

# Historic Indonesian forest protection deal at risk from industry

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*Laura Kenyon from our [Making Waves](#) blog explains how money intended to protect forests could actually encourage deforestation.*

Norway and Indonesia are about to make history. A US\$1bn forest protection deal between these two countries could help set Indonesia on a low-carbon development pathway and become a positive model for the rest of the world. It could clearly demonstrate that lowering carbon emissions to address climate change does not mean sacrificing economic growth and prosperity. What's more, this prosperous low-carbon development does not need to come at the expense of Indonesia's natural forests and peatlands.

But this deal is at risk. Today we released a report - [Protection Money](#) - which outlines how the deal is in danger of being undermined, unless action is taken to protect it from notorious industrial forest destroyers in the palm oil, paper and pulp sectors. There is a potential that international money intended for the protection of Indonesia's forests and peatlands could end up being used to support their destruction.

The US\$1bn pledged by Norway is meant to support the Indonesian president's commitment to lead global efforts in shifting to a low-carbon development model and reducing greenhouse gas (GHG) emissions. The deal includes a [two-year moratorium](#) on the allocation of carbon-rich peatlands and natural forests for industrial expansion, and could also include a review of the lands already held by various industries.

These industries, including palm oil, pulp and paper, have ambitious expansion plans. If these plans go ahead in their current form it could lead to the loss of 40 per cent of Indonesia's remaining natural forest - an area around the size of Norway and Denmark combined - as well as the loss of half of all remaining forested orang-utan habitat in Kalimantan. Not to mention the additional greenhouse gas emissions that would result from continued destruction of carbon-rich peatlands and forest.

Tragically, some of this destruction could actually go forward in the name of climate and forest protection if the negative influence of industry isn't curbed. Industry which has interests in supporting business-as-usual are looking to rebrand industrial activities that drive deforestation as 'rehabilitation of degraded' lands. This 'degraded' land is often actually natural, carbon-rich forest or peatland merely given that label, as there is no clear definition of 'degraded'.

Calling this 'rehabilitation' implies that replacing natural forests with plantations is good for the climate, for biodiversity, and for local communities and low-carbon development. In

reality, it means loss of natural forests, loss of the economic and social value that those forests have for local communities, and results in habitat destruction and further emissions.

And last week, a [group of scientists wrote to the Indonesian and Norwegian governments](#), urging them to recognise the importance of these degraded forests for conservation.

This continued destruction goes against the low-carbon development model that Indonesia's president aims to champion - with the support of forest protection deals like the one with Norway - and it's also completely unnecessary.

The key lies in improving the productivity of the land already held by industry. With improved productivity - according to government figures - no additional land would be needed to meet production targets in the pulp, paper and palm oil sectors. They should be able to meet their economic targets, which include doubling palm oil production and a four-fold increase in pulp production, without further forest destruction. It means making better use of the land already held by industry, rather than allowing continual expansion into ever more forested areas.

How can we ensure that the palm oil, paper and pulp industries make better use of the land already allocated to them in Indonesia? A strong moratorium on deforestation and peatland clearance would push industry to dramatically increase productivity within existing plantation areas - because it would remove the option of further expansion into forests - and therefore remove the option for further forest and peatland destruction.

The announcement of the Indonesia-Norway forest deal is due to be made during international climate negotiations beginning in Cancun, Mexico next week. It has the potential to usher in an historic era of low-carbon development in Indonesia - and in a world facing runaway climate change this has global implications.

A strong moratorium is the best way to ensure that this fund does not become 'protection money' for forest destroying industry, and remains 'protection money' for Indonesia's bio-diverse and carbon-rich peatlands and forests.

<http://www.greenpeace.org.uk/blog/climate/historic-indonesian-forest-protection-deal-risk-industry-20101123>