

Production and Protection Initiative in Central Kalimantan, Indonesia

Land plays a central role in Indonesia's growth goals. Like many developing countries, use of land and land resources is fundamental to delivering Indonesia's goal to grow its economy by around 7% per year through 2020 and has close links to issues like job creation, poverty alleviation, food security, and climate change.

Current land practices have social, environmental, and economic costs. Current policies and management practices favor growth by expanding production into forests and peatlands rather than by increasing yields on existing agricultural or low carbon lands. This trend has been a major driver of deforestation and degradation, which currently accounts for around 80% of Indonesia's greenhouse gas emissions, as well as social conflicts and other economic and environmental losses such as soil erosion, air, water pollution, and decreased opportunity for traditional forest resource use (e.g. sago collection, hunting, fishing).

Production and protection is an alternative approach to economic development that can support both growth and conservation.

The production and protection concept suggests that a combination of public policies and incentives can motivate decision makers and private investors to adopt administrative and business practices that enhance agricultural production on appropriate lands while protecting high conservation value areas. Based on locally-led research, planning, and implementation, this approach seeks to ensure that local governments, businesses, smallholders, and surrounding communities can benefit from a strong and environmentally sustainable agricultural sector. In Indonesia, successful implementation of the production and protection model will require the support of national and local governments to design and then implement incentives for decision makers and private firms to pursue high yield, low environmental impact development and investment strategies across whole jurisdictions.

Production and Protection suggests that a combination of public policies and private sector decisions can increase agriculture yields on existing available lands while protecting high conservation value areas. Based on locally-led research, planning, and implementation, this approach can benefit local businesses, smallholders, and surrounding communities.

Central Kalimantan has a similar vision for economic growth and environmental sustainability, supported by a groundbreaking regulation on sustainable palm oil and the Governor's own road map to achieve sustainable palm oil. The Central Kalimantan REDD+ strategy (Strategy to Reduce Emissions from Deforestation and Forest Degradation) articulates many activities that support a production and protection approach, including legal and spatial planning reforms, technical assistance, research, monitoring, and local community engagement. To help guide the process, the Governor of Central Kalimantan has created a working group consisting of representatives from government, business, academia, and civil society that will advise the local government on policy to achieve green growth in the palm oil sector.

Climate Policy Initiative and the University of Palangka Raya are working to support this vision. Backed by a US\$1.6 million grant from the Norwegian Government, CPI and the UNPAR will drive empirical research that will help ensure this vision becomes a reality.

The program will follow three iterative phases from 2013-15, covering:

- **Scoping** - early research work to establish the empirical foundation for policy development;
- **Strategy and implementation** - supporting local public and private actors and stakeholders in finding ways to apply relevant information to develop strategies and policy reforms that facilitate land swaps and de-risk investments in high yield/low-impact agriculture;
- **Business plan development** - creating an action plan to establish a large-scale, high-yield/low-impact agricultural pilot project on degraded or idle lands, backed by appropriate policy and regulatory reforms.

Through an approach grounded in rigorous analysis and local knowledge, CPI and UNPAR's work will contribute to a pipeline of production-and-protection projects in Indonesia and beyond.