GOOD GROWTH PARTNERSHIP

LAND USE POLICY REFORM FOR FOREST POSITIVE AGRICULTURAL COMMODITIES

IMPACT OF THE GOOD GROWTH PARTNERSHIP

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LAND USE POLICY REFORM FOR FOREST POSITIVE AGRICULTURAL COMMODITIES

Working simultaneously on production, demand, and finance, in Brazil, Paraguay, Indonesia and Liberia, the Good Growth Partnership (GGP) enables sustainable development in three global commodity supply chains: soy, beef, and palm oil.

This Impact Brief covers the work of GGP in developing land use policies to reduce deforestation in Indonesia, Liberia, and Paraguay. On the production side besides ensuring enabling sustainable production policies, land use change planning and monitoring are important to ensure that High Conservation Value (HCV) and High Carbon Stock (HCS) areas[1] are protected from agricultural expansion.

Over five years, the GGP has supported an improved enabling environment for sustainable land use by developing or improving 19 policies, 8 of which are in-force. As a result, an estimated 129 million tons of CO2e emissions have been avoided through the protection of over 847,000 hectares.[2]

In this document, we concentrate on land use policy reform; other briefs in this series cover sustainable production policy reform, producer support systems, collaborative action mechanisms, and integrated approach using systems mapping.

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[1] The High Conservation Value (HCV) and High Carbon Stock (HCS) Approaches aim to identify and protect areas important for conservation and livelihoods – and to support no deforestation commitments. The HCV Approach is a methodology to identify, manage, and monitor important environmental and social values in production landscapes – across any ecosystem or habitat type (including aquatic ecosystems, grasslands and other non-forest ecosystems). There are six categories of HCVs covering biodiversity, rare ecosystems, ecosystem services, landscapes, and livelihoods and cultural values. The HCS Approach is an integrated conservation land use planning tool to distinguish forest areas in the humid tropics for conservation from degraded lands that may be developed while ensuring the rights and livelihoods of local peoples are respected. There are four main classes of HCS forests which range from high to low density forests and young regenerating forests. Different areas within a landscape can be attributed with one or more HCVs, as applicable; there is also a high degree of overlap between HCS forests and the location of HCVs. More information here.

[2] To calculate contributions to direct emissions avoided, the project considered adopted policies that set aside hectares for conservation. For indirect emissions avoided, the calculations considered a wider range of interventions, including the designation of Essential Ecosystem Areas (KEE) in Indonesia, a company's commitment to the Roundtable on Sustainable Palm Oil (RSPO) certification in Liberia, and the training programme on Good Agricultural Practices (GAPs) in Paraguay.

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Why Land Use Policy Reform?

"We can seek to optimize outcomes by integrating Production, Financing and Demand aspects of commodities production, but without enabling policies, the process will not work." - Paul Hartman, former Senior Environmental Specialist, Global Environment Facility Secretariat.

There are many diverse and competing interests regarding the use of land and its resources. Land use planning regulates the type of use, seeking desired social and environmental outcomes as well as a more efficient use of resources.

Within the context of agricultural commodities production, the goal of effective land use planning is to enable land use approaches that remove incentives to convert forests, peatlands and wetlands to agricultural production and, ultimately, deforestation. The Good Growth Partnership ensures that land use planning processes are inclusive and involve all landscape-level stakeholders in thorough consultations and dialogue so that social, economic, environmental, and cultural interests can be reconciled. The GGP partners with their convening power across the entire supply chain are well placed to support government with the facilitation of safe spaces for such sensitive discussions.

Once land-use plans are in place, policies regulate changes in land use and need to be enforced, which is often challenging due to the political economy and lack of mechanisms and capacities. Frequent monitoring of land use change, ideally in real time, is needed, so that illegal shifts in land use change are promptly identified and addressed.

The Impact of Land Use Policy Reform

"In the global context, the HCV methodology is an instrument we can use to ensure that sustainable palm oil not only can contribute to poverty alleviation (SDG 1), ending hunger, and food security (SDG 2), but in addition to ensure conservation on lands which also contribute to the reduction of greenhouse gas emissions."
- Dedi Junaedi, Chairperson for Indonesian National Action Plan for Sustainable Palm Oil Secretariat.

In Indonesia, 824,424 ha of HCV and/or HCS areas including 194,321 ha of High Conservation Value Forest (HCVF) were protected thanks to the work on land use policies. Those achievements were realized by supporting the district governments of Pelalawan, South Tapanuli and Sintang, and the provincial government of Riau in identifying the environmental and social value that should be conserved prior to authorizing land use changes and in developing local regulations to provide a legal framework for the protection of important conservation areas. The details of these regulations can be found in the figure below. At the national level, policy recommendations were developed on the categorization and protection of Essential Ecosystems Areas within productive areas (KEEs). This policy has the potential of protecting up to 100+ million hectares.

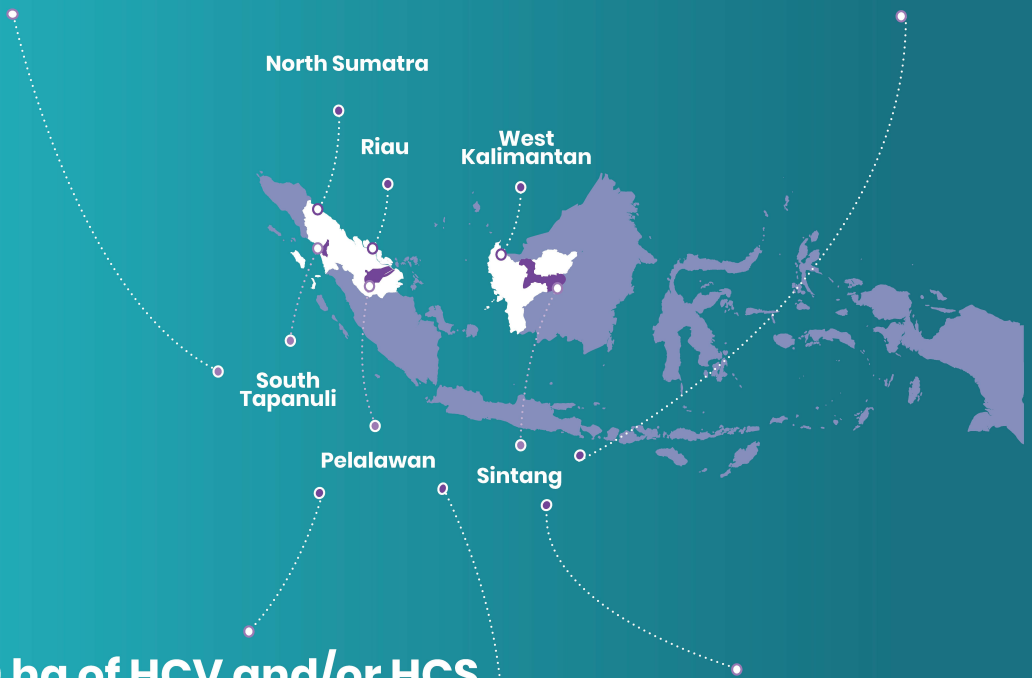
Hectares of HCV and/or HCS and HCVF protected and related protection policies

149,000 ha of HCV and/or HCS 46,000 ha of HCVF

protected through the South Tapanuli Special Cultivation Area regulation

3,400 ha of HCV and/or HCS 74 ha of HCVF

protected through the Sintang Lake Buffer Zone regulation



20,000 ha of HCV and/or HCS 2,700 ha of HCVF

protected through the Pelalawan Spatial Plan

119,000 ha of HCV and/or HCS 20,000 ha of HCVF

aditional protection proposed through the Sintang Plantation Master Plan that is under development, and which will feed into the next district Spatial Plan

651,000 ha of HCV and/or HCS 145,000 ha of HCVF

protected through the Pelalawan Peatland Protection and Management regulation

In **Liberia**, **5,000 ha of HCVF areas have been protected through a 2019 Conservation Agreement** with three communities of the Zodua clan in the Northwestern Province. According to reports from the Frontline Conservationists the full implementation of the Conservation Agreement has led to a reduction in unsustainable practices like pit-sawing, charcoal production, bushmeat hunting, and cultivation in HCV and/or HCS areas. In addition, GGP studies conducted in collaboration with the government and stakeholders, provided policy recommendations for improving the land use planning legal framework, including policies for Conservation Agreements to become legal instruments for land use planning, and ensuring production does not occur in important conservation areas.

"Ultimately, the common denominator must be the people and the land." - Alfonso Fernandez, Deputy Resident Representative, UNDP Paraguay.

In **Paraguay,** for the first time, stakeholders developed regional criteria to identify HCV and/or HCS areas in the Chaco and mapped them along with corridors providing connectivity essential to maintain biodiversity. The **map, covering over 7,025,000 ha of HCV and/or HCS**, will be used by the Ministry of Environment and Sustainable Development (MADES) as criteria to issue environmental permits for land use change in the Chaco region. The GGP worked with the municipalities of Carmelo Peralta and Puerto Casado to develop municipal land use plans, integrating data on High Conservation Areas which are part of setting aside at least 430,000 ha of HCVF. The GGP also supported the Ministry of Defense to ensure protection of important conservation areas part of military areas through the creation of three protected areas covering 17,906 ha of HCV and/or HCS including 17,238 ha of HCVF. Finally, since the Chaco is suffering from severe droughts and land clearing practices using fire can easily get out of control and lead to unwanted and illegal land use change, the GGP supported the development of the first municipal ordinance on fire prevention and control to improve fire prevention and management in production landscapes of the Filadelfia municipality. This ordinance establishes a mechanism through which the municipality is made aware of planned fires as part of production cycle to be able to intervene quickly in case it gets out of control and becomes a threat for the local fauna and

flora, while defining the conditions on practicing fires in already cultivated land as part of production practices. At the national-level, licenses for land use change granted through the MADES Environmental Information System (SIAM), unfortunately, used uneven terminology modified which did not allow for their correct aggregation of data into the system. To fix this issue, a policy which modified the Environmental Impact Assessment Law was adopted. Finally, a policy recommendation was proposed to give more authority to MADES to address infringements in land use change license agreements.

"The analysis of the landscape and the identification of priority areas for conservation will allow for better decision making on territorial planning. This will lead to the establishment of future innovative conservation strategies, based on the promotion of connectivity as a key element in maintaining ecosystem goods and services in balance with productive systems." - Rafael Gadea, Green Chaco Project Coordinator, UNDP Paraguay.

The HCV and/or HCS areas protected within and around production landscapes allowed for over **129 million tons of direct and indirect CO2 emissions avoided**, including over 110 in Indonesia, over 13.5 in Liberia and over 5.4 in Paraguay.

In the three countries, existing land use monitoring systems were strengthened to enable the implementation of land use plans and related policies.

In **Indonesia**, in collaboration with Bogor Agricultural University (IPB University) and the Indonesian Institute for Aeronautics and Space (LAPAN), a land-use change monitoring tool called Ecosystem was launched in September 2020. It will feed into SIMONTANA, a tool used for land use change monitoring by the Ministry of Environment and Forestry. It includes a Geographic Information System (GIS)-platform with mobile application to help validate the accuracy of information provided and an Early Warning System.

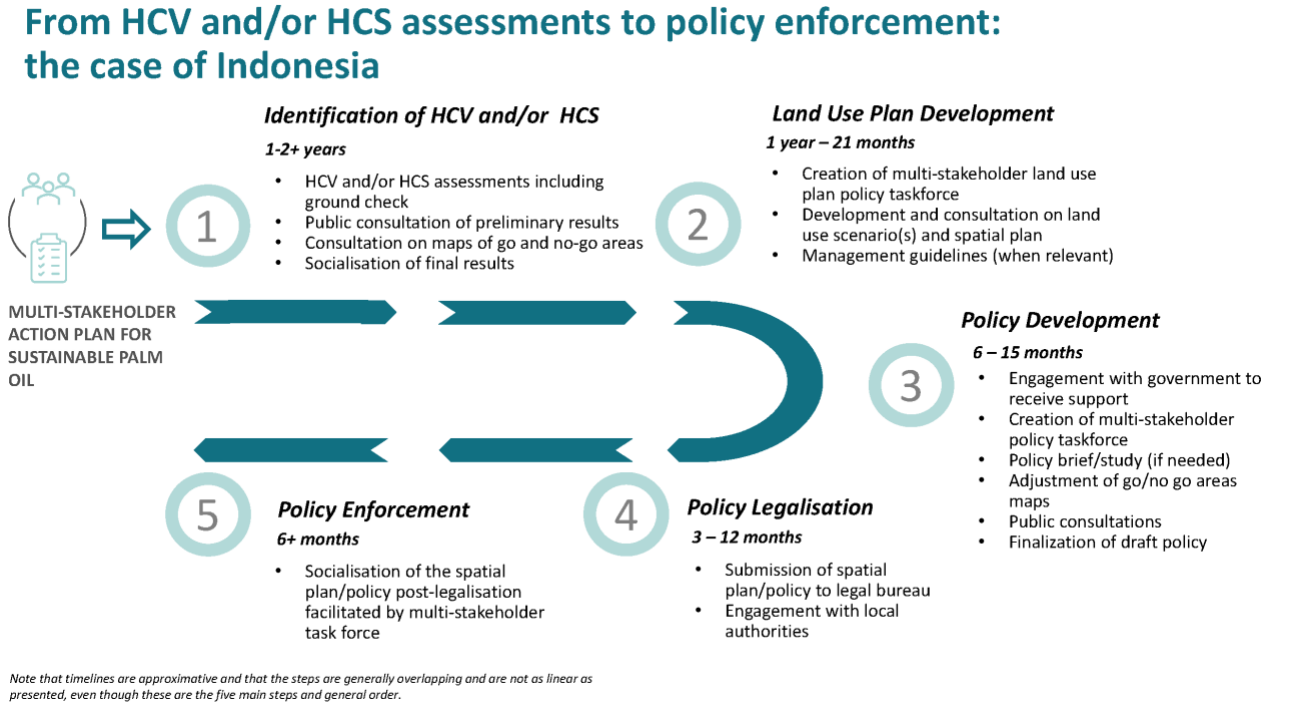
In **Liberia**, in coordination with the Forestry Development Authority, 35 Frontline Conservationists from the Zodua clan (13 females and 22 males) were engaged, trained and equipped to collect data to feed a GIS-based system, to monitor the 5,000 ha of HCVF area under Conservation Agreement. In addition, GGP strengthened the capacity of the GIS Lab of the Environment Protection Agency to develop land use change monitoring reports for the target North-Western landscape using GIS and remote sensing tools.

In **Paraguay**, the GGP supported the National Forestry Institute (INFONA) to create a digital registry of Chaco´s land- use plans and upload information to the Global Forest Watch (GFW) database. Digitalization and submission to the GFW allows for a better monitoring of land use change and identification of illegal changes.

The Route to Land Use Policy Reform

Effective Collaborative Action is at the heart of the GGP's approach in the three countries. As mandated by national or subnational action plans, HCV and/or HCS were identified and served as inputs to collaborative land use plan development and/or protection policies.

GGP´s deep collaboration with government and other stakeholders goes through 5 stages detailed in the graphic below illustrating the work done in Indonesia:



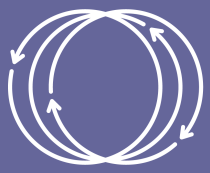
Note that timelines are approximative and that the steps are generally overlapping and are not as linear as presented, even though these are the five main steps and general order.

The Future of Land Use Policy Approach Reform

An effective land use planning and monitoring approach is participatory in defining HCV and/or HCS areas backed up by adequate enforcement. Although this will reward law abiding producers, further incentives are needed for producers to set-aside more than what is required by the law.

The GGP´s integrated requirements and enabled supply chain approach integrating production, demand and finance incentives can align market requirements, and enable finance such as fiscal incentives, better financial terms, Payment for Ecosystem Services schemes, among many others. That process is further strengthened through sound land-use planning and enforcement policy.

Please **consider joining us**, as the GGP continues its journey to replicate and scale its approach.



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