

REDD+, simply stated, is a government-led program of policies and incentives that protect and enhance natural forests, while supporting the country's overall economic development goals. The President has assigned top government officials to lead this effort, donor countries have committed over a US\$1 billion to the cause, and in May 2011 the President signed a two-year moratorium on the conversion of primary forests to commercial activities.

As these REDD+ efforts gain steam, a debate is emerging over their impacts on the Indonesian economy and the prosperity of businesses and communities that work in the forest. How, some ask, can we protect forests, and at the same time allow vital industries like timber products and oil palm to flourish?

How will we create jobs and wealth for the Indonesian people? How can Indonesia meet the President's "7/41" growth and emission targets? These are all excellent questions. In fact, REDD+ will not only accommodate the growth of these critical industries, it has the potential to accelerate growth and prosperity in Indonesia. Three key points to keep in mind.

First, REDD+ is not about slowing growth, but about growing in a smarter way that minimizes impacts on the forest. For example, emerging research by The Nature Conservancy in East Kalimantan indicates that with better logging practices, timber concessions can reduce their forest impact and carbon emissions by as much as 40 percent without reducing jobs and the volume of timber produced.

This is achieved through better forest management planning, the use of narrower logging roads and skid trails, and more sophisticated felling practices. Another example – Indonesia has approximately 35 million hectares of degraded land that could be used to expand oil palm, fast growing tree plantations and other agricultural industries, instead of clearing native forest.

Training timber companies on reduced impact logging and preparing degraded lands for production will take money, but these are precisely the types of investments that international REDD+ funding is intended for.

Second, REDD+ will enhance Indonesia's international competitiveness and access to markets. Global consumers, corporations and governments are increasingly insisting on a legal and sustainable supply of forest products, oil palm, beef, seafood and other commodities. The US Lacey Act prohibits importation of products derived from illegally harvested timber.

Global corporations like Walmart and McDonald's are adopting socially and environmentally sustainable purchasing practices.

And the government of Indonesia and the European Commission recently completed negotiations on an agreement to promote legally harvested and sustainable timber in Indonesia, and to improve the attractiveness of Indonesian timber products in the European market.

Through REDD+, Indonesia has an opportunity to become a global leader on sustainability. Indeed, without improved spatial planning and production practices, Indonesia may lose access to key markets in the coming years.

Finally, REDD+ will ensure that Indonesia improves its natural resource management and maintains clean water, clean air and other benefits of healthy forests, which are vital to long-term national prosperity.

Rapid, poorly planned economic growth will compromise these important natural services. We all have seen, for example, how the harmful haze generated from burning forests can impact Indonesian prosperity and compromise relationships with neighboring countries.

REDD+ is particularly critical for the local communities that live in forested areas, and are most impacted by industrial expansion in rural areas. A more sustainable approach will help these communities maintain healthy forests and the associated clean air and water, while benefiting from growing economic opportunities.

The Nature Conservancy is working with district, provincial, and national governments, timber and oil palm companies, and local communities in the District of Berau, East Kalimantan to test this green development approach through a practical, on-the-ground example.

The Berau Forest Carbon Program will demonstrate how REDD+ can support long-term sustainable growth, create jobs, protect forests, and reduce carbon emissions, while providing a model for economic development for Indonesia and beyond.

So, indeed, the President's commitment to reduce emissions 26 percent to 41 percent while sustaining 7 percent annual growth is attainable. However, considerable hard work lies ahead to make this vision a reality. Over the coming years, Indonesia will need to reform its historical spatial planning and industrial practices, and transition toward a new green development model, funded in part through international REDD funding.

More immediately, a permanent REDD+ Agency needs to be established that is independent of existing line ministries. REDD+ is a complex issue beyond the purview of any one ministry, and the new agency is needed to play the critical role of leading and coordinating the national REDD+ strategy across the whole government. Together, governments, NGOs, businesses, and the public need to get behind Indonesia's ambitious yet critically important green development goals to put the country on a pathway to prosperity.

*Wahjudi Wardoyo is Senior Advisor on International Forest Carbon Policy for The Nature Conservancy in Indonesia and Greg Fishbein is the Managing Director for Forest Carbon for The Nature Conservancy in Washington, DC.*