The Center for International Forestry Research (CIFOR) and The Forests Dialogue (TFD) jointly convened the 2nd Field Dialogue under the TFD Food, Fuel, Fibre and Forests (4Fs) Initiative,¹ in and around Palangkaraya, Central Kalimantan, Indonesia, on 16-19 March 2014. Some 70 participants, half of whom joined from outside of Indonesia, engaged in the Dialogue; they represented business, community and non-governmental organisations, national and provincial Indonesian government agencies, and research organisations (Annex 1). The University of Palangkaraya and Government of Central Kalimantan acted as local hosts.

The Central Kalimantan Field Dialogue followed a 4Fs scoping dialogue in Washington, DC, in June 2011, and a field dialogue in Capão Bonito, Brazil, in September 2012.²

2. NATIONAL AND SUB-NATIONAL CONTEXTS

The dialogue was informed by a Background Paper and Fact Sheets prepared by CIFOR and partners,³ by other relevant background material,⁴ and by presentations in the field and third day of the dialogue. Key contexts evident from the materials were:

- Indonesia is now a G20 economy and is the world’s 4th most populous nation. It also has some of the world’s most bio-diverse and carbon-rich ecosystems, including nearly half of the world’s tropical peatlands. Three million ha of these, some 8% of the global total, are located in Central Kalimantan province;

- as elsewhere in Indonesia, peatlands have been an attractive land bank for conversion to plantation crops, principally oil palm and wood pulp. Under
Indonesian law, 130 of the 187 million ha of land in Indonesia is zoned as ‘forest’, under the authority of the Ministry of Forestry. In Central Kalimantan, 82% of the total land area of 15 M ha is classified as forest, although only some 58% of this ‘forest area’ is now actually forested. Spatial planning, cascaded from the national to provincial and district levels, is the primary means for managing development consistent with the ‘forest’ and ‘non-forest’ land use classifications;

- the decentralisation of governance associated with political reforms in the period 1999–2001, and recent Constitutional Court rulings on gazettal of forest land and traditional rights, have strengthened the interests of actors other than the central government in land allocation and use, but many legal inconsistencies remain to be clarified;

- both national and provincial development goals pursue ‘green growth with equity’, as articulated by President Susilo Bambang Yudhoyono, concomitant with the achievement of greenhouse gas emissions reductions compared to business-as-usual scenarios;

- nationally, these aspirations are being pursued in the context of each of the Masterplan for the Expansion of Indonesia’s Economic Development (MP3EI), a moratorium (2011–2015) on issuance of new forest conversion permits, and the establishment of a National REDD+ Agency;

- the Province of Central Kalimantan has been established as a REDD+ pilot province under the Letter of Intent between the Governments of Indonesia and Norway. Governor Agustin Teras Narang has articulated a development strategy of increasing agricultural productivity, relocating production to low carbon lands, and maintaining critical ecosystems and carbon stocks as sources of environmental services;

- the area of oil palm in Central Kalimantan has doubled in the past decade, and the sector now contributes 25% of provincial GDP. Most oil palm development is led by corporate businesses, in contrast to the smallholder-dominated plantation rubber sector that is a well-established land use of indigenous Dayak peoples. Mining is the other growth sector in the province, now accounting for 9% of provincial GDP. There is insignificant pulp and paper development, and an expectation that oil palm and mining will continue to lead economic development;

- a 2011 Provincial Regulation on the Sustainable Management of Plantation Businesses is widely recognised as socially and environmentally progressive, as is a 2009 Regulation on Indigenous Lands and Peoples’ Rights to Land. The former requires identification and protection of High Conservation Value (HCV)
Forests, and that 20% of plantation concession development must be smallholder based; the latter recognises customary rights and management of designated forests;

- legal inconsistencies and competing priorities between different levels of government, and limited enforcement capacity, impact on land allocation and management in Central Kalimantan as elsewhere in Indonesia.

3. Agenda and Objectives

The agenda comprised two field and two meeting days. The former included site visits to discuss village forests, peatland restoration through commercial plantation establishment by smallholders, corporate oil palm plantation development, and artisanal mining. The latter comprised introductory, breakout, and concluding sessions.

Objectives of the dialogue were to:

- Bridge the discussion on land-use between the forest and agriculture sectors, and across landowner and jurisdictional scales, with a particular focus in this dialogue on oil palm;
- Develop understanding of the challenges of and innovation in land and water use, intensification of production while conserving forest values and safeguarding ecosystem services, within the context of meeting the needs of a growing global population;
- Establish specific and practical ways forward on key issues, and the preparedness to pursue them, amongst participants and stakeholders in Indonesia and internationally;
- Contribute learnings and recommendations to the Forests Asia Summit (May 2014), Global Landscape Forum (December 2014), and other important international platforms.

4. Learnings from the Field

Table 1 summarises key learnings from the field. The sites visited included rural communities, smallholder farmers, oil palm plantation companies, and unregulated mining operations. They illustrated a range of the key issues evident in Central Kalimantan, including:

- the legacy of previous land use decisions such as the mega-rice project and large-scale commercial forest harvesting;
- the interaction between national, provincial, district regulations, and those characterizing traditional management, in determining land use regimes and outcomes;
- the lack of implementation capacity for some regulations, and the consequences;
- both the independence and dependence of smallholders in relation to corporate actors;
- the primary orientation of development and land use planning to corporate actors and large scale interventions;
the potential of both corporate and smallholder actors to manage resources well, or poorly;

- the interplay between resident and immigrant populations and economic opportunities;

- the roles of women in natural resource management and livelihoods, and cultural differences in how women’s agency was expressed and might be strengthened; and

- the priority, from both governments and households’ perspectives, of improving livelihoods.

5. Dialogue Discussions and Outcomes

Based on the field trip observations, the latter two days of dialogue were structured as an introductory plenary session, two breakout group sessions, and a concluding plenary session. Dr. Siun Jarias, Regional Secretary of the Government of Central Kalimantan, opened the dialogue on behalf of the Governor of Central Kalimantan, H.E. Agustin Teras Narang, emphasizing the importance of:

- Completion of spatial planning that was consistent with both the intent of national and provincial policy, and the reality of land use on the ground;

- the role of the Provincial Regulation on Sustainable Management of Plantation Businesses, and the Provincial Community Plantation Revitalisation Program,
In balancing economic development, community empowerment and participation, and environmental protection and restoration interests;

- the recognition of local and customary rights, such as through the identification and declaration of Peoples’, Customary Community and Village Forests;

- enabling smallholder participation in economic development opportunities, and improving food security for the province.

Other presentations in introductory session provided global, national, regional and local contexts for discussion of the 4Fs in Central Kalimantan, and relayed the experience of the preceding field dialogue in Brazil, and of the related Brazilian multi-stakeholder process, to participants.

The first and second breakout sessions focused on the four topics and identified the key points listed in Tables 2 and 3, respectively. As is evident from Table 3, many elements of the proposals emerging from the breakout groups were common across groups. These included the need to integrate development and spatial plans, in the contexts of both sustainable development and landscapes, and strengthen the capacity of local actors to contribute to their formation; ensuring development and spatial plans were a means to an end, rather than an end in themselves; improving transparency and the flow of information to all stakeholders; elevating the status of smallholders as agents of development, including though freer choice, more equitable partnerships and better connections to value chains; and building local capacity in all stakeholder groups.

### TABLE 2  BREAKOUT SESSION 1 TOPICS AND KEY POINTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Key points</th>
</tr>
</thead>
</table>
| 1. Implementing a landscape approach                               | · Economic and spatial planning need to be better connected, and appropriate indicators for each need further development;  
                            · Boundaries within which planning can be conducted with sufficient flexibility already exist;  
                            · Good governance is fundamental to good outcomes.                                                                                                                                                                                                                                           |
| 2. Enabling conditions for sustainable development                 | · Secure land tenure for smallholders, and resolution of tensions with concessionaires;  
                            · Development of opportunities for small business, including capacity development for entrepreneurship, education, infrastructure, market information, and access to value chains;  
                            · Effective planning, with strengthened sectoral coordination, a focus on resilient local livelihoods and wellbeing, and taking account of land use implications (eg peat vs mineral soil).                                                                                                                                 |
| 3. Social considerations                                            | · Stronger linkages between the public & private sectors to support coordination of investments across sectors;  
                            · Optimising the linkages and balance between global, national and local development objectives;  
                            · More effective processes for gendered engagement in development and land use planning;  
                            · More effective processes for managing actual and potential conflicts between migrant and local populations and their respective interests.                                                                                                                                                                                                 |
| 4. Impacts of global trade and consumption on Indonesian land uses | · Both global and national demand are strong drivers in Indonesia, and markets are differentiated in terms of sustainability expectations;  
                            · Corporate actors need a consolidated policy on how sustainability flows through the whole supply chain;  
                            · The different standards/expectations for different crops/certification systems pose challenges for feasible implementation;  
                            · Forest certification offers some lessons—implementing sustainability standards requires investment in capacity to deliver.                                                                                                                                                                                                 |

The recognition of local and customary rights, such as through the identification and declaration of Peoples’, Customary Community and Village Forests;
TABLE 3  BREAKOUT SESSION 2 TOPICS AND KEY POINTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Key points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How to create opportunities for smallholders to improve their livelihoods?</td>
<td>- Opportunities and priorities differ for smallholders in different landscapes (e.g., with or without secure tenure rights, and allocated or not for concession development).&lt;br&gt; - Concession-holding companies may assume that everyone’s destiny is to be smallholders in their company; but policy and practice should recognise that smallholders should be free agents, rather than necessarily destined to be part of particular company schemes. The crux is free choice about land and markets.&lt;br&gt; - Strengthen and simplify mechanisms in government to develop and enforce good spatial plans, including a combination of stronger disincentives against converting new land for production and incentives for more sustainable land use practices.&lt;br&gt; - Increase the leverage of smallholder producers by improving access to credit, technical assistance, and equitable partnerships.</td>
</tr>
<tr>
<td>2. How to improve governance structures and policy to support cross-sectoral approaches for land use planning and management.</td>
<td>- Capitalise on current political will and platforms for change, in Central Kalimantan and nationally, to pursue progressive policies and commitments to funding.&lt;br&gt; - Simultaneous top-down and bottom-up processes that align, connect and integrate development and spatial plans and regulations at different levels, and build more coherence than is possible with current sectoral targets and indicators.&lt;br&gt; - Strengthen existing multistakeholder platforms, and capacity for the implementation of strategic impact assessment.</td>
</tr>
<tr>
<td>3. How to improve the policy framework to support the private sector’s investments in land uses that are more integrated and sustainable?</td>
<td>- The private sector includes companies, smallholders and their groups/ cooperatives, communities and Indigenous peoples; all benefit from higher levels of certainty that acknowledge their interests.&lt;br&gt; - Higher levels of transparency, clarity and public engagement in the allocation of concessions, including simple steps such as public advertising of proposals, and clearer procedures for obtaining land for both companies and smallholders.&lt;br&gt; - Financial mechanisms such as incentives for good practices, and removal of subsidies that distort decisions.&lt;br&gt; - Consistency in market-led expectations for environmental protection (e.g. High Conservation Value (HCV) &amp; High Carbon Stock (HCS)) across sectors, and stronger awareness at the district level of the benefits of this protection.&lt;br&gt; - Learning from the experience of other countries.</td>
</tr>
<tr>
<td>4. How to best work towards mitigating conflicts among land users in Central Kalimantan to avoid escalated conflicts (e.g. as in Riau).</td>
<td>- Conflicts exist both within and between each of the groups of government (levels and agencies), businesses, communities, and civil society.&lt;br&gt; - Use holistic sustainable development frameworks in planning and priority setting, as envisaged under a landscape approach.&lt;br&gt; - Strengthen “bottom-up” planning capacity, and ensure the “One Map” initiative has strong local ownership.&lt;br&gt; - Empower formal and informal local institutions that have roles in conflict resolution.&lt;br&gt; - Raise awareness of international norms and agreements, e.g. around human rights, and strengthen transparency of addressing these.&lt;br&gt; - Better connect smallholders to benefit from the sustainable value chain.</td>
</tr>
</tbody>
</table>

6. DIALOGUE CONCLUSIONS

Drawing on the discussions in and outcomes of each of the preceding sessions, the Co-Chairs identified the following key learnings from the dialogue:

1. Objectives related to forests and forestry have to be understood and pursued in wider contexts—of sustainable development and the post-2015 Sustainable Development Goals; of landscapes and the landscape approach; of the multiple objectives sought from landscapes and development; and of investments in sustainable land use.
2. Addressing core social issues—the improvement of livelihoods; the recognition of fundamental (human) rights, including those associated with gender; the resolution of land tenure issues for Indigenous peoples and smallholders; and the implementation of effective and equitable conflict resolution measures—is a fundamental precondition to realising sustainable development objectives;

3. Engagement of private sector actors, particularly corporations operating nationally and internationally, within a sustainable development framework is both necessary and advantageous for the realisation of sustainable development objectives;

4. Similarly, development of business opportunities for smallholders and small to medium enterprises, and the facilitation of enabling conditions such as their access to capital, are fundamental to the realisation of sustainable development objectives;

5. More effective and better-coordinated governance, across each of levels of government and different sectors, is also a precondition for realisation of sustainable development objectives. Continuing efforts to strengthen good governance, including by improving transparency in decision processes, underpin this;

6. In the Central Kalimantan context, and others comparable elsewhere, there is a need for better understanding of the environmental impacts of production systems, especially those on peat, to allowfully-informed decisions about development options and trajectories.

Implications

The Co-Chairs note that these learnings identify roles for all groups of stakeholders and actors – in business, civil society, and government; at the different levels of government in Indonesia, as well as across multiple agencies; and in the international community of public, private and civil society actors committed to sustainable development. They also note the opportunities to capitalize on initiatives already taken by institutions and actors in Central Kalimantan, and the need to continue to support the development of capacity within the province and districts to give effect to sustainable development aspirations. There was considerable enthusiasm in the concluding plenary discussion for district-level pilot processes that would emphasize ‘learning by doing’.

The following exemplify contributions that different actors might make towards these goals: research conducted by CIFOR and its partners may inform sustainable development and landscape management options; policy and capacity development partnerships, such as between the Climate Policy Initiative (CPI), Daemeter, and provincial government agencies and universities, can build local capacity; international business groups such as World Business Council for Sustainable Development (WBCSD) and the Consumer Good Forum (CGF) can work with member companies, commodity organisations such as Roundtable on Sustainable Palm Oil (RSPO), and national and sub-national governments to strengthen the sustainability of value chains and their reach to smallholders; and multi-stakeholder platforms such as TFD can work with local stakeholder platforms to catalyse inclusive, solutions-oriented processes, such as
the national platform established after the dialogue in Brazil in 2012. In reality, of course, these activities are interdependent to varying extents, and should be synergistic.

**Commonalities with and differences from Brazil Field Dialogue**

The Co-Chairs also note many commonalities with the learnings of the Brazil Field Dialogue, including the means by which competing land use priorities are reconciled, the critical role of governance and institutions in facilitating cross-sectoral planning at different spatial scales, the need to build smallholders’ capacity to engage with these processes, and the different paradigms and capacities of different sectors in relation to multistakeholder processes. The Co-Chairs’ report from the Brazil Field Dialogue also identified integrated and participatory land use planning, support for smallholders, improved governance, and supply chain management as key elements of the way forward in that context.

There were also significant differences between the situations addressed by the Central Kalimantan and Brazil field dialogues. One of the most notable was the role that the Brazilian Diálogo Florestal—a locally-driven and focused multistakeholder process—played in fostering dialogue, building consensus and facilitating participatory planning in the Brazilian case. A second was the greater integration of land uses and management activities at the farm scale in the Capão Bonito region of Brazil than was evident in Central Kalimantan, perhaps as a consequence of the longer history of agricultural development in that region. A third was the high profile of smallholder (family) farming, as well as of corporate agriculture, in Brazil compared to Central Kalimantan.

**7. NEXT STEPS**

There are evident next steps from the Dialogue at each of local, national and international levels:

**In Central Kalimantan**

- Dialogue partners, including CIFOR, TFD, CPI and Daemeter will continue discussion with the University of Palangkaraya and Government of Central Kalimantan to identify ways in which they may contribute to initiatives that are supporting the development of local capacity in the areas identified in this report.

- District-level ‘learning by doing’ implementation was identified by Dialogue participants as a promising means of advancing sustainable development within a landscape context. Such implementation obviously requires additional resources to complement those already invested, and would need to be facilitated by agencies such as BAPPENAS through various mechanisms.
Rationalisation of the allocation of forested and deforested land to the most appropriate categories, under the current provincial spatial planning process, will facilitate more sustainable outcomes at the landscape scale.

**In Indonesia and the region**

- CIFOR and TFD will bring the learnings from the Dialogue to CIFOR’s Forests Asia Summit in Jakarta, 5–6 May, through a TFD ‘mini-dialogue’ in a Forests Asia Discussion Forum, and through other opportunities at the Summit. These discussions should catalyse implementation of the Dialogue conclusions, in Indonesia and other countries of the region experiencing similar development trajectories, opportunities and challenges.

- The outcomes of the Dialogue can also contribute to other national and regional processes, such as those in Indonesia led by the National REDD+ Agency and the Ministry of Forestry, and those in the region led by ASEAN.

**Globally**

- Dialogue outcomes, and those from Forests Asia, will inform discussions at the next TFD 4Fs field dialogue (Finland, 2–5 September 2014) and CIFOR and partners’ Global Landscapes Forum 2, Lima, 6–7 December 2014;

- Information from the Dialogue and follow-up actions can be shared on websites such as landscapes.org as well as those of partner organisations;

- TFD will develop, in consultation with partners, preliminary ideas for a landscape-focused dialogue that builds from the 4Fs Initiative and those of partner organisations, to maintain a focus on sustainable development in the context of a landscape approach, and to advance awareness, knowledge and action in support of these goals.

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ANNEX 2: REFERENCES

1 For background and more information, see http://tfd.yale.edu/initiatives/4Fs

2 http://tfd.yale.edu/initiatives/4Fs

3 http://tfd.yale.edu/initiatives/4Fs


5 Materials produced by the sessions can be found at: http://tfd.yale.edu/dialogue/field-dialogue-4fs-indonesia

6 DiálogoFlorestal - www.dialogoflorestal.org.br

7 http://tfd.yale.edu/initiatives/4Fs

8 http://www.dialogoflorestal.org.br/

9 See Central Kalimantan 4Fs background paper at http://tfd.yale.edu/initiatives/4Fs

10 www.cifor/forestsasia