

# Swallowing Indonesia's forests

*The new "Food Estate Programs" announced for Indonesia will result in more hunger and threaten local people, regional forests and the global climate*



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## Executive Summary

A number of projects called “Food Estate Programs” have been recently announced by the Indonesian government. The limited information available from the Indonesian government indicates the three proposed “food estate” projects could cover about 770 thousand hectares in Central Kalimantan (Borneo), two million hectares in Papua (New Guinea) and 32 thousand hectares in North Sumatra. More plans have been announced for South Sumatra and East Kalimantan and some others are expected.

These projects would remove forests from ‘permanent forest’ to other uses (likely implying deforestation) targeting 630 thousands hectares in Central Kalimantan, 1.3 million hectares in Papua and all the project land in North Sumatra (32 thousand hectares). These numbers however are barely indicative, as official data are being contradicted by newly released official data.

Citing the economic impacts of Covid-19, the need for renewed investment in Indonesia, and the escalating food crisis, the Indonesian national government has favoured the establishment of “food estate megaprojects” which permit logging and clearing vast areas of forested land, offering windfall profits from the sale of timber followed by establishment of palm oil and other export commodity crops on the cleared land.

The history of similar projects in the recent past suggests that these projects will do very little to secure healthy food for local people. The *Mega Rice Project* initiated in 1996 in Kalimantan (Borneo), and the more recent *Merauke Integrated Food and Energy Estate* (MIFEE) in Papua had little to do with feeding Indonesians, and everything to do with padding the coffers of a small handful of corrupt individuals. The *Mega Rice Project* also resulted in a global climate disaster because of the massive greenhouse gas emissions resulting from land conversion and peat fires. Bearing in mind these past failures and observing the lack of measures to prevent similar outcomes, it is legitimate to wonder if the “Food Estate Programs” will also fail to alleviate food needs, and to the contrary, will result in large scale land-grabbing by companies interested in export-driven crops, stripping the local communities of their lands, and therefore their livelihoods.

Despite post-Covid relief measures that are badly needed, they should be based on people’s needs. Speculation and land-grabbing will only worsen the food crisis and the impacts of the pandemic.

The decision to grant such a vast land area to large scale agribusinesses to produce export-driven commodities also violates Indonesian and international legislation, that secures local communities’ rights to their customary lands.

Banks, development agencies and other institutions may receive requests to support one or more of these Food Estate projects as post-Covid relief. They should not support projects that threaten the integrity of the ecosystems and that violate indigenous peoples and local communities’ rights to their traditional lands and to Free, Previous, Informed Consent to any use of that land.

## Introduction

In June 2020, the Indonesian Government announced plans for a new “Food Estate Program” for Central Kalimantan, on the island of Borneo, followed by a second announcement, in September 2020, of a “Food Estate Program Papua”, on the island of New Guinea. Further projects have been subsequently announced for other provinces.<sup>1</sup> A third project has been announced for North Sumatra, and more are expected for other regions.<sup>2</sup> These projects would convert a total of almost two million hectares of forests (1,969,704 ha) into agricultural “food estates”. The government claims<sup>3</sup> that these projects, based on a previous regulation,<sup>4</sup> will stimulate the economy and address a risk of food shortage caused by the Covid-19 pandemic, highlighted by FAO.<sup>5</sup>

Very little information has been made available so far about these two new megaprojects, but what we know from previous “food estate” initiatives indicates that they have little to do with providing food for local people and everything to do with opening the door to new land grabs and massive deforestation by speculators, seeking to profit from logging and production of palm oil, sugar and other commodity crops for export.

In October 2020, Indonesia’s environment ministry issued a new regulation that offers worrying indications on how the Food Estate programmes will be implemented. The new regulation allows protected forest areas to be cleared and converted into farmland.<sup>6</sup> Under existing laws, forest areas in Indonesia are off-limits for conversion to plantations unless the ministry issues a forest conversion permit to allow farming there. But under the new regulation (Article 19), plantation operators won’t have to apply for such a permit, and the once-protected forests will be re-designated as “forest areas for food security,” or KHKP by the Indonesian acronym. These permits can last for 20 years and then may be extended.

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<sup>1</sup> Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia, Direktorat Pengukuhan dan Penatagunaan Kawasan Hutan, Direktorat Jenderal Planologi Kehutanan dan Tata Lingkungan, Pemulihan Ekonomi Nasional (PEN) Food Estate, year 2020, [http://sikutan.menlhk.go.id/dokumen/09%20Ringkasan%20Pemulihan%20Ekonomi%20Nasional%20\(PEN\)%20Food%20Estate.pdf](http://sikutan.menlhk.go.id/dokumen/09%20Ringkasan%20Pemulihan%20Ekonomi%20Nasional%20(PEN)%20Food%20Estate.pdf) and also Ministry of Environment and Forestry Regulation Number about Provision of Forest Area For The Development of Food estate: Peraturan Menteri Lingkungan Hidup Dan Kehutanan Republik Indonesia - Nomor P.24/Menlhk/Setjen/Kum.1/10/2020 Tentang Penyediaan Kawasan Hutan Untuk Pembangunan Food Estate Dengan Rahmat Tuhan Yang Maha Esa Menteri Lingkungan Hidup Dan Kehutanan Republik Indonesia, [http://jdih.menlhk.co.id/uploads/files/P\\_24\\_2020\\_PENYEDIAAN\\_KH\\_PEMBANGUNAN\\_FOOD\\_ESTATE\\_menlhk\\_11092020081519.pdf](http://jdih.menlhk.co.id/uploads/files/P_24_2020_PENYEDIAAN_KH_PEMBANGUNAN_FOOD_ESTATE_menlhk_11092020081519.pdf)

<sup>2</sup> InfoPublik, HD Dukung Food Estate di Sumsel, August 2020, <http://infopublik.id/kategori/nusantara/477091/hd-dukung-food-estate-di-sumsel>

<sup>3</sup> CNN Indonesia, Jokowi Soroti Peringatan FAO soal Risiko Krisis Pangan, April 2020, <https://www.cnnindonesia.com/ekonomi/20200413154558-532-493084/jokowi-soroti-peringatan-fao-soal-risiko-krisis-pangan>

<sup>4</sup> Regulation of cooperation in management of forest areas for food security, FP.81/MENLHK/SETJEN/KUM.1/10/2016 <https://www.regulasip.id/regulasi/5674>

<sup>5</sup> FAO, Emerging data suggest COVID-19 is driving up hunger in vulnerable countries, 9 June 2020, <http://www.fao.org/resilience/news-events/detail/en/c/1287545/> and FAO, Impacts of COVID-19 on food security and nutrition: developing effective policy responses to address the hunger and malnutrition pandemic, September 2020, <http://www.fao.org/3/cb1000en/cb1000en.pdf>

<sup>6</sup> Minister of Environment and Forestry of the Republic of Indonesia, Regulation of the Minister of Environment and Forestry of the Republic of Indonesia, number P.24/Menlhk/Setjen/Kum.1/10/2020 concerning the provision of forest areas for Food Estate Development, [http://jdih.menlhk.co.id/uploads/files/P\\_24\\_2020\\_PENYEDIAAN\\_KH\\_PEMBANGUNAN\\_FOOD\\_ESTATE\\_menlhk\\_11092020081519.pdf](http://jdih.menlhk.co.id/uploads/files/P_24_2020_PENYEDIAAN_KH_PEMBANGUNAN_FOOD_ESTATE_menlhk_11092020081519.pdf)

Furthermore, this scheme only allows conversion for industrial scale plantations, not for local farmers.

With the climate crisis looming, protection of forests and the rights of forest-dependent indigenous peoples has featured prominently as an essential element for mitigation. In fact, Norway has paid USD 56 million to Indonesia for having reduced deforestation during the 2016-2017 period.<sup>7</sup> Yet past experiences show that these newly announced “food estate” projects would likely result in clearing vast areas of remaining pristine rainforest and peatlands, preventing regeneration of areas that might otherwise be restored after previously being drained and deforested by past failed “food estate” megaprojects. The resulting carbon emissions from new food estate projects will be of global relevance – as drained peatlands emit large amounts of greenhouse gasses, emissions that radically increase when peat soil burns. Beyond the impacts on forests, biodiversity and climate, these projects pose a dire threat to communities and indigenous peoples, whose livelihoods, food security and cultural integrity is threatened when they are displaced from their traditional lands.



The *Food Estate Programs* include a reclassification of large tracts of lands as *Food Estate for Food Security*, despite the fact that they would continue to be managed as part of the forest estate and therefore under the authority of the Ministry of Environment and Forestry (MEF). This can contain both forested and deforested areas, including protected forests (watershed protection forest or Hutan Lindung - HL) and three types of production forest: limited production forest or Hutan Produksi Terbatas (HPT), permanent production forest or Hutan Produksi Tetap (HP), and convertible production forest or Hutan Produksi Konversi (HPK). Note that forest classified as

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<sup>7</sup> The Jakarta Post, Indonesia to receive \$56 million from Norway for reducing emissions, May 2020, <https://www.thejakartapost.com/news/2020/05/22/indonesia-to-receive-56-million-from-norway-for-reducing-emissions.html>

HP can be converted to plantations, but ought to remain for forestry uses (e.g. industrial timber plantation), whereas HPK can be cleared for agricultural purposes.<sup>8</sup>

The result would be to change land use to up to 400 thousand hectares of protection forest (390,872.15 ha) plus 70 thousand hectares of selective logging forests (70,609.85 ha) and 180 thousand hectares of permanent production forest (184,924.75) and more than one million hectares of forest already set for conversion, but still not allocated and therefore mostly intact (1,138,093.58 ha). According to government data, this would result in a total deforestation of 630 thousand hectares in Central Kalimantan, 1.3 million hectares in Papua and all the project land in North Sumatra (32 thousand hectares).<sup>9</sup> These figures are to be used with caution, as different government agencies released different maps and in some cases higher numbers.

The new proposed projects follow a history of such “food estates” including the Mega Rice Project in Central Kalimantan, and the Merauke Integrated Food and Energy Estate (MIFEE) in Papua. While failing miserably to actually produce the promised food, those projects resulted in more destruction of rainforests and peatlands, and an ongoing legacy of peat-fires that result in poor air quality throughout Asia. Communities and indigenous peoples in the region witnessed the loss and destruction of their traditional lands, and have been left to cope with hunger and the unravelling of their cultures.

LAND USE CATEGORIES IN INDONESIA	
<b>HK</b>	<b>Conservation forest</b> Preserving the biodiversity of flora fauna and their ecosystem (strict protection).
<b>HL</b>	<b>Watershed protection forest</b> Forests protected to maintain hydrological systems and to prevent floods and landslides (low degradation).
<b>H PT</b>	<b>Limited production forest</b> Low intensity logging, with limited extraction rights (i.e. land clearing is not permitted)
<b>HP</b>	<b>Permanent production forest</b> Producing forest: Clear-cutting for timber extraction is allowed and land can be converted into plantation but still remain part of the forest estate).
<b>HPK</b>	<b>Convertible production forest</b> Clear-cutting for timber extraction is allowed and land can be converted for agricultural purpose Non-forestland. However in regions like Papua even primary forests may be classified as HPK.
<b>APL</b>	<b>Non forest estate</b> Areas outside of the forest estate, but it may be covered by forests (e.g. private forest or gardens) or be non forested (e.g. agriculture land, settlements etc)

The announcement of these new projects during the Covid-19 lockdowns, when the impacted communities in these remote areas are inaccessible to outsiders and travel and communication is restricted makes it impossible to hold credible consultations for Free Prior Informed Consent, as detailed under the U.N. Declaration on the Rights of Indigenous People (UNDRIP)<sup>10</sup>.

Why does Indonesia seek to repeat the food estate megaproject disasters rather than focus on urgently needed agrarian reform and effective protection of its forests, peatlands and indigenous peoples?

<sup>8</sup> Truly Santika et Al., Community forest management in Indonesia: Avoided deforestation in the context of anthropogenic and climate complexities, September 2017, <https://www.sciencedirect.com/science/article/pii/S0959378016305933>

<sup>9</sup> Ministry of Environment and Forestry of Indonesia, see footnote 1

<sup>10</sup> United Nations, United Nations Declaration on the Rights of Indigenous Peoples, <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>

The world faces dire impacts from climate change, loss of biodiversity and human cultural diversity, pollution and contamination of land, water and air. Even the Covid-19 pandemic derives from this deep environmental crisis.<sup>11</sup> As nations are gathering to discuss the importance of forest protection to preserve the global climate, the proposed Indonesian “food estate” programs are poised to take a giant leap in the wrong direction, unravelling any “nature-based solutions” that might be adopted elsewhere.



It is also alarming that the new food estate program is to be led by Indonesia’s Defence Minister, Prabowo Subianto,<sup>12</sup> a would-be strongman previously expelled from the army for organizing the kidnappings of 13 pro-democracy activists, some of whom were tortured.<sup>13</sup>

It may be noted that Prabowo owns large tracts of land in a different area of Kalimantan (Eastern Kalimantan).<sup>14</sup>

The appointment of the Defence Minister -and Chairman of the Gerindra party- to lead a food program, instead of the Agriculture Minister, may seem inconsistent, but food security has been declared as part of national defence, a concept in line with the creation of a Strategic Food Reserve Agency, managed by military personnel. Since the

dictatorship times and even before, the Army has been involved in several highly profitable businesses segments, including agribusiness projects, as a means of self-financing. This business is carried on directly, with military-owned businesses, or indirectly, via foundations and cooperatives, or alliances with private businesses. As a result, the Army became one of the major economic powers, managing legal and illegal business operations.<sup>15</sup>

Despite a law passed in September 2004 requiring the government to assume control over all military businesses,<sup>16</sup> the military’s independent businesses were never really dismantled.<sup>17</sup>

<sup>11</sup> The Guardian, 'Tip of the iceberg': is our destruction of nature responsible for Covid-19? March 2020, <https://www.theguardian.com/environment/2020/mar/18/tip-of-the-iceberg-is-our-destruction-of-nature-responsible-for-covid-19-aoe>

<sup>12</sup> The Jakarta Post, Prabowo to oversee development of food estate program, Jokowi says, July 2020, <https://www.thejakartapost.com/news/2020/07/14/prabowo-to-oversee-development-of-food-estate-program-jokowi-says.html>

<sup>13</sup> AsiaWeek, The Scapegoat?, March 2000, <https://web.archive.org/web/20140313050521/http://www-cgi.cnn.com/ASI/ASIANOW/asiaweek/magazine/2000/0303/cover1.html>

<sup>14</sup> CNBC Indonesia, Moeldoko Ungkap Jokowi Tunjuk Prabowo Komandoi Food Estate, July 2020, <https://www.cnbcindonesia.com/news/20200716144948-4-173263/moeldoko-ungkap-jokowi-tunjuk-prabowo-komandoi-food-estate>

<sup>15</sup> Human Rights Watch, Too High a Price: The Human Rights Cost of the Indonesian Military's Economic Activities, June 2006, <https://www.hrw.org/reports/2006/indonesia0606/>

<sup>16</sup> Law No. 34/2004 on the Indonesian Armed Forces (Tentara Nasional Indonesia or TNI), [http://www.dpr.go.id/dokblog/dokumen/F\\_20150616\\_4760.PDF](http://www.dpr.go.id/dokblog/dokumen/F_20150616_4760.PDF)

<sup>17</sup> Human Rights Watch, Unkept Promise, Failure to End Military Business Activity in Indonesia, January 2010, <https://www.hrw.org/report/2010/01/11/unkept-promise/failure-end-military-business-activity-indonesia>

Along with the Food Estate Program, the Ministry of Defence created a company PT Agro Industri Nasional (Agrinas), headquartered inside the Ministry<sup>18</sup>, dealing with food crop production, fishery, bioenergy and conservation. The company's top positions are held by Army officers and high ranks of Prabowo party (Gerindra Party),<sup>19</sup> despite this being excluded by the Indonesian legislation<sup>20</sup>. According to Law-Justice.co, an online investigative media, Agrinas agribusiness activities are heavily guarded by Army's personnel<sup>21</sup> and its involvement in Kalimantan Food Estate Program is at high risk of undue mixing of private business, corruption, public interest and territory militarization. PT Agro Industri Nasional is one of the companies involved in corruption on export licences, that on 25 November 2020 led to the arrest of the Minister of Maritime Affairs and Fisheries, Edhy Prabowo (also a key member of Prabowo Subianto's Gerindra Party) following an investigation by the Corruption Eradication Commission.<sup>22</sup>

In the Central Kalimantan Food Estate Program, the Army is in charge of cassava plantations. Cassava has been identified as a target because of the growing market demand for production of instant noodles. The "area of interest" includes half million hectares (486,164 ha<sup>23</sup>). Some land clearing has already started in the Gunung Mas district, led by an army official, Colonel Dwi Haryono,<sup>24</sup> even though there is no information about a finalized environmental assessment study.

The direct involvement of the Army in the cassava project may be sufficient to discourage resistance from customary land holders, such as local communities and indigenous peoples, as the government keeps insisting that "All land is owned by the state" that is, there is no customary land.<sup>25</sup> This is worrying in light of the recent *Omnibus Law*, a patchwork of 1,200 provisions changing 79 existing laws, and overruling many provisions assuring local communities' rights to their customary land.<sup>26</sup>

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<sup>18</sup> PT Agro Industri Nasional is located in the building of the "Education and Welfare Foundation Housing" (YKPP) an institution of the Indonesian Ministry of Defense. See: <https://www.linkedin.com/company/agrinas/about/>

<sup>19</sup> Law-Justice.co, Elit Prabowo Kuasai Bisnis Pangan Baru Via Agrinas, October 2020, <https://www.law-justice.co/artikel/94820/elit-prabowo-kuasai-bisnis-pangan-baru-via-agrinas/>

<sup>20</sup> Law Number 25 of 2009 on Public Services, Art. 17, <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/84185/105644/F1543891146/IDN84185%20IDN.pdf>

<sup>21</sup> Law-Justice.co, see footnote 15

<sup>22</sup> Okezone, Ditangkap di Bandara Soetta, Menteri KKP Edhy Prabowo Tak Sendirian, November 2020. Retrieved 25 November 2020, <https://nasional.okezone.com/read/2020/11/25/337/2315635/ditangkap-di-bandara-soetta-menteri-kkp-edhy-prabowo-tak-sendirian>

<sup>23</sup> Walhi, Food Estate; benarkah atas nama pemenuhan hak pangan? KLHS bukan stempel proyek food estate! February 2021, <https://www.walhi.or.id/rilis-food-estate-benarkah-atas-nama-pemenuhan-hak-pangan-klhs-bukan-stempel-proyek-food-estate>

<sup>24</sup> ExBulletin, This is an update for the Prabowo Cassava Plantation Project in Central Kalimantan, November 2020, <https://exbulletin.com/politics/576117/>

<sup>25</sup> CNBC Indonesia, Wamenhan Bongkar Rencana Besar Lumbung Pangan Jokowi-Prabowo, July 2020, <https://www.cnbcindonesia.com/profil/20200710143131-41-171741/wamenhan-bongkar-rencana-besar-lumbung-pangan-jokowi-prabowo>

<sup>26</sup> Mongabay, Indonesia bill weakening environmental safeguards to pass in October, August 2020, <https://news.mongabay.com/2020/08/indonesia-omnibus-deregulation-bill-pass-october/>



## The Food Estate Program in Kalimantan

The new food estate plan for Central Kalimantan would provide legal authority to establish a new agricultural zone covering 770,601 ha (almost the size of New York City). To do so, 632,465 ha of forests will be converted to plantations, including pristine rainforests and peatlands.<sup>27</sup>

The new project overlaps some areas of the prior disastrous *Mega Rice project* (see below). Efforts to restore the peatlands damaged by that project, carried on by the recently formed Peat Restoration Agency, have so far met with limited success.<sup>28</sup> The new food estate plan claims that intact peatlands will be protected, and only “shallow peat”, no more than 50 centimetres deep, will be cultivated.<sup>29</sup> But experts say that shallow peat too may cause CO<sub>2</sub> emissions and risk fires, it only requires a smaller number of years before it dissolves into the atmosphere.<sup>30</sup>

Without regard for the rights of local communities and indigenous peoples, the Government has again failed to engage in prior consultation with the local indigenous Dayak communities prior to announcing plans to convert their traditional lands to a “food” estate, thereby setting the stage for further human rights abuses and land grabbing.

The project in Central Kalimantan would require a budget of 4.6 Billion USD (68 trillion Indonesian Rupiah).<sup>31</sup> The cost of infrastructure alone is estimated at USD 454 million (6.7 trillion rupiah)<sup>32</sup> These funds have not yet been raised, and the Government will probably be seeking them from private or policy banks or international financial institutions.

In order to evaluate the impacts of the project, it is also important to consider other developments in the same region, and their eventual combined impacts. In fact, the Food Estate Program is not the only mega-project in Borneo. In 2004 the Asia Development Bank (ADB) supported the so-called “West Borneo Economic Corridor” aimed at attracting “foreign investments concentrated in large companies with vested interests in extracting raw material or profiting from low-cost factors of production”.<sup>33</sup>

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<sup>27</sup> Ministry of Environment and Forestry of Indonesia, see footnote 1

<sup>28</sup> Eco-Business, Indonesia’s food estate programme to expand new plantations in forest frontiers, October 2020, <https://www.eco-business.com/news/indonesias-food-estate-programme-to-expand-new-plantations-in-forest-frontiers/>

<sup>29</sup> The Economist, On peat’s sake - Indonesia risks repeating an environmental disaster, August 2020, <https://www.economist.com/asia/2020/08/13/indonesia-risks-repeating-an-environmental-disaster>

<sup>30</sup> Deltares, Assessment of impacts of plantation drainage on the Kampar Peninsula peatland, Riau, November 2015, <https://www.deltares.nl/app/uploads/2015/12/Plantation-Impacts-Kampar-Peatland-DELTAIRES-2015.pdf>

<sup>31</sup> CNBC Indonesia, Ternyata Bangun Lumbung Pangan Jokowi Butuh Rp 68 T, July 2020,

<https://www.cnbcindonesia.com/news/20200710190521-4-171849/ternyata-bangun-lumbung-pangan-jokowi-butuh-rp-68-t>

<sup>32</sup> CNBC Indonesia, Ternyata Bangun Lumbung Pangan Jokowi Butuh Rp 68 T, July 2020,

<https://www.cnbcindonesia.com/news/20200710190521-4-171849/ternyata-bangun-lumbung-pangan-jokowi-butuh-rp-68-t>

<sup>33</sup> A. Perdiguero, Special Border Economic Zone in IMT-GT and BIMP-EAGA Subregions. Session 4: Developing CBEZ and Economic Corridors, 2008, [https://aric.adb.org/pdf/events/rci-week-2017/Day1\\_S4\\_APerdiguero.pdf](https://aric.adb.org/pdf/events/rci-week-2017/Day1_S4_APerdiguero.pdf)

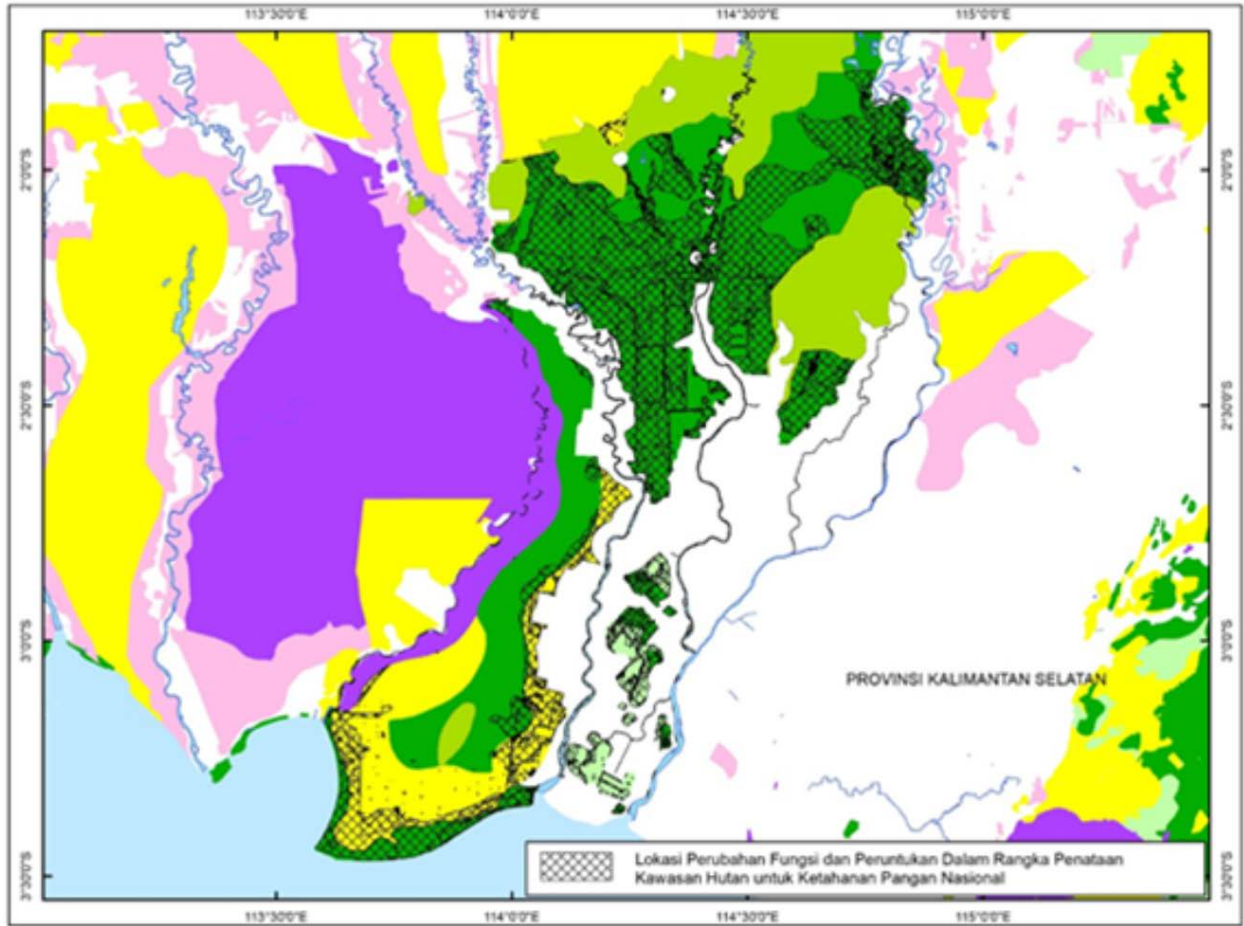
<b>Extension of the Food Estate Program by regency and land use</b>		
<b>PROPOSED AREA</b>	<b>AREA FUNCTION</b>	<b>AREA (Ha)</b>
KAPUAS	Protected forest (HL)	177,632.46
	Limited production forests (H PT)	12,380.45
	Permanent production forests (HP)	474.13
<b>KAPUAS Total</b>		<b>190,487.04</b>
PULANG PISAU	Protected forest (HL)	124,793.49
	Limited production forests (H PT)	5,814.96
	Permanent production forests (HP)	57,781.47
	Forest designed to conversion (HPK)	32.39
<b>PULANG PISAU Total</b>		<b>188,422.31</b>
BARITO SELATAN	Protection forest (HL)	45,960.06
	Forest designed to conversion (HPK)	11.16
<b>BARITO SELATAN Total</b>		<b>45,971.22</b>
KATIGAN	Permanent production forests (HP)	107.06
<b>KATIGAN Total</b>		<b>107.06</b>
PALANGKA RAJA	Protection forest (HL)	6,520.18
	Forest designed to conversion (HPK)	128.46
<b>PALANGKA RAJA Total</b>		<b>6,648.84</b>
<b>Grand Total</b>		<b>43,637.27</b>

Detailed plan of land to be converted for the Food Estate program, by gazetted land use.

Source: [Ministry of Environment and Forestry of Indonesia](#).

In June 2016, the Asian Infrastructure Investment Bank (AIIB), which is the finance vehicle of the China's Belt and Road Initiative, announced four loans. In 2017, it approved another USD100 million to co-finance Indonesia's Regional Infrastructure Development Fund with the World Bank through a financial intermediary, PT Sarana Multi Infrastruktur (PT SMI), to "provide loans for economically viable infrastructure projects".<sup>34</sup>

<sup>34</sup> PT Sarana Multi Infrastruktur, 2015-2019 Strategy, [https://www.ptsmi.co.id/wp-content/uploads/2016/01/SMI\\_Insight\\_Q1\\_2015\\_IND.pdf](https://www.ptsmi.co.id/wp-content/uploads/2016/01/SMI_Insight_Q1_2015_IND.pdf)



Map of part of the planned *Food Estate*. Please note in dark green are protection forests. Source: [Ministry of Environment and Forestry of Indonesia](#).

## ***Lessons learned: The Mega Rice Project***

The newest Food Estate Program for Kalimantan comes on the heels of a prior ‘food’ project, the Mega Rice project in the region. The Mega Rice Project was intended to create one million ha of rice paddies to feed Indonesia, but the project, undertaken with almost unimaginable lack of foresight, consultation or impact assessment, ended in a mega-failure.<sup>35</sup> After clearing the land and planting rice, it was discovered that the peaty soil was far too acidic and lacked nutrients necessary to grow rice.

Meanwhile, a large number of farmers had been recruited to come to the region under the Government’s transmigration program, and subsequently abandoned there. They now live on unproductive land in poverty and far from their communities and family networks.<sup>36</sup>

What remains of the Mega Rice Project is a 6,000 kilometres network of canals that continually drains water from the peatland causing it to dry out and burn. The destruction of Kalimantan’s peatlands is a global crisis – making Indonesia the world’s fifth largest greenhouse gas emitter<sup>37</sup> with more than half of the country’s total emissions resulting from peatland destruction.

Peatland fires have led to severe air pollution – a public health crisis throughout Asia. In 1997 a six-month long season of fires shocked the world with images of smouldering forests and villages and burned orangutans. Almost every year now, legions of volunteer fire-fighters engage in a hopeless and dangerous battle against fires in the Mega Rice project region. Fire and embers on dried peaty soil can advance below ground, and frequently fire-fighters are trapped by fires that suddenly erupt to the surface. The Government and NGOs have tried to restore peatlands by blocking the canals to prevent water from draining, but sadly, once drained, peat becomes hydro-repellent and cannot easily be restored.

The *Mega Rice Project* caused terrible environmental impacts<sup>38</sup> and it produced very little rice, or other food crops.<sup>39</sup> Actually the project was a mega-failure for all but a tiny group of businessmen, mostly cronies of Indonesia’s former dictator Suharto, who made fortunes selling tropical timber in the international markets. The project opened the way for *free logging*, where even conservation areas have been eroded by illegal logging,<sup>40</sup> leaving behind an extensive wasteland, impoverished communities and a record of human rights abuses.

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<sup>35</sup> The Economist, see footnote 29

<sup>36</sup> International Peatland Society, Indonesia planning new Mega Rice Project, November 2020, <https://peatlands.org/is-indonesia-heading-for-another-mega-rice-project-disaster/>

<sup>37</sup> World Resources Institute, 3 Things to Know for Designing Indonesia's Next Steps on Climate Change , October 2019, <https://www.wri.org/blog/2019/10/3-things-know-designing-indonesias-next-steps-climate-change>

<sup>38</sup> H Boehm F. Siegert, Ecological Impact on the One Million Hectare Rice Project in Central Kalimantan, Indonesia, Using Remote Sensing and GIS, November 2001 <https://crisp.nus.edu.sg/~acrs2001/pdf/126boehm.pdf> and Wim Giesenm

Biodiversity and the ex Mega Rice Project in Central Kalimantan January 2009, [https://www.researchgate.net/publication/328283058\\_BIODIVERSITY\\_AND\\_THE\\_EX-MEGA\\_RICE\\_PROJECT\\_AREA\\_IN\\_CENTRAL\\_KALIMANTAN](https://www.researchgate.net/publication/328283058_BIODIVERSITY_AND_THE_EX-MEGA_RICE_PROJECT_AREA_IN_CENTRAL_KALIMANTAN) Government of Central Kalimantan Government of Indonesia Government of the Netherlands Master Plan for the Rehabilitation and Revit

<sup>39</sup> Jenny Goldstein, “Carbon Bomb: Indonesia’s Failed Mega Rice Project.” Environment & Society Portal, Arcadia (Spring 2016), no. 6. Rachel Carson Center for Environment and Society. <https://doi.org/10.5282/rcc/7474>

<sup>40</sup> International Fund for Animal Welfare, another Environmental Disaster Looms in Indonesia, October 1997, <http://wgbis.ces.iisc.ernet.in/envis/doc97html/biodfore1030.html>

The new Food Estates announced in 2020, with a similar lack of prior analysis and careful planning to avoid negative impacts, are likely to produce the same results. Claiming to be concerned about feeding people, the food estate projects would rather be a shallow cover for land grabs by timber and palm oil and woodchips - exactly what has happened in the case of MIFEE (see below).

## Borneo's dwindling treasure

The forests of Borneo are among the most biologically diverse habitats on Earth, hosting over 3,000 species of trees, 2,000 species of orchids, and 1,000 species of ferns.<sup>41</sup> They are home to species such as clouded leopards and pygmy elephants, and the last orangutans – perhaps our closest living non-human relatives.<sup>42</sup> The island continues to reveal new biodiversity wonders as more species are constantly discovered.

Borneo's landscape offers a mosaic of varied habitats: mangroves, peat swamp and swamp forests, ironwood, heath and montane forests.<sup>43</sup> The Montane Rain Forests, in the central region of the island of Borneo is a large isolated habitat, hosting a unique and diverse set of montane species. Of Borneo's endemic bird species, twenty-three (73 percent) are montane. There are more than 150 mammal species and 250 bird species in highland rainforests, making this ecoregion globally outstanding for mammal richness, and it is the most speciose montane rain forest found in the Indo-Pacific region.<sup>44</sup> Yet, large tracts of Borneo's montane forests have not been explored to catalogue the flora and fauna.

Kalimantan is the original name of Borneo (from the Sanskrit word Kalamanthana, meaning *island of the hot weather*) and is also the name of the four provinces in the Indonesian part of the Borneo island: West, Central, East and North Kalimantan.

While the island of Sumatra has been ravaged for three decades by logging and palm oil industries, and its forests have been wiped out or largely fragmented, deforestation is now severely affecting Borneo, even reaching the most remote areas. The impacts of this destruction on communities and indigenous peoples, and on the precious and unique biodiversity, is nothing short of a global catastrophe. A further expansion of conversion of the remaining natural forest in the island of Borneo into plantations may bring their fragmentation to a point of no return, condemning them to destruction.

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<sup>41</sup> G. A. Persoon and M. Osseweijer, Reflections on the Heart of Borneo, Tropenbos International, 2008, [https://www.tropenbos.org/file.php/226/tbi\\_series\\_24-low.pdf](https://www.tropenbos.org/file.php/226/tbi_series_24-low.pdf)

<sup>42</sup> University of Pittsburgh, Humans Related to Orangutans, Not Chimps, Says Study by Schwartz, Buffalo Museum of Science, June 2009, <https://www.chronicle.pitt.edu/story/humans-related-orangutans-not-chimps-says-study-schwartz-buffalo-museum-science>

<sup>43</sup> WWF, About the Borneo forests, [https://wwf.panda.org/discover/knowledge\\_hub/where\\_we\\_work/borneo\\_forests/about\\_borneo\\_forests/?https://www.chronicle.pitt.edu/story/humans-related-orangutans-not-chimps-says-study-schwartz-buffalo-museum-science](https://wwf.panda.org/discover/knowledge_hub/where_we_work/borneo_forests/about_borneo_forests/?https://www.chronicle.pitt.edu/story/humans-related-orangutans-not-chimps-says-study-schwartz-buffalo-museum-science)

<sup>44</sup> WWF, Southeastern Asia: the Island of Borneo, <https://www.worldwildlife.org/ecoregions/im0103>

## The New Food Estate Program in Papua

In September 2020, the Indonesian government announced a *Food Estate Program* in the Papua province, incorporating around two million ha of virgin tropical forest and peatlands in the Papua province regencies of Merauke, Mappi and Boven Digoel.

Papua and West Papua are two provinces in the Indonesian part of the Guinea Island (the other is an independent state, Papua New Guinea). In 2002, Papua and West Papua adopted its current name and was granted a special autonomous status under Indonesian legislation.

Extension of the Food Estate Program by regency and land use		
REGENCY	AREA FUNCTION	AREA (Ha)
BOVEN DIGOEL	Protected forest (HL)	1,540.30
	Limited production forests (H PT)	5,546.41
	Permanent production forests (HP)	26,556.01
	Convertible production forests (HPK)	21,716.29
	Non-forest areas (APL)	239,485.21
<b>BOVEN DIGOEL Total</b>		<b>294,844.23</b>
MAPPI	Protected forest (HL)	247.33
	Limited production forests (H PT)	37,189.68
	Permanent production forests (HP)	7,591.07
	Forest designed to conversion (HPK)	63,415.71
	Non-forest areas (APL)	84,473.92
<b>MAPPI Total</b>		<b>192,917.71</b>
MERAUKE	Protection forest (HL)	23,177.33
	Limited production forests (H PT)	8,893.35
	Permanent production forests (HP)	55,911.01
	Forest designed to conversion (HPK)	1,052,789.57
	Non-forest areas (APL)	410,417.88
<b>MERAUKE Total</b>		<b>1,551,189.15</b>
<b>Grand Total</b>		<b>2,038,951.09</b>

Detailed plan of land to be converted for the Food Estate program, by gazetted land use.

Source: [Ministry of Environment and Forestry of Indonesia](#).

The Food Estate Program for Papua has been announced without providing much detail. A short presentation by the Director General of Forestry Planning and Environmental Management, Ministry of Forestry Environment<sup>45</sup>, indicates a project area stretching in the Merauke, Mappi and Boven Digoel regencies, with a total area of 2,052,551 ha, including 1,304,574 ha of forest to be destined for conversion. Large tracts of these forests are still intact, some of them lay on peat soil, and all of them are traditional land of indigenous communities.

A geographical dataset from the Environment and Forests Ministry website suggests an even larger area stretching over 3,234,657 ha.<sup>46</sup>

Like the Kalimantan project, the Papua initiative is also being promoted as a Covid-19 stimulus to address food security. Yet, the plantations to be established may have very little to do with food. Only a small portion of the land is designated for rice paddies, and the results of similar past projects (see below) suggest that the major outcome will be likely to open up more land to business such as plantations of export driven commodities (oil palm, wood fibre, maybe sugar cane). On the contrary, traditional communities will lose their gardens and other essential food sources, such as hunting grounds and sago hamlets.

The Government's September 2020 documents show that the area of land included in the new Papua Food Estate Project (2,038,951.09 ha) extends over three regencies and involves different land use categories identified under Indonesian and Papuan laws and practices.

Some of the forests in the area of interest have already been cleared for conversion into plantations, and some have been previously designated for conversion from virgin forests to other uses such as logging, though many of these areas have yet to be allocated to a plantation company.<sup>47</sup> The government figures indicate that the project area will include 76,594.40 ha of what is now designated as Protection Forest (HL) or for limited production (selective logging) forest (H PT). These forests will be clear-cut and converted to plantations. But among other areas, the plan would also lead to the clearing of two million ha of production forests (90,058.09 ha) and conversion forests, areas possibly designed for conversion but not yet allocated and therefore still relatively intact (in theory production forests cannot be converted to non-forest uses, but such as industrial monoculture plantations, acacia or eucalyptus for wood fibre are still accounted by the government as 'forest use').

There is currently very little information available for any accurate assessment of the potential impacts of this project on the lands, waters and communities of the region. There has been no ecological or cultural inventory of the current, baseline conditions and no study to project the short term, long term or cumulative impacts of this project, despite the fact that there have been ongoing discussions about such plans since 2007.

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<sup>45</sup> Ministry of Environment and Forestry of Indonesia, SHP\_Lokasi\_Pangan\_4 PROVINSI, October 2020, [https://drive.google.com/drive/folders/1ZMLQPV\\_imH3XrSUSwCuTv0fZWtzy2XJG](https://drive.google.com/drive/folders/1ZMLQPV_imH3XrSUSwCuTv0fZWtzy2XJG)

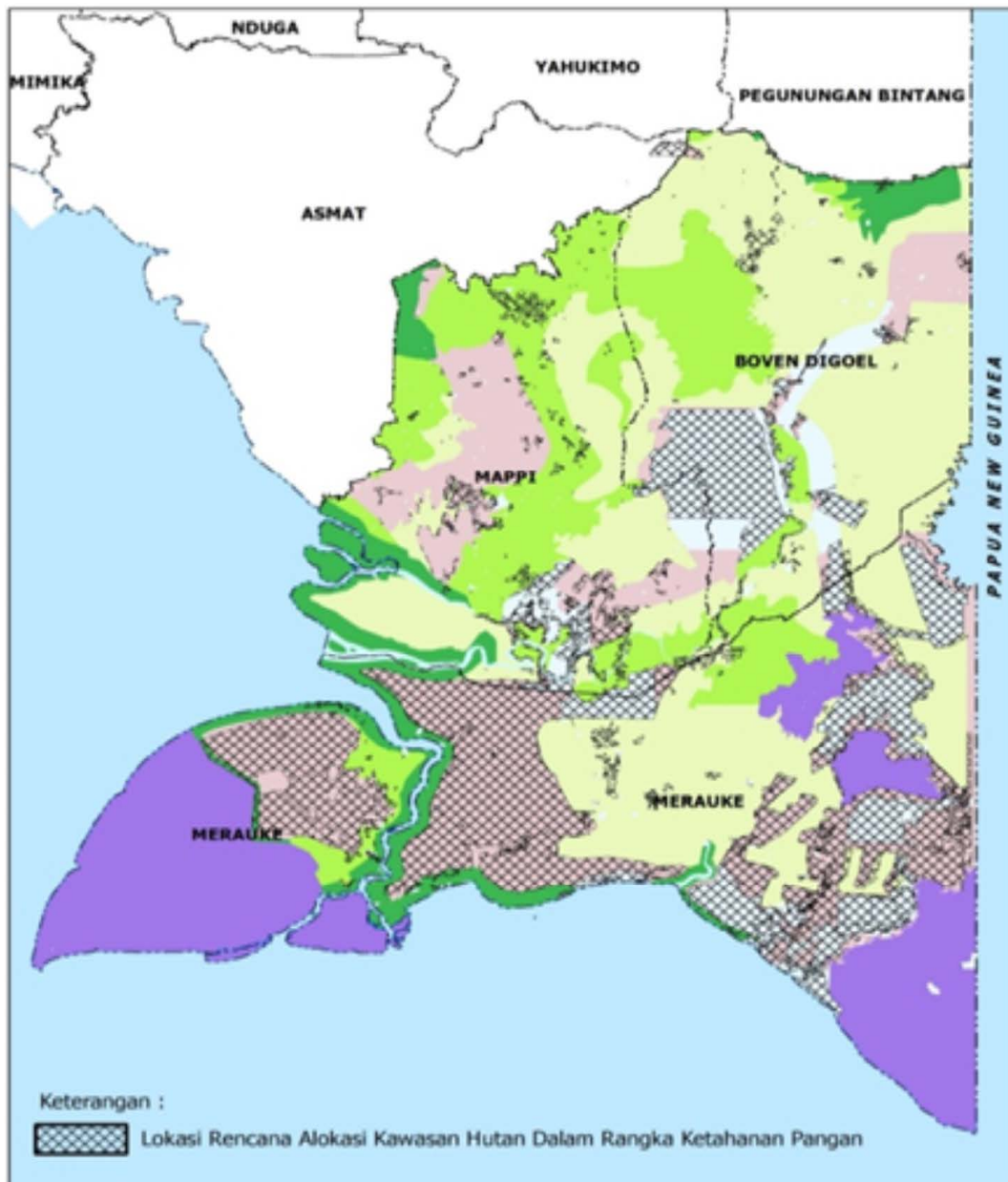
<sup>46</sup> Mongabay, Follow the permits: How to identify corruption red flags in Indonesian land deals, December 2019, <https://news.mongabay.com/2019/12/follow-the-permits-how-to-identify-corruption-red-flags-in-indonesian-land-deals/>

<sup>47</sup> Please note that in the government's document quoted here, several agricultural plantation concessions are included in the *Food Estate Program area*, but there are no logging concessions. In the geo-database (see footnote 45), also shared by the Ministry of Environment and Forestry, there are no plantation concessions included, but are included several tree plantations concessions.



During the meeting by the Regional Spatial Planning Coordination Team held on 17 September 2020, the Director General of Planning of the Ministry of Environment and Forestry released information suggesting a much larger plan, that would involve 2,052,551 ha of land, of which 1,304,574 ha is forest according to the following outline:

- Changes of land use of forest over an area of 1,779,019 ha.
- Changes in the function of Protected Forest covering an area of 243,619 ha.
- Changes in the function of Limited Production Forest (HPT) covering an area of 672,222 ha.
- Changes in the function of Production Forests (HP) covering an area of 863,178 ha.



Map of the planned *Food Estate*. Source: [Ministry of Environment and Forestry of Indonesia](#).

## **Lessons learned: Agribusiness projects in Papua**

As for Kalimantan, the newly announced Food Estate program for Papua follows on the heels of another past disaster: the *Merauke Integrated Food and Energy Estate* (MIFEE). The project was announced in 2010 by the former president Susilo Bambang Yudhoyono, and in 2015 the current president Jokowi announced a similar project. It included conversion of 1.28 million ha to agriculture with the stated aim of ensuring Indonesia's self-sufficiency in food and energy with large land areas granted to 45 companies for the cultivation of the crops.

It is worth noting that the “food project” focused on rice with also palm oil and sugar cane and other commodities used for food in Java, but not in Papua, where people mostly eat sago, together with forest animals, fruits and vegetables, therefore, cutting down sago palm trees in order to produce rice is in fact a direct threat to local food security.

In any case, the project failed to produce large amounts of food crops. Industrialised rice production has never gone beyond demonstration projects stretching on around 100 ha. To date, the only crops have been for export driven commodities, including palm oil and wood-fibre. Key beneficiaries of the project have been large domestic conglomerates, joint venture capital from South Korea (mostly interested in palm oil and wood-fibre), local authorities, and Indonesia's national government.

As a result, however, the project threatened the home and land of 169 villages in the MIFEE area in Merauke. Actually, plantations made it difficult for them to find food, as they lose the forest while the plantation crops are sold into the market, and not made available for the villagers. As an example, local people reported that children died from malnutrition in one of Medco's concession areas - one of the very few companies there actually trying to grow rice.<sup>48</sup>

In the nine years since its inception, the MIFEE project has served as a catalyst for expansion and land conversion by transnational corporations from East and South-East Asia, and resulted in large scale land-grabbing and militarized oppression. Corruption has been rampant, with involvement of controversial companies, often linked to politicians eager to secure concessions and permits which are then sold off for profit.<sup>49</sup>

The corruption, violence, environmental destruction and human rights abuses associated with the MIFEE project raised a growing opposition. A large coalition came together as the Civil Society Coalition Against MIFEE (Masyarakat Sipil Tolak MIFEE) that coordinates exchange among around 30 local and national organisations, such as the Papua NGOs Cooperation Forum (Forum Kerjasama Lembaga Swadaya Masyarakat Papua, Foker LSM Papua), the NGO umbrella for 118 member organisations all over Papua.

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<sup>48</sup> AwasMIFEE and GRAIN, Relaunching destruction in Papua: monoculture agriculture project threatens indigenous lands and livelihoods, August 2015, <https://www.grain.org/en/article/5247-relaunching-destruction-in-papua-monoculture-agriculture-project-threatens-indigenous-lands-and-livelihoods>

<sup>49</sup> Longgena Ginting, Oliver Pye, Resisting Agribusiness Development: The Merauke Integrated Food and Energy Estate in West Papua, Indonesia, 2013, [https://www.ssoar.info/ssoar/bitstream/handle/document/37427/ssoar-aseas-2013-1-ginting\\_et\\_al-Resisting\\_agribusiness\\_development\\_the\\_Merauke.pdf](https://www.ssoar.info/ssoar/bitstream/handle/document/37427/ssoar-aseas-2013-1-ginting_et_al-Resisting_agribusiness_development_the_Merauke.pdf)

The project caused a number of conflicts with local indigenous communities whose land has been given up to transnational companies without consulting them. This was stated in an open letter released on 18 December 2012 by 23 indigenous community members from Baidub, Boha, Bupul, Erambu, Kindiki, Kweel, Muting, Pachas, Poo, and Tanas villages, who signed the Demands and Aspiration of Indigenous Peoples of River (Kali) Ban – River (Kali) Maro, Papua, Merauke, in which they questioned the leasing of their land by the regency government.<sup>50</sup>

Nine years after its launch, the “Merauke Integrated Food and Energy Estate” produced almost no food or energy. It has been a shallow cover for land grabbing and opening up lands to logging, conversion to palm oil or acacia plantations and other export-driven industrial exploitation. With large tracts of undeveloped land increasingly rare in Sumatra and Kalimantan - not to mention in Java - Papua is now seen as the last frontier of available “idle lands”. The fact is that land is not idle nor empty: it hosts one of the most precious world’s rainforests and other natural habitats, and it is traditionally inhabited by hundreds of indigenous populations and provides them with food and other materials traditionally used for subsistence.<sup>51</sup>

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<sup>50</sup> Demands and Aspiration of Indigenous Peoples of River (Kali) Bian – River (Kali) Maro, Papua, December 2012, <https://sawitwatch.or.id/download/Press%20Release%20Eng.pdf>

<sup>51</sup> World Resources Institute, Indonesia, <https://www.wri.org/blog/2018/11/indonesias-last-forest-frontier-3-facts-know-about-papua>

## Papua, a disappearing paradise

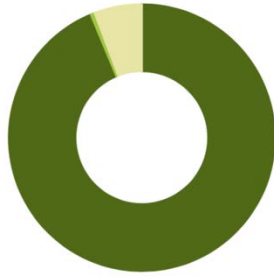
Papua is home to an astonishingly rich endemic biodiversity, as well as human cultural diversity. What is being lost to corrupt logging and palm oil industries represents hundreds of thousands of years of evolutionary history – a loss not just to Papua, but to the world. In light of prior projects, and considering that there has been no much better preparation and long-term analysis of impacts and mitigation measures, the “food estates” proposed once again by the Indonesian government risk to convert forests into palm oil or wood-fibre plantations.



The island of New Guinea hosts the largest intact tropical rainforests in the Asia-Pacific region. But they are threatened by the development of rapacious industries looking for natural resources (timber, minerals) or converting natural forest into oil palm plantations.

The Island of New Guinea is home to the third largest tropical forest in the world after the Amazon and the Congo Basin. The island is divided between Papua New Guinea, and the Republic of Indonesia (Papua and West Papua provinces). Of all regions in Indonesia, these Papuan provinces host the largest tracts of previously untouched primary tropical rainforest. In 2000, 94% of Papua was covered by natural forest. Despite ongoing deforestation, at the end of 2012, primary forest was still estimated to cover 35.2 million ha, or 86.2% of its total land area. By comparison, in Sumatra only 13.4 million ha of primary forest remained, covering only

Natural Forest  
29.4 Mha  
Plantations  
155 kha  
Non-Forest  
1.81 Mha



28.3% of its surface area. Figures for Kalimantan were 27.6 million ha and 51.9%.<sup>52</sup> In this region live 15 - 20,000 species of plants, 602 of birds, 125 of mammals, half of them endemic species, living only in the region. Also 223 reptile species live there, 35% of them endemic.<sup>53</sup> It is no surprise that a recent article in Nature found that New Guinea was the most biodiverse island on earth.<sup>54</sup>

Iconic animals, such as the tree kangaroos, the birds of paradise, rainbow fishes, birdwing butterflies, flourish in these rainforests. In the last two decades more than a thousand new species have been discovered on or near the island of New Guinea: scientists found an average of two new species each week from 1998 to 2008—nearly unheard of in this day and age.<sup>55</sup> The region is home to around 312 different indigenous peoples, speaking hundreds of languages, including some uncontacted groups.<sup>56</sup> Many of these peoples have their own language or dialect, making the island of New Guinea (together with Papua New Guinea) the world’s most dense hotspot of human cultural diversity.



In green the Intact Forest Landscapes (IFLs), in yellow and brown the IFLs recently lost respectively between 2000-2013 and 2013-2016. [Global Forest Watch](#)

<sup>52</sup> Nature Climate Change, Belinda Arunarwati Margono, Peter V. Potapov, Svetlana Turbanova, Fred Stolle & Matthew C. Hansen, Primary forest cover loss in Indonesia over 2000–2012, 29 June 2014, <http://bit.ly/1naAaJH>

<sup>53</sup> Sri Nurani Kartikasari et Al., Ekologi Papua, 2012, <https://sites.lsa.umich.edu/wp-content/uploads/sites/162/2014/09/Kartikasari-Marshall-Beehler-2012-Ekologi-Papua.pdf>

<sup>54</sup> Rodrigo Cámara-Leret et Al., New Guinea has the world’s richest island flora, Nature, August 2020 <https://www.nature.com/articles/s41586-020-2549-5>

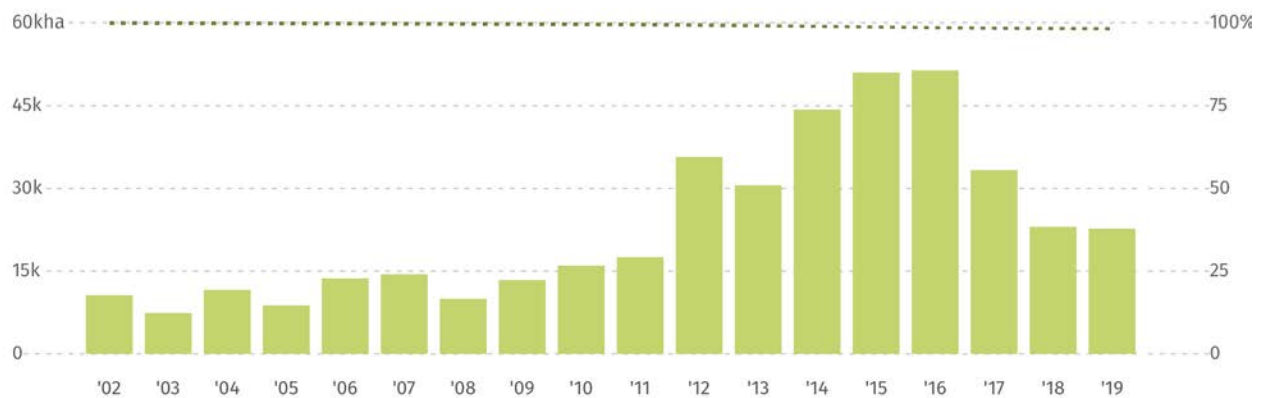
<sup>55</sup> National Geographic, Thousands of New Species Found in New Guinea, June 2011, <https://news.nationalgeographic.com/news/2011/06/pictures/110627-new-species-rare-animals-papua-new-guinea-wwf/>

<sup>56</sup> Survival International, Papuan Tribes, <http://bit.ly/1Vf9gji>

But this is not properly a paradise: with declining forest cover in Sumatra and Kalimantan, Papua is the last frontier of intact forest in Indonesia.<sup>57</sup> In 2019, Papua lost 22,700 ha of primary forest, equivalent to 14.8 million tonnes of CO<sub>2</sub> emissions.<sup>58</sup> Many more species risk becoming extinct even before being discovered by scientists – or right after, as their forests are being wiped out by “development” at a pace never seen.

Having already impacted so massively in Borneo and Sumatra, the logging, palm oil and mining industries have set their sights on the island of New Guinea as the next frontier for expansion. A host of new projects for mining, logging and palm oil plantations have been proposed, and concessions granting access to land have been provided to often corrupt shadow corporations<sup>59</sup> with ties to governments and lack of transparency<sup>60</sup>

### Primary Forest Loss in Papua from 2002 to 2019



Source: [Global Forest Watch](#)

Papua has been under Indonesian military occupation for many years. In the past decades, occasional raids by armed separatist groups have led to episodes of violent and indiscriminate retaliation by the army. The development of plantations and other extraction industries is often linked to tensions, especially when these industries come to occupy traditional lands escorted by police and military officers. The army also has a financial interest in many projects, as it is present in business operations.<sup>61</sup> Since the occupation in 1962, freedom of speech has been massively curtailed and activists often jailed or harassed. Occasional raids by armed separatist forces (Organisasi Papua Merdeka, OPM) have been used to legitimize continued occupation and

<sup>57</sup> World Resources Institute, Indonesia, <https://www.wri.org/blog/2018/11/indonesias-last-forest-frontier-3-facts-know-about-papua>

<sup>58</sup> Global Forest Watch, Indonesia, Papua, <https://www.globalforestwatch.org/dashboards/country/IDN/23/>

<sup>59</sup> Mongabay, A carbon bomb in Papua: 7 takeaways from our investigation, December 2018,

<https://news.mongabay.com/2018/12/a-carbon-bomb-in-papua-7-takeaways-from-our-investigation/>

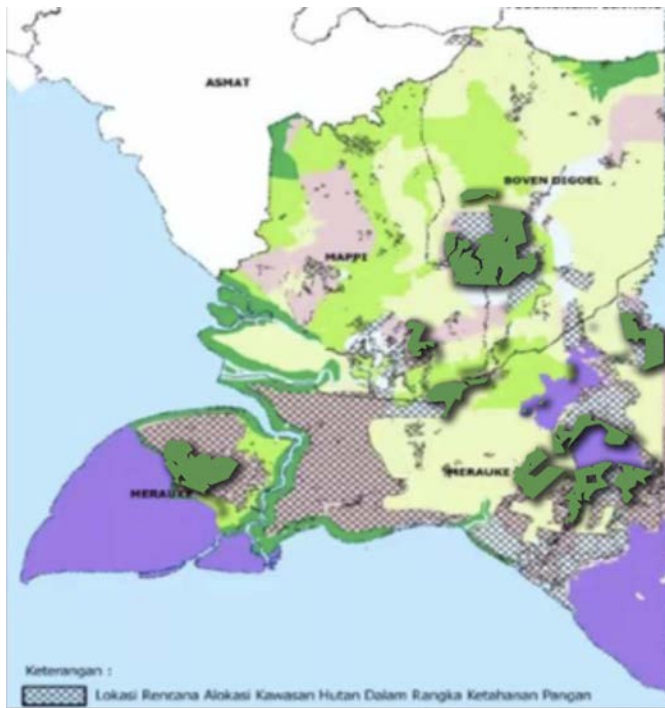
<sup>60</sup> Mongabay, Follow the permits: How to identify corruption red flags in Indonesian land deals, December 2019,

<https://news.mongabay.com/2019/12/follow-the-permits-how-to-identify-corruption-red-flags-in-indonesian-land-deals/>

<sup>61</sup> Awas MIFEE, “Three Years of MIFEE (part 2): First Villages Feel the Impact as the Plantation Menace Spreads”, 23 October 2013, <http://bit.ly/160gEGU>

The International Coalition for Papua (ICF), Human Rights and Peace for Papua, Website, <http://bit.ly/247k6GO> Human Rights Watch, Something to hide? Indonesia’s Restrictions on Media Freedom and Rights Monitoring in Papua, November 2015, <http://bit.ly/1TKFQ9S>

the criminalization of any discussion about independence, and also to silence opposition to land grabbing.



*In dark green, Intact Forest Landscapes inside the Food Estate Program - thus likely to be eliminated.*

Palm oil is the major driver of deforestation. In less than ten years (2005-2014) palm oil plantations expanded from five to 21, while 20 more concessions are finalizing their permits.<sup>62</sup> In 2005, there were 5 palm oil plantations in Papua. Less than ten years later, in 2014, there were 21, with 20 more concessions in permitting processes.<sup>63</sup> Forest cover is diminishing rapidly. In 2001, Papua had 24.5 million ha of primary forest (intact forests), extending over 78% of its land area. By 2019, 22,700 ha of primary forest had been lost - equivalent to 14.8 million tonnes of CO<sub>2</sub> emissions.<sup>64</sup> The pace of

destruction is rapid, but it is not a done deal. There is still time to prevent the catastrophic losses that have occurred elsewhere – on Borneo and Sumatra.

<sup>62</sup> Pusaka, Awas MIFEE & local Papuan organisations, West Papua Oil Palm Atlas: The companies behind the plantation explosion, 5 May 2015, <http://bit.ly/1Mf5qR8>

Quartz, Steve Mollman, Palm oil's new frontier is the vast rainforest covering the world's second-largest island, 26 October 2015, <http://bit.ly/1M0WApM>

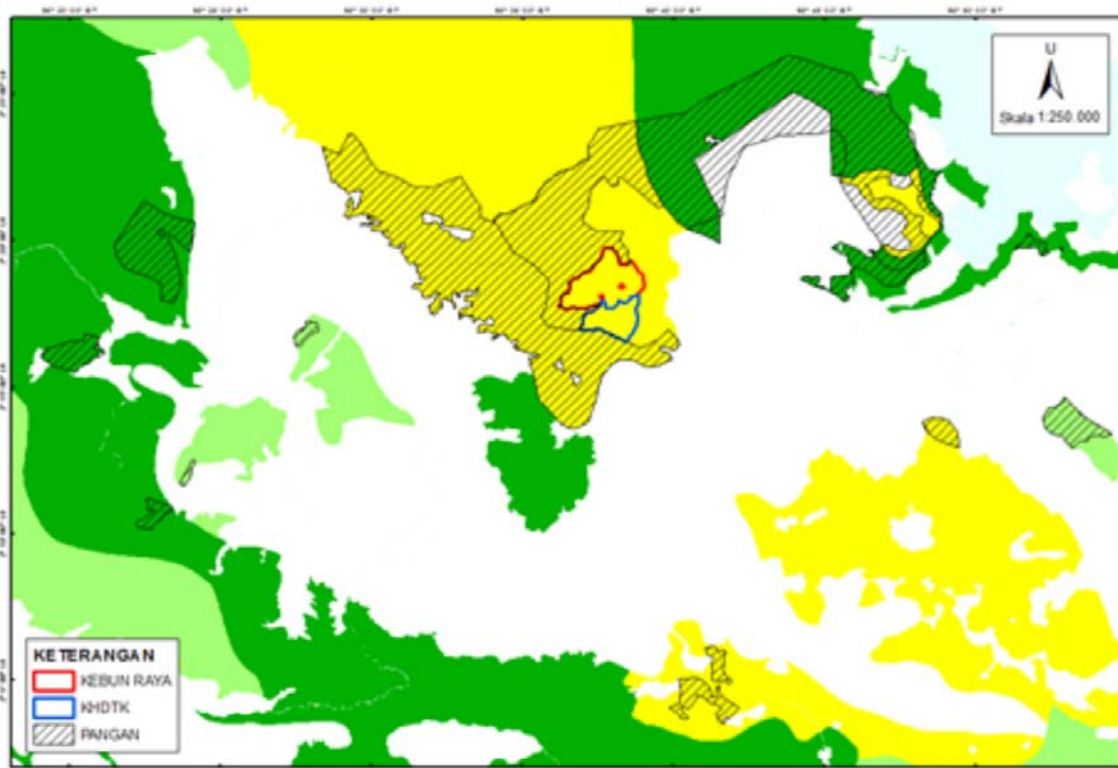
<sup>63</sup> Pusaka, Awas MIFEE & local Papuan organisations, West Papua Oil Palm Atlas: The companies behind the plantation explosion, 5 May 2015, <https://www.forestpeoples.org/topics/agribusiness/publication/2015/west-papua-oil-palm-atlas-companies-behind-plantation-explosion>

Quartz, Steve Mollman, Palm oil's new frontier is the vast rainforest covering the world's second-largest island, 26 October 2015, <https://qz.com/530649/palm-oils-new-frontier-is-the-vast-rainforest-covering-the-worlds-second-largest-island/>

<sup>64</sup> Global Forest Watch, Indonesia, Papua, <https://www.globalforestwatch.org/dashboards/country/IDN/23/>

## North Sumatra Food Estate

In North Sumatra, the government is planning to establish food estates over 30,000 ha, but other sources mention 61,000 ha<sup>65</sup> on the local plateau. They claimed that the colder temperature in these highlands would assure a good climate for potatoes and garlic, and provide a model for expanding these kinds of crops on Papua's vast highlands.



Map of the planned *Food Estate*. Source: [Ministry of Environment and Forestry of Indonesia](#)

The government already identified 19,000 ha in an area already heavily impacted by the pulp and paper producer PT Toba Pulp Lestari (TPL), which controls nearly 185,000 ha and has conflicts with 25 villages, most of which traditional Batak communities.<sup>66</sup> Traditional communities have lost their forest where they harvest benzoin, central to their culture and livelihoods, in a ruthless land conflict that ended up with the jailing of villagers struggling to keep their traditional lands.<sup>67</sup>

According to the Ministry of Environment and Forestry,<sup>68</sup> the project will involve 30,000 ha of forested land. Protection and production forests (respectively HPT and HPK) will be degazetted for conversion into plantations (HPK).

<sup>65</sup> Mongabay, Indonesia's food estate program eyes new plantations in forest frontiers, October 2020, <https://news.mongabay.com/2020/10/indonesia-food-estate-program-papua-sumatra-expansion/>

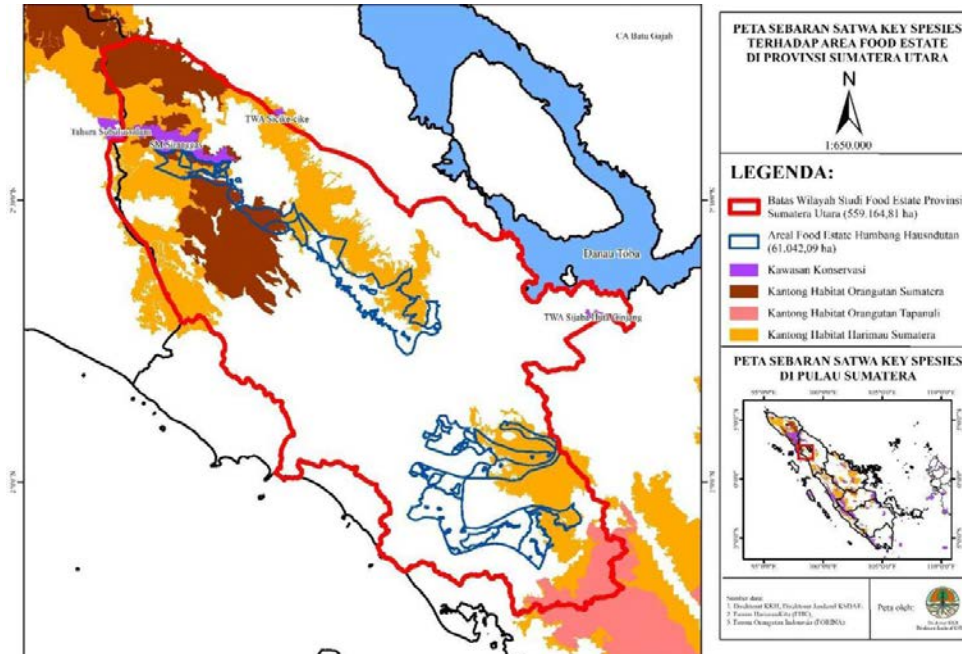
<sup>66</sup> Environmental Paper Network, Conflict Plantations: Chapter 2: Revealing Asia Pacific Resources International Limited's trail of disputes across Indonesia, November 2019, <https://environmentalpaper.org/wp-content/uploads/2019/09/APRIL-social-conflicts-mapping.pdf>

<sup>67</sup> Mongabay, Indonesian indigenous land defenders jailed in fight with pulpwood giant, MARCH 2020, <https://news.mongabay.com/2020/03/indonesia-indigenous-land-sumatra-toba-pulp-lestari-rge/>

<sup>68</sup> Ministry of Environment and Forestry of Indonesia, see footnote 1



The government's map of the food estate program overlaps with 39% of the region's known Sumatran tiger habitat and 8% of Sumatran orangutan habitat and four conservation areas fall within the planned plantation sites: Subulussalam Forest Park, Siranggas Wildlife Sanctuary, Sikice-Kice Nature Park, and Sijaba Hutaginjang Nature Park.<sup>69</sup>



A delineation map of the food estate program overlaid with the map of key species in North Sumatra province, Indonesia, published by [Mongabay](#)

As an example, in the district of Humbang Hasundutan, the Food Estate Program has planned to include 280 ha of land that could potentially impact the village of Pandumaan, according to Delima Silalahi, director of a local NGO called People's Initiative Development and Study Group (KSPPM).<sup>70</sup>

Despite suggestions by civil society organisations to use the food estate program to give back the land to customary communities,<sup>71</sup> nearly 80% of the 1,000 ha of land expected to be planted this year in North Sumatra will be actually managed by agribusiness companies<sup>72</sup> and the government.<sup>73</sup> Five companies, including food giants such as PT Indofood Sukses Makmur and

<sup>69</sup> Mongabay, Indonesia's plantation program on collision course with wildlife, Indigenous groups, January 2021, <https://news.mongabay.com/2021/01/indonesia-food-estate-program-wildlife-indigenous-groups/>

<sup>70</sup> Kompas, Masyarakat Adat Menanti Keberpihakan "Food Estate" Humbang Hasundutan, November 2020, <https://kompas.id/baca/nusantara/2020/11/23/masyarakat-adat-menanti-keberpihakan-food-estate-humbang-hasundutan/>

<sup>71</sup> Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia, Direktorat Jenderal Planologi Kehutanan dan Tata Lingkungan, Rapat Koordinasi Tindak Lanjut, Proses Perubahan Fungsi dan Peruntukan Kawasan Hutan Dalam Rangka Penyediaan Lahan Food Estate di Provinsi Sumatera Utara, September 2020

<sup>72</sup> Respectively: PT Calbe Wings, 200 ha; PT Champ, 250 ha; PT Indofood, 310 ha; PT Karya Tani Semeste, 5 ha; PT Semangat Tani, 5 ha; PT Agra Garlica, 5 Ha; PT AgriIndo Sejahtera, 10 ha. Total land managed by agribusiness companies 785 ha)

<sup>73</sup> Voi.id, Pemerintah Siapkan 61.000 Ha Lahan di Sumut Jadi Kawasan Food Estate, September 2020, <https://voi.id/berita/15005/pemerintah-siapkan-61-000-ha-lahan-di-sumut-jadi-kawasan-i-food-estate-i>

PT Calbee Wings Food, have expressed their interest in taking part in the program.<sup>74</sup> The government is also looking for investors in South Korea, Abu Dhabi, United Arab Emirates, Qatar and China.<sup>75</sup>

Extension of the Food Estate Program by regency and land use		
REGENCY	AREA FUNCTION	AREA (Ha)
KHDTK	Permanent production forests (HP)	500.00
KHDTK Total		500.00
KEBUN RAYA	Permanent production forests (HP)	1,150.00
KEBUN RAYA Total		1,150.00
	Permanent production forests (HP)	16602.00
KETAHANAN PANGAN	Protected forest (HL)	11,000.00
	Permanent production forests (HP)	16,602.00
	Limited production forests (H PT)	785.00
	Non-forest areas (APL)	2,628.00
KETAHANAN PANGAN Total		31,015.00
Grand Total		32,665.00

Detailed plan of land to be converted for the Food Estate program, by gazetted land use.

Source: [Ministry of Environment and Forestry of Indonesia](#).

<sup>74</sup> Republika, Kementan Garap Proyek Food Estate Hortikultura Sumut, July 2020

<sup>75</sup> Kompas, Bertemu Wapres, Prabowo Sebut 4 Negara Tertarik Investasi Program "Food Estate, September 2020, <https://nasional.kompas.com/read/2020/09/03/20044061/bertemu-wapres-prabowo-sebut-4-negara-tertarik-investasi-program-food-estate>

## Conclusions

Food insecurity is a real problem for Indonesia, but the latest FAO reports highlight that malnutrition is worsened by an unhealthy diet, and it recommends increasing dietary diversity and reducing the consumption of rice, fat and sugar,<sup>76</sup> which are in fact what the government encourages to cultivate – rice, palm oil and sugar - and what the Food Estate Programmes will produce. Past experience shows that these projects rarely feed local people but are used instead to produce commodities for export. Local communities lose livelihoods and suffer food insecurity.

In forested areas, there are thousands of people securing their livelihoods with subsistence agriculture or gathering/hunting forest products. Their food production activities are not accounted for in the national GDP statistics (gross domestic product) nor in food production data, as this food is not being commercialized - it is not a commodity sold and brought into the market, but directly consumed in the villages. But once their land and their forests are seized and transformed into industrial food estates, what is now unaccounted food production will immediately become an accountable food deficit. That, translated into common words, would spell as *famine*.

The decision to grant such a vast land area to large-scale agribusinesses to produce export-driven commodities violates both Indonesian and international legislation:

- Indonesian Law No.21 / 2001 on Special Autonomy, granting to indigenous Papuans “the right to utilize the land, forest and water and all their contents according to statutory regulations.”<sup>77</sup>
- Constitutional Court ruling,<sup>78</sup> issued in 2013, recognizing community rights to customary forests, theoretically placing millions of hectares of previously government-controlled forest lands back into the hands of indigenous peoples and traditional landholders.<sup>79</sup>
- United Nations Declaration on the Rights of Indigenous Peoples specifies that “States shall provide effective mechanisms for prevention of, and redress for (...) any action which has the aim or effect of dispossessing them of their lands, territories or resources”.<sup>80</sup>
- ILO C169 - Indigenous and Tribal Peoples Convention.<sup>81</sup>

Announcing such a large-scale project, impacting hundreds of communities, in the middle of the lockdowns caused by the Covid-19 pandemic, seems intended to provide the perfect cover for

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<sup>76</sup> “most Indonesians’ diets do not meet minimum dietary recommendations, but exceed recommended levels of dietary energy intake due to high consumption of rice, sugar and fats” in: FAO, The State of Food Security and Nutrition in the World 2020, <http://www.fao.org/3/ca9692en/CA9692EN.pdf>

<sup>77</sup> Law No. 21 of 2001, On Special Autonomy for the Papua Province, <http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/84431/106436/F207436146/IDN84431%20Idn.pdf>

<sup>78</sup> Normor 35/PUU-X/2012, [https://www.forestpeoples.org/sites/fpp/files/news/2013/05/putusan\\_sidang\\_35%20PUU%202012-Kehutanan-telah%20ucap%2016%20Mei%202013.pdf](https://www.forestpeoples.org/sites/fpp/files/news/2013/05/putusan_sidang_35%20PUU%202012-Kehutanan-telah%20ucap%2016%20Mei%202013.pdf)

The International Coalition for Papua (ICF), Human Rights and Peace for Papua, Website, <http://bit.ly/247k6GO> Human Rights Watch, Something to hide? Indonesia’s Restrictions on Media Freedom and Rights Monitoring in Papua, November 2015, <http://bit.ly/1TKFQ9S>

<sup>79</sup> The Jakarta Post, Restoring forest rights restores sense of nationhood, June 2013, <https://www.thejakartapost.com/news/2013/06/05/insight-restoring-forest-rights-restores-sense-nationhood.html>

<sup>80</sup> ILO, C169 - Indigenous and Tribal Peoples Convention, 1989 (No. 169), [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C169](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169)

<sup>81</sup> Undrip - United Nations Declaration on the Rights of Indigenous Peoples, article 10, [https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf)

failing to engage in proper consultations with communities and indigenous peoples. This blatantly contradicts the principle of Free, Prior and Informed Consent (FPIC) reaffirmed by the Declaration on the Rights of Indigenous Peoples, and contradicts as well FAO recommendations.<sup>82</sup>

A recent press release issued by the Civil Society Coalition Against Food Estate<sup>83</sup> rejected a repeat of the food estate in Papua and asked President Jokowi to stop the food estate development plan in Papua.

It is not clear who will finance the Food Estate Programs. The project in Central Kalimantan alone would require 4.6 Billion USD, no information so far has been shared on the costs for the project in Papua and in other provinces.<sup>84</sup>

The Japan Bank for International Cooperation recently committed to invest USD 4 billion in the establishment of Sovereign Wealth Fund Indonesia, possibly partnering with the Abu Dhabi, Saudi Arabia and United Arab Emirates investment authorities, while another USD 4 billion have been promised by the U.S. International Development Finance Corporation.<sup>85</sup> The Nusantara Investment Authority, as the fund will be known, is set to start operating in early 2021 and is seeking to attract 225 trillion rupiah (USD 16 billion) in investments.

Twenty potential Japanese private investors<sup>86</sup> have been involved in the talks with the Japanese government about the fund.

The Financial Times reported that Indonesia has also approached US private equity firms including Blackstone and Carlyle to take part in a new sovereign wealth fund, seeking to raise up to USD 15bn, marking a test of investors' interest after the country passed sweeping reforms last month.<sup>87</sup> According to the same source, BlackRock, Blackstone, Carlyle and JPMorgan held preliminary talks with Indonesian officials I Squared Capital also confirmed it met online with Indonesian officials to discuss the SWF as well as infrastructure investment opportunities in the country. EIG Partners and Global Infrastructure Partners and Stonepeak are deemed to be interested too, but they declined to comment.

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<sup>82</sup> FAO, Free Prior and Informed Consent: An indigenous peoples' right and a good practice for local communities, 2016, <http://www.fao.org/3/a-i6190e.pdf>

<sup>83</sup> Member of the he Civil Society Coalition consisting of CSOs based in Papua include the Indonesian Forum for the Environment (WALHI) Papua KPCK Synod of GKI in Tanah Papua, the Association of Human Rights Advocates (PAHAM) Papua, the Limited Association for the Study and Empowerment of Indigenous Peoples (pt.PPMA ) Papua, SKP Merauke Archdiocese, Papua People's Network (JERAT), Bentala Rakyat Heritage Foundation, Papuan Franciscan SKPKC, Papua KIPRA and Papuan Voices National Board. Koalisi Masyarakat Sipil Tolak Food Estate di Papua, Hentikan Rencana Food Estate di Papua, September 2020, <https://pusaka.or.id/assets/2020/09/Siaran-Pers-Koalisi-Masyarakat-Sipil-Tolak-Food-Estate-di-Papua-Sept-2020.pdf>

<sup>84</sup> See footnote 28 CNBC Indonesia, Ternyata Bangun Lumbung Pangan Jokowi Butuh Rp 68 T, July 2020, <https://www.cnbcindonesia.com/news/20200710190521-4-171849/ternyata-bangun-lumbung-pangan-jokowi-butuh-rp-68-t>

<sup>85</sup> Bloomberg, Japan to Invest \$4 Billion in Indonesia's Sovereign Wealth Fund, December 2020, <https://www.bloomberg.com/news/articles/2020-12-05/japan-to-invest-4-billion-in-indonesia-s-sovereign-wealth-fund>

<sup>86</sup> Kakarta Globe, Japan Pledges \$4b to Indonesia's Sovereign Wealth Fund, December 2020, <https://jakartaglobe.id/business/japan-pledges-4b-to-indonesias-sovereign-wealth-fund>

<sup>87</sup> Financial Times, Indonesia woos US private equity for new sovereign wealth fund, November 2020, <https://www.ft.com/content/36dbefc2-9478-4b75-98c0-d569ba3c6dce>

The main task of the Nusantara Investment Authority has not been established with the specific purpose of financing the Food Estate Programs, having a clear task of promoting infrastructures across the country, and being established right after the announcement of such programmes, it is legitimate to think that the sovereign wealth fund may become the key vehicle to finance them.

## **Demands**

Banks, development agencies and other institutions may receive requests to support one or more of these Food Estate projects as post-Covid relief. Despite post-Covid relief measures are badly needed, they will only provide relief if they are based on people's needs. Speculation and land-grabbing will only worsen the impact of the pandemic.

Financial institutions should not support projects which ignore the following principles, formulated by NGOs from the regions most likely affected by the Food Estate programs:

- Local and national governments must assure that proper FPIC processes will be implemented, leaving to traditional communities the full right to decide the use of their land and of the resources traditionally used in forests, rivers and other habitats.
- Any project should be based on full recognition of traditional land tenure, as mean to secure people's food sovereignty and security, based on local customary knowledge, and should encourage traditional community management.
- Projects should not encourage resettlements of laborers and peasants from outside the region nor apply the transmigration programs.
- Any part of the project should be defined in a transparent and participatory process, fully involving all indigenous peoples and local communities who are directly and indirectly affected by the project's activities. These communities must have full right to refuse any project they consider to negatively affect their source of livelihood or their living space.
- Zero tolerance towards violence, evictions, intimidation, undue pressure or corruption should represent the bottom ground of any project.
- No conversion or degradation of High Conservation Value Forests and other habitats (HCVs) and full protections of High Carbon Stock (HCS) and peatlands of any depth.
- Environmental risk assessments should be conducted in a transparent way, involving potentially directly and indirectly affected communities, stakeholders, and should cover social risks.
- Projects should integrate environmental restoration and rehabilitation of damaged and lost forest and peat areas, with respect for the knowledge and rights of indigenous peoples and local communities.