

# TFD 4Fs Indonesia

## Group Discussion 2

16-19 March 2014

Palangkaraya, Central Kalimantan  
Indonesia

# Group 1

**Question :**

**How to create opportunities for small holders to improve their livelihood?**

Problem with question: What sort of smallholders  
(those that supply bigger mills)?

- Companies assumes everyone's destiny is to be smallholders to THEIR companies
- Their opportunities are already confined—if you are locked in then you do not have options

→ Crux is free choice about land and markets

→ Recognize that people should be free agents not destined to be part of a companies

## Opportunities differ for famers in different landscapes

1. Famers on land with no permit: Locals manage on own
2. Farmers on land a a permit process begins: Good place for FPIC process
  - Clear in the voluntary certification scheme
  - Not clear in rules and regulations at national process in different sectors
3. Farmers on land with existing permits: a conflict situation → leaving this for group 4

# Absence of fair treatment from palm oil sector

- Debt burdens and extractive relation with the mills
- Enter an irreversible cycle of debt; next generation becomes laborers
- Needs to break this open and allow for more transparency in contracts with estates
- Are cooperatives any better?
  - Still need to focus on better governance
  - An area of research

# How do smallholders deal with certification schemes ?

- Current RSPO certification provides realist requirements that would help smallholders within a larger company get certified though the mill
- But independent smallholders, there are too many legal hurdles and too much up front costs for them to reach certification

→ Can certification be better integrated into local law and planning (support with assessment) so the burdens are not on the independent smallholders?

# Zero deforestation?

- Need a social contract: Currently blaming farmers for the deforestation → plasma should be developed first, not the last

# Thinking in too static a manner

- Need to think about possible busts
  - eg,. Sumatra cocoa crops ruined with fungus
- Is there a role for rehabilitating degraded land
  - → is there a role for outside finance that provides option for alternative revenue streams



# Pattern of production is very different country to country

- In Malaysia: independent smallholders are responsible for 10% of production
- In Thailand there is access to land, so 70% production of oil palm is independent smallholder
- CHALLENGES
  - Larger smallholders are concentrating land as larger farms buy out smaller farmers
  - Also bringing in migrant, illegal workers

# Potential Actions

- Create opportunities to increase yields through access to credit, technical assistance, **secure land tenure to strengthen their leveraging power.**
- Increase the **negative consequences of they expand, or create disincentives** against extending production and clear new land
- Increase governments **simple mechanisms to develop good spatial plans** and the ability to enforce them
  - Currently too many institutions competing

# Group 2

**Question :**

**How to improve/reform the governance structures/policy to support cross-sectoral approaches for land use planning & management?**

# Group 2

- Current governance/structure/system
  - Spatial plan
  - National development plan (5 year, since 2004)
  - Challenges
    - Few cross-cutting indicators
    - Targets are sectoral
    - Agency focused
    - Little cohesion/synergies
    - Planning horizon is related to political mandates (election cycles) and thus does not reflect longer term vision
    - Lack of capacity for the implementation
  - Simultaneous top-down and bottom-up process
    - ⇒ disconnect of the plans at different levels
    - ⇒ Issue/problem is structural
    - ⇒ National priority to be solved

- Current platform for change
  - Political will exist
  - Progressive policies and legislation
  - Ongoing multi-stakeholder processes/bodies that could be used (e.g. KPH)
  - Commitments for funding (e.g. 10% from national budget to village level)

- How to improve/reform the governance structures?
  - Strengthening existing multi-stakeholder platforms
  - Develop capacity for implementation of the Strategic EIA
  - Alignment of sectoral policies and legislation (e.g. one map policy)
  - Recognize the role the private sector could play in integrated land planning/management
  - Recognize importance of the role of MoF

# Group 3

**Question :**

**How to improve/create policy framework to support private sector's investments in land uses that are more integrated and sustainable?**

# Group 3

- The group defines private sector as companies, smallholder groups/cooperatives, communities, and indigenous people.
- The group started with identifying key issues:
  - ✓ Businesses expect certainty
  - ✓ Legal certainty that guided by principle of sustainability
  - ✓ Resource mapping, incl. identification of biodiversity/conservation
  - ✓ Resource clusters – land suitability
  - ✓ Policy framework;
  - ✓ Business model
  - ✓ Engagement with key players
  - ✓ Transparency/clarity in licensing procedure, mapping and information dissemination to key stakeholders
  - ✓ Overlapping laws between national, provincial and district level



# Suggestion of improvement

1. Model of provinces with high level of transparency:
  - Licensing
  - Map development
  - Land use plan
  - Dissemination of information
2. More aggressive anti-corruption actions handled by province/district
3. Engagement with key players when establishing policy –
  - Engagement with multi-stakeholders to ensure participation in policy development
  - Start with demonstration/pilot
4. Transparency and public engagement mechanism in license approval by the government ; more participatory and open
5. Clearer procedure in obtaining the land – companies and smallholders

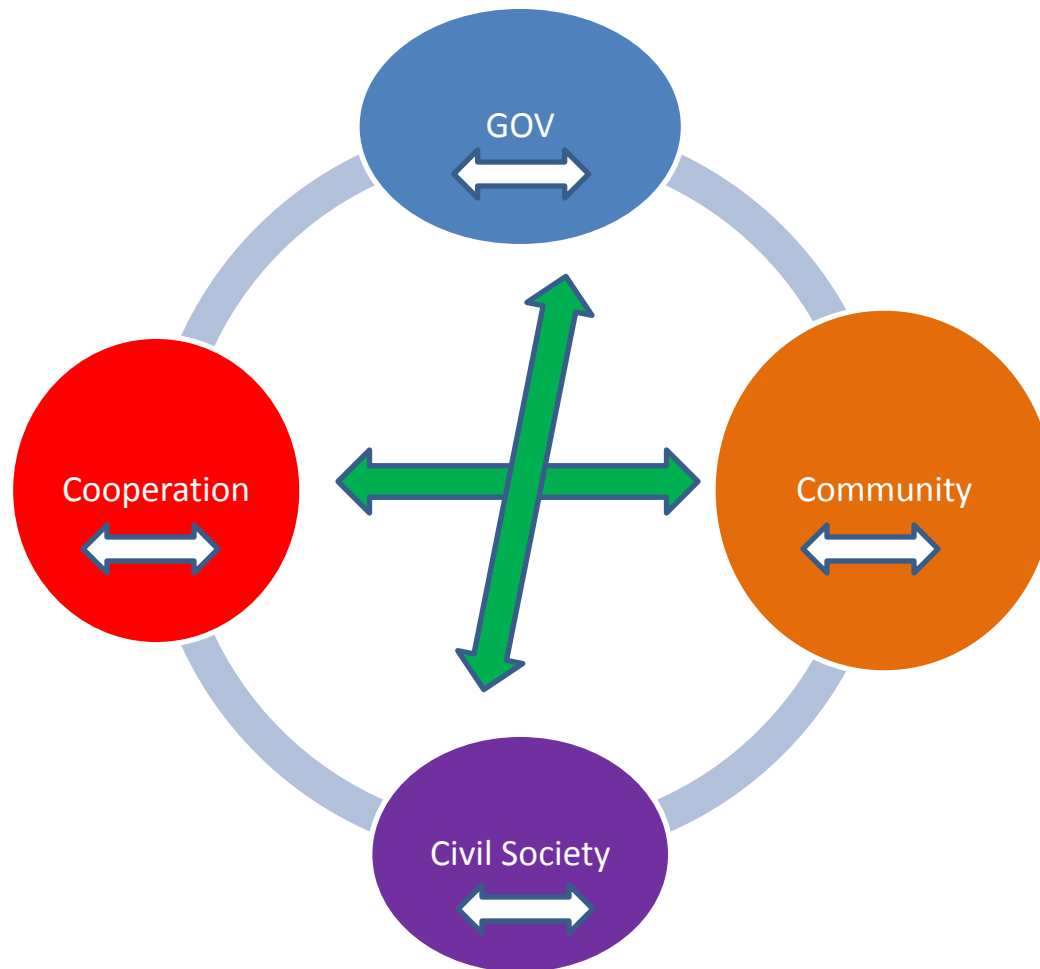
6. Platform to negotiate trade-off.
7. Incentives (fiscal policy) for good practices;
  - Payment/reward for ecosystem services
  - Remove harmful subsidy
8. Lesson learned how policy framework is effective in other countries
9. Consistency between requirement posed by international NGOs (i.e HCV and HCS) and guidance/support for companies to comply with them – including incentives for companies (carbon payment)
10. Introduction of conservation concept/understanding to the district government and integration into the land use planning
11. Clear communication and coordination of information

# Group 4

**Question :**

**How to work towards mitigating conflicts among land uses in Central Kalimantan to avoid escalated conflicts (for example in Riau)?**

# Identified Groups With Conflicts



# CONFLICTS

1.

Government

VS

Small Landuser  
(fire, land  
designation, land  
tenure, legal rights)

2

Local  
communities

VS

Migrants  
/transmigration  
(over land and ec.  
opportunity)

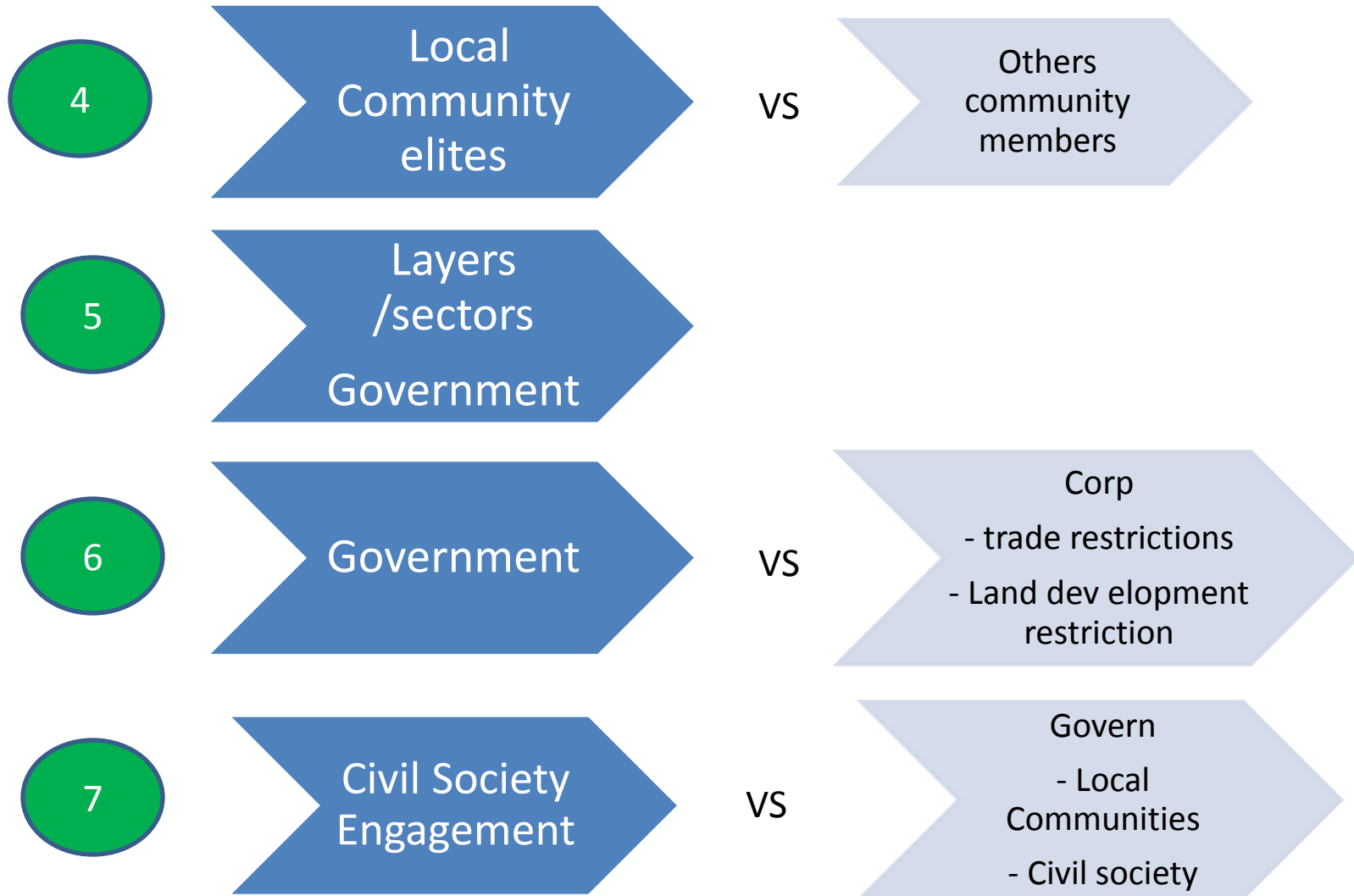
3

Corporations

VS

Local communities  
(over rights, land,  
compansation)

# CONFLICTS



# Recommendation

- Use complete “Sustainable development Frameworks” in planning/priority setting → “Landscape Approach”
- Strengthen bottom up “planning “ capacity locally (make functional)
- Make sure “one map” initiative has strong local ownerships
- Connect smallholders to benefit from sustainable value chain
- Government and Civil Society to empower (formal + informal local institution to resolve conflicts)
- Raise awareness of international agreement + human rights → transparency