

Annex 4.3. Regulations and Policies related REDD+ implementation and HCV inside concessions (timber industry plantation and oil palm plantation)

1. Timeline Regulation related to REDD+ in Indonesia

National	Year	East Kalimantan Province
Law No 32 of 2009 on Protection and Management Of The Environment	2009	EK Provincial Regulation No 5 of 2009 on Forest and Land Fire Control
	2010	January 2010: Declaration of Green East Kalimantan (Kaltim Green), signed by the Provincial Government, District Government, Provincial Parliament, Entrepreneurs, Academics and Communities
Constitutional Court Decision No 45/PUU-IX /2011 that Forest areas are certain areas set by the government to maintain their existence as permanent forests	2011	EK Governor Regulation No 2 of 2011 on East Kalimantan Climate Change Council
Presidential Regulation No 61 of 2011 on National Action Plans for Reducing Greenhouse Gas Emissions		EK Governor Decree No 22 of 2011 on Green East Kalimantan (Kaltim Green) Implementation Guidelines
Presidential Regulation No. 71 of 2011 on the Implementation of National Greenhouse Gas Inventories		East Kalimantan Low Carbon Growth Strategies
Constitutional Court Decision No 35/PUU-X /2012 that customary forests do not include state forests	2012	Strategy and Action Plan on Implementing of REDD+ in East Kalimantan
Minister of Environment and Forestry Regulation No. 19 of 2012 on Program Kampung Iklim (Climate Village Program)		EK Governor Regulation No 54 of 2012 on Regional Action Plan for Reducing Greenhouse Gas Emissions
	2013	EK Governor Letter No 180/1375-Ek/2013, 25 January 2013, on Administration of Permits and Audits for Mining, Forestry and Plantation Permits
Law No 23 of 2014 on Regional Government	2014	EK Provincial Regulation No 1 of 2014 on Environmental Protection and Management.
		EK Provincial Regulation No 7 of 2014 on Medium-term Provincial Development Plan 2013-2018, The fifth mission is to realize the quality of a good and healthy environment and have a climate change perspective

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		EK Governor Regulation No 39 of 2019 on Revision of Regional Action Plan for Reducing Greenhouse Gas Emissions
Presidential Regulation No. 16 of 2015 on Ministry of Environment and Forestry	2015	EK Governor Regulation No 15 of 2015 on guidelines for issuing village forest licenses
Minister of Environment and Forestry Regulation No P.32/Menlhk-Setjen/2015 on Private Forest		Strategic Plan of Heart of Borneo 20016-2020
Minister of Environment and Forestry Regulation No P.60/Menlhk-Setjen/2015 on The Role Of The Community and Business Actors in The Protection and Management of Environment and Forestry		
Minister of Environment and Forestry Regulation No P.83/MenLHK/Setjen/2015 on Social Forestry		Master Plan for Green Economy Development in East Kalimantan 2015-2030: Strategy for Acceleration and Expansion of East Kalimantan Economic Development
Minister of Environment and Forestry Regulation No P.84/MenLHK-Setjen/2015 on Guidelines for Tenurial Conflict Resolution in Forest Areas		EK Governor Regulation No 17 of 2015 on Arrangement of Granting Permits and Non-Licensing in Mining, Forestry and Oil Palm Plantations
		EK Provincial Regulation No 1 of 2015 on Guidelines for Recognition of Customary Law Communities in East Kalimantan
Law No 16 Of 2016 on The Ratification of The Paris Agreement to The United Nations Framework Convention on Climate Change	2016	EK Provincial Regulation No 1 of 2016 on East Kalimantan Province Spatial Plan for 2016-2036. Provincial spatial planning policies, including: a) the development of the productive economic sector of oil and gas and coal with high added value and environmentally oriented into the leading sector to spur economic growth and utilization for all communities; b) development of leading sectors to anticipate the reduction of oil and gas and coal resources that cannot be renewed through the development of renewable sectors of agriculture, tourism and energy, as part of efforts to improve regional and national food and energy security;

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		<p>c) the realization of space that synergizes with green growth</p> <p>d) the realization of the equitable distribution of development and services for the entire community by providing opportunities to all parts of the region to develop according to potential;</p> <p>e) the realization of sustainable development by maintaining harmonization of economic, investment and social activities by considering environmental support and sustainability</p>
Minister of Environment and Forestry Regulation No. P.32/MenLHK/Setjen/Kum.1/3/2016 on Forest and Land Fire Control		Revise of Strategy and Action Plan on Implementing of REDD+ in East Kalimantan
Minister of Environment and Forestry Regulation No. P.84/MenLHK-Setjen/Kum.1/11/2016 on Program Kampung Iklim (Climate Village Program)		East Kalimantan Master Plan of Climate Change
Letter of Intent: Potential Results-based Payment for Emission Reductions from the Indonesian Provincial Level REDD+ Emission Reductions Program in the Republic of Indonesia	2017	EK Governor Regulation No 9 of 2017 on East Kalimantan Climate Change Council,
Presidential Regulation No 88 of 2017 on Settlement of Land Ownership Conflict in Forest Areas		EK Regional Regulation 2017 on Sustainable Plantation
Minister of Environment and Forestry Regulation No P.22/MenLHK/Setjen/SET.1/3/2017 on Procedures for Managing Compliance and/or Living Environmental Compliance and/or Forest Destruction		
Minister of Environment and Forestry Regulation No. P.70/MenLHK/Setjen/Kum.1/12/2017 on Procedure for Implementing Reducing Emissions from Deforestation and Forest Degradation, Role of Conservation, Sustainable Management of Forest and Enhancement of Forest Carbon Stocks		
Minister of Environment and Forestry Regulation No. P.71/MenLHK/Setjen/		

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Kum.1/12/2017 on Management of The National Registration System for Climate Change Control		
Minister of Environment and Forestry Regulation No. P.72/MenLHK/Setjen/ Kum.1/12/2017 on Guidelines for The Implementation of Measurement, Reporting and Verification of Actions and Resources Management of Climate Change		
Minister of Environment and Forestry Regulation No. P.73/MenLHK/Setjen/ Kum.1/12/2017 on Guidelines for Management and Reporting of National Greenhouse Gas Inventory		
Regulation of the Coordinating Minister for the Economy No 3 of 2018 on Guidelines for the Implementation of Task Team for Inventory and Verification of Land Ownership in Forest Areas	2018	EK Governor Regulation No 1 of 2018 on Arrangement of Granting Permits and Non-Permits in Mining, Forestry and Oil Palm Plantations, that continue Governor Decree No 17 of 2015
		EK Governor Regulation No 26 of 2018 on Citizens' Inspirational Action for Change in Village Development Assistance

2. Regulations on HCV with Timber Plantation (IUPHHK-HT)

No	Regulation	Content
1.	SE Menteri ATR/Kepala BPN No 10/SE/VII/2015 concerning Issuance of Permits on HCVF Areas	<ul style="list-style-type: none"> Maintain the sustainability of HCV in the area of HGU HCV is included as a consideration prior to granting permit on estate crop plantation. In order to protect HCVF, germplasm sources, wildlife ranges, biodiversity and the livelihoods of local communities has to be protected.
2.	Ministerial Regulation of Environment No. 29 Th 2009 concerning Guidelines for Biodiversity Conservation in Sub-national	Guidelines for the preparation of biodiversity at Sub-national
3.	Ministerial Regulation No. P.12/Menlhk-II/2015 about HTI Development	analysis of identifying IUPHHK-HTI area in this regulation is referred to HCVF requirements

4.	Ministerial Regulation P.14/PHPL/SET/4/2016 Concerning Standards and Guidelines for the Implementation of Performance Assessment for Sustainable Production Forest Management (PHPL) and Timber Legality Verification (VLK)	Standards and Guidelines for the Implementation of Performance Assessment for Sustainable Production Forest Management and Timber Legality Verification are referred HCV requirements
5.	Ministerial Regulation No P.7/VI-BUHT/2014 concerning Guidelines for Preparation, Assessment and Approval of Work Plans on Businesses for Utilizing Timber Forest Products for Industrial Plantation Forests	concerning Guidelines for Preparation, Assessment and Approval of Work Plans on Businesses for Utilizing Timber Forest Products for Industrial Plantation Forests are also referred to HCV requirements
6.	Ministerial Regulation P.3/VI-SET/2015 concerning the Application of Plant Types and Planting Patterns in HTI Activities	Application of plant species and cropping patterns in timber plantation industry as an alternative solution for conflict. It contributes local community income
7.	Government Regulation No.28/2011 about KSA and KPA Management	Buffer Zone management

3. Regulation related HCV in Palm Oil

On the other hand, HCV on palm oil sustainability systems are regulated voluntarily through the Indonesian Sustainable Palm Oil System (ISPO), International Sustainability and Carbon Certification (ISCC) and RSPO (Roundtable Sustainable Palm Oil). Only RSPO requires its members to apply the HCV concept. The incentives derived from RSPO membership are the existence of a premium price for CPO products and access to the international market. Sanctions for RSPO members who do not comply with HCV rules are imposed by the remediation and compensation procedure (RaCP) rules since 2014, namely in situ remediation and compensation for land compensation of USD 2500/ha (Laksono, 2018).

The ISPO policy does not explicitly require HCV implementation for its members. In 2011, the HCV principle was still accommodated in Permentan No. 19/2011 concerning ISPO requiring palm oil managers to identify areas that have high conservation value (HCV / HCV). But then the Ministry of Agriculture replaced ISPO regulations into Ministerial Regulation No.11/2015. The regulation does not specifically state HCV, only some of the criteria are stated in the articles.

The fundamental difference between the RSPO and ISPO is as follows: a) protected areas and the concept of High Conservation Values (HCVs), b) procedures for transferring oil palm plantation rights

based on Indonesian law, and c) the implementation of Free Prior Informed Consent (FPIC) within the RSPO, as well as procedures for new planting.

At national level, the Ministry of Agriculture required all oil palm plantation companies to have an ISPO certificate with a deadline of December 31, 2014, and then extended to September 2015. But until the deadline for renewal expires, there were only 225 of 2,302 oil palm plantation companies that had been certified ISPO with a total area of 1.5 million hectares, with the total CPO production was 7.4 million tons. Companies have to have a HGU in order to comply ISPO criteria and indicators. Some oil palm companies do not have HGU. Weaknesses of ISPO include: lack of transparency, no mechanism for public consultation, lack of access to information, limited public participation and lack of independence of certification bodies. (FWI, 2017). So the regulations related to ISPO need to be improved. The government is currently preparing a Presidential Regulation on the Indonesian Sustainable Palm Oil Certification System. The final draft regulation has been submitted to the President but no progress so far.

At provincial level in East Kalimantan, up to 2018 the certified RSPO area covers 137,083ha or 11.5% of total area of Palm Oil planted in East Kalimantan, whereas the certified ISPO covers 198,170ha or 16.6%. There are 10 palm oil companies obtained RSPO certificates, whereas 23 companies obtained ISPO certificates.

Palm Oil Development	Hectare	%
Total size allocated areas	3,101,628	
Total permit areas	2,585,685	
ISPO	198,170	16,6%
Total Palm Oil planted	1,192,342	100%
RSPO	137,083	11,5%