

# Peatland and forest

**at serious risk**

**from Merauke food and energy estate development**

- + *350,000 hectares of peatland in three clusters have been excised from the moratorium map*
- + *More than 200,000 hectares of primary forests in the estate clusters are seriously threatened*
- + *Credibility of the estate development and the presidential instruction on the moratorium increasingly undermined*

# Background

The Merauke Integrated Food and Energy Estate (MIFEE) poses a serious threat to the integrity of Papua's primary forests, as there is no doubt that these primary forests will provide the land that will be used to develop its clusters.

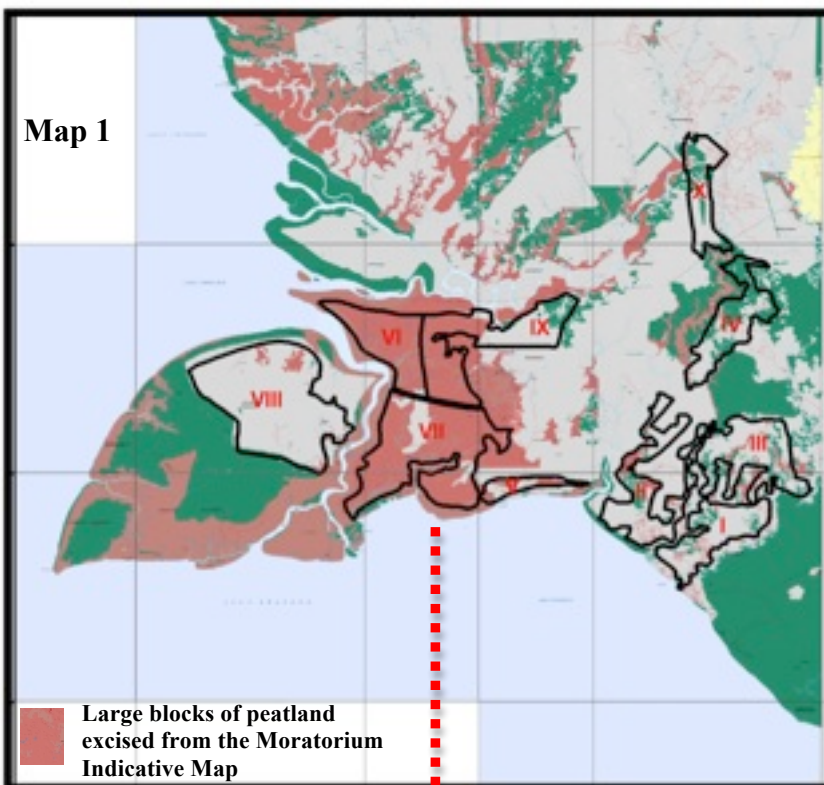
Not only that, hundreds of thousands of hectares involving large blocks of peatland have already been excised from the Moratorium Indicative Map through its first revision on 22 November 2011 (see **Map 1 and 2**). In reality, two of the MIFEE clusters that are partly still covered by primary forest are now earmarked for the development of palm oil plantations.

In this report, we discuss the real and present threats to Papua's primary forest and peatland in the MIFEE clusters following the first revision of the Moratorium Indicative Map. In addition, we will also look at the extent to which primary forest is threatened in the short term in the MIFEE clusters, particularly those zoned for the development of palm oil plantations.

## Methodology

This report uses data taken from the Moratorium Indicative Map, as issued on 17 June 2011, and the first revision of the map, which was issued on 22 November 2011, for the purpose of assessing the changes that have taken place in each MIFEE cluster. The guidance maps for each cluster are based on

the MIFEE Grand Design, which is set out in Presidential Regulation No. 32 of 2011 on the acceleration and expansion of the economic development in Indonesia, 2011-2025. The data and maps were analyzed spatially so as to support the analysis of the extent to which MIFEE's operation threatens peatland and primary forest, particularly in the clusters that are being prioritized in the short term for the development of palm oil plantations.

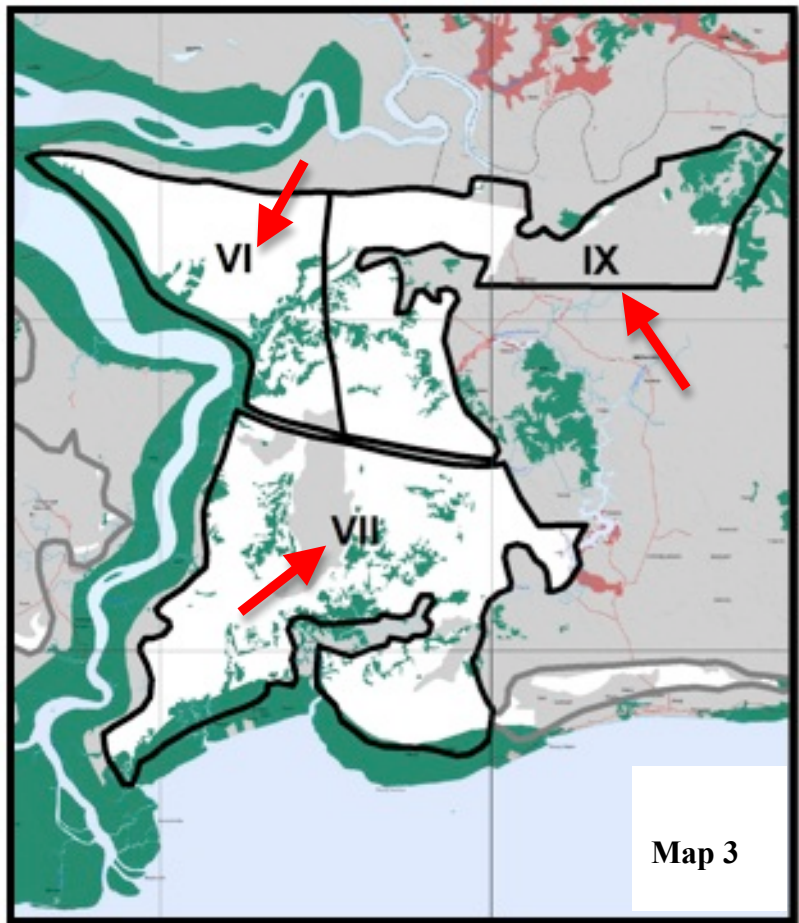


*More than  
400,000 hectares  
excised from the  
moratorium to  
facilitate MIFEE  
clusters*

A total of 406,718 hectares in the MIFEE clusters that were previously subject to the moratorium based on the 17 June 2011 version of the moratorium map have been excised from the map as a result of its first revision (22 November 2011).

Of the abovementioned 406,718 hectares that have been excluded from the moratorium map, 349,678 hectares of peatland, or 86% are located in clusters VI, VII and IX. **In Map 3, losses of peatland in clusters VI, VII and IX are highlighted in white.** While some of the land in these clusters is allocated for the growing of rice – which is categorized as an exception to the moratorium under the Presidential Instruction on the moratorium, which was issued on 20 May 2011.

However, the three clusters still contain 88,818 hectares of primary forest that is subject to the moratorium (see **Map 3, highlighted in green**). It should be noted that not all of the land in clusters VI, VII and IX is allocated for rice cultivation – some is also earmarked for livestock cultivation, and the growing of corn and sago. These are not categorized as exceptions to the moratorium under the presidential instruction referred to above.



Meanwhile, the area subject to the moratorium that was not changed following the first revision of the Moratorium Indicative Map covers an area of 208,905 hectares.

The loss from the moratorium area of more than 400,000 hectares in the MIFEE clusters has been accompanied by the addition of new moratorium land extending to 25,872 hectares. With the addition of this new moratorium area, the net area subject to the moratorium in the 10 MIFEE clusters extends to 234,777 hectares.

# Development of palm oil plantations in two MIFEE clusters

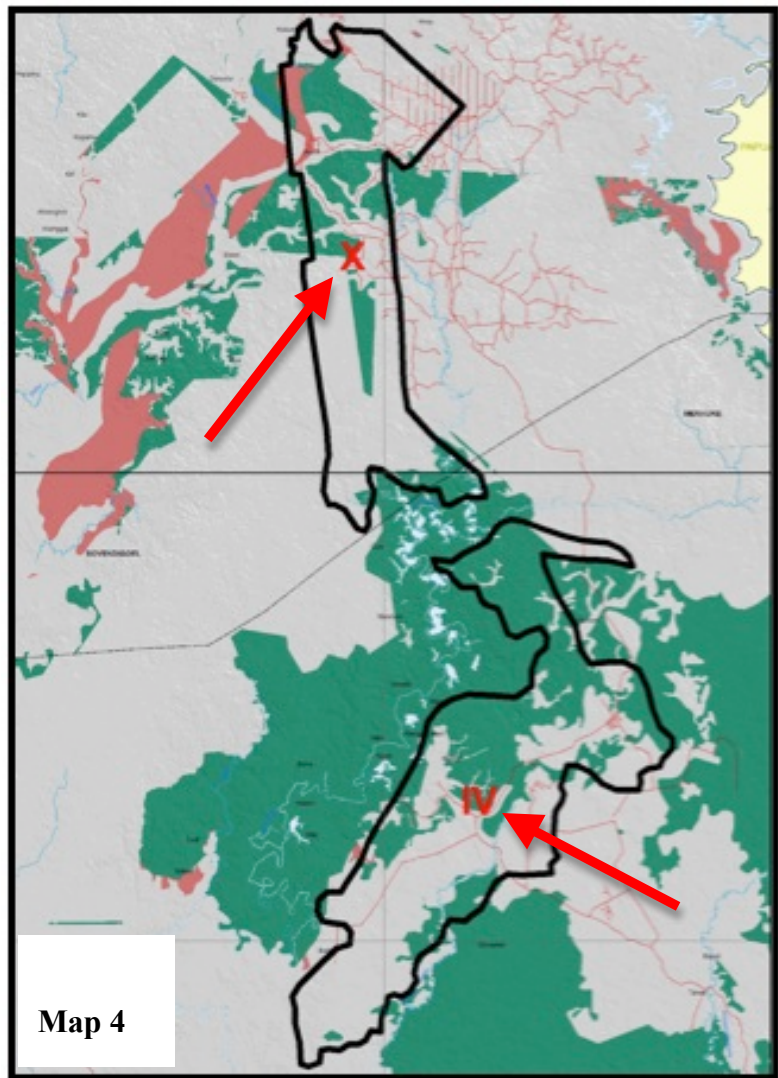
More than 200,000 hectares of primary forest in the 10 MIFEE clusters are threatened.

Clusters IV and X are two clusters – among others – that are earmarked for the development of palm oil plantations.

**Map 4 shows that the concentration of primary forest blocks is still relatively evenly spread in the two clusters, with the total area of primary forest extending to 63,487 hectares.**

Cluster IV contains a total of 42,202 hectares of primary forest that is subject to the moratorium, the majority of which is primary dryland forest, while Cluster X consists of 21,286 hectares of primary forest that is subject to the moratorium, which is dominated by primary dryland forest cover, and a small portion of primary peat swamp forest.

If this primary forest is not excluded from the two MIFEE clusters (IV and X) so that it can be made subject to the moratorium separately, then it is clear that its integrity will be seriously threatened by its conversion to other uses, particularly for the development of palm oil plantations.



# The MIFEE program and its particular focus on the palm oil sector

The attachment to Presidential Regulation No. 32 of 2011 on the acceleration and expansion of economic development in Indonesia, 2011-2025, provides that in order to anticipate future food and energy crises, the Merauke area has been designated as a major producer of food and energy in eastern Indonesia based on the considerations that the land is flat and fertile. The MIFEE project is also described as a large-scale cultivation project, with the total area allocated to the program being 1.2 million hectares, made up of 10 clusters.

**Cluster IV, which is one of those in which palm plantation development will be prioritized, is identified as a priority cluster for development in the short term (2011-2014).** The primary forest cover in Cluster IV is still quite intact. Thus, more than 40,000 hectares of primary forest in Cluster IV is now at serious risk in the short term.

Although Cluster X is earmarked for long term development (2020-2030), **it is not inconceivable that this will be changed to short term development (2011-2014) or mid term development (2015-2019), bearing in mind that Cluster X is relatively near to Cluster IV, which is also earmarked for the development of palm oil plantations.** This means that more than 21,000 hectares of primary forest in Cluster X is also at serious risk of coming under threat in the short or medium term.

Based on data provided in the attachment to Presidential Regulation No. 32 of 2011, Cluster IV and X extend to 52,926 and 65,280 hectares, respectively, giving a total of area for the two clusters of 118,206 hectares.

*It is interesting to note here that the attachment to the Presidential Regulation contains a quite detailed discussion about the MIFEE program in connection with the development of palm plantations, including an analysis on production growth, area of palm plantations, and crude palm oil (CPO) productivity. This discussion is accompanied by figures and graphs that show the anticipated development of the palm oil sector under the MIFEE program.*

In fact, the attachment to the said Presidential Regulation states that special attention will be paid to transportation infrastructure linking palm oil plantations to milling and port facilities.

**On this basis, the development of palm plantations as part of the MIFEE program will be prioritized.**

To date, of the 10 MIFEE clusters, only Clusters IV and X have been earmarked for palm oil plantation development.

**Accordingly, we will need to monitor whether other MIFEE clusters end up being used for the expansion of palm oil plantations on investment and MIFEE program development grounds.**

## **Credibility of MIFEE program increasingly undermined**

The credibility of the MIFEE program will clearly become increasingly undermined, particularly in the

eyes of the international community, if its operation involves the sacrificing of 350,000 hectares of peatland, and the threatened conversion of more than 200,000 hectares of primary forest.

At the present time, the MIFEE program is characterized by pros and cons, from whichever perspective one looks at it. However, it will come to be viewed increasingly negatively if the global public come to see it as a colossal program that will result in the massive destruction of peatland and the clearing of primary forest.

In the context of the moratorium, the fact that the MIFEE clusters were in large part subject to the moratorium at the outset shows that the delineation and determination of the MIFEE clusters needs to be reviewed.

The exclusion from the moratorium of peatland, for example, extending to 350,000 hectares in three MIFEE clusters will not do anything to increase the popularity of Indonesian leaders in the context of reducing global emissions from peatland.

Similarly, more than 200,000 hectares of primary forest is included in the MIFEE clusters, even though the majority of it was subject to the moratorium. Surely, those responsible for the MIFEE project do not wish it to become known as an energy and food production program that involves the destruction of primary forest and peatland.

All of this has the potential to seriously damage Indonesia's credibility. If the MIFEE program is forced to go ahead on primary forest and peatland that in reality should be excluded from the clusters, then the credibility of the entire program will be at stake.

What credibility there still remains will be even further eroded if as a result of the upcoming revision of the Moratorium Indicative Map in May 2012 the primary forest found in the MIFEE clusters is also excluded for whatever reasons or grounds.

## Conclusions

- Primary forest is found in the MIFEE clusters, including blocks of primary forest that are covered by the moratorium and blocks that are not. This fact increases the fears over the sustainability of the MIFEE program over the short term, mid-term and long term. The clearing of primary forest as part of the MIFEE project will also create a negative impression both as regards the MIFEE project itself, and the primary forest moratorium policy, particularly if conversion is resorted to so as to permit the development of palm oil plantations.
- The destruction of more than 400,000 hectares of peatland and primary forest increasingly reveals that the MIFEE program will involve the clearing of peatland and primary forest on a massive scale. Over the short term (2011-2014), MIFEE clusters that contain primary forest will be prioritized for development, including for the development of palm oil plantations. The threat of the conversion of primary forest as part of the operation of the MIFEE program is real and present.

## Recommendations

- It needs to be ensured that the blocks of primary forest that are contained within MIFEE clusters, whether covered by the moratorium or otherwise, are not cleared. This is essential in order to maintain the credibility of the MIFEE program, and the presidential instruction on the moratorium.
- With the excision of large blocks of peatland in the MIFEE clusters from the Moratorium Indicative Map, a review needs to be undertaken of the decision to excluded this land, particularly in Clusters VI, VII, and IX. This review should be conducted by an independent multi-stakeholder team, coordinated by the Indonesian REDD+ Taskforce. This is essential if the MIFEE is not to become seen as another mere excuse for land clearing on a massive scale, and a large-scale source of emissions.

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