

# ***Katingan Peat Restoration and Conservation Project, Central Kalimantan***

**“The Heart of Borneo: For People, Planet and  
Prosperity” Forum**

**18-20 April 2012**

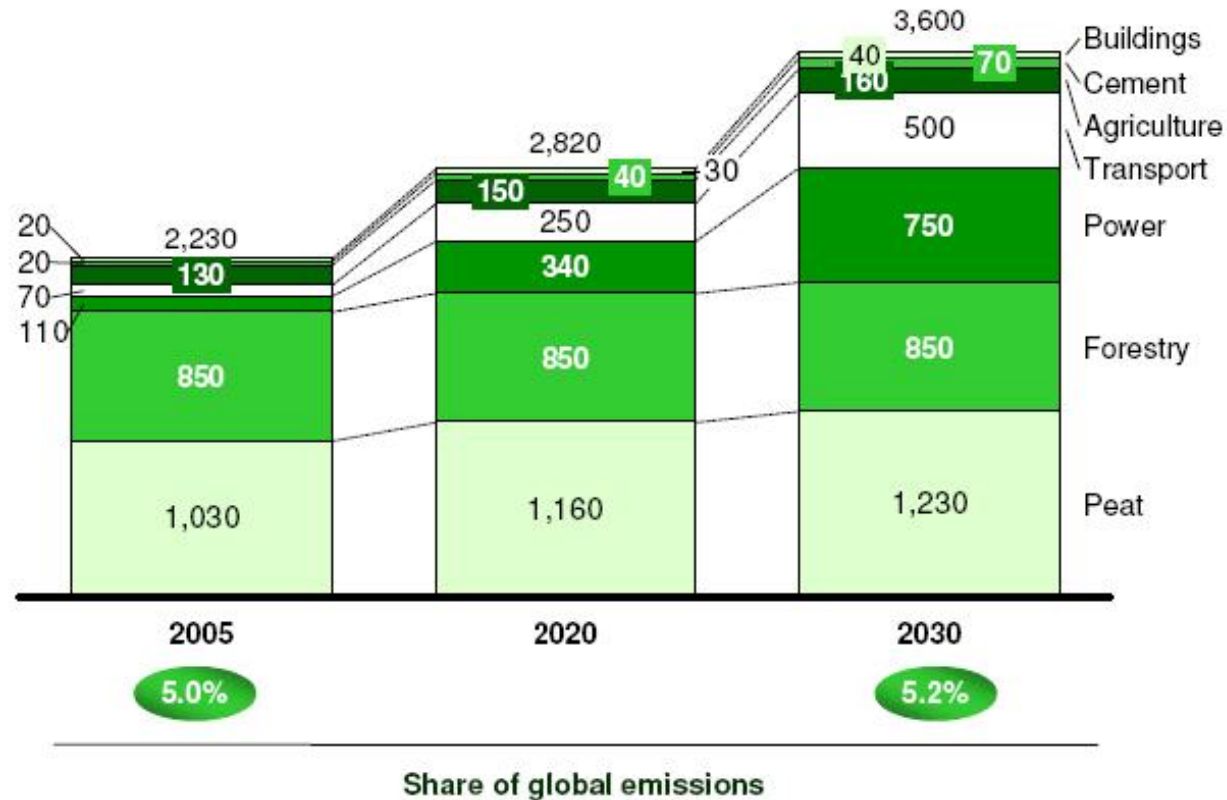
**Dharsono Hartono**

**PT. Rimba Makmur Utama**

# Carbon Emission from Peat in Indonesia

Indonesian emissions are estimated to grow from 2.2 to 3.6 GtCO<sub>2</sub>e between 2005 and 2030

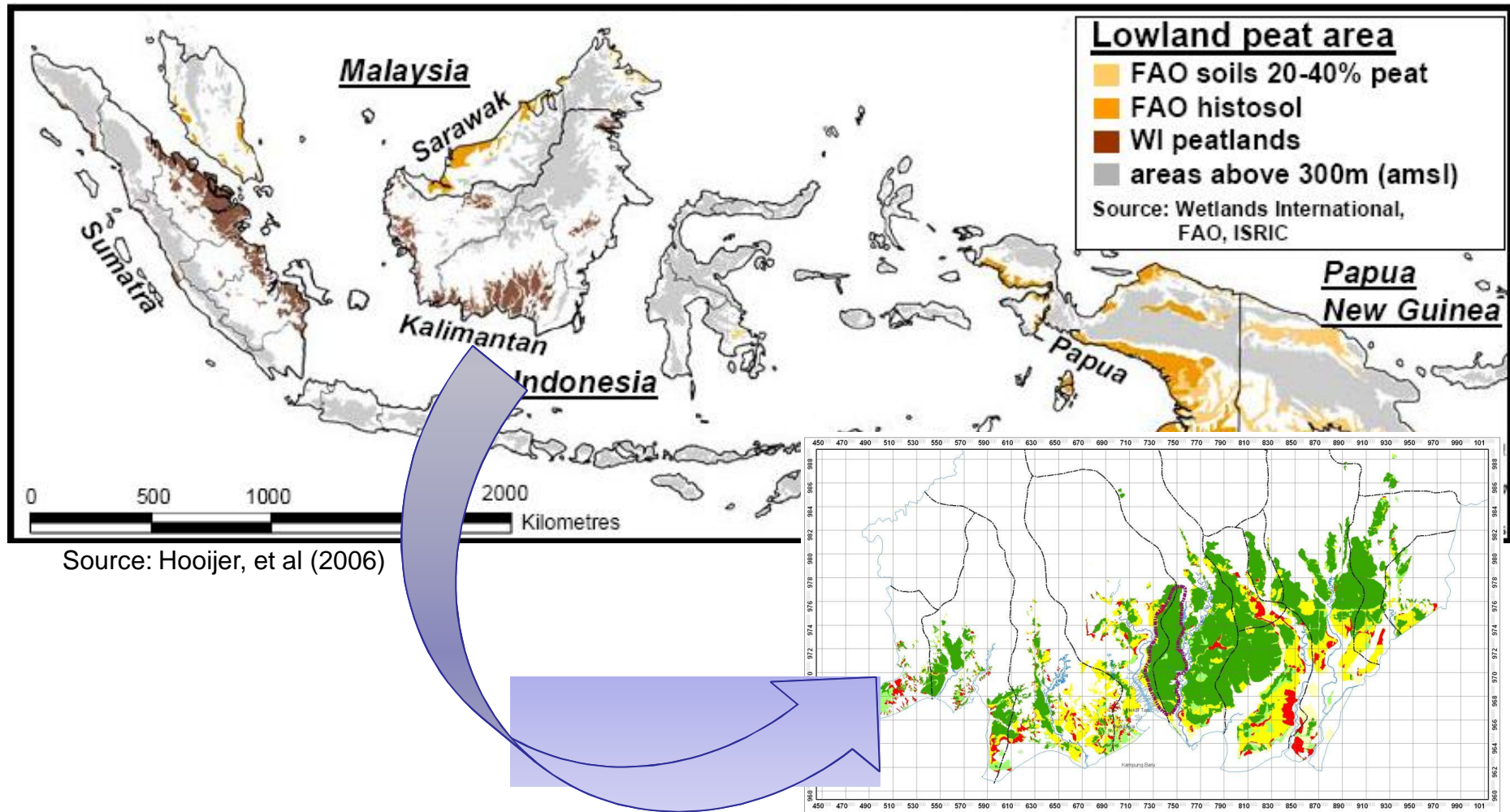
Projected emissions<sup>1</sup>, Million tons CO<sub>2</sub>e



<sup>1</sup> Includes only direct emissions from each sector

SOURCE: Indonesia GHG Abatement Cost Curve

# Tropical Peatlands in Indonesia



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# Katingan Peat Forest Restoration and Conservation Project

Location:

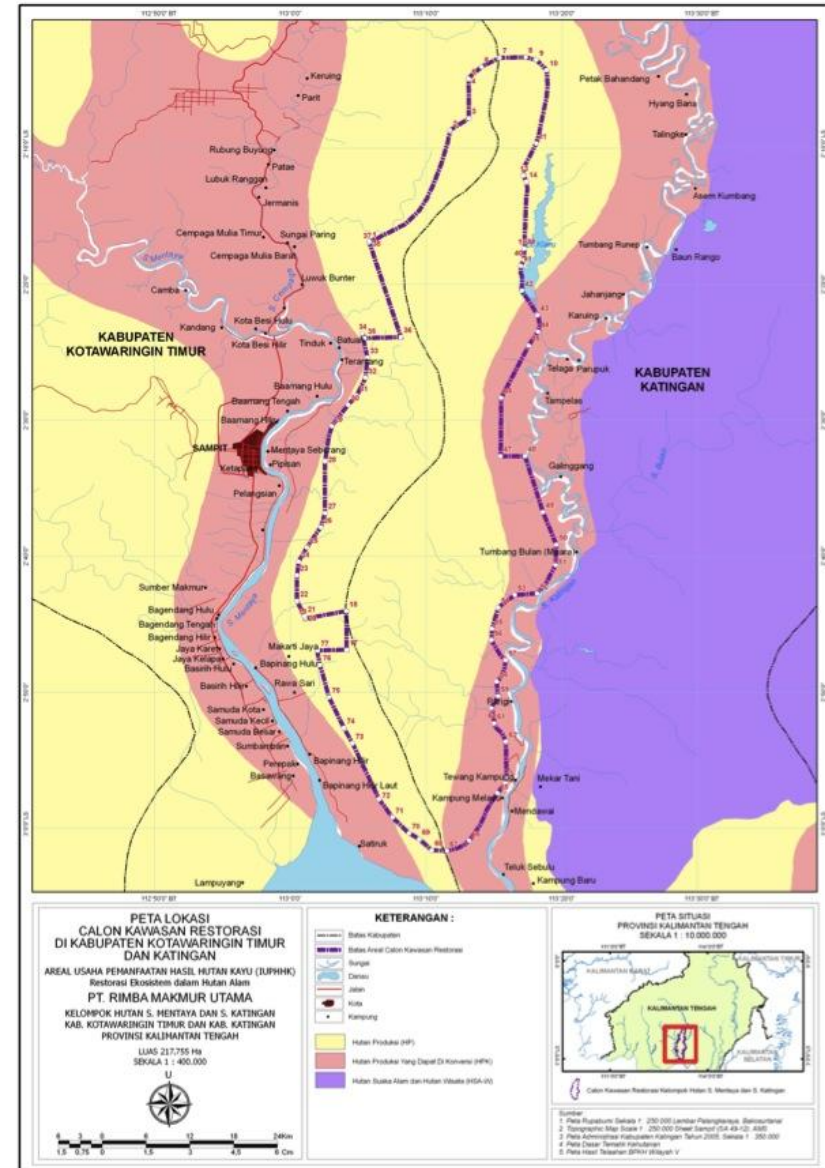


Peat forest in Kabupaten Kotawaringin Timur and Katingan, Central Kalimantan

	Hectares	%
Production forest (HP)	178,950	87.90%
Production forest that can be converted (HPK)	24,620	12.10%
<b>Total</b>	<b>203,570</b>	<b>100.00</b>

Type of concession: *Restorasi Ekosistem*  
60 years

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## Challenges

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- **Conflicting land tenure and weak governance**
- **Market uncertainties**
- **High transaction costs**
- **Lack of financial incentives**
- **High social and environmental costs**
- **Limited financial sources for early movers**



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## Addressing the challenges

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- **Credible land use and spatial plans**
- **Long term investment commitment**
- **Good corporate governance**
- **Innovative and creative fiscal incentives**
- **Local stakeholders enablement and environment safeguards**
- **Hybrid approach of financial modalities**



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## Hybrid approach of financial modalities for the project

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- Equity/Profit Sharing
- Debt/Loan Structures
- Offtake agreements (Carbon offset)
- Public funds



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# Thank you

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