

PES in Indonesia: Legal Opportunities and Challenges

*South East Asia Regional Workshop
Series on Payments for Ecosystem
Services*

June 29 – July 1, 2009

Amari Watergate Hotel, Bangkok

By

Dedy A. Prasetyo

Legal & Policy Coordinator - UNESCAP
Banda Aceh – Indonesia

Attorney & Legal Consultant at Prasetyo
Simangunsong & Partners, Indonesia

Email: deape.prasetyo@gmail.com

Background: National Level

- Indonesia (National context)
 - Forest Ministry Regulation P.30/Menhut-II/2009 concerning Methods of Reducing Emission from Deforestation and Forest Degradation.
 - Forest Ministry Regulation P.68/Menhut-II/2008 concerning Implementation of Demonstration Activities for Reducing Emission from Deforestation and Forest Degradation.
 - PES regulation: REDD, eco-tourism, watershed (draft Presidential Decree)
 - At Local level, PES regulation adopted by District West Lombok, NTB Province. Regulation No. 4/2007 concerning managing environmental services (Pengelolaan Jasa Lingkungan)

Aceh Context

- Strength:
 - Aceh Green Policy introduced by Aceh Government since 2007.
 - Special Autonomous under Law No. 11/2006 concerning Aceh Government.
 - Environmental conservation minded.
 - Supported by committed staff and other official government agency/body.
 - Supported by Central Government, NGO's, International Organizations, and International Government.

Cont'd

- Weakness:
 - No regulation regarding PES, either national or local level.
 - Coordination intra-government agency/body or local enterprises (Badan Usaha Milik Daerah, example: PDAM/Water Drinking Local Enterprise).

Opportunities in Aceh

- UNESCAP Initiative to support establishment of policy and legal basis on PES mechanism in Aceh at provincial level.
- WWF initiative and work at 5 District (Lhoksumawe, Aceh Tengah, Aceh Utara, Bireun and Bener Meriah)
- Other initiatives, USAID-ESP project, FFI and Aceh Government on REDD project in Ulu Masen forest, etc.

Challenges

- Law enforcement problems.
- “Political will” would be dominant key factor, either national or local level.
- Economic reasons:
 - Lack of awareness in local communities.
 - Poverty
 - Economic sustainability of the community.
 - Short term thinking to provide daily needs.
- Business reluctant: (example: water sector)
 - In Indonesia ‘mineral water drinking’ company only pay 10% tax to government. Water should be put it as production cost.
 - Change the mindset that water is not unlimited resources, etc.

UNESCAP will:

- Provide technical advise and assistance.
- Establish the project Policy Working Group and project Task Force.
- Lead the project in collaboration with Aceh Green Team (Aceh Government) and other institutions within government structure and organizations which dealing with PES issues to formulate the draft of Local Regulation (*Qanun*) to be enacted by Aceh Parliament.

What is the output?

- *Qanun* concerning Payment for Enviromental Services in Aceh.
- (*Qanun* means Provincial Regulation enacted by Aceh provincial parliament)

- 
- 
- THANKS