

SOLUTION TO COUNTER THE ISSUE OF PALM OIL AS DRIVER OF DEFORESTATION AND LAND LEGALITY PROBLEM

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RESUME

One of the topics of environmental issues used in the black campaign is that oil palm plantations are accused of being the main driver of deforestation. The anti-palm oil NGOs, which has often accused that oil palm plantations as the main cause of deforestation, actually they havent information about the history of deforestation in Indonesia. Main causes of forest lost in Indonesia are due to intensive logging especially in Orde Baru era and the impact of forest fires.

This fact also confirmed by study, which is summarizing the history of deforestation, it's showing that oil palm plantations are not the main driver of deforestation in Indonesia. Although deforestation in Indonesia has increased from 68.1 million hectares (1950-1985) to 101.9 million hectares (2000-2017), but the proportion of additional oil palm plantation areas is only 0.4-9.7 percent of the total deforestation in Indonesia. Study of the origins of oil palm plantations in Indonesia also show that most of the land for oil palm plantations development comes from shrublands.

Even though it has been proven that oil palm plantations are not the main driver of deforestation in Indonesia, the existence of oil palm plantations in forest areas has increasingly made anti-palm oil parties use the issue of deforestation to inhibit and phase out palm oil in the global market. Whereas based on Gunarso's study (2020), failure in Sustainable Forest Management (SFM) and improper spatial management policies is the cause of deforestation and oil palm plantation legality problems, so that the government's "sins" must be borne by oil palm plantation actors which have the potential to threaten the sustainability of the national palm oil industry.

Therefore, solutions are needed in order to resolve the legality problem of oil palm plantations as well as answer and counter the issue of deforestation. The solutions in question include the Agreement Spatial Management Policy, the forest designation policy to be returned based on Law 41/1999, and the criteria for determining forest based on satellite image analysis which shows the area of forest covered as the database used for the formulation of regional governance and spatial planning as well as data collected which is reported to international agencies such as FAO.

INTRODUCTION

The environmental issue is widely used by anti-palm oil parties such as NGOs at the multinational and national levels to inhibit the trade of palm oil and its derivatives on the global market in the last decade. One of the topics of environmental issues used in the black campaign is that oil palm plantations are accused of being the main driver of deforestation. The problem of the land legality of oil palm plantations which is considered in forest areas has also further made anti-palm oil parties blaming Indonesian palm oil industry in the issue of deforestation.

The linking of the issue of deforestation with oil palm plantation has also become the paradigm and point of view in formulating green policies in several developed countries that aim to phase out palm oil to protect their domestic vegetable oils. For example, the European Union with the European Green Deal and Communication on Stepping up EU Action to Protect and Restore the World's Forest or the European Forest Policy (PASPI, 2020). This policy includes the ILUC RED II and Delegated Regulation (DR) which have the potential to reduce and eliminate palm oil in the EU feedstock biodiesel market, because they considered that palm oil indirectly caused deforestation (PASPI, 2019). Although the Indonesian Government is currently fighting against the EU Commission at the World Trade Organization (WTO) regarding this policy, however, it is estimated that policies and black campaigns that discriminate against palm oil by raising the issue of deforestation will never stop and are even expected to continue will increase in the future.

Therefore, it needs concrete steps from palm oil stakeholders, especially the Indonesia Government to answer the issue of deforestation through improving governance of the national palm oil industry. This article will discuss the evidence of the origin of oil palm plantations in Indonesia and also present alternative solutions for oil palm plantation governance that directly address the main causes of deforestation in Indonesia.

HISTORY OF DEFORESTATION AND EVIDENCE OF THE ORIGIN OIL PALM PLANTATIONS IN INDONESIA

Tracing the past history, in each country shows that cities, industrial estates, resident settlements, and agriculture area are the result of deforestation which aims to improve the welfare. However, a development that sacrifices forests and the environment by a country will also stop at a point. In the countries of Europe and North America, there is no stopping point for deforestation due to past development processes. So that almost all virgin forests and biodiversity in these countries have long been extinct (Soemarwoto, 1992). Unlike in Indonesia, the principle of preserving the environment, forests, and biodiversity has been considered since the beginning of development through Law no. 41/1999 about Forestry. The law states that Indonesia's forest area is maintained at least 30 percent of the land area.

Like other countries, deforestation also occurred in Indonesia. Based on data from the Ministry of Environment and Forestry, deforestation in Indonesia has occurred since before 1950 with an area of 25.5 million hectares and continues to increase to reach 101.9 million hectares in 2000-2017. However, if deforestation is linked to the development of oil palm plantations in Indonesia, it is very imprecise. Based on data from the Directorate General of Plantation (2018), the additional area of Indonesian oil palm plantations also increased from 105 thousand hectares to 9.89 in the same year period. When compared to the proportion of additional oil palm plantation area, it is only 0.4-9.7 percent of the total deforestation area in Indonesia. This means that oil palm plantations are not the main driver of deforestation in Indonesia. And if not oil palm plantations, what sectors are using the 25-92 million hectares of forest land that is lost or deforested?

The anti-palm oil NGOs, which has often accused that oil palm plantations as the main cause of deforestation, actually they havent information about the history of deforestation in Indonesia. During the Orde Baru era in 1969-2000, the Ministry of Forestry granted massive logging permits

without control as reflected in the amount and size of Forest Concessions Permit (Hak Pengusahaan Hutan/HPH) to logging companies (Kartodihardjo and Supriono, 2000). The area of HPH during the Orde Baru era was recorded at 61.7 million in 1993 and 69.4 million hectares in 2000 (Ministry of Forestry, 2014). Meanwhile, unrecorded logging activity estimated around 95 million hectares of production forest (as stipulated by TGHK in 1984) have become logging areas during that period (PASPI, 2016).

The intensive logging activities during the Orde Baru era were also reflected in the production of logs. According to BPS data, log production reached 8.1 million cubic meters in 1969 and increasing to 22.3 million cubic meters in 1980 and 37 million cubic meters in 1990. The intensive logging activities in that era also made Indonesia be the largest log producer country in the world. However, this also has implications for the extent of Indonesia's forest which is lost and degraded.

This data also confirmed by the Gunarso et al., study (2013), which states that the causes of forest lost in Indonesia are due to intensive logging and the impact of forest fires. The combination of these factors causing progressive degradation of the forest landscape into agroforestry land or shrubs land. Massive and intensive logging

activities, especially on the Sumatra, Kalimantan, and Sulawesi during the Orde Baru era has resulted degraded forest lands and turned into abandoned shrubs and shabby former barracks for logging workers.

The ex-logging area was used as a land reserve for development (land of Bank) in the Orde Baru government so that it could be reused, most of which was converted for the development of other sectors or cultivation areas. The utilized ex-logging land which was used both for new settlements (transmigration programme) and for agricultural land including oil palm plantations.

This fact also confirmed by Fahmudin and Gunarso's study (2019) shows that most of oil palm land in Indonesia during the 1990-2018 period came from agricultural land (agroforestry) with a share of 23 percent (Figure 1). The issue that discredits oil palm plantations in Indonesia came from forests is a false issue. This study shows that the use of primary forest (undisturbed upland forest) for oil palm plantations are very small only 0.4 percent. Most of the land for oil palm plantations comes from shrubs and grasslands both in the highlands (18 percent) and around swamps (13 percent) and also secondary forest or disturbed upland forest (11 percent).

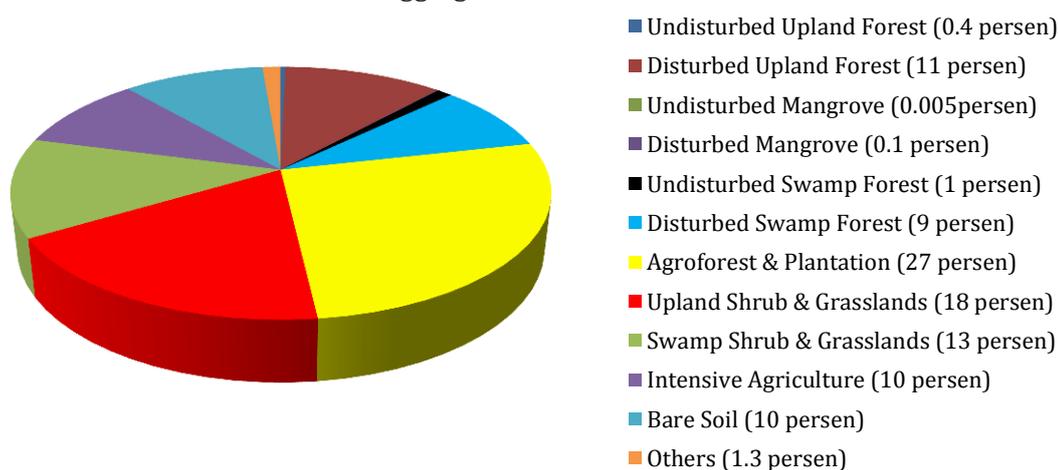


Figure 1. The Origin Land of Indonesian Oil Palm Plantation during 1990-2018 (Source: Fahmudin and Gunarso, 2019)

SOLUTIONS TO RESOLVING ISSUES AS A DEFORESTATION DRIVER AND LAND LEGALITY

Based on the explanation above, it has been proven that oil palm plantations in Indonesia come from agroforestry lands. Even oil palm plantations are restoring abandoned scrublands that were used by logging activities which have caused degradation in forest areas. This fact shows that the issue of the black campaign related to oil palm plantation as the main and the only one cause of deforestation in Indonesia is a false issue. Although this has been proven by studies, but this fact has not been able to counter the massive negative campaign.

On the other hand, the Indonesian Government through the Coordinating Ministry of Economics Affairs has released data that shows around 3.4 million hectares of oil palm plantations are in forest areas, consisting of 115 thousand hectares in nature reserves, 174 thousand hectares in protected forests, 454 thousand hectares in limited production forests, 1.4 million hectares in production forests, and 1.2 million hectares in conversion production forests. This data seems to "agree with" the issue published by an anti-palm oil NGOs that oil palm plantations cause deforestation in Indonesia.

To resolve the legality problem, Indonesian government has issued policies to improve the governance of oil palm plantations, such as a moratorium for oil palm plantations. However, according to Gunarso (2020), the palm oil industry governance policies carried out by the government are considered incapable of resolving the issue of deforestation and forest management in Indonesia. This is because the main cause of deforestation in

Indonesia have not yet resolved. The main factor cause deforestation in Indonesia is the failure of Sustainable Forest Management (SFM) and spatial planning policies. These two proles should be found solutions first, so that the problem of land legality of oil palm plantation in forest area can be resolved, as well as can counter the issue of deforestation.

Gunarso's study (2020) by taking a case study in Central Kalimantan shows that there has been a drastic change in the proportion of forest area and non-forest area (Area Penggunaan Lain/APL) including for oil palm plantations in a relatively short period of time (Figure 2). In the pre-reformation era, the proportion of forest area was 73 percent and non-forest area was 27 percent in 1993, then it changed to 66 percent of forest area and 34 percent of non-forest area. The proportion of forest and non-forest area in Central Kalimantan has also changed again during the post-reformation period as stated in Regional Regulation 08/2003 (63% forest, 37% APL) and re-changes to Regional Regulation in 2007 (56% forest, 44% APL). However, these two regulations have not been agreed upon and approved by relevant stakeholders, especially the Ministry of Environment and Forestry. In 2012, a Constitutional Court decision was issued which was legalized based on the designation of the Minister of Forestry (based on SK 529/Menhut II/2012), where the non forest area was reduced by only 17 percent, while the forest area was 83 percent. The Central Kalimantan government has also re-issued Regional Regulation 5/2015 by using the proportions according to the designation of the Minister of Forestry in 2012, but until now it is not clear whether the Regional Regulation has been confirmed or not by the Minister of Environment and Forestry.

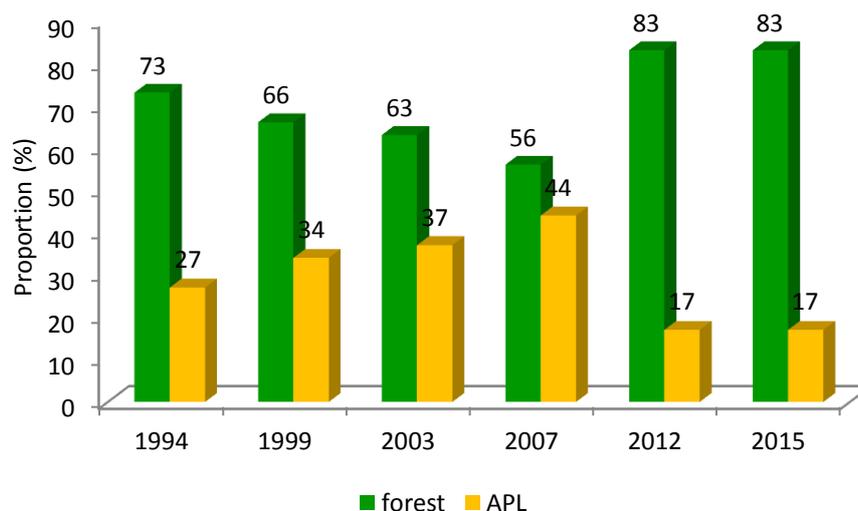


Figure 2. Changes in the Proportion of Forests and Non-forest Areas (APL) in Central Kalimantan (Source: Gunarso, 2020)

The decreasing non-forest area in Central Kalimantan due to policies that changed in short-term period is one of the reasons for the large area of oil palm plantations in forest areas. In the field, oil palm plantation companies and smallholder farmers who invested in oil palm development before the reformation or before 2003, whereas during that period the area of non-forest area that could be used for oil palm plantations was still high around 27-37 percent. However, after the designation of the Minister of Forestry in 2012, the area of non-forest was drastically reduced to only 17 percent of the total area of Central Kalimantan. The implication is that oil palm plantations are considered illegal because of the plantations they had developed before 2012, were located in forest area.

Meanwhile, Central Kalimantan forest cover data in 2015 shows the area of forest cover using satellite imagery is only 7.64 million hectares or the proportion is 49 percent, while the proportion of non-forest is 51 percent (7.76 million hectares). If we compare the forest cover data with the forest area designation by the Minister of Forestry in 2012 (the proportion of forest is 83%), it shows that there is no synchronization data.

This condition reflecting the failure of forestry governance by both central and local governments. This government failure must now be borne by oil palm plantation actors, especially smallholder farmers who cannot participate in the replanting program (PSR) and ISPO certification, so that it could threaten the

sustainability of the national palm oil industry. Therefore, a solution is needed in order to resolve the legality problem of this oil palm plantation.

Professor of the Faculty of Forestry at Bogor Agricultural University, Petrus Gunarso, in his study also explained short and medium-term solutions to resolve the legality problem of oil palm plantations IN forest areas, all at once they can answer the issue of deforestation in oil palm plantations. The Agreement Spatial Management Policy is a win-win solution to solve the problem of overlapping forests and oil palm plantations in Indonesia. Even though this policy will reduce forest area, but the government can improving forest quality of existing forest that have been degraded but not been planted with oil palm by carrying out rehabilitating. A similar policy was carried out by Indonesia Government in the 1980s regarding the Agreed Forest Use Management Policy.

Meanwhile, the medium-term solution to dealing with legality and deforestation issues is that because of the ability to evaluate and monitoring using satellite imagery, the criteria for designating forests must also match with the reality on the field. For example, Indonesia's report to the Food Agricultural Organization (FAO) regarding forest area must be based on an analysis of satellite imagery that shows the area of forest covered by forest, not the area chosen as forest area.

CONCLUSION

Based on a study summarizing the history of deforestation, it's showing that oil palm plantations are not the main driver of deforestation in Indonesia. Although deforestation in Indonesia has increased from 68.1 million hectares (1950-1985) to 101.9 million hectares (2000-2017), but the proportion of additional oil palm plantation areas is only 0.4-9.7 percent of the total deforestation in Indonesia. Study of the origins of oil palm plantations in Indonesia also show that most of the land for oil palm plantations development comes from shrublands.

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