



# Ecosystem Restoration Concession (ERC) Development in Indonesia

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# The Global Partnership of BirdLife International

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The global Partnership for **nature** and people



# Burung Indonesia



## Species Conservation

Globally threatened species conservation and parrots conservation



## Priority Site

- Small islands in Wallacea region
- Globally important and threatened natural forest ecosystem



## Habitat

Lowland forests and small island ecosystem



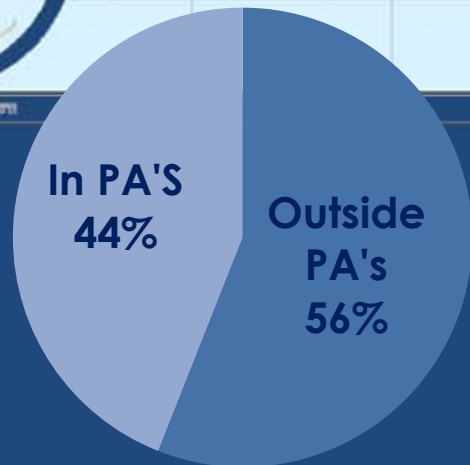
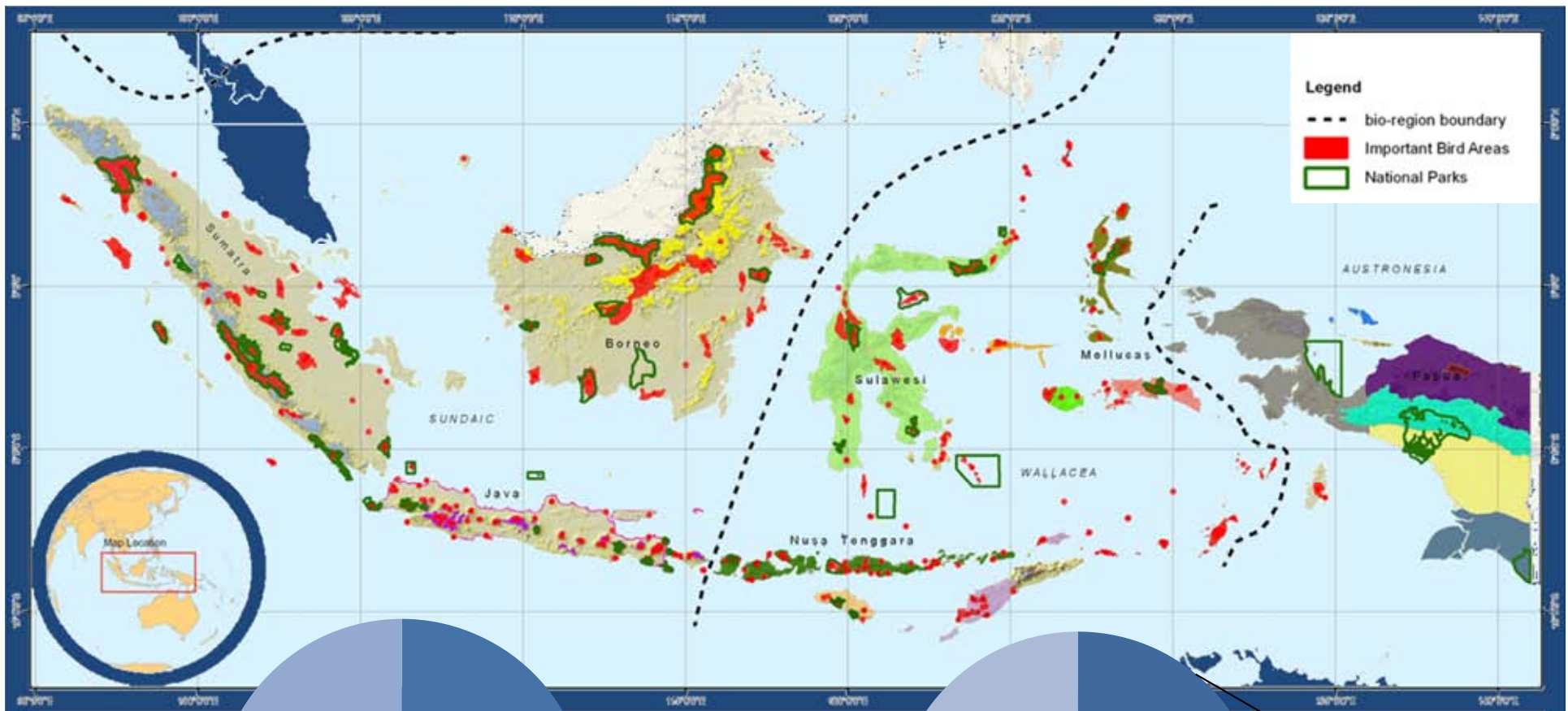
## People

- Conservation partnership and stakeholder collaboration
- Private support for environmental education and awareness

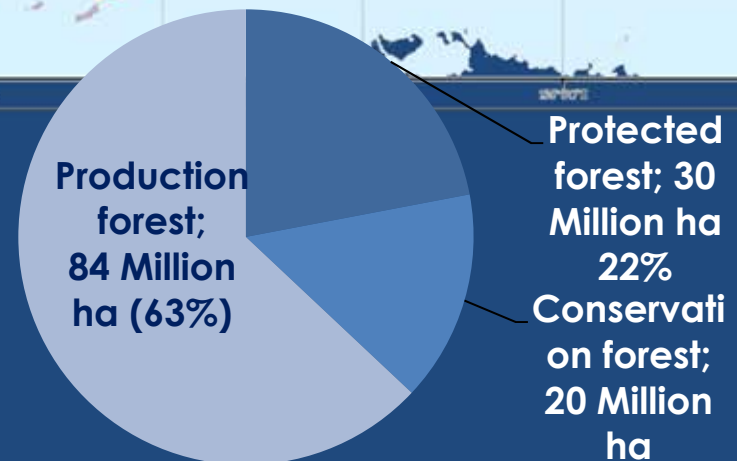


## Implementing Unit

- Protected area management
- Ecosystem restoration in production forests
- Productive landscape management



**Most Important Bird and Biodiversity Areas (IBA) are NOT PROTECTED;**



**Most of the forest areas for production purposes**

# Lowland forests in Sumatra: threatened habitats

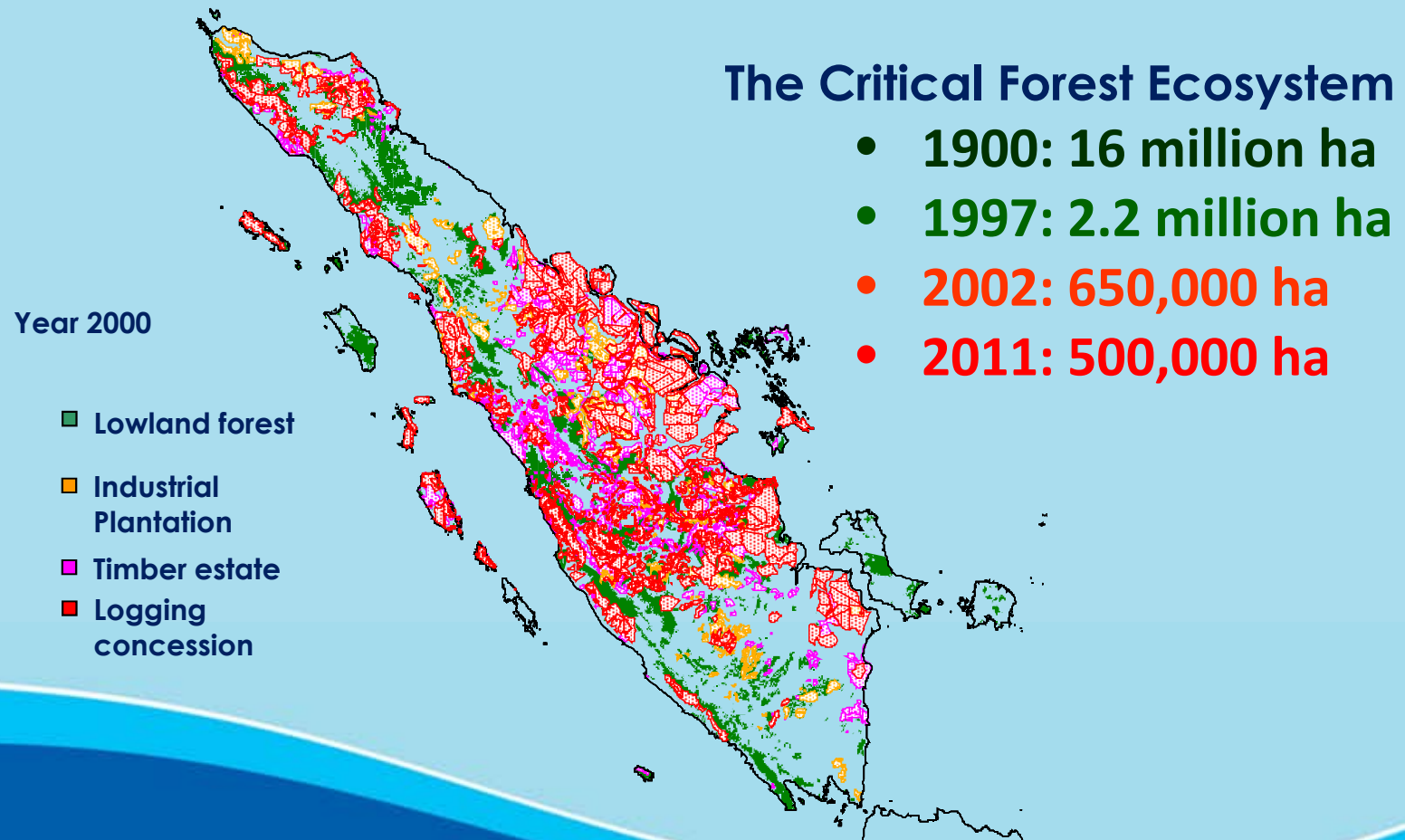




Foto: Dok. Burung Indonesia



# Production Forests: Challenges

- Ex-logging concessions are not managed and became “*open access*”
- Encroachment and illegal logging leads to ecological degradation
- Economic and political pressure for conversion to other land uses (e.g. agriculture, plantations)





# ERC: Reversing the Trend in Forest Loss and Degradation

- 60 (+ 35) years of management rights
- Logging moratorium
- Restoring ecological function
- Innovative financing through non-wood base businesses

# Key ERC Policy Milestones





# ERC: maintaining natural forest habitats

Stages	Unit of ERCs	Hectares
Licenses granted	12 ERCs in 7 Provinces	480,093
Licenses to be granted	2 ERCs in 2 Provinces	203,471
Licenses in process	2 ERCs in 2 Provinces	100,188
Total expected by 2014: 16 ERCs covering <b>783,752 Ha</b>		

# Utilization of (permanent) Production Forests

## Existing

Utilization	Areas (Ha)
Logging concessions	22,091,877
Timber plantations	13,392,712
Community timber plantations	853,900
<b>ER Concessions</b>	<b>480,093</b>

36.9 M ha  
Open  
access



## Indicative allocations

Allocation	Areas (Ha)
Logging concessions	5,221,939
Timber plantations (incl. community)	5,953,571
Village forests/community forestry	708,710
<b>ER Concessions</b>	<b>2,695,026</b>

Directorate General of Production Forest Utilization,  
Ministry of Forestry, 2013



# ERCs in Indonesia

No	License holder (year)	Province	Area (Ha)
1	PT. Restorasi Ekosistem Indonesia (2007)	South Sumatera	52.170
2	PT. Restorasi Ekosistem Indonesia (2010)	Jambi	46.385
3	PT. Restorasi Habitat Orangutan Indonesia (2010)	East Kalimantan	86.450
4	PT. Ekosistem Katulistiwa Lestari (2011)	West Kalimantan	14.080
5	PT. Gemilang Cipta Nusantara (2012)	Riau	20.265
6	PT. Rimba Raya Conservation (2013)	Central Kalimantan	37.151
7	PT. Sipef Biodiversity Indonesia (2013)	Bengkulu	12.672
8	PT. Rimba Makmur Utama (2013)	Central Kalimantan	108.255
9	PT. Gemilang Cipta Nusantara (2013)	Riau	20.450
10	PT . Karawang Ekawana Nugraha	Sumatera Selatan	8,265
11	PT . Sinar Mutiara Nusantara	Riau	37,100
12	PT . Global Alam Nusantara	Riau	36,850
		Total	<b>480,093</b>

## Proposed Criteria to be added for ERC allocation

- Forest areas that have important flora and fauna habitat especially for endemic, threatened and endangered species (i.e., IBAs, KBAs)
- Forest areas that should be protected due to the ecological functions (watershed, peat land, high slope, and karst).
- Forests that are important for sustainable community livelihoods partnerships.
- Forest areas that are important for landscape connectivity of intact natural forests and/or conservation areas (for connectivity conservation).



# Conservation outside protected areas

Forests Areas  
under ERC policy

All ERCs in  
INDONESIA

Natural habitats  
in ERCs

Existing + expected  
by 2014 :  
**783,752 Ha**

Further  
development:  
**2,695,026 Ha**

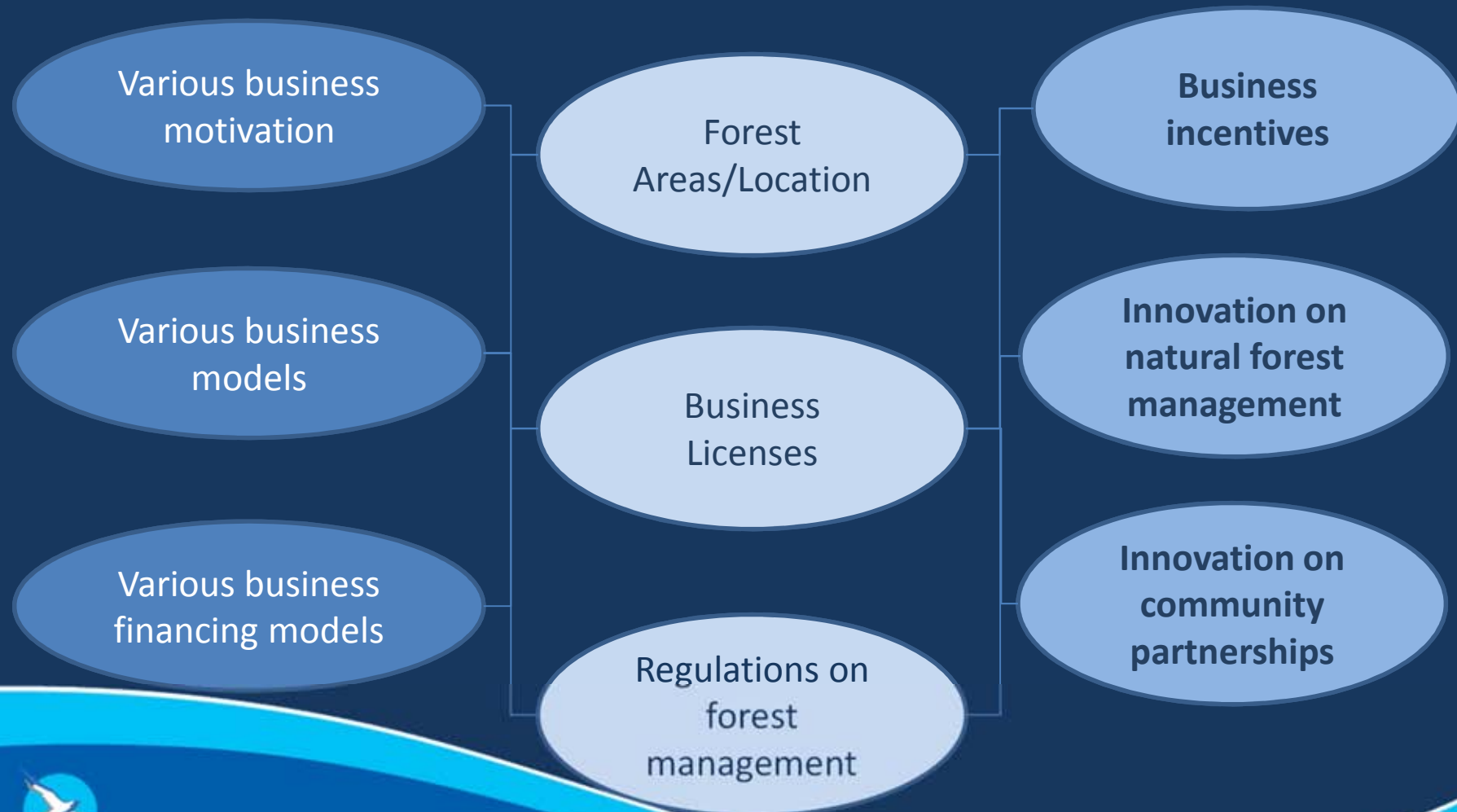
Bird and  
Biodiversity  
Important Areas  
in ERCs

Coverage on IBAs:  
at least  
**100,000 Ha**

Coverage on IBAs:  
at least  
**330,700 Ha**

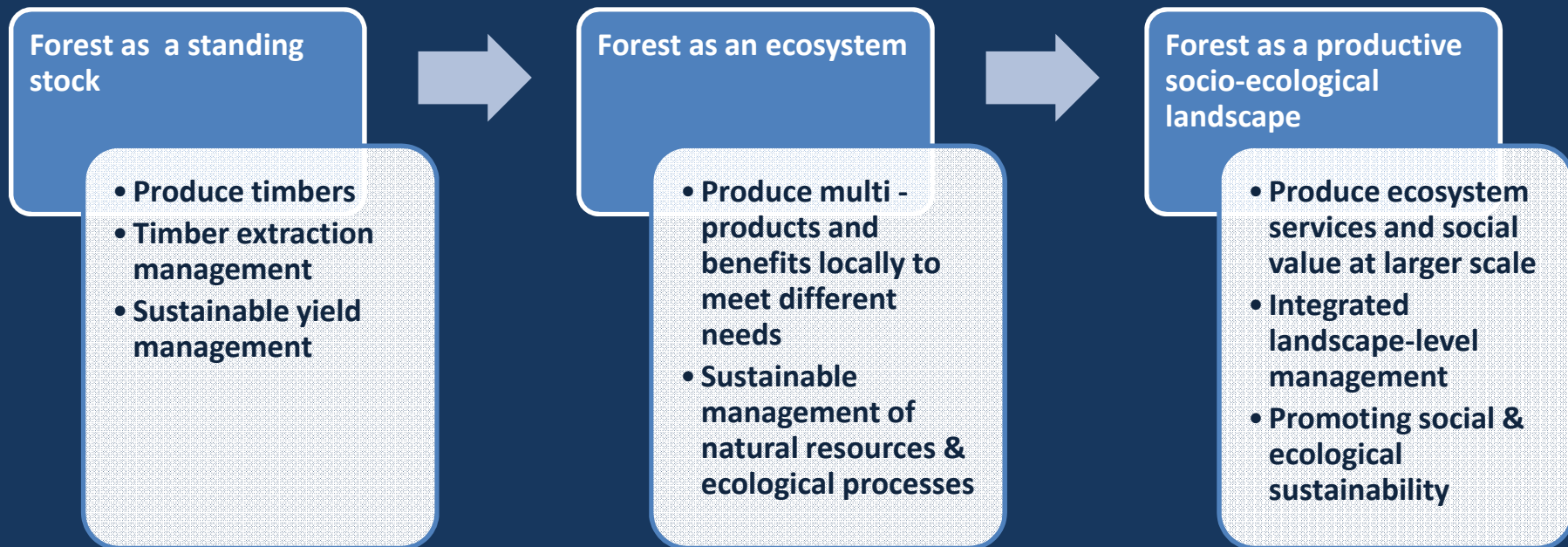
DATA NOT TO BE QUOTED,  
ANALYSIS on PROGRESS

# ERC Business and Management: some issues





# ERC: an opportunity to move from timber based forestry to ecosystem based forest management



## Potential Contribution of ERCs to Aichi Targets



**Target 5** Reducing rate of natural habitat loss (forests, etc)



**Target 11** Increasing % terrestrial habitats protected through area-based conservation measures integrated into the wider landscape



**Target 12** Reducing rate of loss / improving status of threatened species



**Target 14** Restoring and safeguarding essential ecosystem services benefiting the poor and vulnerable.



**Target 15** Enhancing ecosystem resilience & contributing to climate change mitigation and adaptation by conserving & restoring forests

# Many Challenges...

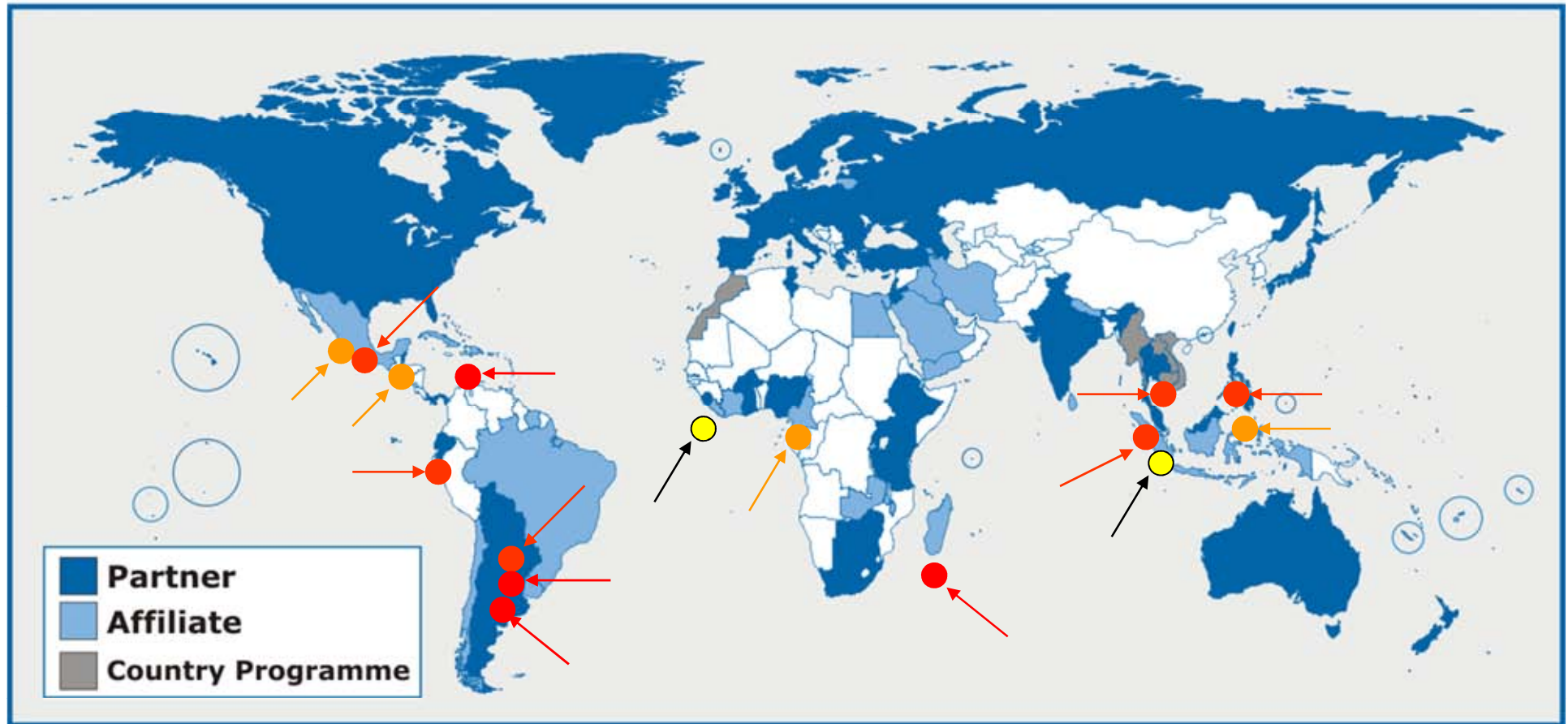
- Designated forests tend to be fragmented , in remote areas, and isolated
- The area's business potential has still to be properly assessed
- Designated areas often smaller than area originally proposed
- Lack of clarity & complexity of regulations on commercialization of NTFP, environmental services, and other products
- Regulations still reflect management approaches suited to logging concessions (i.e. still timber-oriented)
  - ERC performance monitoring still in the spirit of logging concession management
  - Forest management based on block system instead of zoning for different purposes
  - References to silvicultural techniques rather than restoration



# More Challenges...

- **Financial Sustainability**
- **No fiscal incentives for business development (including for socially & environmentally responsible business)**
  - High investment (prepaid license fees) = logging concession and timber plantation
  - No support fund from government.
- **Resolving land use conflicts** (encroachment, illegal logging, etc)
- **Achieving good forest governance**
- **Integrating into landscape-level land use & dvlpmt planning**

# The Harapan Rainforest inspired BirdLife's Global "Forests of Hope" programme



Terima kasih