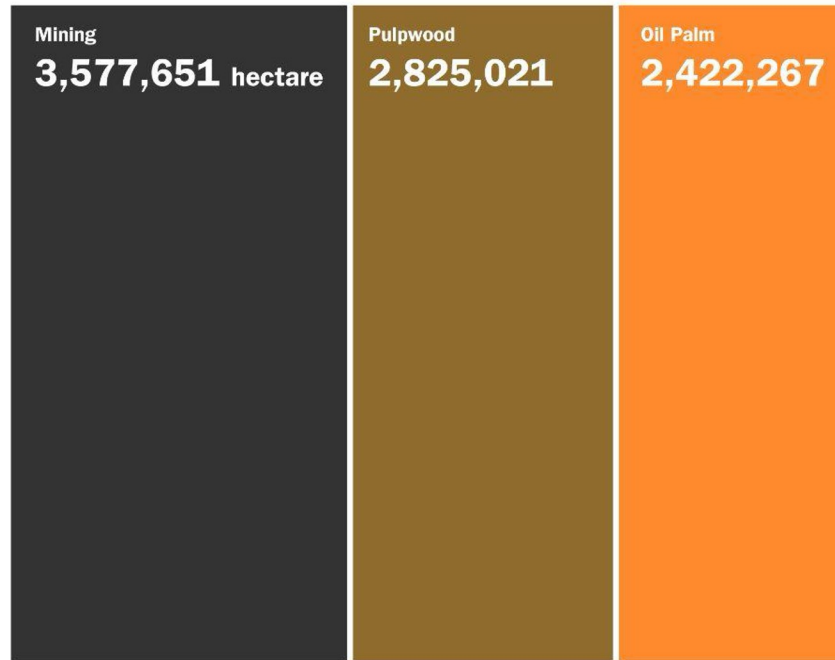


Governance challenges to the EUDR implementation: Where should we focus our attention

Timer Manurung
10 May 2023



Future deforestation ... in concessions

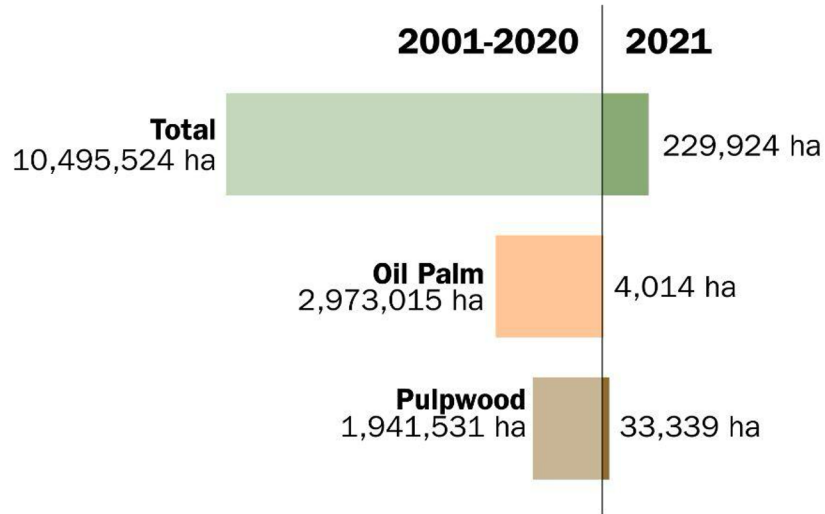


Natural forest in the existing convertible concession area

- There are 9 mha natural forest cover in the existing convertible concession area.
- The regulation in Indonesia do not protect those natural forest cover – even provide punishment to the concessionaire if they do not convert those forest to develop the aim of its permit.

Data: MoEF, MoEMR, CEC

A free pass to enter Europe

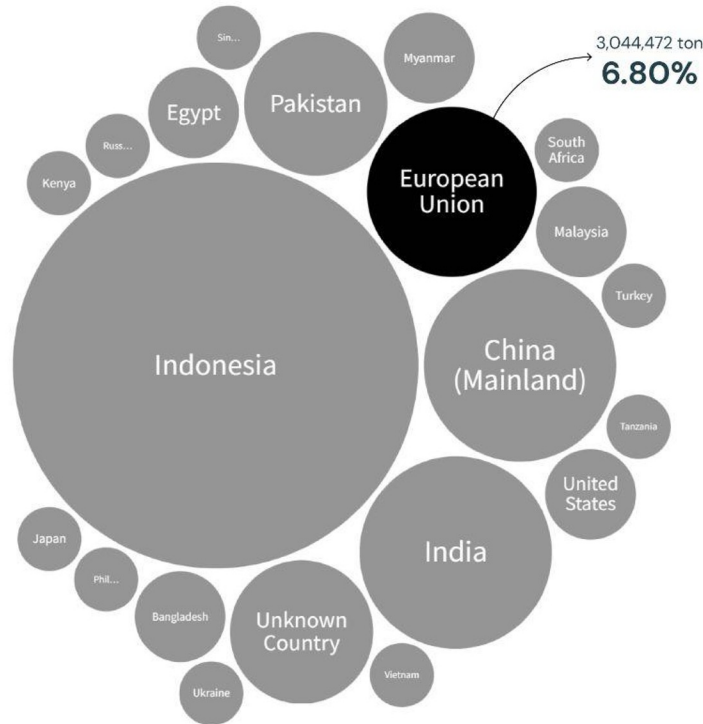


Deforestation in Indonesia since 2001

- Of 10.7 mha deforestation in Indonesia since 2001, 28% were caused by oil palm development.
- Deforestation by oil palm development significantly decrease in Indonesia.
- By using 31 Dec 2020 as its cut-off date, practically allowing all Indonesia's existing oil palm to enter Europe.

Data: MoEF, GFW, GLAD, MoAgr

Much more attention needs to be paid to other markets

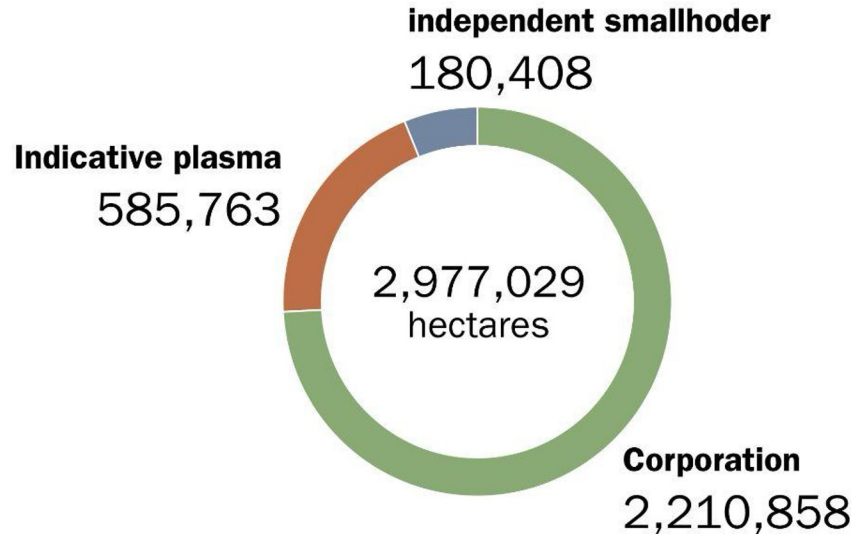


- The EU market consumes only 7% of Indonesia's oil palm.
- Top five of the market are:
 - » Domestic (40%),
 - » China (9%),
 - » India (9%),
 - » Europe,
 - » Pakistan (5%).

Data: TraseEarth

EU27 imports from Indonesia

Smallholders have not been the main cause of deforestation



Deforestation by oil palm (2001-2020)

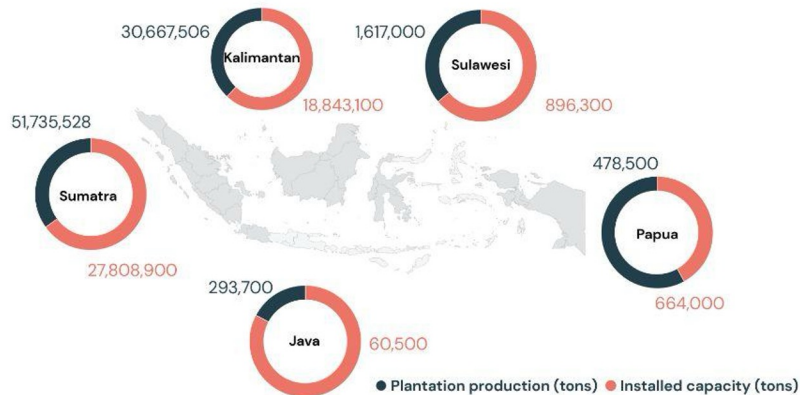
- Of 16.8 mha oil palm cover in Indonesia, 3.2 mha (19%) was in forest cover in 2000.
- 11.1 mha oil palm cover are in concessions area.
- Of 5.7 mha oil palm cover outside of (corporation) permit area, Auriga identify 1.7 mha as indicative independent smallholder.
- Independent smallholder contribute only 6% of all deforestation by oil palm development.
- **However, the real appreciation to independent smallholder has been extremely low**, as most of subsidy and incentives goes to corporation's.

Data: MoEF, GFW, GLAD, Auriga

Pressure on remaining natural forests

- Palm oil mill is in under-capacity in Papua Island. Meanwhile, 75% of the current oil palm cover in the island are in the young of age. In the next coming years the demand to develop new mills in Papua Island is going to increase.
- As Sumatra and Kalimantan provided lessons that it's mill development that escalate deforestation, the challenge to protect remaining forest in Papua Island, where 38% of Indonesia's remaining natural forest cover are at, is going to be huge if the new mill(s) is developed.

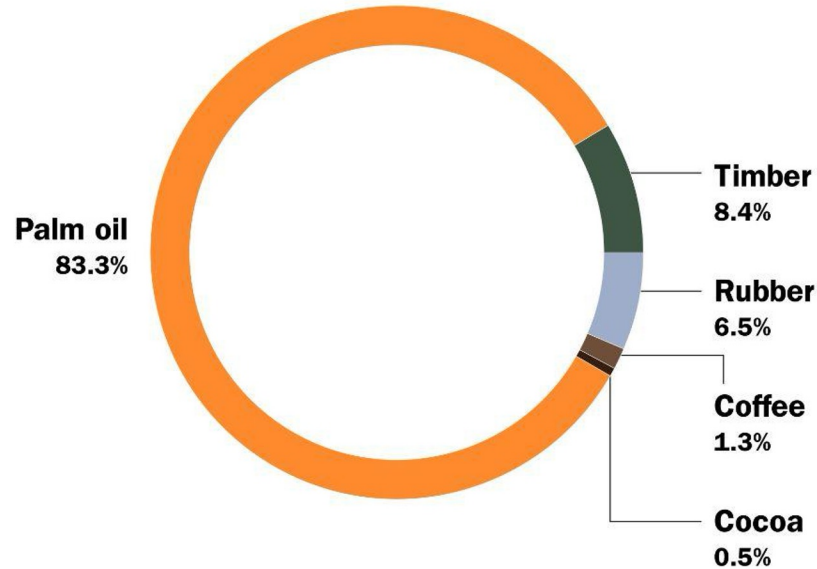
Data: CEC, TraseEarth



Provinces	Mills	Installed capacity (tons)	Plantation production (tons)
Aceh	47	2,297,075	1,134,600
Bengkulu	32	2,178,000	1,063,400
Jambi	75	5,897,806	3,022,600
Bangka Belitung	18	1,658,250	843,000
Riau Islands	2	74,250	20,000
Lampung	19	1,435,500	384,900
Riau	223	16,303,950	9,984,300
West Sumatra	35	2,979,428	1,312,300
South Sumatra	84	7,297,007	4,267,000
North Sumatra	182	11,614,262	5,776,800
West Sulawesi	9	750,750	348,000
South Sulawesi	1	66,000	100,300
Central Sulawesi	6	602,250	371,700
Southeast Sulawesi	3	198,000	76,300
Papua	3	346,500	557,600
West Papua	4	132,000	106,400
West Kalimantan	98	7,486,059	5,471,400
South Kalimantan	40	3,030,843	1,561,100
Central Kalimantan	111	11,391,930	7,685,800
East Kalimantan	87	7,958,424	3,823,200
North Kalimantan	13	800,250	301,600
Banten	2	198,000	27,400
Jawa Barat	2	95,700	33,100

Mills' installed capacity vs plantation production in Indonesia

EUDR IS not only about palm oil



EU27 imports from Indonesia

- EU27 imports palm oil, timber, rubber, coffee, and cocoa from Indonesia. But, EUDR discourse in Indonesia so far only on oil palm. What about the other ones?
- However, the discourse about Indonesia's commodities in the EUDR is mostly about palm oil.
- How about other commodities then? To be noted, out of oil palm and timber, the other commodities are mostly owned and/or managed by smallholders.

Data: FAO

Terima kasih

