Central Kalimantan, Indonesia

CENTRAL KALIMANTAN:
From Sustainable Palm Oil towards Sustainable Jurisdictions

HISTORY

Over recent decades, the province of Central Kalimantan, located in Indonesian Borneo, has experienced massive economic growth. The expansion of mining and agricultural commodities, in particular oil palm, has been driving this growth. Although agricultural expansion has benefitted many in Central Kalimantan, it has led to deforestation and the degradation of peatland as well as social conflicts.

In 2012, the former governor of Central Kalimantan, Teras Narang, invited Earth Innovation Institute to support the provincial government in finding ways to ensure the sustainable and equitable cultivation of oil palm. In early 2013, the provincial government, with the support of Earth Innovation Institute, launched the “Central Kalimantan Roadmap to Low-Deforestation Rural Development” to support the implementation of Provincial Regulation No. 5/2011 on Sustainable Plantations.

Since that time, Earth Innovation Institute and Institut Penelitian Inovasi Bumi (INOBU) have been working with the provincial and district governments in Central Kalimantan to ensure the sustainable cultivation of oil palm. The activities have focused on three districts Kotawaringin Barat, Seruyan and Gunung Mas, with an aim to have the jurisdictions certified according to the Roundtable on Sustainable Palm Oil (RSPO) standards.

The overarching goal of our work is to support districts in Central Kalimantan to become sustainable. We define a sustainable district as one where:

- Every commodity produced is guaranteed to be free from deforestation, environmental degradation and social conflict.
- Farmers and agribusinesses in these districts are highly productive and farming improves the welfare of the residents of the district.
- Indigenous and local communities in the district have their rights acknowledged and violations of those rights are severely penalized.

We believe that these districts will inspire a new model of sustainable development for districts across Indonesia.
Multi-stakeholder dialogues

Goals: Multi-stakeholder dialogues among local governments, companies and civil society to the definition of sustainability goals. In this case, stakeholders defined the central goal for the jurisdiction as: 100% certified palm oil. This means that all palm oil should be deforestation and social conflict-free, and certified according to RSPO standards.

Multi-stakeholder governance

Working group established to support the achievement of the following targets:

- **Reducing deforestation:** Agricultural expansion can only be sustainable if there is no deforestation in the process. Governments and companies need to know which lands can be cultivated and which should be protected. The working group will define “Go and No Go Zones” to identify suitable and unsuitable lands according to a High Conservation Value assessment (see Deforestation Brief).

- **Free, Prior and Informed Consent (FPIC):** To respect the rights of indigenous and other local people and avoid social conflict, companies should follow the principles of FPIC when acquiring and developing lands. The working group intends to have FPIC principles embodied in local regulations and policies regarding plantation development.

- **Fire prevention:** To prevent the outbreak of forest and peat fires, the working group is defining strategies and mechanisms for preventing the use of fire in land clearing and farming.

- **Smallholder certification:** The working group is supporting public-private partnerships to support the certification of oil palm smallholders (see Smallholder Brief).

Monitoring system

A plantation monitoring system has been designed and implemented in the three districts and is hosted by the provincial government. The system integrates spatial and non-spatial data to monitor the performance of the jurisdiction. The system includes a comprehensive database on oil palm smallholders, both independent and schemed, as well as commercial concessions.
NEXT STEPS:

**Implementation**

- Perform High Conservation Value (HCV) and High Carbon Stock (HCS) area assessments. These assessments will be used as the basis for developing “Go and No Go Zones” as well as calculating potential deforestation and emission reductions.
- Draft local regulation for FPIC to be consulted and later formalized in a regulation.
- Identify the causes of forest and peat fires and formulate fire prevention and control strategies.
- Pilot oil palm smallholder certification schemes in a few districts before expanding the initiative using government budgets including village funds *(dana desa)* or fiscal transfers.

**Incentive System**

- Creating incentives for local governments to implement sustainable rural development through the use of the on-granting mechanism.
- Creating an agricultural facility for supporting smallholders (see Smallholder brief and Incentive brief).
Governor announces his commitment at GCF Meeting in Barcelona

Seruyan, IPOP companies, CKal and INOBU sign MOU

1,200 farmers mapped in Seruyan and Kobar

Work in Gunung Mas commences

Unilever, CKal, Kobar & INOBU sign MOU

2nd Working Group meetings in Seruyan: agreement on “Go & No Go Zone” and FPIC

IPOP companies commit to supporting mapping in Seruyan

Plantation companies commit to assisting Seruyan Government to map smallholders