

Illegal Forest Conversion in the Mekong: Policy Implications for Land
Investments, Climate and Forest Legality Initiatives

**Land Use Planning and Legal Verification of Land Conversion – Experiences
from Indonesia - Moray McLeish**

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Introduction

- Based in Indonesia for over 10 years
- worked for WRI, IFC and DFID
- little experience of the Mekong countries, so this is an excellent learning experience for me. Thank you.

PwC Consulting Indonesia

- but PwC are accountants?? Professional Service Firm
- Global S&CC Network of over 800 individuals
- Team of 15 in Indonesia, teams in Thailand, Vietnam, Philippines, Singapore, Malaysia
- Clients: International Development Agencies, corporates (banks, land users, mines, supply chain)

Enthused by what I heard yesterday

- many problems very similar to those in Indonesia around 2000
 - unclear land rights
 - lack of data
 - confused laws
 - lack of transparency
 - weak civil society
 - lack of respect for civil society
- there are still many problems in Indonesia, but there has been progress, which conveys hope for Mekong countries

Asked to share some experiences of land use planning in Indonesia

- Much of this has an Indonesia focus and is drawn from recent work in Papua, but the lessons are global.

Why is spatial planning relevant in a conference about Illegal Forest Conversion?

- because a spatial plan, if properly created, will form the backbone in defining and achieving less illegal conversion, more legal conversion – some of which is entirely appropriate- and hopefully less conversion over all.

I mention **'legal conversion'** deliberately: here is the view of the Indonesian President's Special Advisor for Climate Change, published in a recent newspaper article:

“...we all need to recognise that some planned deforestation is entirely appropriate. We should protect the best forests and convert other areas to agriculture to feed a growing population”

Legal clarity and legality verification is an important way to regulate this planned deforestation.

Terminology: Sustainable Natural Resources Management, Landscape approach, Low carbon development, low emissions development, Green Economy – all these phrases we use mean much the same.

I will most often use the phrase landscape approach today, and please think of that as including the Institutional landscape as much as the physical landscape.

But what these concepts have in common is that they all rely on a good land use plan to put the right activities in the right places, to regulate how they are done and to clearly differentiate the legal from the illegal.

So to fulfil the promise of a Landscape approach, we have to recognize 3 key things-

1. It's actually about **People**
2. It has to follow a **Plan**
3. We need flexibility in dealing with the **Practicalities**, of implementing the plan

1. People

A Green Economy is one that is legally mandated, low carbon, resource efficient and socially inclusive. These are all inherently people-centred factors.

The landscape approach is about forming living landscapes that encompass and respect people and ecosystems, and that deliver improvements in health, education and economic opportunity.

- **So its key that we start with the people, not the landscape, the trees or the commodities.** No rural economy ever became successfully 'developed' simply through the brute force of external demands for a commodity such as timber or a service such as carbon storage, but rather by building from the grassroots up

- If we start from the people instead of the trees, then our changed perspective allows us to see the challenge properly.

- Then we have the chance to look at local **people's** demand for goods and services (and how that changes over time), instead of someone else's external demand for a resource or service.

We need to take a holistic approach to both the physical space – trees, rivers, minerals- and also to the economic potential of the ecosystem – forest products, food, fuel etc, putting people at the centre of that.

2. Plan

It is almost a universal truth, no matter what country you are in, that
“the right land use allocation dictates who can own and use land”

- This reveals land use planning as a critical element in achieving both legality and sustainability, and in achieving a people-centred approach

Making the plan –

- Spatial planning in Indonesia and other countries has too often been a top-down, desk based exercise. Numerous Environmental disasters, illegal activities and conflicts demonstrate that there is room for improvement.

- Putting the right land use activity in the right place is not only about biophysical factors – maintaining forests on hillsides to prevent floods downstream, or siting new palm oil on degraded land rather than cutting down forests - although these are undoubtedly important,

but the **‘right’ activity in the ‘right’** place has to involve participation of local people, especially in a rural economy forest/agriculture landscape matrix.

- So I would put it to you that a spatial plan has to be as much a **‘human welfare plan’** as much as it is an ‘environmental welfare plan’

- Spatial planning has to be the servant of the wider development goals, it is not a development goal in itself.

Again, if we start with the people then this becomes obvious: in most cases the best plan for improved welfare and human flourishing is probably through **good jobs, equitable growth and local control of resources.**

- Spatial planning can be done only within the context of a long term development vision. And this is best approached by local communities and officials (who will need technical assistance), so the plan at least has a chance of being locally created. Because a spatial plan must have **legitimacy**, or it is unlikely to be enforceable.

- Put simply, if people are not involved in the making of the plan, they won’t respect its implementation.

Monitoring and enforcing the plan

If we all had a dollar for every plan that we have seen made but not implemented, then we’d all be rich.

So why do plans so often remain **unimplemented, partially implemented, or just badly implemented?** Often because they lack legitimacy – the people whom they govern feel totally divorced from the plan, and the process of creating it.

A plan that has **legitimacy** at both the local level (because it started with people, not trees), as well as the political level (because it is presented in the language of ‘jobs and growth’) is more likely to actually get implemented.

To maintain legitimacy, we also need to create the conditions for reporting, oversight and compliance that allow all parties to exercise **vigilance**. Thus we can make sure the plan remains rooted firmly in the needs of the rural communities whom it should serve.

This requires systems to provide timely, accurate data - accessible to everyone.

Vigilance in turn reduces the need for enforcement – which can often be expensive and divisive – because **when the plan presents opportunities for people**, telling them what they can do rather than just listing what they cannot - **it will enact itself to a great extent**.

And some of this money saved can then be spent on **monitoring effectiveness**– is the plan achieving what it set out to – and revising where necessary. And it will be necessary.

Financing the plan

In a workshop on “innovative approaches to financing sustainable landscapes” that I was in recently, I heard the phrase “finance is a way to catalyse change.” I agree.

Good landscape planning is integrated with economic planning. In addition to serving national needs, A good plan can and should offer the chance for people, for local entrepreneurs and community organizations to identify and realize business opportunities.

It should also explicitly consider how to finance itself.

The plan needs to work out where the investment will come from to make the plan real. This will be a combination of public and private investment.

And if the Opportunities offered by the plan are focused on producing tangible outputs – food, fuel and fiber then they will attract investment in and of themselves, to some extent.

But **initially there will be a need for public money** to be used to build an evidence base for green investment, and to help get small businesses started.

In many of the areas I have worked in, **access to credit is** the biggest obstacle to entrepreneurship.

Commercial banks often avoid these rural areas because they are too remote and too difficult to work in. So the people who could most benefit from access to finance remain underserved.

In turn landscapes remain undervalued, under-developed and vulnerable to conversion.

Public money, offered with concessions and with technical assistance attached, can help to unlock the latent business drive in many rural people.

In the medium term, if you set the right conditions, such as secure tenure for local people, then private investment at the micro scale will happen naturally.

A good spatial plan which invites the private sector in, and reduces the uncertainties that investors fear, is like a marketing campaign for an area. Eventually it will attract investment in and of itself.

And whilst this is what we all want to see, I remind you of the need for **reporting, oversight and compliance mechanisms** that allow all parties to exercise vigilance

3. Flexibility in dealing with the Practicalities

The practicalities we face are

- Working in rural areas often means working with people who have not had the educational benefits that we have had, and who quite probably have a different world view
- These areas tend to be remote and difficult to reach
- Customs and traditions remain strong
- Attitudes to money - how to save it, spend it and share it- vary immensely
- Collateral does not exist

Much of this does not fit with the planning and financing models we are used to. So we need to be flexible in dealing with these realities. And we need to take risks.

There is clearly a need to **use public** money to build an evidence base for low carbon investment within a landscape approach. And this money too, has to take risks.

To sum up

Reducing illegality and moving towards a more sustainable landscape approach requires more and closer partnerships between

forest and agriculture,
public and private
urban and rural
seller and buyer

Across both the physical and the institutional landscape.

Keeping in mind the **people**, the **plan** and the **practicalities** will help us to achieve this.