

THE CLIMATE SCANDAL?

Indonesia's peatland moratorium areas dominated by a significant expanse of palm oil plantations

Serious concerns exist regarding the implementation of the Norway-Indonesia Climate Change Partnership

Supply chain of IPOP signatories still linked to palm oil sourced from peatland moratorium areas

101°17'52.00"E 00°26'48.75"N - 9 December 2015



BACKGROUND

One of the goals of the Norway-Indonesia Climate Change Partnership – signed in a Letter of Intent in late May 2010 – is to contribute to a significant reduction in greenhouse gas emissions, including those deriving from peatland conversion.

Meanwhile, one of the follow-up measures to the climate change partnership has been the publication of moratorium map for the issuance of new licenses in primary forests and peatlands.

The first moratorium map was published in June 2011 and revisions have subsequently been published every six months since, up until the most recent ninth revision in November 2015.

This report discusses the situation on the ground in the peatland moratorium areas.

It should be underlined that the current Indonesian government inherited from the previous administration map of peatland moratorium areas that are in fact dominated by palm oil plantations.

When Indonesian President Joko Widodo extended the moratorium on primary forests and peatlands by signing a Presidential Decree dated 13 May 2015, the map bequeathed to Jokowi's administration was of peatland moratorium areas already dominated by palm oil plantations, particularly in Sumatra and Kalimantan.

This is most prominently exemplified by what is happening in the peatland moratorium areas in Sumatra's Riau province.

Greenomics Indonesia's spatial analysis, with the use of Google Earth in a time series in Sumatra's Riau province, showed that the majority of the peatland moratorium areas in the province, measuring nearly 1.3 million hectares, is made up of palm oil plantations.

Naturally, this raises concerns, as to the effectiveness of reductions in greenhouse gas emissions from peatland conversion.



101°29'45.28"E 01°37'26.17"N - 12 December 2015

With respect to the implementation of IPOP (Indonesian Palm Oil Pledges), the following very relevant critical questions need to be addressed to IPOP Management: Does IPOP allow IPOP signatories to continue buying palm oil whose supply chain is associated with palm oil plantations located within the peatland moratorium map?

This is an important question to raise, considering that one of IPOP's goals is to enhance the image of the Indonesian palm oil sector. This leads to the question, how can IPOP hope to enhance the image of the Indonesian palm oil sector when the facts indicate that IPOP signatories continue to source palm oil from palm oil plantations situated in peatland moratorium areas?

To address these matters, Greenomics Indonesia not only conducted a spatial analysis, but also performed a case study in Sumatra's Riau province as part of its field observations on peatland moratorium areas.

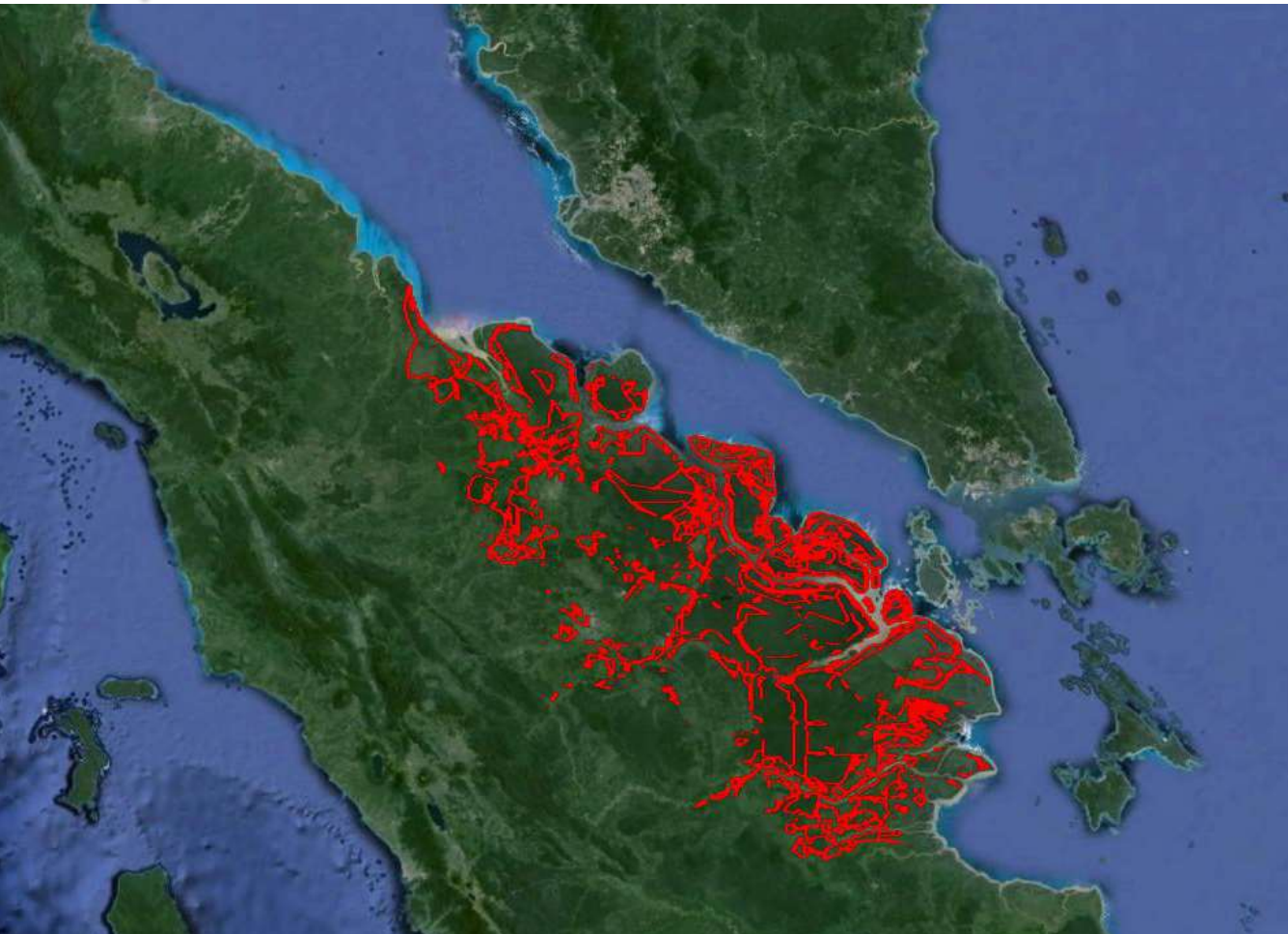
This report seeks to show the current situation of the peatland moratorium areas and also seeks to provide input to the climate change partnership between Indonesia and Norway. The report also questions what concrete steps have been taken by IPOP signatories concerning their supply chain, which remains linked to palm oil sourced from peatland moratorium areas.

A major focus of the report is the presentation of recent evidentiary photographs of the peatland moratorium areas. These are complemented by a number of on-site videos. In the final section, the report delivers some conclusions and recommendations which might be useful for the relevant parties, especially those associated with the implementation of the Norway-Indonesia Climate Change Partnership and IPOP.

METHODOLOGY

The spatial analysis was conducted to view the landcover situation as it pertains to the most recent version of the "peatland moratorium map" (the ninth version published on 20 November 2015). It used USGS Landsat 8 and Google Earth images in a time series.

Field observations were carried out in three regencies in Sumatra's Riau province – Kampar, Siak and Bengkalis – as well as in the municipality of Dumai. These field observations documented, in the form of photographs and videos, the situation on the ground with respect to the peatland moratorium areas (*delineated in red*).



DO PEATLAND MORATORIUM AREAS DOMINATED BY PALM OIL PLANTATIONS LEAD TO SIGNIFICANT EMISSIONS REDUCTION?

We feel compelled to ask why the nearly 1.3 million hectare peatland moratorium areas spread across Riau province are actually largely taken up by palm oil plantations. In fact, there were palm oil plantations of fairly significant size spread throughout the present peatland moratorium areas even before the areas were designated as such.

Because one of the stated objectives of the Norway-Indonesia Climate Change Partnership is to contribute to significantly lower emissions – especially from peatland conversion, the situation in the peatland moratorium areas inevitably gives rise to a serious question: How effective is the Monitoring, Reporting and Verification (MRV) process of the climate change partnership?

It is particularly important that this question be answered by the parties actively involved in the implementation of the Norway-Indonesia Climate Change Partnership.

It seems incongruous that the Climate Change Partnership would expect a decline in emissions from peatland moratorium areas such as this one, if the areas in question are predominantly used for palm oil plantations.

101°40'43.31"E 01°36'43.74"N - 12 December 2015



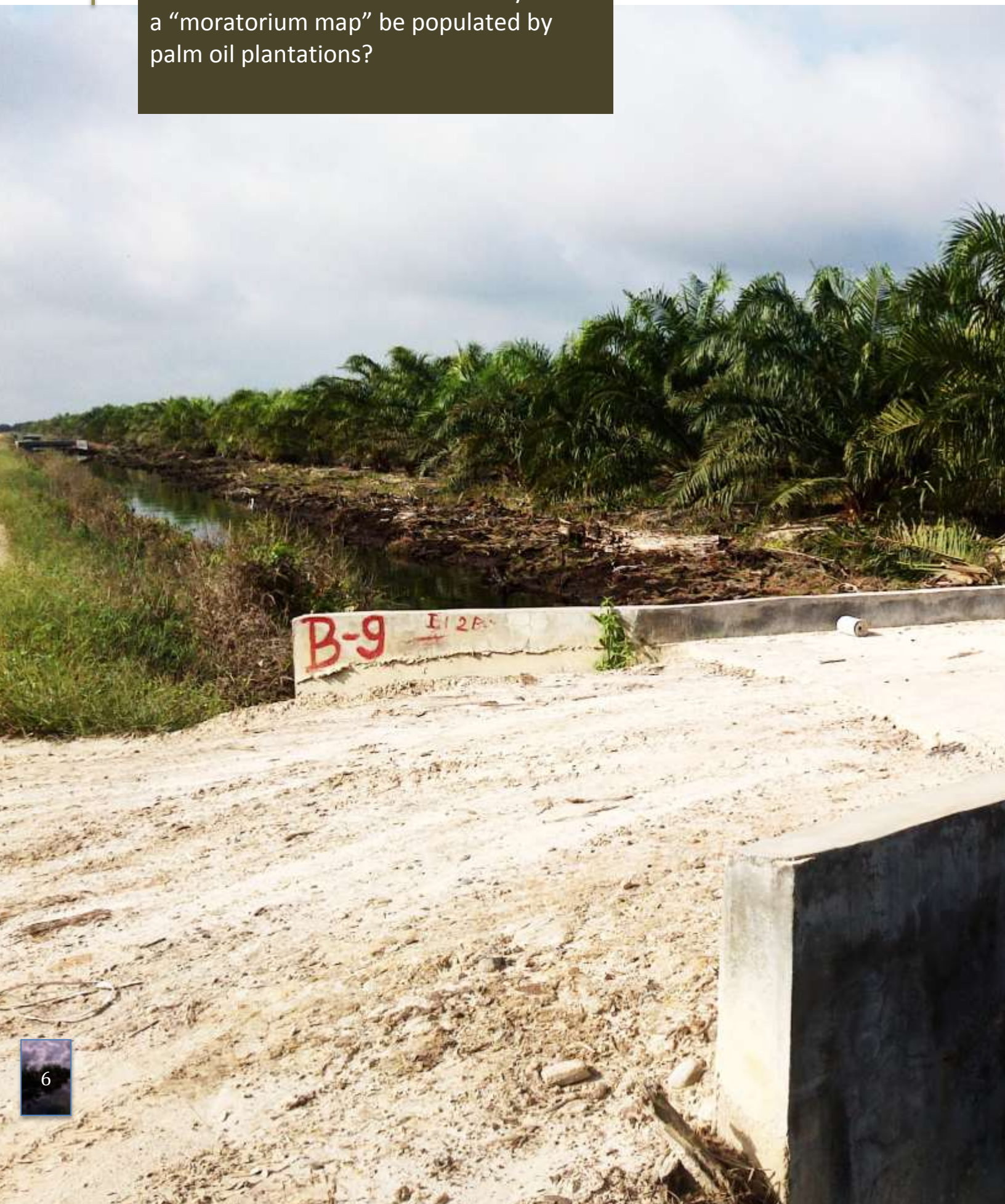
The majority of the peatland moratorium areas in Sumatra's Riau province is dominated by palm oil plantations. Can a decline in emissions really be expected from the peatland moratorium areas?

101°25'50.63"E 00°18'55.81"N - 10 December 2015



How can peatland moratorium areas that have been maintained for several years in a “moratorium map” be populated by palm oil plantations?

101°29'20.98"E 01°36'33.19"N - 12 December 2015





101°40'45.40"E 01°36'34.78"N - 12 December 2015

To what extent have emissions been successfully reduced in peatland moratorium areas dominated by palm oil plantations? These figures are particularly important for us to know as we can learn from them.

Was the Norwegian government aware in advance that the peatland moratorium areas – especially in Sumatra’s Riau province – are in reality dominated by palm oil plantations? Whether aware or not, Norway clearly owes the public an explanation.

101°40'38.42"E 01°37'05.12"N - 12 December 2015



WHAT ABOUT THE SUPPLY CHAIN OF IPOP SIGNATORIES THAT STILL SOURCE FROM PEATLAND MORATORIUM AREAS?

Results of the spatial analysis and field observations conducted by Greenomics Indonesia during December 2015 illustrate the fact that the supply chain of IPOP signatories extends to palm oil originating from the peatland moratorium areas. How can this be?

IPOP signatories, including IPOP Management, should provide an explanation as to what decisions will be taken by the signatories related to the sourcing of palm oil from palm oil plantations located in peatland moratorium areas in general, not just Riau's peatland moratorium areas.

101°17'48.01"E 00°26'46.91"N - 9 December 2015





101°10'19.0"E 01°04'55.5"N - 11 December 2015

IPOP signatories and IPOP Management need to make immediate decisions about how to deal with the issue of supply chains of signatories linked to palm oil sourced from palm oil plantations situated within peatland moratorium areas.

Is IPOP capable of overcoming this problem? Will the IPOP signatories cut off their trading relationships with palm oil plantations situated in this peatland moratorium areas with immediate effect?

There is no doubt that an urgent solution to the problem is required.

IPOP signatories and IPOP Management need to be made aware that a significant part of the peatland moratorium areas dominated by palm oil plantations is still classified as state forest areas, meaning that the sourcing of palm oil from these areas may result in legal complications. The faster the IPOP signatories understand this and make relevant decisions, the better and clearer the situation will be.

101°29'20.92"E 01°36'32.73"N - 12 December 2015





101°17'51.95"E 00°26'48.75"N - 9 December 2015

What is the situation with regard to tracing palm oil which originates from peatland moratorium areas? Is IPOP Management willing to tolerate IPOP signatories continuing to source palm oil from peatland moratorium areas?

How can the image of the Indonesian palm oil sector be enhanced if the supply chain of IPOP signatories is still linked to palm oil sourced from peatland moratorium areas?



101°40'45.28"E 01°36'35.63"N - 12 December 2015

CONCLUSIONS

- The MRV process of the Norway-Indonesia Climate Change Partnership can only be described as vague and deserves to be questioned, especially considering that peatland moratorium areas – as highlighted by the case study in Sumatra’s Riau province – are dominated by palm oil plantations. This situation has been going on for years, from when the first map was published in June 2011 to the most recent revision of the map, published in November 2015.
- The supply chain of IPOP signatories is still linked to palm oil sourced from palm oil plantations located in peatland moratorium areas. This naturally raises some credible concerns, particularly given the vast size of the peatland moratorium areas dominated by palm oil plantations. This is not just the case in Sumatra’s Riau province, but also in other provinces in Sumatra and Kalimantan.

RECOMMENDATIONS

- The MRV process carried out since the implementation of the Norway-Indonesia Climate Change Partnership needs to be explained to the public, including an explanation as to why the facts point to peatland moratorium areas being dominated by palm oil plantations, as is the case in Sumatra and Kalimantan, and particularly in Sumatra’s Riau province.
- IPOP signatories, including IPOP Management, need to take immediate steps to come up with IPOP-based solutions as to how to deal with IPOP signatories whose supply chains are still linked to palm oil sourced from peatland moratorium areas in Sumatra and Kalimantan, and particularly in Sumatra’s Riau province.

Of course, the public doesn't know the background facts regarding why most of the peatland moratorium areas in Sumatra's Riau province are actually taken up by an expanse of palm oil plantations. As such, these background facts should be explained to the public.

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