example of how climate change promotion, in particularly REDD project in Indonesia, has open up a space for the emergence of new actors, collaborations and strategies of engagement with local communities that didn't exist in the past.

PT RMU was formed in 2007 and in 2008 they applied for 2003,570 hectares ecosystem restoration scheme falls in two districts: East Kotawaringin and Katingan. In 2013, the Ministry of Forestry of Indonesia granted PT RMU an ER permit half of the area, about 108,255 hectares only in the part that falls in the Katingan District. This private company was owned by two Indonesian entrepreneurs, Dharsono Hartono (CEO) and Rezal Kusumaatmadja (COO). The idea to develop this company was influenced by the climate change discourse, in particular, the possibility to establish the international carbon market, one of the agendas discussed in the COP Meeting in Bali in 2007. Mr. Kusumaatmadja was able to convince Darson, whom he knew since they attended Cornell in the U.S. Darsono agreed to invest in PT RMU, a pioneering company in this REDD business opportunity.

Both owners of PT RMU had no previous background in the forestry sector. After obtaining a bachelor's degree in engineering and a master's degree in financial engineering from Cornell, Dharsono then continued to develop his career in the financial sector by working in multinational companies, such as PricewaterhouseCoopers and JPMorgan. Rezal Kusumaatmadja, on the other hand, has a different career background. After obtaining a bachelor's degree in city and regional planning at Cornell University, Mr. Kusumaatmadja then pursued a master's degree in urban and regional planning and development at Hawaii University. Upon graduating, Mr. Kusumaatmadja developed his career in the NGO sector, focusing on marine issues and then establishing and working in a consultancy firm, Starling Resources, which is based in Bali. His work focuses on natural resource management, community-based planning, forest conservation and sustainable forest management. Mr. Kusumaatmadja has also been actively involved in the international circle, such as serving as an advisory board member to the Climate and Land Use Alliance (CLUA) from 2010 until present, a member of the REDD+ Social Environmental Standards (REDD+ SES) international standards committee from 2009 to 2013, and a member of Advisory Committee for the Verified Carbon Standard Jurisdictional and Nested REDD Initiative in 2012. Furthermore, prior to his involvement in PT RMU, in 1997, Mr. Kusumaatmadja was one of the founders of the Puter Foundation (*yayasan Puter*), an NGO that focuses on community-based development and planning activities, and he currently serves as the board member of the organization.

Six years before PT RMU got its ER permit, the company had started investing in community engagement activities. This community development work was conducted with the assistance of the Puter Foundation. Puter staff, however, began their involvement in the villages in the East Kotawaringin district, since the original PT RMU proposal was originally in larger areas that had also covered East Kotawaringin district.

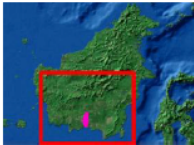
When the government granted the permit to PT RMU in the Katingan districts, the two owners of the company paid a visit to all 14 villages, which, based on the map, might had overlapping borders with the ER boundaries. Of these 14 villages, six fell under the Mendawai subdistrict and eight fell under the Kamipang subdistrict. Of the 14 districts, one of the village do not want the company to talk to all the member of the village. This particular village only want to participate some of the activities that the company has been initiated.

One of the key activities of the company was to conduct community-participatory mapping activities in all the 14 villages. These activities had been possible with help from various organizations. Part of the fund was provided by the Indonesian Forest and Climate Support (USAID-IFAC) project. Besides the Puter Foundation, there were two other local NGOs providing assistance to carry out the community-based participatory mapping activities.

The Puter Foundation was also involved in organizing the community development program for PT RMU. Fourteen individuals from Katingan were hired as local community development assistants. Their tasks were to collect social and economic baseline information in each of the 14 villages and to organize workshops to obtain input for the community development program. Their goal was for PT RMU to sign a memorandum of understanding with each of these villages based on the input gathered by community development personnel. The process to conduct the assignments of the Memorandum of Understanding (MOU) agreement between Dharsono, the CEO from PT RMU and the 13 villages was conducted from 18 to 22 May 2015.² Only one group of village elites refused to sign the MOU agreement, although they agreed to participate in community-based participatory mapping activities.

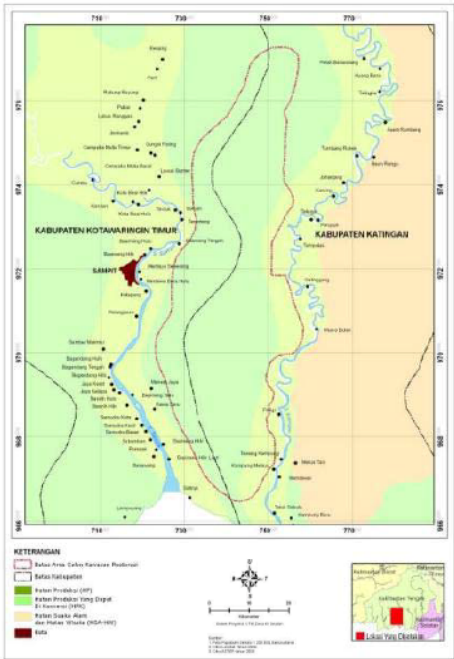
Katingan Peat Forest Restoration and Conservation Project

Location: Peat forest in Kabupaten Kotawaringin Timur and Katingan, Central Kalimantan



	Hectares	%
Production forest (HP)	198,396	87.30%
Production forest that can be converted (HPK)	28,864	12.70%
Total	227,260	100.00

Type of concession: *Restorasi Ekosistem*
60 years



PT. Rimba Makmur Utama

Source: Hartono, D. 2011. Katingan Peat Restoration and Conservation Project.

It is important to mention the way PT RMU's ER project compares to other large land deal development projects in the area, i.e. palm oil plantations and national parks. Based on the project's location, PT RMU's concession is located along the border with the neighbouring district of Kotawaringin Timur.³ Meanwhile, all 14 villages with which PT RMU conducted their CSR activities were located along the Katingan river. However, in the vast land areas in between PT RMU's concession and these villages, the government granted permits for the establishment of two palm oil companies, PT Arjuna Utama Sawit and PT Persada Era Agro Kencana. In other words, these two palm oil concession areas are located in the forest areas between the PT RMU concession border and

² The leader of one of the villages did not want to develop an MOU with PT RMU. He only agreed to participate in the community-based participatory mapping process.

³ PT RMU original proposed an area for ER that also covers an area in Kotawaringin Timur.

the Katingan river where these 14 villages are located (see the map). The World Wildfund for Nature (WWF) provides assistance to the government to allocate 568,700 hectares for Sebangau National Park. The location of this park is along the right side of the Katingan river, which is near the border of these 14 villages.

Based on the distance and transportation access term, the peat land areas where PT RMU had been granted the ER concession was far from the location of these villages. Based on my interviews, many villagers said they never visited the area. The reason might due to the fact that people cannot easily visit the peat land areas because of limited river access. The only access to the ER concession of PT RMU is via the river that runs through one of the villages, namely the Telaga village.

Meanwhile, villagers have been provided transportation to the palm oil companies through the former logging roads that were established by the companies. A similar situation also happened with Sebangau National Park. In terms of river transportation, the national park area is much accessible for villagers than the ER concession area due to many small rivers flowing through the park area.

From the villagers' point of view, ER project, palm oil concessions and the national park are different in terms of their impacts and importance on the villager's livelihood strategies. The majority of communities in the 14 villages have not utilized the vast peat land ecosystem within the boundaries of PT RMU's project for farming or other uses. Thus, from the villagers' perspective, the peat land area falls under the PT RMU ER concession management and was not considered an important area for local livelihoods. This might explain why the majority of villagers are not openly against the enclosure of peat land for the ER scheme.

This situation is significantly different in the nearby conservation area: the Sebangau National Park. For some villagers, the water areas that fall inside the park boundary are an important source for fishing. People also collected timber, planted crops and collected non-forest timber products from the areas inside the park. In the 1990s and early 2000s, many households in the villages near the park had a livelihood that depended on the logging activities inside the park boundaries. The national campaign and enforcement against illegal logging had a significant impact on people's household income. As the park authority tried to restrict people 's access to the park land areas for farming or collecting other non-timber forest products, the enclosure of land areas for national parks had a significant impact on local people's livelihoods. Thus, it can be seen why local communities have expressed their opposition against the park authorities on a number of occasions. In at least one incident, local people even burned the park local office.

As explained above, most local villagers I interviewed, including the local indigenous leaders, welcomed the palm oil plantation developments near their villages. Villagers support these palm oil plantations because the company promised to give each household in the nearby villages a two-hectare plot of the plantation. Moreover, palm oil industries hired some villagers to work for the company.

To obtain local support for the national park, WWF has also established a number of community-development projects in some of these villages. However, a number of villagers told me they did not feel these projects benefited them, as most of these projects only benefited the few village elite and their family members. Compared with the palm oil companies and organizations that support the national park, PT RMU developed much more extensive community-development project in the 14 villages. Villagers had hoped that they could get economic benefits from PT RMU's ER activities, such as from the tree nurseries. It is too early to assess whether the PT RMU CSR projects have been more inclusive than CSR (Corporate Social Responsibility) projects organized by the two palm oil companies and the conservation organization involved in the national park management.

The new emergence of network of actors that support ER

In this section, I will briefly discuss how the International climate change discourse open up the

possibility of emergence of the new actors who promote conservation. The new climate change industry also could not survive without a combination of network support that is not necessarily for profit.

Before Mr. Hartono became the CEO of PT RMU he was not a well known individual in the conservation and forestry circle. Mr. Hartono, relative young, nationalistic, an also energetic, now as the owner of PT RMU has been invited to many meetings organized by government, NGOs, donor institutions, research institutions, nationally and Internationally. He also became a well-known advocate of anti-corruption campaign based on his own experience to obtain permit by follow the regulation and avoid bribery as a common practice in the business circle community in Indonesia. Mr. Hartono is just one of the example of many actors who are involved in conservation activities in Indonesia.

What are the other important features of PT RMU that differ from the other development projects in terms of the network of actors involved? Based on the company website, besides the Puter Foundation, PT RMU has listed a number of other partners namely: Permian Global, Wetland International, Starling Resources, Orangutan Tropical Peatland Project Out Trop, Clinton Foundation, Photovoices and Emily Readett-Bayley. These partners play important roles in supporting the Katingan project.

Not all of these partners provided funds to the company. Emily Readett-Bayley, a well-known British eco-designer, for example, was invited in 2012 to provide a rattan workshop and establish a sustainable raw rattan business with the local communities in the project areas. The result of this kind of engagement with Emily was the first load of raw rattan baskets weaved by a group of women and shipped to UK in 2013. The Photovoices project was another example of the not for profit activities of PT RMU. Photovoices is an organization that provides camera and photography training to a group of villagers to take pictures that are important in their lives. The result of this activity has been shown in a number of photo expeditions in Katingan and Jakarta.

PT RMU would find it difficult to survive without carrying out some promotion activities. Not all of these promotions have to come from their own pocket. In August 2014, for example, Harrison Ford, a movie star, visited the Katingan project as part of a movie to support the international climate change campaign. Harrison Ford's documentary film, entitled *The Years of Living Dangerously*, which featured the effort to rehabilitate the peat land ecosystem in the Katingan project, won a 2014 Emmy award for Outstanding Documentary or Non-Fiction Series. The owners of PT RMU then creatively developed and expand their network of partners to support the company initiative.

Conclusion

I attempted to show in this article that, compared to other large land deals in the Katingan district, PT RMU started with a strategy to develop community-based participatory mapping before delineating the project boundaries. PT RMU is also the only company that carried out a plan to establish an MOU agreement with each of the local villages. What they did was not standard corporate practice in Indonesia. No regulations in Indonesia have demanded these strategies be implemented by a company that has been granted a permit to control significant land areas. The emergence of this new type of actor that develops a new form of strategy to establish a company has been shaped by international and national circumstances. In this paper, I have shown what kinds of green enclosure have recently emerged in Indonesia and their varying effects on local communities.

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