East Kalimantan is an Indonesian province on the island of Borneo covering an area just under 50,000 square miles (129,000 square kilometers). One of Indonesia’s wealthiest provinces, both ecologically and economically, it contains vast mineral deposits and 18 million acres (7.3 million hectares) of tropical forest. It is home to approximately 3.43 million people, including indigenous Dayak and Kutai, Javanese, Chinese, Banjarese, Bugis and Malay, as well as an estimated 10% of the world’s wild orangutan.

Natural resources are immensely important to the region’s economy, but East Kalimantan’s natural wealth and the well-being of its people are now in jeopardy due to a 30-year legacy of forest loss and degradation caused by unsustainable logging, palm oil production and mining. East Kalimantan has lost a higher proportion of its forests than any other province in Indonesian Borneo.

There have been development gains, but in too many cases forest loss has not brought local economic benefits; in the worst cases it has contributed to widespread fires linked to El Niño events that have impacted indigenous forest communities and eliminated wildlife habitats.

The province has taken steps to transition to a more sustainable, forest-friendly model of development. In 2008, the Provincial Government created its Reducing Emissions from Deforestation and Degradation (REDD+) Working Group and began supporting a range of initiatives at district and project levels. In 2010, the Governor led the launch of the first Green East Kalimantan Strategy and created the Provincial Climate Change Council to drive it forward. Along with Governors from 22 other nations, he signed the “Rio Branco Declaration” to reduce tropical deforestation in 2014.

Recognizing that its ambitious goals demand the province transform its natural resource governance and management on an even larger scale, in May 2016 the Governor of East Kalimantan announced plans to develop a Green Growth Compact. He led a consortium of 19 Compact signatories – from the district government, companies...
(oil palm, forestry, and oil and gas), communities and civil society – in signing a joint declaration of intent to develop the Compact by the end of 2017.

East Kalimantan Green Growth Compact is centered around two interrelated targets:

- to reduce deforestation by at least 80% by 2025 and restore enough forest to make up for any remaining deforestation; and
- to increase economic growth by 8% while reducing emissions by 1,000 tonnes of CO$_2$e per US$ 1 million GDP by 2030.

The details of the Compact are currently being determined, but action so far includes agreeing to a REDD+ Provincial Strategy and Action Plan, launching a low carbon growth strategy and Action Plan for Reducing Greenhouse Gases, and issuing a moratorium on new licenses for mining, forestry and palm oil. Six logging concessions – covering around 955,000 acres (386,000 hectares) – in East Kalimantan have already made new commitments to achieve international sustainability standards, whereas some have been or are in the process of being certified by the Forest Stewardship Council.

The Nature Conservancy has been working to encourage sustainable forest management by communities and forest concessions in East Kalimantan for more than 15 years through some of our most ambitious forest projects. We are one of the leading NGO partners of the Green Growth Compact.

**WHAT’S NEW?**

The Green Growth Compact has sprung from an exceptional combination of factors: acute environmental pressures motivating communities; NGOs and other partners working on the ground to encourage local capacity and engagement; natural resources industries recognizing the damage and hence the need for new approaches; strong and sustained leadership at the provincial level; and the inspiration and support provided by global-level initiatives like REDD+, the Rio Branco Declaration and the Paris Climate Agreement. The province has been selected as Indonesia’s only pilot province for the global Forest Carbon Partnership Facility. These driving forces are helping raise the ambition of the Green Growth Compact and elevate East Kalimantan to become a world leader in the transition towards sustainable forest management and low-carbon growth.

One initiative currently encouraging this transition is the Berau Forest Carbon Program (BFCP) – a partnership program amongst governments, communities and the private sector – in East Kalimantan’s Berau District, where TNC has played a major role as a catalyst. BFCP is the only jurisdictionally based REDD+ demonstration activity in Indonesia supported by an NGO. It is the foundation for scaling up our lessons learned to the East Kalimantan provincial level within the Green Growth Compact framework. TNC is translating REDD+ into an on-the-ground incentive mechanism that rewards people for stewarding forests in ways that ensures their survival and retains their stored carbon. We have developed approaches, methodologies and tools to support communities and logging companies in reducing emissions from their daily practices, for example, the “SIGAP” (Communities Inspiring Action for Change) community engagement approach reduces emissions at the community level.

TNC is also working with timber concessionaires to meet national and international standards, and implementing Reduced Impact Logging Practices to Reduce Carbon Emissions (RIL-C), such as developing tools to support sustainable palm oil and incentive mechanisms for RIL-C. In addition, we are supporting the formulation/improvement of policies that advance governance and management of forest and non-forest areas. A key goal of BFCP is to secure nearly 1 million acres (400,000 hectares) of forested land and watersheds under effective management and protect the habitat of 1,500 orangutan.

TNC is also active in the development of the prototype initiative the Essential Ecosystem Area (KEE) for Orangutan in the Wehea-Kelay landscape, which covers a 760,000-acre (308,000-hectare) corridor. A partnership between government authorities, communities, NGOs, and logging and palm oil companies, this is the first large-scale cross-sectoral collaboration in Indonesia prioritizing the implementation of best land and forest management practices to protect orangutan habitat.
WHAT CHANGES DO WE WANT TO SEE IN THE WORLD BECAUSE OF THIS PROJECT?

East Kalimantan is a microcosm of the world’s sustainable development challenges, and is stepping up to become a pioneer of addressing them through collaboration and leadership – the Green Growth Compact will demonstrate how local-level commitments and partnerships can have a global impact. The province’s sustainable transformation aims to conserve what remains of one of the world’s most biologically rich forests, save the imperilled orangutan, and prevent the release of huge reserves of forest carbon.

We want to see more regions recognizing the value of conserving their natural capital and bringing together broad coalitions of partners able to generate smart, long-term solutions.

HOW DOES THIS PROJECT CONTRIBUTE TO ‘GREEN DEVELOPMENT’?

By introducing smart land use practices to East Kalimantan, we can keep forest areas productive, building a strong local economy for generations to come while also halting the loss of irreplaceable forest. The Compact partners are planning and testing innovative models of, among others, responsible palm oil and timber production, which could spur forest conservation worldwide.

To shift to a green growth trajectory, East Kalimantan must first address long-standing governance challenges linked to community land tenure, forest concessions, oil palm companies, and spatial planning. Solutions are being pursued through a five-pronged approach:

- **VILLAGE GREEN GROWTH** – including land use and green development plans for community access to forest resources and stronger forest management rights.
- **FOREST MANAGEMENT REFORM** – including the establishment and strengthening of Forest Management Units, and a plan for the pulp and paper sector that identifies areas best – and worst – suited for development.
- **EFFECTIVE CONSERVATION MANAGEMENT** – including forest protection and plantation management, and compensation commitments by palm oil and forestry companies.
- **VISUALIZING SUCCESS** – including contributing to economic growth that helps to increase regional GDP and job opportunities, reduces carbon emissions and enhances human welfare, and securing a greater area of forests under traditional and local community management.
- **SUSTAINABLE PALM OIL** – including a plan identifying areas best suited for development, ensuring company commitments align with government policies and licensing requirements, improving the ability of smallholder farmers to enter larger-scale supply chains, and increasing palm oil yields while reducing plantation areas.

If successful, the Green Growth Compact could inspire similar action and ambition elsewhere in Indonesia, and beyond.

WHAT ADDITIONAL BENEFITS ARE LIKELY AS A RESULT OF INTERVENTION IN THIS AREA?

The most significant extra benefit will be the protection of the globally important carbon sink provided by the province’s forests, mangroves, and peatlands. Improved forestry and logging practices can reduce emissions by 30 percent without reducing harvest levels. Healthy forests and riparian corridors will also help reduce flooding and sedimentation, and lessen the risk of widespread fires like the ones that engulfed the region in 2015. East Kalimantan’s coral reefs already enable a vibrant ecotourism industry; if developed carefully the tropical forests and their wonderful wildlife could do the same.

WHO ARE THE MAIN ACTORS?

The Green Growth Compact is co-led by the East Kalimantan Governor and the Ministry of Environment and Forests, in collaboration with committed partners including district/ municipality heads, scientific institutes and universities,
natural resource corporations (representing the palm oil, forestry, coal, and oil and gas industries), village and indigenous leaders, development agencies, and The Nature Conservancy.

The Provincial Climate Change Council (DDPI) acts as the focal point for the coordination of the Compact. TNC is supporting DDPI by providing process support and technical advice in developing the Compact, and by helping it create a Design Team of leaders and influencers in the province to help maintain overall strategic coherence and to support day-to-day operation of the Compact.

WHAT NOW?
By the end of 2017, key partners will agree to a Green Growth Compact, including an overall roadmap and detailed plan for refining policy and practice solutions for its full-scale implementation. The Compact will be signed by: the Governor; the Minister of Environment and Forestry; at least five District “Bupatis”; five palm oil and forestry company CEOs; ten village leaders; five local and national NGOs; and two international NGOs and development agencies, including TNC.

DDPI will work with these partners on a set of prototype initiatives that focus on developing early examples, models, products or systems to test key solutions. Each prototype initiative will be led by a “backbone organization” and address a key challenge for green growth in the province.

Shifting East Kalimantan onto a sustainable, forest-friendly development pathway is an ambitious goal that depends on deep cross-sector cooperation. When successfully implemented, the Green Growth Compact will inspire the change needed to achieve the lasting prosperity and inclusivity critical for conserving tropical forests and combatting climate change on a global scale.

WHAT’S OUR DREAM HEADLINE?
“East Kalimantan shows it is possible to achieve sustainable, inclusive growth benefitting orangutan, forests and people.”

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FURTHER INFORMATION
These factsheets are part of a global series highlighting TNC’s work around the world to improve agricultural practices as demand for food and land increases.

The Nature Conservancy is a global conservation organization dedicated to conserving the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world’s toughest challenges so that nature and people can thrive together. We are tackling climate change, conserving lands, waters and oceans at unprecedented scale, and helping make cities more sustainable. Working in more than 65 countries, we use a collaborative approach that engages local communities, governments, the private sector, and other partners. To learn more, visit www.nature.org or follow @nature_press on Twitter.