

Rights, forests and climate briefing series – October 2011

ACEH: The Ulu Masen REDD+ Pilot Project

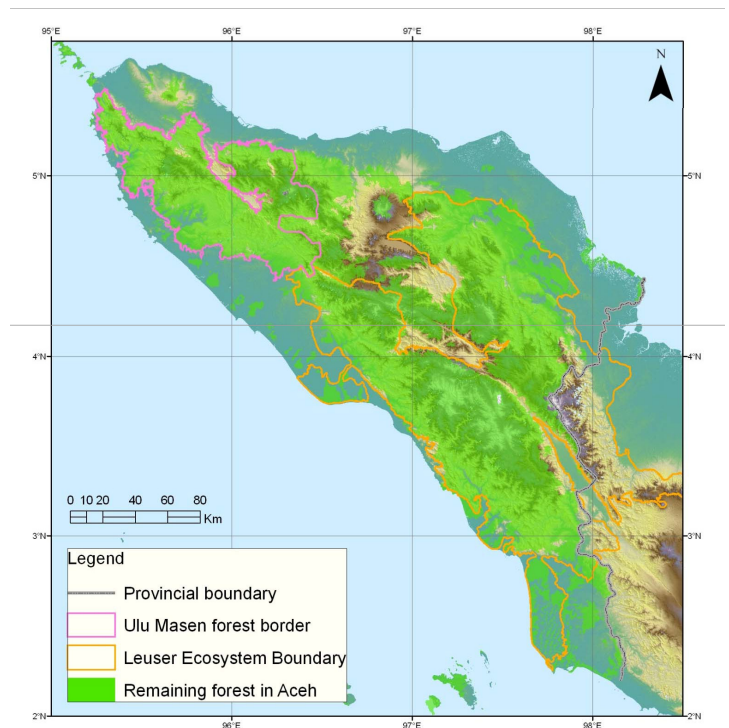
The Ulu Masen project was developed by the Provincial Government of Aceh with the assistance of Fauna and Flora International (FFI) and the carbon brokerage firm, Carbon Conservation. On achieving the Climate, Community and Biodiversity (CCB) standard, the government of Aceh completed a pre-purchase agreement with Merrill Lynch (now Bank of America), whereby the bank agreed to purchase eventual certified emission reductions at a price of four dollars per ton of avoided carbon dioxide emissions. The project hopes to reduce emissions of CO₂ by about one hundred million tons over a 30 year period. The Government of Aceh has stated that the funds generated by the project will be used in their entirety for the welfare of Acehnese people, with 50% of revenue going to the communities whose customary lands overlap with the project.

The Ulu Masen REDD+ pilot project in Aceh, northern Sumatra was the first REDD+ project in the world to meet the Climate Community Biodiversity (CCB) design standard. The CCB standard was developed for the voluntary carbon market and is being used by the majority of REDD+ pilots to assure investors and buyers of the quality of their projects. The CCB standard for REDD+ was originally developed for the design phase but is now also being used to assess and certify the implementation of REDD+ pilots.

Aceh has the largest remaining area of natural forests on the island of Sumatra, covering some 3.3 million hectares. The Ulu Masen REDD+ Pilot Project covers 750,000 hectares of forests in northern Aceh. Up to 2006, a civil war in Aceh meant that it was too dangerous to log or clear forests in the mountains, and deforestation rates remained low. After a peace agreement was signed in late 2005 between the Indonesian Government and the Free Aceh Movement, the annual rate of logging and clearing in the forests covered by Ulu Masen reached about 35,000 hectares by 2007. The REDD+ Pilot project there seeks to reduce this rate

of forest loss by 85% and to generate revenues through the sale of certified carbon dioxide emissions reductions.

To meet the CCB standard for project design, the project had to show that the affected communities had been consulted and had agreed to the proposed REDD+ plan, thereby respecting the right of the communities to give or withhold their Free, Prior and Informed Consent (FPIC). The Ulu Masen Pilot area overlaps with forests traditionally used by about 200 villages, each with between 500 and 1,000 residents. The forests customarily used by these villages are under the management of *Mukim*, traditional inter-village institutions for decision-making on lands and resources lying outside the agricultural boundaries of the villages. The Ulu Masen project overlaps with the territory of about seventy *Mukim*.



Map of Aceh and Ulu Masen

In the design phase, the government of Aceh, in cooperation with Fauna and Flora International and Carbon Conservation, consulted with the leaders of many of the affected *Mukim*, and informed them about the intent of the project. The head of each *Mukim* is a traditional elder who is elected by the communities that he represents. However, many among the 200 villages have yet to be informed about the project, and formal and organised negotiations with the seventy *Mukim* regarding plans for implementing the project have yet to take place.

In the second half of 2011 and in 2012, the Aceh Government and Fauna and Flora International plan to conduct detailed consultations with each of the *Mukim*, in order to obtain their Free, Prior and Informed Consent to the project, and to develop detailed plans for implementation and benefit sharing. The government REDD+ Task Force has said that it will respect the right of communities not to be involved in the REDD+ plan, although in practice this may be difficult. As far as the government is concerned, the remaining forests in Ulu Masen should remain forests, and communities should not clear them for agricultural purposes.



Mukim discuss government plans for Ulu Masen

Several issues could make the sustainable implementation of the Ulu Masen project challenging, particularly in terms of respecting indigenous peoples' rights and reducing deforestation. Despite being five years into the development phase, the Ulu Masen Pilot Project does not have a strong legal basis to manage the forests within the project site. Although the national forestry ministry has developed REDD+ regulations, they do not respect the rights of indigenous peoples and they have not accepted the plan from the government of Aceh for the Ulu Masen project. Even though the Aceh Governor imposed a moratorium on logging in Aceh in 2009, as far as the National Ministry of Forestry is concerned, the industrial logging permits which it issued in the 1990s to a dozen companies to operate in Aceh are still valid, and thus any REDD+ proposal in Aceh should come

from and provide compensation to these existing logging concession holders.

One means to establish a legal basis for the project is through the Aceh provincial legislature, which can pass laws building on the special autonomy law for Aceh, which was enacted in 2006. A draft law on the role of *Mukim* in managing natural resources has been presented to the provincial parliament for five years but there is little chance that it will be passed in 2011.

Another avenue for establishing the legal basis for the Ulu Masen project would be a decree from the Governor, who has been a champion of the Ulu Masen project since it was conceived in 2007. Such a decree (or decrees) would recognise the *Mukim* as the rightful managers of community forests, and set out the way in which the REDD+ project will cooperate with them. In mid-2011, the Governor of Aceh issued a decree recognising the right of five coastal *Mukim* to manage their adjacent coastal waters and associated fisheries. Five *Mukim* are in the process of completing mapping of their customary areas, and it is expected that once their maps are complete, the Governor will issue a decree recognising the management rights of the *Mukim* over these areas.

Aceh will hold elections for a new Governor before the end of 2011. Although the current Governor is standing for re-election, he does not have the backing of any parties from the provincial parliament, and to date other candidates have not expressed their support for continuing the Governor's REDD+ programme. For the Ulu Masen Project to go forwards, it will be imperative for the Governor to establish a legal basis for the Project before the Provincial elections.

The Government of Aceh was supported in designing and implementing the Ulu Masen project by an Australian carbon brokerage firm, Carbon Conservation, which has also played a key role in identifying potential investors and buyers. Carbon Conservation and the Aceh Government have a Memorandum of Understanding to work together on project financing, implementation and carbon sales. However, it is unclear whether Carbon Conservation is willing to support the detailed consultations needed to seek and obtain consent from the customary *Mukim* owners, as it has stated that community consent was already obtained in the design phase. In a development that may turn many against the Ulu Masen Project and exacerbate existing concerns, in May 2011, Carbon Conservation sold half of its assets to the Canadian mining company, East Asia Minerals Corporation.



YLFRANKY

Ulu Masen forests

Interview with Pak Nas, Mukim Leader of Lam Leu Ot, District of Aceh Besar May 2011

“I am from the village of Siron Blang, in the *Mukim* of Lam Leu Ot, which is part of the district of Aceh Besar, in northern Aceh. I am currently the chairman of the association of *Mukims* of Aceh Besar, which has 68 *Mukim* members. I am the former *Mukim* leader of Lam Leu Ot, an area which contains several villages and their associated forests and agricultural lands. My village, which has about 240 households, still has a large area of forest, stretching all the way to the neighbouring district of Aceh Jaya. We estimate the extent of our forests by how far we can walk in one day to get back to the village by nightfall [this is roughly 10 km from the village].

Our system of village and natural resource management was severely weakened by the 1979 national law on local government. This was during the Soeharto regime, when the government imposed its system of village administration onto us. As our traditional rules and institutions for managing our resources were no longer respected, this meant that outsiders could come and exploit our forests and develop agriculture on our lands but we were unable to stop it. Traditionally, any outsider wishing to hunt or take wood

or rattan from our forests, or to clear an area for agriculture, would have to obtain permission from the village and *Mukim* leaders. However, our right to control our resources is not respected by the government or by outsiders. We became like tigers without teeth, watching as our forests are exploited without our agreement.

Although the Governor of Aceh declared a moratorium on logging in 2007 and announced a plan for additional forest guards to enforce the moratorium, it didn't stop the illegal logging in our forests. Outsiders bring machines and trucks and enter our forests without permits from either the government or from our village or *Mukim*. They leave with truckloads of logs. This illegal logging intensified after the 2004 tsunami and has continued throughout the logging moratorium until today. The impacts have only been negative for us. For instance, it is now hard for us to find the tree species suitable to build our houses. The illegal loggers have powerful backers, including from some political parties, so it is impossible for us to stop them.

The government hasn't presented its plans for REDD to my village. As the leader of the association of *Mukims* I have been briefed by the government on REDD, but the information was limited. I asked the government about its

benefit sharing plan for REDD but didn't receive clear answers. I asked if the benefits from REDD projects would go to the legal logging concessions that have been forced to stop their operations or if they would go to the communities. However, the government's REDD task force couldn't answer me. In my *Mukim*, we aren't opposed to REDD but we don't know what restrictions the government is planning on our access to our forests and we don't know what benefits we will receive.

For a plan to be developed on benefit sharing and REDD, it must involve the whole community. It isn't right for the government to make the plan itself, or if the government just asks me as a community leader, to make such a plan. Meetings must be held in each affected village, *Mukim* and district, to discuss and decide on systems for benefit sharing and for managing our forests. Our customary leaders and customary institutions still exist but the government does not acknowledge them as legitimate bodies. We are open to having this discussion with the government on REDD plans but want the government to respect our institutions and customary rights.”

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