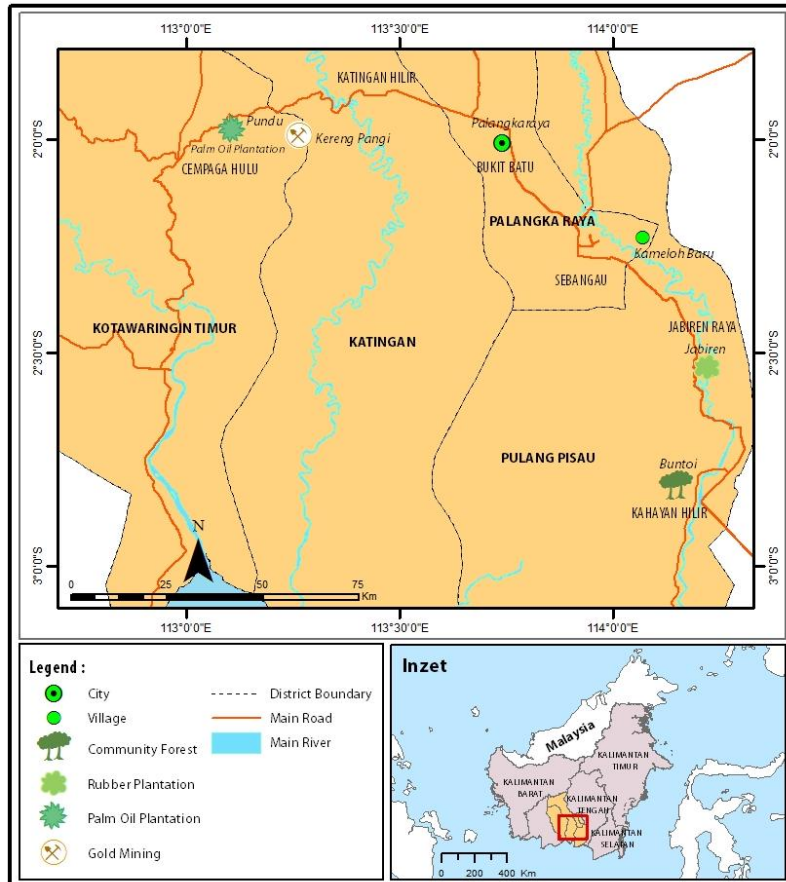


## FIELD TRIP SITE INFORMATION

### Map of the locations



### Community forest in Buntoi

Tenure (Who owns the land? Who manage the land?)

The community considers that they own the land. Part of the land is privately owned, viz. rubber and fruit gardens and areas for rice cultivation. Forest is communally owned. However the community has no official documents to prove their rights. Only recently did they receive a permit from the Ministry of Forestry to manage the community forest. The government considers all land state land and the government has the right to issue certificates (for ownership) or licenses to third parties to manage a certain area.

### Land use history

Until 1970s only community land use, mainly for subsistence and some extraction of valuable products demanded by the market. In 1970 timber concessions were allocated by the national government. The timber companies exploited a limited number of commercial timber species. Communities were still able to partly use their village territory. In 1990s oil palm plantations were developed in Central Kalimantan. Initially government would allocate area to oil palm plantation, often with limited (or no) scheme for smallholders. In general this created problems because communities lost large tracks of their community land. With political reforms, and increased protest by communities the government changed the regulation for oil palm plantation requiring oil palm plantations to allocate 20% of the area to smallholder schemes. Buntoi has no established oil palm plantations in its village territory, but has had oil palm concession allocated to its village territory. The community did not accept this plan.

### Activities

Mainly rubber cultivation, with some rice and fruit gardens. Land is individually owned and managed. Community forest has been established through community consensus and by decree of minister of

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forestry. Main purpose of community forest is to protect the forest. One management activity for the community forest has been to develop rubber gardens in the buffer zone to increase forest cover while providing income to villagers.

#### *Challenges*

The ongoing interest of oil palm plantations to acquire community forest area and establish oil palm plantation. Another risk is wild fires which may destroy private gardens and/or community forest

Buntoi is a village in the Pulang Pisau district, located in the lower stretches of the Kahayan river. This village is mainly inhabited by Dayak people, one of the indigenous people of Kalimantan. The main livelihood of the villagers is small scale rubber. In the past some of its community land and forests were affected by commercial logging.

More recently oil palm plantations have been developed in the surroundings of Buntoi. One oil palm plantation concession was overlapping with the community territory. The communities have opposed this plan, one important consideration is that they will lose their land rights, and get too limited compensation to be economically interesting.

With outside support Buntoi and 3 other villages have established community forests with a combined acreage of 16,000 hectares. The community forest has been officially established with a decree from the minister of forestry in 2012. The communities have received some support for the management of the community forest such as technical training and a reforestation project. Community members consider wild fires a serious threat to the community forest. Another concern are the ongoing efforts by oil palm companies to get control over the area to develop oil palm plantations.

Last year a Climate Information Centre was officially opened in Buntoi. The purpose of the centre is to facilitate trainings in empowerment and technical skills and provide a venue for meetings.

#### **Smallholder rubber and rubber processing**

Rubber is the most important crop for many farmers in Central Kalimantan. This crop survives in a wide range of growing conditions and with limited maintenance and agricultural inputs. However as with nearly all rubber produced by smallholders in Indonesia the quality delivered by the smallholders is sub-standard (high water contents and dirty), resulting in low prices for the farmers. One often heard explanation why the rubber prices are low is the lack of processing capacity.

However studies and comments from rubber processing factory owners indicate that there is actually an over capacity in processing capacity. This results in a strong bargaining position of the middlemen who 'refuse' to wait for laboratory result to determine the rubber price (based on rubber content) and 'threaten' to sell to a competitor. The factories are competing for raw material (to decrease the level of unused capacity) but the competition results in increased profits for the middlemen, not the farmers.

One rubber processing factory owner mentioned that there is indication that the international market is changing. As a rule of thumb they reckoned that if the dollar strengthened or the oil price increased the rubber price (in rupiah) would go up. However recently the price of rubber does no longer follow this pattern (he suspected commodity traders). As a result of the unpredictable price fluctuation they are hesitant to invest in the rubber sector (e.g. through collaboration with farmers groups).

#### **Peatswamp demplot di Jabiren**

##### *Tenure*

Plots are individually owned. Not sure if farmers actually have documents to prove ownership. Farmers consider the land theirs and have made significant invest in the land, by establishing rubber gardens.

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*Land use history*

Use to be peat forest (with deep peat of over 3 meters deep). This area has several times experienced forest fires, the last major one was in 2005. This resulted in all (remaining) big trees dying and falling over. As the area became easy to clear farmers started to develop plots.

*Activities*

The main crop is rubber. Supported by various REDD related project the farmers have been involved experiments with intercropping, e.g. rubber and pine-apple. Another experiment was with rice cultivation.

*Decision on management*

Eventually, it is the individual farmers who decide how to manage their plots. One interesting point on which we do not yet have information is how decisions are made about the water level in the peat area, if this is decided by the farmers group, or an outside agency.

*Challenges*

It seems that the farmers are interested in investing in the rubber gardens, so consider that they will get a good return on the investment (time / money) in the rubber gardens. There is still approx. 1,000 hectares of heavily deforested deep peat swamp.

It seems that by better managing the water level the fire risk has been reduced significantly.

This area is located along the main road from Palangkaraya – Banjarmasin. The population consists of various ethnic groups. The area is located in the peatforest that was part of the ambitious mega rice project, intended to clear approx. 1 million hectares for rice and other crops. This mega project failed but resulted in important changes, esp. in the delicate hydrology of the peatforest. This resulted in increased fires and smoke.

After another major fire in 2005 the people in Jabiren opened up some of the peat land with over 3 meter deep peat (deep peat). One advantage of opening this area is that it produced sawn timber as a by-product which provided additional income. Four farmers' groups were

established and land was allocated to the group members. The main crop planted was rubber.

The land is not optimal for agriculture, the soil is acid and the groundwater level is often high and during dry periods there is the risk of fires destroying the crops. These circumstances require careful management. Since 2010 the farmers groups have received technical support from the Agency for Agricultural Research and Development in collaboration with REDD+ related projects.

Beside technical support for agricultural development the farmers also receive training to increase monitoring skills. Currently the farmers regularly measure a range of parameters related to emission and peat subsidence. The farmers receive a small incentive for reporting these data to the Agency for Agricultural Research and Development.

**Kameloh Baru fisheries village**

*Tenure*

Since the community have limited agricultural activities so land tenure may be of less concern to them. However as fishing is the main income generating activity, control over fishing ground is important. However, access to four lakes in the village territory which are important fishing grounds, is not regulated.

*Land use history*

The village was established approx. 50 years ago. The area is swampy. There is no information if any commercial logging occurred in this area. The villagers informed that small scale sawn timber production is a source of income to them. Although the scale recently has decreased may be both because of increased crack down on illegal logging as decreasing timber resources.

*Activities*

There seem to be limited land based economic activities in Kameloh Baru.

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*Challenges*

The main obstacle to land based activities are the frequent and irregular flooding. The two settlements along the Kahayan River seem to indicate that income of community members is limited. It is not clear if the low income limits the opportunities of the community, or that lack of initiative has resulted in limited progress.

The original Kameloh village was established approx. 50 years ago along the Kahayan River. The population consists of a mix of Dayaks and Banjarese (originating from South Kalimantan). The main sources of income are fisheries and sale of timber. From the initial settlement some community members moved across the Kahayan River and established a second settlement. As the Palangkaraya – Banjarmasin road was constructed another group of community members established a third settlement at the intersection of the main road and the main canal.

The area around the villages is a flood plain, mainly with peat swamps. This area has limited agricultural potential especially because of the risk of frequent irregular flooding.

There are four lakes in the Kameloh Baru village territory that provide important fishing grounds. There is no specific management of these lakes or management organisation.

**Palm oil plantation of PT Windu Nabatindo Lestari**

*Tenure*

The oil palm company has received a lease for the concession from the Indonesian government. After obtaining this lease the company has the management rights, but has to adhere to the applicable regulation for oil palm plantations.

*Land use history*

There is limited information on the land use history. The company stated that when they started developing the oil palm plantation the land was already degraded. It is not clear if this was caused by

commercial logging activities or community agriculture. Land ownership is linked to this issue, because logging companies received a permit from the Indonesian government for a certain period and may be extended or not. If communities used the area there may have been some issue of community claims on the concession area.

*Activities*

The oil palm plantation is producing, and processing oil palm to produce Crude Palm Oil (CPO). Part of the area are smallholder plantations who sell their produce to the company for processing.

*Decision on management*

The company has the right to make management decision, as long as they adhere to laws and regulations. The company has committed itself to adhere to the standard of the Roundtable on Sustainable Palm Oil (RSPO). These standards include requirements on environmental care and social issues.

*Challenges*

Demand for palm oil is still increasing and prices have been good. Suitable land is becoming increasingly limited, so increase of production will have to increasingly come from yield increase and not of expansion.

Oil palm is one of the most important economic sectors in Central Kalimantan. A significant area of the land in Central Kalimantan is allocated to oil palm development. Oil palm is mainly developed by companies. The Indonesian law requires that companies allocate 20% of the concession to smallholders. Enforcement of this regulation is not yet consistent, so a lot depends on the commitment of the company to adhere to regulations and best management practices.

PT WNL is part of Bumitama Gunajaya Agro (BGA) group, Malaysian owned. BGA, which has a joint venture with IOI Holdings (also Malaysian company) has total of 157,000 hectare of oil palm plantations in Indonesia, 100,000 hectares are located in Central Kalimantan. The total acreage of the PT WNL lease is 9,000 hectares of which approx. 7,000 hectares is planted. Approx. 2,500 farmers have

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smallholder plantations linked to PT WNL. Smallholders are part of cooperative.

One issue identified by company staff is that for further local processing of CPO a certain scale of operation is required. To achieve this either the company needs a large acreage, while the Indonesian law tries to limited land holding per company (group) to avoid oligarchy. On the other hand collaboration between companies is not easy (due to competition on the same market). Use of smallholder production may be difficult due to the requirement of secure legality and the difficulty farmers in Indonesia face to obtain land certificates.

### Small scale gold mining in Kereng Panggi

#### *Tenure*

The small scale miners have no rights to the lands. Depending on where they are mining they will address the tenure issue. If it is forest (state land) they often will just mine (and destroy forest in the process) often unnoticed and without suffering sanctions. If the plot is owned by a villager they will try to agree on some sort of profit sharing to get access to the plot.

#### *Land use history*

In Kereng Panggi possibly some logging has occurred in the area, before the small scale gold miners moved in and started the mining

#### *Activities*

Small scale mining of alluvial gold is done by sluicing the sediment, either using floating dredges or waterpumps and sluices on land. One unit is operated by a group of 4 -6 workers. The equipment may be owned by the group members or a boss who provides the capital and there is a arrangement to split the profit.

#### *Management decision*

The small scale gold miners move to areas based on information from fellow miners about 'hotspots'. Once in an area they will 'prospect' by

mining for some time to assess the gold content to decide to exploit the area or move on.

#### *Challenges*

A key obstacle is that small scale gold mining is illegal. This makes it difficult to collaborate with the small scale gold miners because of the risk of becoming complicit to the illegal activity. So far there is no / limited experimentation and development of appropriate technology to make small scale gold mining less destructive.

Another economy activity that is locally very important is small scale gold mining. Along several of the main rivers in Central Kalimantan significant amounts of alluvial gold are found. Also in the mountain range separating Central Kalimantan from West and East Kalimantan shallow gold deposits are found and exploited by communities. The recent dramatic increase in gold price has resulted in an increased number of people involved in small scale gold mining. Also remote location that were previously not interesting because of the high cost have now become viable.

Although the small scale gold miners use relative simple equipment, the large number of people involved in this activity and the mobility of these persons. This has resulted in significant deforestation in several areas. Small scale gold mining operations can also affect community gardens and oil palm plantations.

An additional environmental problem is the widespread, uncontrolled (and illegal) use of mercury. The miners consider the use of mercury a quick way to extract the gold (although a significant amount of gold is lost). Recently prices of mercury have increased due to the increased national and international attention to the mercury problem and commitment to eradicate the use of mercury. This stimulates miners to recycle mercury which is simple, cheap, effective and keeps mercury out of the environment.

With the high price of gold it is not easy to propose alternative source of income which provide income levels similar to the potential income of gold.