

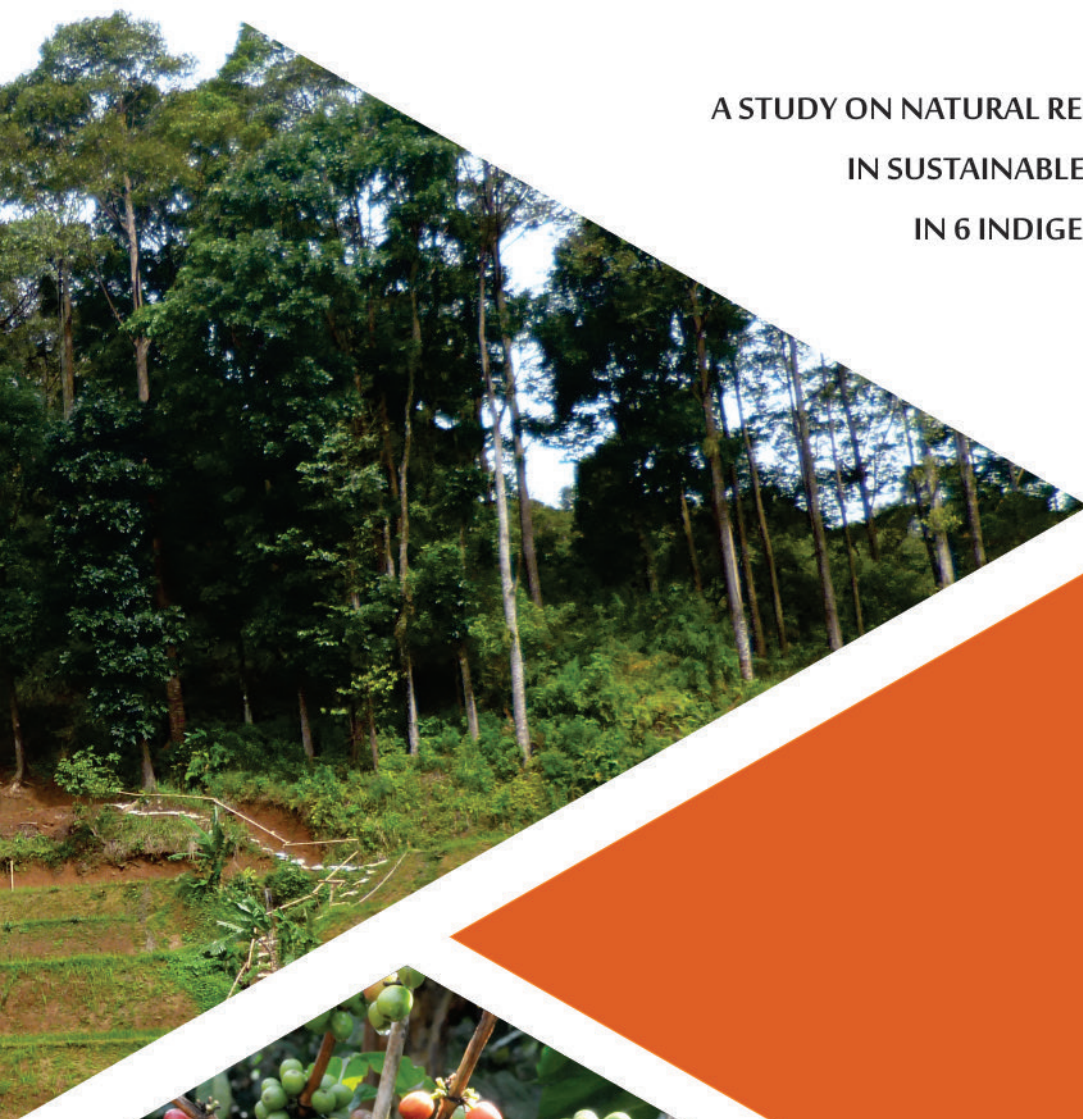
APPRAISING ECONOMIC PERFORMANCE OF INDIGENOUS PEOPLES' SUSTAINABLE LANDSCAPE MANAGEMENT

RESULTS CONSOLIDATION

A STUDY ON NATURAL RESOURCES ECONOMIC VALUE

IN SUSTAINABLE LANDSCAPE MANAGEMENT

IN 6 INDIGENOUS PEOPLES TERRITORIES



by :
**EXPERTS TEAM ON
ECONOMIC VALUATION
AMAN ECONOMY TEAM
BOGOR, MAY 2018**



Aliansi Masyarakat Adat Nusantara



Climate and
Land Use Alliance

APPRAISING ECONOMIC PERFORMANCE OF INDIGENOUS PEOPLES' SUSTAINABLE LANDSCAPE MANAGEMENT

RESULTS CONSOLIDATION A STUDY ON NATURAL RESOURCES ECONOMIC VALUE IN SUSTAINABLE LANDSCAPE MANAGEMENT IN 6 INDIGENOUS PEOPLES TERRITORIES

1. Indigenous Peoples Community of Karang - Lebak Regency - Banten
2. Indigenous Peoples Community of Kajang - Bulukumba Regency - South Sulawesi
3. Indigenous Peoples Community of Kaluppini - Enrekang Regency - South Sulawesi
4. Indigenous Peoples Community of Seberuang, Riam Batu Village - Sintang Regency - West Kalimantan
5. Indigenous Peoples Community of Saureinu - Mentawai Island Regency - West Sumatera
6. Indigenous Peoples Community of Moi Kelim, Malaumkarta Ward, Makbon District - Sorong Regency - West Papua

Estimation of Economic Values on Six IPs Territories*)

IPs Territory	Economic Values of Natural Resources Products	Economic Values of Environmental Services**)
Kasepuhan Karang	IDR 29,17 B/year	IDR 7,04 B/year
Kajang	IDR 26,12 B/year	IDR 2,80 B/year
Kallupini	IDR 35,28 B/year	IDR 0,31 B/year
Seberuang	IDR 27,14 B/year	IDR 11,35 B/year
Saureinu	IDR 33,54 B/year	IDR 0,84 B/year
Moi Kelim	IDR 7,96 B/year	IDR 148,43 B/year Non Use: IDR 3,54 B TEV = IDR 159,93 B/year

*) Only covers main products and environmental services (dominant), non-dominant ones are not included in this value, even though the values are tangible.

**) This value is only a part of the environmental services in the study areas. Biological diversity, pollination functions, and local climate supporting functions of the forests are not included here

Experts :

Mubariq Ahmad Ph.D
Sundjaya M.Si
Dr. Alin Halimatussadiah
Dr. Ir. Bahruni Said, MS.
Martin Daniel Siyaranamual, Ph.D
Azis Khan, Ph.D
Rasi Lucentezza, Ph.D
Dr. Zuzy Anna, M.Si

BOGOR, MAY 2018

MAPPRAISING ECONOMIC PERFORMANCE OF INDIGENOUS PEOPLES' SUSTAINABLE LANDSCAPE MANAGEMENT

RESULTS CONSOLIDATION OF A STUDY ON NATURAL RESOURCES ECONOMIC VALUE IN SUSTAINABLE LANDSCAPE MANAGEMENT AT 6 INDIGENOUS PEOPLES TERRITORIES

- Indigenous Peoples Community of Karang - Lebak Regency - Banten
- Indigenous Peoples Community of Kajang - Bulukumba Regency - South Sulawesi
- Indigenous Peoples Community of Kaluppini - Enrekang Regency - South Sulawesi
- Indigenous Peoples Community of Seberuang, Riam Batu Village - Sintang Regency - West Kalimantan
- Indigenous Peoples Community of Saureinu - Mentawai Island Regency - West Sumatera
- Indigenous Peoples Community of Moi Kelim, Malaumkarta Ward, Makbon District - Sorong Regency - West Papua

Experts :

Mubariq Ahmad Ph.D
Sundjaya M.Si
Dr. Alin Halimatussadiyah
Dr. Ir. Bahruni Said, MS.
Martin Daniel Siyaranamual, Ph.D
Azis Khan, Ph.D
Rasi Lucentezza, Ph.D
Dr. Zuzy Anna, M.Si

AMAN Team :

Mirza Indra – Koordinator / Project Officer Valuasi Ekonomi
Arifin Saleh – Ekonom / Ketua Pengurus KPAM
Annas Radinsyarif – Direktur DDK / Etnografi
Yoga Saeful Rizal / DDK PB AMAN
Andri Febrian / Ekonom PB AMAN
Farid Wajdi / GIS PB AMAN
Muhammad Irham / GIS PB AMAN
Silvester Ansel Urep / Ekonom Kalbar
Henriana Hatra / PD AMAN Banten Kidul / Organisasi dan Infokom
Tendri Itti / Admin PW AMAN Sulawesi Selatan
Marlina Taba / Ekosob PW AMAN Sulawesi Selatan
Paundanan Embongbulan / BPH PD AMAN Massenrempulu
Stefanus Masiun / BPH PW AMAN Kalimantan Barat
Rapot Pardomuan / BPH PD AMAN Mentawai
Kostan Mangablo / BPH PD AMAN Sorong Raya
Ikma Citra Ranteallo / Volunteer AMAN

Cover Design and Layout: Wishnu Tirta

Pictures : Courtesy of AMAN

@Copyright of AMAN

Parts of this book may be reproduced and distributed for non-commercial purposes with early notice and should mention names of the writers/compilers and editors of AMAN.

THE INDIGENOUS PEOPLES' ALLIANCE OF THE ARCHIPELAGO (AMAN)

Jl. Tebet Timur Dalam Raya No. 11 A, Jakarta Selatan 12820
Ph. (021) 8297954, Fax. (021) 83706282
Jl. Sempur No. 31/25, Bogor 16129
Ph/Fax. (0251) 8326113
Email: rumahaman@cbn.net.id
Website: <http://www.aman.or.id>
Fanpage : Aliansi Masyarakat Adat Nusantara
Twitter : @RumahAMAN
IG : rumah.aman

ABBREVIATIONS LIST

AMAN	: Aliansi Masyarakat Adat Nusantara (<i>the Alliance of Indigenous Peoples of the Archipelago</i>)
BPS	: Badan Pusat Statistik (<i>Central Bureau of Statistics</i>)
BRWA	: Badan Registrasi Wilayah Adat (<i>Ancestral Domain Registration Agency</i>)
CSF	: <i>Conservation Strategy Fund</i>
DAS	: Daerah Aliran Sungai
DPR RI	: Dewan Perwakilan Rakyat Republik Indonesia (<i>House of Representatives of the Republic of Indonesia</i>)
DUV	: <i>Direct Use Value</i>
IUV	: <i>Indirect Use Value</i>
EV	: <i>Existence Value</i>
BV	: <i>Bequest Value</i>
FGD	: <i>Focus Group Discussion</i>
IDR	: <i>Indonesian Rupiah</i>
IPB	: Institut Pertanian Bogor (<i>Bogor Agricultural University</i>)
IP's	: <i>Indigenous Peoples</i>
KK	: Kepala Keluarga (<i>household heads</i>)
MHA	: Masyarakat Hukum Adat (<i>Indigenous Law Peoples</i>)
NGO	: Non-Governmental Organization
OV	: <i>Option Value</i>
PAD	: Pendapatan Asli Daerah (<i>Regional Revenue</i>)
PD	: Pengurus Daerah
PDRB	: Product Domestic Regional Bruto (<i>Gross Domestic Product</i>)
PLTMH	: Pembangkit Listrik Tenaga Mikro Hidro (<i>Micro Hydro Power Plant</i>)
RMW	: <i>Regional Minimum Wages</i>
RRA	: <i>Rapid Rural Appraisal</i>
RUU PPMHA	: Rancangan Undang-Undang Tentang Pengakuan dan Perlindungan Masyarakat Hukum Adat (<i>Draft Law on Recognition and Protection of Indigenous Peoples Community</i>)
SD	: Sekolah Dasar
SDA	: Sumberdaya Alam
SDM	: Sumberdaya Manusia
SK	: Surat Keputusan
TAP MPR RI	: Ketetapan Majelis Permusyawaratan Rakyat Republik Indonesia (<i>Provision of People's Consultative Assembly of the Republic of Indonesia</i>)
TEV	: <i>Total Economic Value</i>
TORA	: Tanah Objek Reforma Agraria (<i>Land Object for Agrarian Reform</i>)
UMR	: Upah Minimum Regional (<i>Regional Minimum Wage</i>)
USD	: <i>United States Dollar</i>
UU	: Undang-undang (<i>Law</i>)

EXECUTIVE SUMMARY

Policymakers at national and sub-national levels strongly influence the direction and orientation of forests management, and it seems that they are not completely aware of the real values of forests. They are not aware of economic options available in the forests, where the Indigenous Peoples live. Therefore, as decision makers, they regard big corporation investment as the only option. Sadly, for the sake of such investment, indigenous peoples are often considered as an obstacle. It is slowing down the attempts on recognition and protection of Indigenous Peoples, in which the **law drafting process** is taking ages to be drafted and ratified. Therefore, it is highly necessary to improve economic literacy of **policymakers** and legislators in terms of indigenous peoples' economy and values. Quality of policies being made must be improved and the policies must focus on better and equitable sustainable forests management performance; in short term, it will soon realize the recognition and protection of Indigenous Peoples.

To improve economic literacy, a study has been conducted and it focuses on the daily life and economic activities of the Indigenous Peoples (IPs) in six IPs community territories, as well as their roles and contribution to government administrative areas where the IPs live and are recognized. The six IPs community territories are:

1. Indigenous Peoples Community of Karang - Lebak Regency - Banten
2. Indigenous Peoples Community of Kajang - Bulukumba Regency - South Sulawesi
3. Indigenous Peoples Community of Kaluppini - Enrekang Regency - South Sulawesi
4. Indigenous Peoples Community of Seberuang, Riam Batu Village - Sintang Regency - West Kalimantan
5. Indigenous Peoples Community of Saureinu - Mentawai Island Regency - West Sumatera
6. Indigenous Peoples Community of Moi Kelim, Malaumkarta Ward, Makbon **Subdistrict** - Sorong Regency - West Papua.

This study specifically delves on IPs daily life in each community to be able to understand their sociocultural aspects of life and assess their economic performance. Several arguments are drawn from the results of this study from economic point of view, especially in reconfirming that IPs in each territory possess their own real, unique economic excellence that is not included in other parties' practical knowledge, especially **policymakers**. These arguments have been consolidated and addressed to the authorities, especially decision and policy makers, in relation to the attempts on improving IPs' rights and access on their territories as well as their management rights on natural resources and environment.

The following things have been conducted in each study area: (a) informal discussions, usually conducted in reviews and field observation, (b) formal discussions that consists of individual and in-depth interviews, and (c) focused discussion groups (FGD). This approach has been selected to focus more on participation and inclusion, and it is similar to *rapid rural appraisal* or RRA. This study relied on informal discussions, as it is very useful in breaking the ice; therefore,

the gap between the study team and study subjects could be eliminated, and the study could obtain the most valuable, real data and information. *Economic valuation* employed in this study is intended to visualize a qualitative approach or proxy of economic values in each IPs territory after getting their economic models. The general picture consists of various kinds of natural resources and environmental services that can be used directly by the IPs in their daily lives and various types of main use as economy enabler. An economic valuation was then conducted on these various types of use.

At the time this study was conducted, all the IPs territories has obtained a foundation for **recognition and legal protection** through regulations in their regencies. Several customary territories even have obtained legal recognition for their customary forests. Several other territories have had similar regional regulation, but this study found that the regulations have not been implemented properly and there aren't suitable programs and policies, so a constant monitoring is required to ensure proper implementation.

In general, the six areas of this study already have land use mapping in place, both based on participative mapping - within the work frame of BRWA or **Ancestral Domain** Registration Agency - and decision letter issued by the forest authorities and/or local government. Landscape ownership is a combination of communal and individual. In several places like Sintang, some IPs own individual land in the village where they do cultivation, for example in the valleys which is far from their village. Land use is similar in this case, and it consists of forests, cultivation land, plantation, pasture, settlements, etc. Forests and or protected forests seem to be the main landscape of the six IPs territories, except Saureinu.

All six IPs territories possess various **natural resources products and environmental services**. This was identified during FGD and individual interviews, and there are more than a hundred types of natural resource products and environmental services available in each IPs territory. Based on the FGDs results, the identified products and services were classified into several most important use from economic point of view. An economic valuation was conducted on these important types of use.

The economic valuation focused on varieties of main values or commodities which are believed to be the driver of IPs economic growth. The identification of most important types of use from IPs' point of view were conducted during the discussions, and all participants from each territory voiced their opinions and actively involved in the discussions (Table 3). The results of the interviews also showed various important and relevant information, and during valuation, they were developed into several assumptions and calculation base. As mentioned above, the economic valuation of IPs territories was mainly focused on direct and indirect use values within an ideal total economic value structure (*Total Economic Value* or TEV) (Image 2). Several IPs territories like Moi Kelim and Kajang can also be used to calculate other values within the *non-use values* category, so that a wider valuation score is obtained.

With such approach, various **proxy of economic value** was obtained from the six IPs territories. Overall, the figures are quite significant and should be taken into account. In addition, the figures were obtained using very minimal and conservative valuation framework because not all potential use was included in the valuation. The result shows that IPs economic value ranges from IDR28.92 B/year (Kajang) to IDR41.23 B/year (Moi Kelim).

These figures seemed more important and meaningful when compared with other mainstream economic indicators. For example, local GDP and RMW. If these two indicators represent the government's attempts to improve peoples' welfare, economic values in all six IPs territories have exceeded the government standards. At this point, the government's attempts to improve IPs' welfare in the six territories can be focused only on the preparation of baseline condition, so that the IPs can grow and strive. In some places, priorities for the required condition are put on the preparation of basic infrastructures, i.e. improving roads and bridges, and providing education and health facilities (in Seberuang), even though it will pose a threat to other locations (like Moi Kelim and Karang). Nevertheless, legal guarantee on the rights and access for IPs on their own territories is certainly a must for all six IPs, and it has not been seriously taken into account by the government. At village level, the process has been started with preparing Village Regulations (in Seberuang).

The study results also show that the IPs have a large number of natural resources and environmental services in their territories; additionally, they possess a set of **local culture and wisdom**, which become integral part of the natural resources and the environment. Most of the local culture and wisdom that grow in all six IPs territories are closely related to IPs' efforts in preserving and conserving the nature, and it is done through several ways, for example religious rituals. This relationship has been IPs instrument in **constantly** and sustainably managing their assets. Therefore, all types of use are not treated as mere commodities, including those that drive the economic growth. This is specific only to IPs economic model.

It is obvious that all six IPs territories as the locations of this study are also facing some obstacles, which in some cases can be considered as opportunities. Several territories are facing some internal and external challenges. The study also identified several indications that accumulation of internal and external challenges as stated above must be taken into account and converted into potential opportunities immediately. Otherwise, they will possibly reduce the existence, excellence, and unique characters of IPs.

Based on the results, including the *proxy* of economic value in six IPs territories, further understanding by policy makers and other parties need to be encouraged through the following arguments:

- Natural resources and environment as the assets in six IPs territories should not be underestimated. Therefore, this empirical phenomenon must be taken into account in every stage of village development, including strategies planning on IPs income improvement.
- The economic valuation also illustrates the cash flow within the IPs territories, and if compared with mainstream macroeconomic parameters set by the government, it is relatively higher. The valuation structure and condition are very conservative and minimal, but the economic value is relatively good, and it doesn't even include other assets like non-physical and non-cash assets. It means that the economic value being calculated consists of wider aspects, not just numbers and monetary values.
- If the local cultural and customary values as integral parts and *resilience* of the IPs territories landscapes are included in the valuation, the IPs will have more bargaining power. For example, when facing corporation entities. It will also help if the government is well aware and consistent in realizing development goals, i.e. focusing on improving public welfare, including that of the IPs. It means that the economic value identified in this study,

along with the implications, may be used as a new reference or economic option for the government in planning investment targets, tax revenue, revenue increase, and other aspects in line with development vision and mission.

- For each regency government in the five provinces and their agencies, the three points mentioned above must be included in their implementation agenda through Regional Regulation; it must contain, among others, recognition and protection of IPs. Thus, negative comments and opinions laden with suspicion that lead to stigma on IPs economic performance will eventually disappear.
- It is obvious that in several IPs' territories, it is apparent that there's a potential of weak or even fragmented customary bonds, which is one of the impacts of development. It should be used as an opportunity for improvement and a part of implementation agenda to recognize and protect IPs.
- AMAN needs to immediately transfer the results of this study into packages of information and advocacy materials to be integrated in the existing *communication and outreach* programs.

FOREWORD

To indigenous peoples, forest and other natural resources are not simply a concept or habitat for plants and animals. Forests are chambers of life filled with their values that have been constructed through a long historic journey. Imagination and perspectives of forests are created from their relationship with the flora, fauna, soil, water, rocks, air, and other forms of life which are not tangible. To them, forests are complicated ecosystems which we can't describe or define. Therefore, forests and natural resources are also the manifestation of their culture that has been built for tens or even hundreds of years, and being integrated in the relationships among the IPs, with other cultures, and their transcendental relationship with the universe.

Who are the indigenous peoples? We will never get exact answer for this, not even through semantic discussions and arguments. The problem lies not on ontological views that argues about the existence of Indigenous Peoples; it lies in how we find and finally understand about them. In fact, their lives are an empiric reality that can be found and understood if we really dive into it. The existence of Kajang, Kasepuhan Karang, Moi Kelim, Seberuang, Mentawai, and Kaluppini peoples is a social reality that's rooted in the history of their life battles and creativity to survive. It is not about complicated notes in scientific papers, or paintings of heroes that can be found in reports of the civil society. Additionally, they can't be found in rows of *checklist* in red-tapes forms created by this country's administrators.

When this nation's 'development' and 'welfare' are only about fantastic numbers of poverty, economic growth, investment values, employment, industrialization, or other jargons about dreams to reach prosperity, humane elements of the indigenous peoples will be reduced.

This study on economic valuation is not intended to spread new capitalization ideas within the indigenous peoples or enforce cultural materialism in viewing their life as what have been administered by the government. This study aims at providing real proofs on the abundance of natural resources that have been protected, used, or maintained. Besides, this study shows that people think of indigenous peoples as a homogenous society that are not capable of contributing to this country, with limited networks and lack of innovation and creativity. We certainly should not stop only in mentioning fantastic figures of the forests and natural resources managed by the indigenous peoples; we have to ensure that all the values will bring advantages especially for Indigenous Peoples welfare without setting aside their cultural rights to opt for more dignified changes.

Economic Valuation Study Team

The Alliance of Indigenous Peoples of the Archipelago

TABLE OF CONTENT

Title Page	i
Abbreviations List	ii
Executive Summary	iii
Foreword	vii
Table of Content	viii
List of Tables	ix
List of Images	ix
List of Annexes	ix
A. INTRODUCTION	1
1. Background	1
2. Purpose of Study	2
B. METHODOLOGY	4
1. Approach	4
2. Methods	4
3. Profile of IPs Community Territories	7
C. ECOSYSTEM CONTRIBUTION TO ECONOMY WITHIN INDIGENOUS PEOPLES TERRITORIES	12
1. Tenorial and Land Use	12
2. Natural Resources Products and Environmental Services of Ecosystem in IPs Territories	14
3. Appraisal of Ecosystem Economic Values in IPs Territories	15
4. Local Culture, Wisdom, and Economy	19
5. Challenges and Opportunities	22
D. IMPLICATION: ECONOMIC ARGUMENTS AND RECOMMENDATIONS	25
1. Economic Arguments: Not Just A Monetary Figure!	25
2. Recommendations	27
ANNEXES	30

LIST OF TABLES

Table 1. General Condition of Study Location	9
Table 2. Tenurial and Land Use Status	13
Table 3. Varieties of Natural Resources Commodity and Main Environmental Services Values ..	14
Table 4. Estimation of Economic Values on Six IPs Territories	16
Table 5. Comparison of IPs Economic Values with GDP and RMW of Each Regency	17
Table 6. Local Wisdom and Culture in Each IPs Territories	20
Table 7. Challenges and Opportunities - Internal and	23

LIST OF IMAGES

Image 1. Ideal Structure of Total Economic Value and General Review Focus	7
Image 2. Distribution of Study Location	8
Image 3. The View of Pesona Meranti Cepak Situ - Kasepuhan Karang; The process of weaving in Kajang Community; Water Supply Facility in Sintang; natural conditions in Malaumkarta; Harvesting and processing of coconuts in Saurenu; and coffee farming activities in Karang	28

ANNEXES

Annex 1. Policy Memorandum	31
Annex 2. News on Economist Valuation Workshop - in AMAN Website	34
Annex 3. Discussion on Review of Economic Value of Sustainable Natural Resources Management in Indigenous Peoples Territories	36



A. INTRODUCTION

1. Background

Economic and socio-cultural development in Indonesia is an integral part of ground and sea natural resources and environment. All emotional and functional life aspects of indigenous peoples in the Indonesian archipelago - such as economy, social, culture, and spiritual - depend on all natural resources and environmental services available around them. Indigenous peoples consider forests and sea as their source of life that provide various food, medicine, and other life aspects that hold high economic values. Forests and sea are the center of social, cultural, and spiritual cycles of the indigenous peoples and intrinsically related to nature conservation attempts which provide tangible products like food as well as ecosystem services as *'enabler'* for production. However, only small part of direct economic activities and ecosystem services values is concluded in government's official statistics that contain economic indicators and progress.

Rapid economic growth, increasing challenges on climate change, rise in population, and increasing pressure on land commercialization are the causes of natural resources

depreciation and environment degradation. Indigenous peoples are affected by the risks and impacts directly because they depend on nature. The increasing pressure on natural resources commercialization - for example forests - in the name of development and growth investment often results in marginalization and even *displacement* of indigenous peoples from their own land, their ancestor's landscape that they have owned and managed for generations. People's rights and access to their land, which is their true *economic asset*, are marginalized by efforts to obtain *income* and *wealth*. Growing income per capita as a part of measuring human development through investment by the government has reduced real income per capita of indigenous peoples affected by the development.

Such development policies are the results of lacking awareness on policy makers, legislators, and development planners both at national and regional levels regarding community's production, consumption, and dependency on natural resources and ecosystem services. Policy makers do not have adequate awareness on economic choices available in the indigenous peoples community's surrounding, so they see major investment as the only way to improve the community's wealth. Sadly, for the sake of such investment, indigenous peoples are often considered as an obstacle.

Policy makers and legislators are not aware of this, and as the result, it stalls the attempts on recognizing and protecting the rights of indigenous peoples. It also leads to the slow process of ratifying Recognition and Preservation of Indigenous Peoples Draft Law. Therefore, it is highly necessary to improve economic literacy of policy makers and legislators in terms of indigenous peoples' economy and values. In short term, economic literacy will realize legal recognition and preservation of indigenous peoples and their economic rights as the foundation of natural resources and ecosystem management for sustainable and equitable economic development.

Based on the discussion above and for the sake of the attempts in improving economic literacy and the existence of indigenous peoples on policy makers and other related parties, AMAN (the Alliance of Indigenous Peoples of the Archipelago) has commissioned an **Economic Study on Sustainable Natural Resources Management in Six Indigenous Peoples' (IPs) Territories** during the period of January-April 2018. The study results in the six areas of IPs is compiled in this report. Detailed report for each study location can be obtained from AMAN Secretariat.

2. Purpose of Study

The purposes of this study on six IPs territories are to obtain an overview of the existence of IPs and assess their performance and resilience as well as economic contribution, particularly those that have obtained recognition in terms of their existence and territories. Furthermore, this study is aimed at comprehending sociocultural context and traditional wisdom in managing each territory and its relevance to the availability of environmental services that support local production system. Specifically, the aims of this study are:

- (i) To show the significance of indigenous peoples' economic values in six study areas and compare them against prosperity standards set by the government, particularly income

per capita on Gross Domestic Product (PDRB) and regional minimum wage (UMR).

- (ii) To identify economic potentials within the indigenous territories as a base for future sustainable economic development for the indigenous peoples, and challenges as well as obstacles faced by the indigenous peoples.
- (iii) (To show policy makers, legislators, and development planners that recognizing the existence of indigenous peoples' main economic rights is a logical choice based on economic arguments regarding indigenous peoples' economic contribution, performance, and resilience. This choice is in line with government's plans to improve community's welfare in a sustainable and equitable way, without causing *marginalization and displacement*).

Arguments drawn from this study are expected to be beneficial in attempting future literacy and enriching knowledge of all parties, especially the authorities, legislators, and development planners - particularly in the context of strengthening and recognizing the rights and access for IPs on their territories and management of natural resources and the environment.



B. METHODOLOGY

1. Approach

This study is conducted to get an overview of IPs communities' daily lives in order to understand their sociocultural and economic lives, and assess their performance and resilience through terms of understanding of local economy system, economy valuation, and local wisdom related to ecosystem resources and production system. Several economic arguments are drawn from the results of this study, especially in reconfirming that IPs in each territory possess their own unique economic excellence that is not within other parties' practical knowledge, especially policy makers.

2. Metoda

Several things have been conducted in the six territories: (a) in-depth interviews with members of indigenous peoples, (b) informal discussions, generally conducted during reviews and field observation, (c) formal discussions that consist of individual interviews, including in-depth interviews, (d) focused group discussion (FGD), and (e) field surveys. This approach is selected to accentuate participation and inclusion closest to rapid rural appraisal or RRA as stated by Gibbs (1985), Freudenberg (no year) and *Asian Productivity Organization* in Tokyo.¹

¹ http://www.apo-tokyo.org/publications/p_glossary/rural-rapid-appraisalparticipatory-rural-appraisal-2/ 1/1 - accessed on Aug 15, 2011



Informal discussions were also held in each study area. In the beginning, informal discussions were conducted to introduce both sides: the research team and the interviewees. Informal approach is used to break the ice and bridge the gap between the research team and the study subjects, and to obtain information and data in the best way for authentic and closest-to-reality results. This is the essence of using RRA approach as a qualitative method. In each session of FGD, the subjects were asked to write any answers obtained from the discussion on a meta plan paper.

Economic valuation employed in this study is intended to visualize a qualitative approach or proxy of economic values in each IPs territory after getting their economic models. The economic model overview was obtained by first listing various benefits of natural resources and environmental services in landscape or seascape management that contribute directly to the community's daily lives (*free listing*), followed by types of main benefits that are believed to be the drive of economic growth for IPs (*short listing*).

The *short listing* identified various natural resources and environmental services as the drive of economic life. These various benefits are categorized based on their *direct-use values* and *indirect use values* within *total economic values* or TEV. It is feasible because these benefits directly impact their daily economic activities. In addition to the importance of direct benefits, the indigenous peoples are also well aware of the indirect use of the ecosystem. Several discussions also revealed that these peoples put values of environmental services (particularly existence of sustainable forests) before direct use values. Any direct use values will decrease or even be totally gone when forests and the derivative environmental services are disturbed.



Normally, the focus is placed on direct and indirect use values; hence, economic valuation **tends** to employ mechanism approach and market values obtained from in-depth interviews for each commodity of direct and indirect use were supplemented with cross-checks from other sources (including the internet) and the interviewees. The estimation of IPs Territory Total Economic Values **is** comprised of these two values (see formula 02 and Image 1):

$$TEV_{Ideal} = DUV + IUV + OV + BV + EV \dots\dots\dots (01)$$

$$TEV_{General\ review} = DUV + IUV \dots\dots\dots (02)$$

The main implication for the formula $TEV_{General\ review}$ that focuses only on DUV+IUV is it confirms that any value of TEV obtained in this study is the minimal value categorized as conservative and minimalist. It is because the formula does not include other aspects of indirect use, i.e. Option Value (OV) and two other aspects within the non-benefit category (Bequest Value or BV and Existence Value or EV). As for direct use value, *non-cash revenue* and *working time* are not included in the valuation. Therefore, it is important to note that the economic value of environmental products and services from the IPs ecosystem can be greater than the values presented in this study. (Image 1).

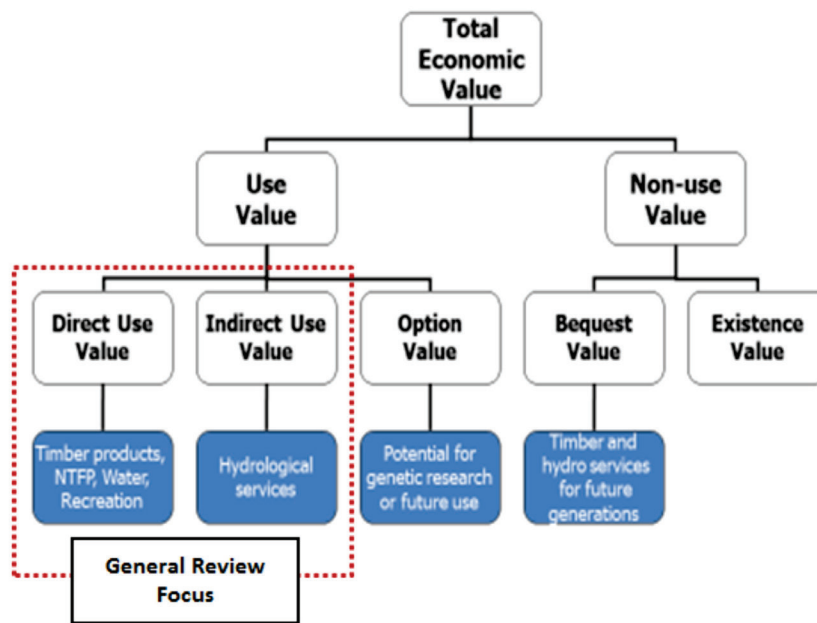


Image 1. Ideal Structure of Total Economic Value and General Review Focus

3. Profile of IPs Community Territories

This study was conducted in six IPs territories in five provinces: Banten, South Sulawesi, West Kalimantan, West Sumatera and West Papua, with the following details (Image 2):

1. Indigenous Peoples of Karang - Lebak Regency - Banten
2. Indigenous Peoples of Kajang - Bulukumba Regency - South Sulawesi
3. Indigenous Peoples of Kaluppini - Enrekang Regency - South Sulawesi
4. Indigenous Peoples of Seberuang, Riam Batu Village - Sintang Regency - West Kalimantan
5. Indigenous Peoples of Saureinu - Mentawai Island Regency - West Sumatera
6. Indigenous Peoples of Moi Kelim, Malaumkarta Ward, Makbon Subdistrict - Sorong Regency - West Papua.

The study location typology is generally terrestrial. Only Moi Kelim community (Sorong) is located in a relatively vast coastal area. Meanwhile, Saureinu indigenous peoples - despite their location in a small island of Indonesia - focuses their economic activities in land cultivation because their settlement is quite far from the beach. They only go to other small islands to grow their clove trees. As for Moi Kelim in Malaumkarta, the indigenous peoples use natural resources in the sea and mangroves as their livelihood, besides farming. Table 1 briefly describes general condition of each IPs territory in this study and recognition status for their community and IPs territories.

At the time this study was conducted, all the IPs territories has obtained recognition and legal protection through their regional level of regulations. Some IPs have even obtained

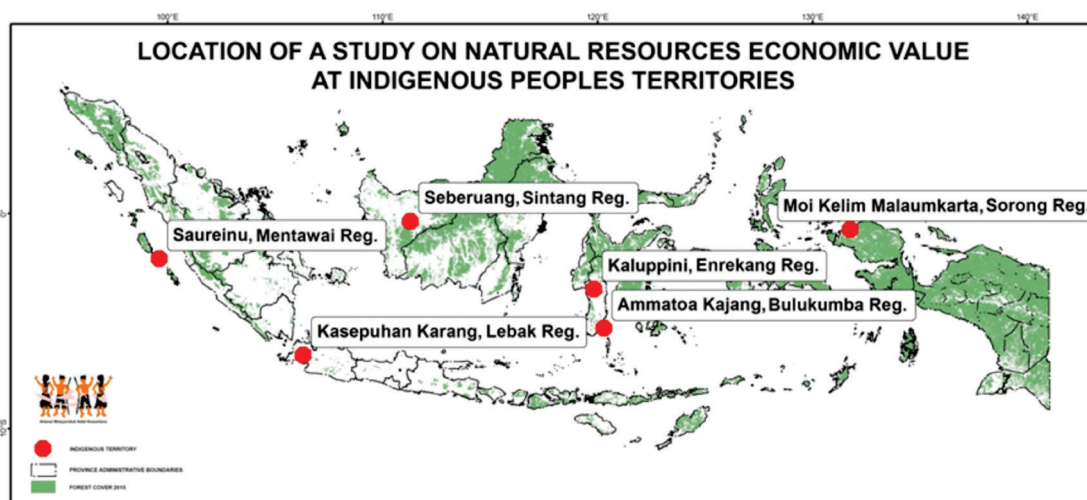


Image 2. Distribution of Study Location

legal recognition in the form of legitimate customary forest area (Kasepuhan Karang and Kajang). Other IPs have obtained similar regulations, but the study results indicated strongly that the implementation is not tangible. It means there aren't any not sufficient programs and policies specifically for IPs that can be used to further actions based on the issued regulations.² Therefore, it requires continuous monitoring.

Most of the IPs territories in the study are comprised of people with low-medium education level. In some territories like Kajang, the level of education is quite worrisome: more than 80% of the people do not graduate or never attend elementary school. Nevertheless, like the national trend, level of education in IPs are slowly increasing. Acceleration of education improvement is determined by the progressive efforts of customary institutions in accommodating modern values and the government's support through their agencies in providing adequate education facilities and infrastructures.

Most of the IPs in the study location depend on farming and plantation. Farming is commonly chosen for subsistence living and plantation for cash crops (plants that can be sold to get cash). In some coastal territories like Moi Kelim and Saureinu, farming and plantation are more dominant than fishery. It can be concluded that most IPs work as farmers. Besides owning lands, some IPs are also farmers that make living from harvest profit or wage sharing. Cultivating farmers' groups are susceptible because of minimal productive asset ownership.

In most of IPs territories, there are some people that work outside their territories. In some areas, like Kajang, the number is quite large. The same can be found in Kasepuhan Karang and those working outside their community territory is mostly young people. It is related as well to the increasingly higher level of education. Most of these people work as labors in private

² In the case of Sintang, follow-up action on the Regional Regulation is not apparent. It can be seen from the lack of specific programs and policies for IPs besides the "commonwealth sector" with PP-EMAS (community economy improvement program), which is directed to the public in general instead of specifically for IPs.

sectors. It requires more attention, especially in terms of improving additional value generated by the IPs territory.

In the indigenous peoples structure, there are customary institutions that govern their community in accordance with customary values, including managing natural resources use in customary territories. There are also ward and regent agencies that hold mutual responsibilities in governing some IPs life aspects and they function as the representatives of the central government. A phenomenon was found in the study location, in which there was a good cooperation between government and customary agencies and vice versa. Generally, customary agencies that work together with government agencies come from areas where the customary figures work in government agencies, like Kasepuhan Karang IPs, in which the Jar (village head) is the representative of customary figure (vice kokolot). This cooperation model enables development in Kasepuhan Karang IPs to run well without eliciting conflicts with customary values and religions.

Table 1. General Condition of Study Location

IPs Community Territory	General Condition of Study Location	Recognition Status and Documentation
Kasepuhan Karang	<p>Kasepuhan Karang is an administrative part of Jagaraksa Village, Muncang District, Lebak Regency, Banten Province. Jagaraksa Village is a division of Cikarang Village in 2009.</p> <p>The population of Jagaraksa Village is 2,219 or 754 households. Kasepuhan Karang customary territory covers an area of 1,081.286 hectares. This is not so different from Jagaraksa Village, which is the administrative location of Kasepuhan Karang. Jagaraksa Village covers an area of 1,135.101 hectares. There is a difference in terms of customary territory boundary with the village.</p> <p>Land slope is steep, i.e. 0-45% and it is 800 meters above sea level, the weather is cool (22o-33o) and rainfall is between 2,000-4,500 mm/year.</p> <p>Kasepuhan Karang is a hilly area situated between Sobang District and Lebak Regency Capital (Rangkasbitung) cross flow, and between Muncang District and Cikotok District cross flow. To reach Kasepuhan Karang, the route to be taken starts from Rangkasbitung through Gajrug-Mucang-Jagaraksa road, which takes approximately 3 hours. The route from Bogor can be taken through Jasinga-Cipanas-Gajrug-Jagaraksa and it takes approximately 4 hours.</p>	<p>Recognition and protection of IPs through Regional Regulation of Lebak Regency No. 8 of 2015. This regulation is sufficient in terms of recognizing the existence of indigenous peoples, providing rights to access natural resources, development policies to ensure fulfillment of indigenous peoples' rights.</p> <p>It is followed by establishment of Kasepuhan Karang Customary Forest through Decree of Environment and Forestry Ministry No. 678 of 2016.</p>

Kajang	<p>Kajang Indigenous Peoples live in Bulukumba Regency, South Sulawesi Province, which is + 200km away from Makassar City, and the distance from Bulukumba Regency capital to Kajang District capital of Kassi is + 90km; the road goes through Tana Toa village + 63 km, the distance from Tana Toa to the capital of Kajang District is + 27km.</p> <p>The only customary forest and terrestrial area in this landscape are located on the upstream watershed of Raowa, about + 27km from the beach.</p> <p>Tana Toa Village covers an area of 817 hectares, its population is 4,505, the agricultural density is 21 people/hectare, located mostly 221 meters above sea level, and the divisions of Tana Toa are Pattiroang on 199 meters above sea level, Sapanang on 199 meters above sea level, Batunilamung on 165 meters above sea level, and Malleleng on 50 meters above sea level.</p>	<p>Recognition of customary territory is stated in Regional Regulation No 9/2015, that covers an area of 22,593 hectares.</p> <p>In this customary territory, Ammatoa Kajang Customary Forest is situated and it covers + 320 hectares of land which is mainly located in Tana Toa Village, Kajang District, and it is a protected forest (Decree of Environment and Forestry Minister No SK.6746/MENLHK-PSKL/KUM.1/12/ 2016).</p>
Kalluppini	<p>Kaluppini Village is located in the mountains of Latimojong, which is the administrative area of Enrekang Regency, South Sulawesi. Kaluppini village is south of Lembang village, with Tobalu village in the east, Karanga village in the west, and Tongkonan village in the north.</p> <p>Kaluppini village is a hilly area and its average height is 800-1200 meters above sea level. Kaluppini Village and Kaluppini Custom Territory are made of steep, sloping rocky areas, i.e. 21% of the village area's slope is greater than 40% and 26% of it is between 25 to 40%. The village's flat ground is 16.82%, and the rest is hilly area of 37%.</p> <p>Furthermore, 70% of Kaluppini custom territory is bush and vacant land, and the rest is settlement area and dry-land cultivation area.</p>	<p>Regional Regulation No. 1 of 2016 regarding Guidance on Custom Community Recognition</p> <p>The process of establishing the actual territory is still in progress.</p>
Seberuang	<p>Riam Batu Village is one of 26 villages located in Tempunak District, Sintang Regency, West Kalimantan. Most of this village area is terrestrial, dominated by protected forest. It is 77 km away from Sintang, the capital of Sintang regency and 464 km from Pontianak, the capital of West Kalimantan. It covers an area of 5,213.36 hectares and consists of 3 wards: Mulas, Lanjau, and Lebuk Lantang.</p>	<p>Recognition and Protection of IPs through local Regulation of Sintang Regency No. 12 of 2015.</p> <p>Recognition of customary forests is still a work in progress and the Regional Regulation above is the foundation.</p> <p>The content and substance of the regulation is sufficient, including clauses and articles regarding</p>

	<p>The population is made of 264 household heads (KK) and the total number of population is 961, which comprises of 537 males and 424 females.</p> <p>Seberuang IPs live in Riam Batu Village and it is located within Kawasan Lingkar Saran (KLS), i.e. the upstream of three main rivers: Tempunak, Sepauk, and Belimbing. Lingkar Saran covers eight villages: Merti Jaya, Pekulai Bersatu, Gurung Mali, Sungai Buluh, Jaya Mentari, Kupan Jaya, Gurung Mali, and Riam Batu; these are the divisions of Benua Kencana village in 2009.</p>	responsibilities and commitment of the regional government in realizing their recognition and protection.
Saureinu	<p>Saureinu indigenous peoples settle in South Sipora District, Mentawai Island Regency, West Sumatera. Saureinu customary territory is a part of administrative area of several villages: Goissoinan, Matobe, Tuapejat, Sipora Jaya, Bukit Pamewa, including land previously utilized as transmigration area. From administrative point of view, Saureinu Village consists of 7 wards: Bulasat, Bailo, Sawahan, Kaliou, Sikirene, Mangali, and Sumber Air. Currently, there are 398 households and the total population is 1,449 (731 males and 728 females).</p>	<p>Recognition and Protection through Mentawai Island Regional Regulation No. 11 of 2017 for recognizing customary forests has been submitted to and in the process of getting approval by the Ministry of Environment and Forestry and to be made into a Regent Decree.</p> <p>The Regional Regulation substance is quite potential and it offers opportunity to ensure IPs' management space, but in terms of implementation, it requires tangible actions; this study identified that the current actions taken are not tangible.</p>
Moi Kelim	<p>Malaumkarta is a village located in the north coast of Sorong Regency, West Papua. The distance from this village to Sorong City is 48 km and it takes 2 hours to get to Sorong by public transportation. It is a terrestrial and coastal area which comprises mostly of primary forest. Malaumkarta village is populated by Moi Kelim indigenous peoples, and in the beginning, the west regional boundary was Kuadas Village, east boundary was Asbaken Village, south boundary was Klavili Village, and north boundary was the sea of Raja Ampat Island. Malaumkarta Village was once populated by 321 peoples and 85 houses. However, it was then divided and the number of population decreased because people moved to the division villages: Suartolo and Mibi. As for Malaumkarta, currently the Moi Kelim indigenous peoples population is 193 with 47 head of households. The Number of male in Malaumkarta is 100, While the female is 93.</p>	<p>The recognition and protection of IPs for this territory is still in the form of Regional Regulation Draft of Sorong Regency.</p> <p>The latest information obtained from this study was that the draft had been signed by the regent and is awaiting numbering.</p>



C. ECOSYSTEM CONTRIBUTION TO ECONOMY WITHIN INDIGENOUS PEOPLES TERRITORIES

Prior to economic valuation, some of the following have been elaborated in each IPs territory: (a) legal recognition of each IPs, (b) current and prevailing tenurial and management of land, (c) identification of natural resources and environmental services products, (d) local culture and wisdom, as well as a number of situations that have become (e) challenges and opportunities. All these points of information become the foundation of valuation calculation and enrich economic valuation analysis on natural resources products and services in each IPs territory.

1. Tenurial and Land Use

In general, the six areas of study already have land use mapping in place, both based on participative mapping - within the work frame of BRWA or **Ancestral Domain** Registration Agency - and forest authorities decision letter and/or local government. Landscape ownership is a combination of communal and individual. In several places like Sintang, some IPs own individual land in the village where they do cultivation, for example in the valleys which is far from their village. Land use is similar in this case, and it consists of forest, cultivation land, plantation, pasture, settlements, etc. Forest and or protected forest seem to dominate the area of the six IPs territories, except Saureinu. In other places like Kaluppini, the area mostly comprises of and surrounded by natural reservation area (Table 2).

Table 2. Tenurial and Land Use Status

IPs Territory	Tenurial	Land Use
Kasepuhan Karang	It consists of communal and private areas. Private areas are used for settlements, farming, and cultivation land. It will be legitimized with a certificate issued by customary agency.	An existing participative map (2014) covers leuweung kolot, leuweung cawisan, settlement, plantation, cultivation land, mountains, and forest.
Kajang	Communal land consists of: <i>borong lompoo kalompoang (gallarang)</i> , customary land, <i>gilirang</i> land. Private land, ownership and use of land by land owner. Everyone that holds the right can use the land regardless of their gender or position in the family tree, e.g. a grandfather and his grandchild, an uncle, aunt and nephews or nieces.	Mapping of Desa Tana Toa land use and the surrounding 7 villages (landscape related to hydrology system)
Kallupini	No certificate for settlement area and dry-land cultivation; natural reservation area owned by indigenous peoples for generations; claimed by the government in 1987 and end of 1990s.	Settlements: 806.58 hectares; Dry Land Cultivation: 2,419.75 hectares; Natural reservation area: 3,943.29 hectares Bush and vacant land: 2.18,27 hectares; Secondary forest: 1,238.21 hectares
Seberuang	Communal, some individuals (outside the area); minimal land use due to protected forest area; land user are found more outside the area;	Customary forests %6.103), cultivation area (19.13%), rubber (12.1%), gupung/ tengkawang (6.52%), tembawang (0.95%), settlement (0.27%).
Saureinu	Land use is based on uma/clan, in which land access or use is limited by custom rules for land ownership and agreed upon within the uma/tribe. Families that do not own land do not belong to an uma/clan and are not the descendants of Mentawai peoples, even though they can be granted land by the uma/clan Inheritance and management of land is patrilineal, except for peatland use for women (to be used as taro cultivation land), even though it is limited in use only.	Total customary territory is 7,846.76 hectares, most of the area consists of conversion production forest (4,216.1 hectares), and production forest (1,882.23), APL - Settlement Unit/SP/old transmigration area (1,109.54) and APL - Saureinu Administrative Village (648.47). Participative map has been submitted to BRWA.
Moi Kelim	Clan or marga is the foundation for tenurial or natural resources systems; the males of the clan own land/natural resources of their clan; clan traces back to genealogic line of the males/fathers, so a male in a patrilineal family system is the key of land/natural resources ownership; Land/natural resources use rights is held by each person within or without the clan, as long as they obtain permit or approval from their leader or the elders of the clan.	Forests, Coral Reefs, Mangrove, Seagrass Beds

2. Natural Resources Products and Environmental Services of Ecosystem in IPs Territories

All six territories in this IPS study were identified as possessing various natural resources products and environmental services. This was identified during FGD and individual interviews, which shows that there are more than a hundred types of natural resource products and environmental services available in each IPs territory. The various products are categorized as flora, fauna, and others (sand, water, ecotourism). During discussions with key interviewees, several types of natural resources considered as the most important have been identified. These results were then categorized further into³ use values and non-use values⁴ within the ideal structure of Total Economic Value or TEV. In-depth discussion showed that all types of products fall into use values, which in TEV structure is divided into two categories: *direct use values* and *indirect use values* (see formula 01 and 02 and Image 1 above). Natural resources products like rice, chili pepper, stinky beans, and medicinal plants are classified to have direct use values. Forests that control hydrological services, water source for irrigation and/or PLTMH (micro hydro power plant), flood, draught and erosion are classified as having *indirect use values*. (Image 1)

Besides one hundred values identified in each IPs territory, this study also identified main commodity that is considered as holding roles and providing real economic contribution to their daily lives. The main commodity is usually the driver of IPs economy. Besides the main commodity, some main environmental services have been identified as well, like forests' hydrological function, carbon absorption, ecotourism, water supply management, etc. (Table 3).

Table 3. Varieties of Natural Resources Commodity and Main Environmental Services Values

IPs Territory Community	Main Commodity (Natural Resources Products)	Main Environmental Services
Kasepuhan Karang	Farming: Regional and national rice variety (IR) Plantation: Durian, Mangosteen, Banana, Duku (Lanzones Fruit) Timber: Sengon (<i>Albizia chinensis</i>) and African Wood Livestock: Chicken, Goat, Buffalo Water for domestic consumption.	Hydrological function of forests (water source, irrigation) and carbon depository. Ecotourism; cultural tourism.
Kajang	Forests: Firewood, wood for buildings (very little amount), water for domestic consumption. Farming Land: Rice, corn, pepper, rubber, firewood, fruits (durian-rambutan-langsar or lanzones fruits), coffee, cacao, coconut, breadfruit wood, wood for buildings, animal feed (grass and quickstick), animal husbandry.	Rice field water supply management (agriculture), ecotourism of Kajang customary culture, and carbon depository.

³ possess values because they are being used, such as all values of natural resources that can be both directly and indirectly consumed.

⁴ possess values because of their existence or option values, like the existence values of such natural resources or the possibility for alternative uses that have not yet been identified.

Kalluppini	Dry agriculture land (Yellow corn and peanuts)	Water
Seberuang	Rubber, Stinky Beans, Water, Chili Pepper, Fish, Rice, Durian, Tengkawang.	Ecotourism, water supply for micro hydro power plant, and hydrological functions control
Saureinu	Food: Sago, taro, banana, marshland rice field Protein: Sago worms, teok (estuary worm) Livestock: Chicken and Pigs Hard Plants: Cloves, Kopra, Areca Nut, Nutmeg, Cacao, Durian, and Bamboo. Water for consumption.	Forests hydrological functions and carbon depository Tourism potentials. Logging forests (<i>log over</i>) therefore the potential is small for timber and carbon absorption.
Moi Kelim	Areca Nut, Matoa, timber, medicinal plants, sago, cacao, coconut. Fruits: mango, durian, orange, rose apple; tubers, vegetables. Marine resources: various kinds of fish, shrimps, lobsters, tridacna (kima), Trochus niloticus (lola), crabs.	Rivers as water and power resource; Sand as building material; Um Island Tourism, Biodiversity, sea, and terrestrial tourisms.

3. Appraisal of Ecosystem Economic Values in IPs Territories

Economic valuation in this study focuses on varieties of main values or commodities which are believed to be the driver of IPs economic growth. This information was obtained when identifying types of values considered as possessing the most important values from IPs' economic point of view (Table 3). These various kinds of products and environmental services are appraised using market values approach. If it is not possible to use market values approach, transfer benefits method will be used in order to get unit value from the previous study and to be implemented in this study with some adjustments.

Several parameters required for valuation were obtained from field data collection, secondary data like Regency in figures, information from the internet or other studies. Economic valuation conducted in each study area covers different scope, but in general, they focused on direct and indirect use values within the ideal structure of *Total Economic Value* or TEV (Image 1). Several IPs territories like Moi Kelim and Kajang can also be used to calculate other values within the *non-use values* category, so that a wider valuation score is obtained.

Using the above approach, various economic scores were obtained from the six IPs' territories, as presented in Table 4. The values do not cover indirect use values, such as *existence value*, *bequest value*, and *option value*. The value of indirect use for natural resources products is within the range of IDR26.12 B/year (Kajang) and IDR35.28 B/year (Kaluppini). Meanwhile, environmental services value is between IDR0.31 B/year (Kaluppini) and IDR148.43 B/year (Moi Kelim). Economic values closest to the ideal was shown by Moi Kelim, i.e. IDR159.93 B/year, including non-use value of 3.54 B/year.

Table 4. Estimation of Economic Values on Six IPs Territories*)

IPs Territory	Economic Values of Natural Resources Products*)	Economic Values of Environmental Services**)
Kasepuhan Karang	IDR 29,17 B/year	IDR 7,04 B/year
Kajang	IDR 26,12 B/year	IDR 2,80 B/year
Kalluppini	IDR 35,28 B/year	IDR 0,31 B/year
Seberuang	IDR 27,14 B/year	IDR 11,35 B/year
Saureinu	IDR 33,54 B/year	IDR 0,84 B/year
Moi Kelim	IDR 7,96 B/year	IDR 148,43 B/year Non Manfaat: IDR 3,54 B TEV = IDR 159,93 B/year

*) Only covers main products and environmental services (dominant), non-dominant ones are not included in this value, even though the values are tangible.

**) This value is only a part of the environmental services in the study areas. Biological diversity, pollination functions, and local climate supporting functions of the forests are not included here.

Value estimation as described in the above table is divided into two: economic values of natural resources products and environmental services. Please note that there's a correlation and dependency between economic values of natural resources products and those of the environmental services. Usually, most of economic products used directly by indigenous peoples (for example, agriculture or plantation crops) can only be obtained if environmental products are available (for example, hydrological function).

The result of economic valuation may be considered as minor and insignificant. However, that number is obtained from a very conservative appraisal due to some reasons. First, not all use values are considered, especially non-use values. Second, even in the case of direct use values, non-cash revenue and the number of hours spent by IPs in using their natural resources are not included in the calculation. Third, cultural values and local wisdom that is integral to the whole interaction and IPs' landscape which is the resilience factor for IPs are not included in the calculation.⁵

Therefore, these values can be useful if paired with other indicators of economic wealth used by the government. For example, local GDP and RMW. If these two indicators represent government's attempts to develop the community, the economic values in all six IPs territories will exceed the economic average performance and living standard set by the government in the development of regional economy. This comparison of economic values in the six IPs' territories and GDP and RMW values for each regency is presented in Table 5.

5 Moi Kelim IPs territory is an exception because the valuation includes *non-use values*

Table 5. Comparison of IPs Economic Values with GDP and RMW of Each Regency

IPs Territory Community	Economic Values of Natural Resources Products and Environmental Services	GDP and RMW of Each Regency
Kasepuhan Karang	IDR36.2 B/year IDR16.32 million/capita/year IDR16.32 million/capita/year <i>Note: Economic value > GDP</i> <i>Economic value < RMW</i>	GDP of Lebak Regency 2016: IDR13.77 million/capita/year RMW of Lebak Regency 2018: IDR2.13 million/month
Kajang	IDR28.92 B/year (weaving culture not included) IDR6.42 million/capita/year IDR0.54 million/capita/month <i>Note: Economic value < GDP</i> <i>Economic value < RMW</i>	GDP Estimation of Bulukumba Regency 2017: IDR27.06 million/capita/year PMW of South Sulawesi 2018: IDR2.65 million/month
Kallupini	IDR 35.59 B/year IDR5.07 million/capita/year IDR0.42 million/capita/month <i>Note: Economic value < GDP</i> <i>Economic value < RMW</i>	GRDP of Enrekang Regency 2016: IDR29.08 million/capita/year IDR2.42 million/capita/month PMW of South Sulawesi (2016): IDR2.6 million/month
Seberuang	IDR38.49 B/year (Total) IDR36.43 million/capita/year IDR3.04 million/capita/month <i>Note: Economic value > GDP</i> <i>Economic value > PMW</i>	GDP of Sintang Regency 2016 (Current Prices, Business Field): IDR27.89 million/capita/year RMW of Sintang (2017): IDR2.03 million/month
Saureinu	IDR33.54 B/year IDR23.19 million/capita/year IDR1.9 million/capita/month <i>Note: Economic value < GDP</i> <i>Economic value > PMW</i>	GDP of Mentawai 2016: IDR42.79 million/capita/year or IDR3.5 million/capita/month PMW of West Sumatera 2016: IDR1.8 million/month
Moi Kelim	Direct-use economic value: IDR159 B/year IDR41.23 million/capita/year IDR3.44 million/capita/month <i>Note:</i> - <i>Economic value < GDP with oil and gas</i> - <i>Economic value > GDP without oil and gas</i> - <i>Economic value > RMW</i>	GDP of Sorong Regency 2016: With oil and gas = IDR93.22 million/capita/ year or IDR7.77 million/capita/month Without oil and gas=IDR 33.86 million/capita/year or IDR2.82 million/capita/ month RMW of West Papua 2018: IDR2.67 million/ month

Table 5 above illustrates that most of the IPs territories show a relatively high economic value compared with economic indicators or commonly used welfare standard, like GDP and or RMW (Seberuang and Moi Kelim). Moi Kelim's value is lower in terms of GDP with oil and gas, but it is higher with GDP without oil and gas, from Sorong GDP, the value per capita per month is still higher than the PMW in West Papua. Kajang and Kaluppini IPs show a different tendency, i.e. their Economic value is smaller against Bulukumba GDP or South Sulawesi PMW.

The economic value is significant because the six customary territories depend highly on nature and environment. The types of work in all six customary territories vary from farmers to fishermen, and in fact, there isn't any member who only takes care of their household or fully unemployed. Data from the Indonesia Central Agency on Statistics (BPS) of Mentawai shows that there isn't any standard classification, like farmers, employee, civil employee, and policeman. Instead, they are categorized as business fields, like 'entrepreneur', 'non-permanent business', 'business with employees', 'freelance', and 'family worker/unpaid' (BPS 2017a), and this might be more appropriate for Saureinu Village and Mentawai in general. It is concluded that Saureinu Village peoples depend highly on agriculture and mixed plantation, as they are their livelihood and source of income. If the people lose their land as their source of livelihood, the number of poor people and government subsidy for them will increase.

In Table 5, we see that in Sintang Regency, the economic value of natural resources per capita for Seberuang people is Rp. 36.4 million per year, which is higher than the GDP/capita of Sintang Regency, i.e. Rp. 27.9 million. In one of the study locations in Seberuang IPs of Riam Batu, it was found that all natural resources economic value being identified is solely owned and consumed by the peoples of Seberuang Riam Batu. The same was found for Kajang, Moi Kelim, and Saureinu IPs. The economic value of natural resources per capita must be compared with the number of GDP per capita for each regency, which is really high and consumed by the peoples in the corresponding regency, instead of the total value of GDP/capita.

Meanwhile, indigenous peoples are hoping that the government will support them to improve their economy; the above appraisal shows the need for a meticulous ways of planning investment to support economic growth, which will affect short-term economy, i.e. revenue, and long-term, i.e. ownership of natural resources, particularly land resources and ecosystem services as the main support for land production.

It means that every plan to make investment for economic growth and peoples' welfare in a region must meet the following conditions (ex-ante):

- (i) the investment must improve peoples' income or economy, in which it must provide higher level of wealth compared to the current one from access to and consumption of natural resources, which are the economic rights of indigenous peoples affected or targeted by the investment.
- (ii) the investment must guarantee continuous economic growth of the affected indigenous peoples.

- (iii) the investment will not destroy indigenous peoples' assets, i.e. transfer of land as their base capital of income and ecosystem resources as their natural capital to support local production system.

Failure in meeting these three conditions will lead indigenous peoples to: social poverty during macro-economy growth or *growth immiserizing effect, marginalization, displacement, and alienation*.

At this point, the government needs to improve the wealth of IPs in all six study locations by focusing in preparation for pre-condition of IPs' growth and development. In some places, priorities for the required pre-conditioning are put on the preparation of basic infrastructures, i.e. improving roads and bridges, and providing education and health facilities (in Sintang), even though it will pose a threat to other locations (like Moi Kelim).

Nevertheless, legal guarantee on the rights and access for IPs on their own territories is certainly a must for all six IPs, and it has not been seriously taken into account by the government. At village level, it has been proposed and commences from preparing village regulation on customary forests recognition, which covers the whole area of protected forests (about 3,000 hectares) in Seberuang and Riam Batu Village.

4. Local Culture, Wisdom, and Economy

The results of study in all six IPs territories showed that each IPs has various natural resources use and ecosystem services as well as a set of institutions and local knowledge. In most of the territories, these elements are inseparable from the management of natural resources landscape and environment as well as economy. Most of the local culture and wisdom that grow in all six IPs territories are closely related to IPs' efforts in preserving and conserving the nature, and it is done through several ways, for example religious rituals. This relationship has been IPs instrument in continuously and sustainably managing their assets.

IPs' inner concepts of forests, sea, or other natural resources as inseparable parts of their lives has created a system of knowledge and use that never negate aspects of sustainability, social solidarity, and attachment to their sacred ancestors. Customary zoning system on forests, as has been done by the Kajang, Kaluppini, or Malaumkarta indigenous peoples, is a real, good example that is still maintained to date.

Most of the local culture and wisdom that permeate in all six IPs territories are closely related to IPs' efforts in preserving and conserving the nature, and it is done through several ways, for example religious rituals. It is the IPs' instrument to continuously and sustainably manage their assets. Customary sanctions and rules are still in practice, hence it helps maintain ecological conditions and natural resources that bring advantages to the indigenous peoples. This type of direct or indirect custom functions is commonly known as 'local wisdom'.

However, this wisdom does not always remain traditional without being affected by changes and adaptation. In Malaumkarta, a system of 'sasi laut' (not allowing people to take sea resources during specific, designated periods) on several commodities for the indigenous peoples of

Moi Kelim is only applied after an introduction of such system by several NGO activists in order to prevent coral reefs destruction and *overfishing*. It shows that as long as values of harmony is still in practice, the local wisdom can be maintained, developed, and strengthened instead of disappearing due to interference by other external cultures.

It is commonly known that all kinds of use, including ones appraised in this study and function as economic drives, are not merely treated as inanimate objects named commodities. Take an example from Seberuang, where there is a customary rule that treating rice/unshelled rice/cooked rice as inanimate objects are considered as a taboo; they don't think of the rice as merely commodities. On the contrary, they treat these products as they do other living things. They believe in customary conventions and prohibitions, for example paying respect to rice/unshelled rice/cooked rice and never to throw the rice or take them by scooping inwards as an act of respect towards the rice. In addition, they also make sure that they don't spill rice when they eat. This point makes IPs economic models unique compared to other *mainstream* economic models. (Table 6).

Worshipping in sacred places, existence of prohibited forests/pools/bays, and prohibiting entrance to haunted or ancestral palaces are instances of IPs' local wisdom that reflect protection on sensitive or susceptible ecological functions as a source of environmental services (ecosystem services). For example, **hydrological** function of a sacred forest is to manage ground water system and provide water source as an enabler of agriculture production system, that certainly holds great economic value.

Table 6. Local Wisdom and Culture in Each IPs Territories

IPs Territory	Local wisdom and culture	Note
Kasepuhan Karang	<ul style="list-style-type: none"> To protect leuweung kolot/paniisan (rest areas), which serves the purpose to give a break to the areas and protect them from environmental destruction and the water source. To distribute land based on the contour and that functions as water spring, sloping area planted with trees that can prevent landslides, pools as water depository, settlements on flat land for safety. The philosophy of "Salamat ku Peso, bersih ku Cai" (knives provide life, water provides self-cleanliness). It shows a high respect on the values of water. Rituals on rice cultivation that reflect the hope for successful cultivation, serentaun that reflects gratitude on harvest crops. Religious ceremonies organized with mutual cooperation. Rituals and customary rules for timber and bamboo loggings to build houses that respect conservation elements. 	

	<ul style="list-style-type: none"> • Tagging shorea (meranti) trees (red, yellow, green); red means no cutting of the trees allowed to protect water springs. • Using organic fertilizer on some local rice fields • Using medicinal plants to cure illnesses 	
Kajang	<p>Rambang seppang (Kajang Sempit/Dalam), all apply to the indigenous peoples living in this territory. The forests have religious and ecological functions; the forests are where Ammatoa (indigenous peoples' leaders) connect with the Almighty God through customary ceremonies for safety and peace of the community. The forests invite rain and their roots enlarge water springs; they also function as the lungs/blanket of the earth. There are several prohibitions in terms of forests use</p> <p>Rambang luar (Kajang luar), only some of the customary rules apply, they adopt external values. Some customary traditions that the IPs still hold are rituals for birth, death, and agriculture activities. Land cultivation for production/ economic activities and rice cultivation is conducted 2 times a year.</p>	
Kaluppini	Damulu Banua (customary ritual to celebrate Maulid Nabi and reflect mutual cooperation); Tana Ongko (conservation activities by establishing which territories boundary are allowed to be used).	
Seberuang	<p>Nyengkelan Tanah. The Nyengkelan Tanah ritual is a customary activity held by Seberuang Riam Batu IPs when they are about to cultivate a land. This customary ceremony's purpose is to ask for permission from Puyang Gana, the spirit that owns lands</p> <p>Ngalu ke Buah. The Ngalu ke Buah is a customary tradition for celebrating fruits or harvest season. During fruits season, tengkawang trees will be laden with fruits. Therefore, Ngalu ke Buah is held to keep away diseases brought by the fruits season. Ngalu ke Buah is a traditional welcome ceremony to all fruits, especially tengkawang. This ceremony is usually held at the beginning of tengkawang fruits season.</p> <p>Nampuk Saran. Bukit Saran is a sacred place for Seberuang IPs. They believe that Bukit Saran is a place for the souls of the ancestors and great people. Moreover, Bukit Saran is a cultivation land of Inai Abang, a prominent figure in the Legend of Buah Main, the ancestors of Dayak Ibanik sub-clan. Seberuang IPs, especially Seberuang Riam Batu, think that they need to pray and plead in a special way, so they will climb Saran Hill and pray in customary ways at the top the hill that they call Nampuk Saran.</p>	An example of Sengkelan ritual can be seen in https://www.youtube.com/watch?v=h-kA1KsxsKBI - it is a special gratitude to God for everything bestowed upon the people, like house building, promise fulfillment, abundance of crops, etc.

Saureinu	The people have gone through a process of cultural changes, particularly due to the government's forcing Mentawai indigenous peoples to abandon their ancestors' customs since 1954. However, land management is still conducted based on uma/suku (suku=clan), and marsh land are under the authorities of women.	
Moi Kelim	Traditional medicine, Sasi (in fishery); Woti, i.e. prohibition to enter or take something from sacred places. Timor woven fabrics, customary weddings.	

In the context of indigenous peoples, external learning patterns and technology adaptation have to be identified as they are a part of building economic resilience. Sasi parsial (partial sasi) applied by Moi Kelim community that differentiates access rights (especially for Mobalen sub-clan), types of catch species (only lobsters, snappers, and sea cucumbers) and time to fish, are an adaptation of external knowledge which has been adjusted to the needs and characters of Moi Kelim community's economic activities.

5. Challenges and Opportunities

It is obvious that all six IPs territories as the locations of this study are also facing some obstacles, which in some cases can be considered as opportunities. Some territories are facing internal challenges, for example those related to low human resources quality, controversy on the attitude of village elites, resistance from the head of villages to external advocacy efforts, common notion that customary institutions are not relevant anymore, changes on perception regarding the relations between forests and their use with social/customary life, lack of harmony between villages' governance and administration and customary institution, the decreasing customary control on communal land use, and diminishing implementation of mutual cooperation during economic-production activities as it is slowly being replaced by wage system.

These external challenges are also identified in the six study locations: pressure to invest on behalf of development (especially palm plantation and gold mines) which have the potential to change patterns, life style, and relations with nature, and mainly community's income source, reduce tangible fortune and community's base capital through transfer of land ownership and destruction of ecosystem as the source of environmental services. Access to outside world is now easier because of rapid roads development and communication means that improve IPs' mobility and has the potential to accelerate cultural mixture of IPs' and external parties', and the rocketing price of land due to roads development and higher vehicles traffic.

The study also identified several indications that accumulation of internal and external challenges as stated above must be taken into account and converted into potential opportunities immediately. Otherwise, they will possibly reduce the existence, excellence, and unique characters of IPs. Table 7.

Tabel 7. Tantangan dan Peluang – Internal dan Eksternal

IPs Territory Community	Internal Challenges	External Challenges
Kasepuhan Karang	The sustainability of agriculture and plantation kept by the young generation; The sustainability of harmony between customary and village institutions; The decreasing value of agriculture and plantation in relation to formal work due to education improvement.	Change of values caused by external information flow (internet and tourists); 'Brown investor' that potentially will destroy nature and customary values; Competition with other ecotourism areas in Lebak.
Kajang	Customary agency doesn't hold sufficient control on communal land use. Mutual cooperation of the community is effective during social activities, no transformation towards production/ economic activities.	There's high access level in customary territories and they intensively mingle with the external world "modern" values, especially market influence or educated young generation's interest. Rubber plantation intervention outside of the study areas, i.e. Ujung Loe district (Tamatto village), Bulukumpa District (Bontomangiring Village), Bonto Minasa, smaller part of Batulohe and Tibona), is to eliminate IPs and use their land. The root of this issue is not on the choice of commodity type (rubber), but on the taking over of customary land.
Kalluppini	Lack of customary knowledge possessed by the younger generation	TORA process may disturb the process of collective customary land ownership.
Seberuang	Insufficient quality of human resources, no indication on cultural change especially on young generation; on the contrary, more opportunities arise to keep their customary territories, for example: establishing permanent rice fields, improvement of ecotourism by creating cultural gallery of Seberuang Riam Batu.	Lack of attention from the government; insufficient basic infrastructures: roads, bridges, education and health facilities.
Saureinu	Indigenous peoples have their own resilience - it's necessary to find an investment formula that's not exploitative and guarantees the sustainability of nature/forests/land as food source. Customary government and village government systems are not in harmony, for example regarding policy on land certification (like SKT or land certificate from village hall), i.e. individual vs. uma/ suku(suku=clan) ownerships. Negative perspective of the Mentawai indigenous peoples on conservation program -	Ownership system from the customary point of view is not in understood by the mainstream society and the market system. Customary agency plays a role in settling land conflicts and social violation that cannot be solved by the village government, but such agency only holds less power in this case. This happens especially in decision making at the government level in order to determine the right programs for indigenous peoples,

	<p>past experience on conservation program that prohibited indigenous peoples to enter their ancestral territories.</p>	<p>which are planned by the village government.</p> <p>The Mentawai regency government program to open 1,000 hectares of rice fields (Antara, 2013) has become a new threat to local food, such as sago and taro, and local food investment as the new economy.</p>
Moi Kelim	<p>Insufficient quality of human resources in absorbing technology as the form of external new economy; entrepreneurship that is still incapable of managing the growing potential, for example in tourism area. Potential clans conflicts on claiming their customary territories.</p> <p>Village divisions is an important issue because it can be conducted without necessary supports; the requirement is simple: only several households settled in an area to create a new village. The lack of customary knowledge in the young generation.</p>	<p>The impact of development in and around Sorong on investment flow to Malaumkarta has the potential to change peoples' life style and relations with natural resources. Easier access because of roads and communication development has increased mobility from/ to Malaumkarta - it accelerates absorption of other culture into the local culture.</p> <p>Road development will increase vehicles traffic and change the value of land along the road, along with new economic activities aside from natural resources use. It raises the potential to change land ownership pattern in Malaumkarta. The lack of attention from the government in empowering the communities, especially in adding value to local products. Tourism area development programs in Kampong Malaumkarta are not disseminated properly and don't involve local communities.</p>



D. IMPLICATION: ECONOMIC ARGUMENTS AND RECOMMENDATIONS

1. Economic Arguments: Not Just A Monetary Figure!

Economic value appraisal in six IPs territories has resulted in several important implications for many people, especially decision and **policymakers**. To immediately update and enrich knowledge with information related to economic performance in six IPs territories identified in this study. Based on this economic value appraisal, the things that need to be mutually understood are as follows:

- Natural resources and environment as the assets in six IPs territories should not be underestimated. Table 5 above shows that almost all IPs territories in this study shows relatively high economic value, and it is still apparent when paired with the general economic indicators like GDP and or RMW (Karang and Seberuang). Only Kajang and Kaluppini IPs show a different tendency, i.e. their economic value is smaller against Bulukumba GDP or South Sulawesi PMW. In fact, land productivity (commodities) is very high (23 million/hectare/year), it is similar to that of corporation plantation commodities. Low per capita value is due to agrarian density or high pressure on land support, and wide forests are only used for their cultural and ecological values.
- The government's attempts and target to grow the community's income and their impact

on indigenous peoples welfare have to be understood and compared objectively within the context of real situation in the community. Failure in understanding economic value and welfare of indigenous peoples based on local natural resources use will possibly cause poverty or known as *growth immiserizing effect*, marginalization, *displacement*, and *alienation*. If it is the case, the expenses that the government must cover will be higher due to the poverty, marginalization, displacement, and alienation compared to the result of limiting IPs in using their customary territories and local natural resources.

- Therefore, this empirical phenomenon must be taken into account in every stage of village development in all six IPs territories, including planning strategies to improve IPs' income, contribution on local Revenue or PAD and local tax in each regency where the IPs existence is recognized. For example, in Saureinu, it must be considered whether introducing programs and subsidy to open rice fields will decrease taro and sago production and the potential of alternative food production.
- If cultural, customary, and local cultural values that contribute to the sustainability of their natural resources is entered into valuation, the bargaining power of IPs in six territories is still high. For example, when facing corporation entities. It will be even better if the government is aware and consistent with development goals, i.e. focus on improving people's welfare and put priority on IPs as the *intended beneficiary* of natural resources and the landscape. It means the economic value identified in this study and all its practical implication need to be taken into consideration by the government, especially in facing new economic options, making investment targets, improving regional revenue and tax, and other intervention on behalf of development vision and mission.
- For Regency government and its agencies where the IPs live and recognized, the above points must be listed in implementation agenda - plans, programs, policies, government budget - as a follow up action on legal support from each regency's local Regulation, especially in the context of recognition and protection of IPs. Awareness on the meaning of economic performance in each IPs territories of this study needs to be disseminated to all people, especially *policymakers* that seem to be unaware of this important information. All of this information can be used as argument to those who often question the following issues: (a) the existence and economic contribution of IPs, (b) IPs' contribution to regional revenue and tax, (c) IPs are the obstacle for development, and (d) all things related to the previous points.
- At national level, ratification of Recognition and Protection Law on Indigenous Peoples and Their Rights has become a necessity. Economic calculation in this study shows the justification, imperative and urgency in strengthening recognition of indigenous peoples' economic rights. From economic point of view, this law will be (i) an incentive for sustainable production and use of community's natural resources because they can get the result of the investment in long term; (ii) a foundation for government's *affirmative policy* to ensure fair opportunities to get income and the integrity of social system at the grass roots.

- It is obvious that in several IPs' territories, it is apparent that there's a potential of weak or even fragmented customary bonds, which is one of the impacts of development. It should be used as an opportunity for improvement and a part of implementation agenda to recognize and protect IPs.

2. Recommendations

The following recommendations are made based on the results of this study in six IPs territories and some economic arguments stated above:

- For the government and the Indonesian House of Representatives, they need to immediately finish and ratify the Law on Indigenous Peoples Study and Empowerment (PPMA) which will directly lead into the following:
 - (i) the legal basis of identification, registration, verification, and recognition of customary territories
 - (ii) incentive for sustainable economic activities based on natural resources in IPs territories;
 - (iii) the basis of affirmative policy that protects ownership of IPs assets and natural capital for the sake of economic equity.
 - (iv) policy basis *quid-pro-quo* (recognition of rights in balance with *responsibility* in terms of government's relations as the administrator of development with the indigenous peoples.
- For AMAN, it needs to be transformed into advocacy materials for all six regencies where the IPs live and recognized and at the national level. At the national level, the result needs to be consolidated with other similar studies in other IPs territories. The purpose is to improve literacy regarding indigenous peoples and the result of this study can be used as an authentic material that can be held accountable.
- In line with the recommendations, AMAN needs to immediately arrange specific advocacy strategies, communication, and outreach *for all aforementioned parties which have been identified as "target groups". The aim is to improve literacy by using all of the results in this synthesis. The outreach is expected to make it easier for AMAN and their colleagues to accelerate ratification for Draft Law of PPMHA (currently known as Draft of Law for IPs).*

Image 3.



Image 3a. The View of Pesona Meranti Cepak Situ - Kasepuhan Karang



Image 3b. The process of weaving in Kajang Community



Image 3c. Water Supply Facility in Sintang



Image 3d. Natural conditions in Malaumkarta



Image 3e. Harvesting and processing of coconuts in Saurenu



Image 3f. Coffee farming activities in Karang

ANNEXES

Annex 1. Policy Memorandum



POLICY MEMORANDUM

To : 1. Chairman and Members of the Indonesian House of Representatives' Working
2. Committee on Indigenous Peoples Draft Law
3. Chairman and Members of the Indonesian House of Representatives (DPR RI)
4. Leaders of Ministries/Agencies representing the Government in the Discussion
of Indigenous Peoples Draft Law with the Indonesian House of Representatives
5. Chief of Presidential Staff Office of the Republic of Indonesia

From : Rukka Sombolinggi, Secretary General of AMAN (Aliansi Masyarakat Adat Nusantara)

Copied to : 1. Chairman of AMAN National Council
2. Chairman of the House of Regional Representatives of the Republic of
Indonesia (DPD RI)
3. Chairman of the People's Consultative Assembly of the Republic of
Indonesia (MPR RI)
4. President of the Republic of Indonesia

Date : 23 April 2018

Re. : **Literacy Update for Ratification of Indigenous Peoples Law**

Dear Sir/Madam,

1. AMAN expresses its appreciation for the commitment of the Government and the House of Representative of the Republic of Indonesia to continue the discussion of Indigenous Peoples Draft Law and put it as one of the priority agendas in 2018 National Legislation Program. We expect the prolonged discussion that started since 2014 can mutually be completed soon. The stalled ratification of Indigenous Peoples Law will extend uncertainty, insecurity and injustice to Indigenous Peoples in sustainably utilizing the natural resources in their indigenous territories. It is important to keep in mind that one of President Joko Widodo's commitments contained in *Nawacita* is "Continuing the legislation process of Indigenous Peoples Draft Law which is now has been in the final stage of discussion for enactment as Law, by incorporating changes to its content as proposed by the House of Representatives, AMAN, and various components of the civil society".
2. AMAN deplores the increasing negative stigma from the Legislative and Government side regarding Indigenous Peoples' existence, roles, and potentials in the country's development. The policies issued have not been able to provide a place in accordance to the 1945 Constitution and failed to respond the basic issues encountering Indigenous Peoples. Marginalization and deprivation of Indigenous Peoples' rights still continue to happen, April 2018. The cause *is that the policymakers do not really understand the reality and problems facing the indigenous peoples, especially those related to economic, social, and cultural life within the framework of cultural value and customary tools.*
3. To respond the issuance of Indigenous Peoples draft law by the Working Committee on Indigenous Peoples Law of Legislation Body of the House of Representatives on 23 January 2018, AMAN hereby states that it is ready to support the Working Committee on Indigenous Peoples Law of Legislation Body of the House of Representatives to continue further discussion up to the enactment of such draft law, especially in respect to the points

below. We express this matter to assist the House of Representatives and Government in issuing policy that aims to solve the problem, within a short as well as period, thus any mistake in the life of the people and the nation can be corrected and halted. The following are important points of AMAN's concern:

- A. **Chapter on Indigenous Peoples Evaluation.** AMAN demands the Chapter on Indigenous Peoples Evaluation to be ELIMINATED from the Indigenous Peoples Draft Law because it is against the 1945 Constitution that recognizes indigenous peoples and their traditional rights (bequest rights). Indigenous peoples are not groups established by the country, so the country doesn't have the right to eliminate them.
- B. **Chapter on Recognition of Indigenous Peoples.** AMAN demands that this Chapter regulates registration for indigenous peoples as a legal subject with all the rights pertaining to their existence. The procedures must be simple and inexpensive and can be done swiftly and easily. Recognition of Indigenous Peoples by the Minister cannot be accepted and it COMPLICATES indigenous peoples and has the potential to eliminate indigenous peoples' existence.
- C. **The Need of Chapter on Restitution and Rehabilitation of Indigenous Peoples' Rights.** It is important to incorporate this chapter because there has been a lot of damage inflicted in the past, in the form of indigenous peoples' rights transfer and destruction of customary territories as their living space, destruction on their tradition, culture, laws, and institutions that function in indigenous peoples' order of life.
- D. **The Need of a Chapter on Indigenous Peoples Committee.** The committee is required to replace the role of various Ministries/Government Institutions that have been working partially and based on sectors, and they don't represent indigenous peoples' interests. This committee is to review, mediate conflicts, register complaints, monitor, and investigate violations on indigenous peoples' rights, and propose development plans to the government in relation to indigenous peoples.
- E. **The Need of a Chapter on Recognition and Protection on Economic Rights** of indigenous peoples. Indonesian House of Representatives and the government need to assert the position of indigenous peoples' rights in development planning and programs. The main purpose is to respect their economic rights as a part of human rights pertaining to the indigenous peoples, which have existed since before the Republic of Indonesia was established. The chapters and clauses are required to ensure the following:
 - (i) ownership and/or access right on natural resources that they own since the beginning and are located in their territories,
 - (ii) priority right in using natural resources,
 - (iii) the right to use natural resources within customary areas which are being used by parties other than the indigenous peoples as the result of recognition of their rights,
 - (iv) the right to own customary territories regardless of the resources used by external parties,
 - (v) protection right against destruction caused by parties that use the territories or resources within the customary territories,
 - (vi) protection right on the sustainability of ecosystem resources functions that support indigenous peoples' production system
 - (vii) protection right on the benefits of local wisdom use
 - (viii) the right to be protected, get certainty, and guarantee that government's development policies and programs will not lead to the elimination of IPs rights and reduction on indigenous peoples' economic and social welfare as the target of the programs or affected by the development.

4. To show indigenous peoples' potential independence and economic contribution, AMAN has conducted a study to appraise economic value of natural resources use in six Indigenous Peoples territories⁶, and to identify the correlation between their economic and sociocultural activities. The results of this study confirm our current belief that: (i) Indigenous Peoples do exist; (ii) Indigenous Peoples have explicit customary territories and management space, and their ownership and the relationship between the community related to their natural resources are obvious; (iii) Indigenous Peoples have a unique economy model, and its value is significant in comparison with public revenue from general development, including investment by big corporations; (iv) indigenous peoples perform dynamic, independent economic activities supported by cultural assets and local wisdom.
5. **Direct economic value** from the use of natural resources and ecosystem in six Indigenous Peoples territories in this study, on mainland and waters, ranges from Rp. 5.1 million/capita/year (Kaluppini Indigenous Peoples, Enrekang Regency) is up to Rp. 41.2 million/capita/year (Moi Kelim Indigenous Peoples, Malaumkarta, Sorong Regency). The indigenous peoples get full use of the revenue. This estimation is conducted with a very conservative approach, and it can be higher if all environmental services and products are included. It is higher than the regency GDP/income per capita that includes investment revenue and external production factors as well as RMW in each territory. GDP/capita/year in Enrekang Regency is Rp. 29.1 million and in Sorong Regency Rp. 33.9 million (without oil and gas). The RMW for both regencies is Rp. 31 million and Rp. 32 million per year. **Both indicators represent government attempts in improving peoples' welfare, therefore the economic value in some of the Indigenous Peoples territories has exceeded general minimum welfare standard.** As expected, the government's role for economically independent indigenous peoples can be limited on facilitation and development of infrastructures as the enabler of economic development.
6. In addition to economic contribution, indigenous peoples have played an important role in nature conservation. **Traditional and religious values are the protectors of natural resources and ecosystem services sustainability, which will maintain the sustainability of economic value** in the territories. These values also preserve the culture and social cohesion, and in the end, they will keep the integrity and identity of this nation and state.
7. **The next steps are:** Meeting with the Indonesian House of Representatives, the government, and AMAN as indigenous peoples' organization that have direct interests in the Indigenous Peoples Draft Law must soon be realized. The main agenda item is to align understanding of basic issues regarding indigenous peoples. The meeting is intended to appraise economic contribution and political position of indigenous peoples. Therefore, we hope there will not be further doubts regarding: (a) indigenous peoples existence and significant economic contribution, which assists the government in development, (b) positive rules of indigenous peoples in development, not viewed as an obstacle in ratifying Indigenous Peoples Draft Law, (c) the requirement for economic recognition, protection, and respect on indigenous peoples' rights to use natural resources in their territories.

Thank you for your attention, especially AMAN's partners in the legislative and executive bodies that have supported the discussion and attempts on Indigenous Peoples Draft Law ratification.

6 (1) Indigenous Peoples Community of Karang - Lebak Regency - Banten, (2) Indigenous Peoples Community of Kajang - Bulukumba Regency - South Sulawesi, (3) Indigenous Peoples Community of Kaluppini - Enrekang Regency - South Sulawesi, (4) Indigenous Peoples Community of Seberuang, Riam Batu Village, Sintang Regency - West Kalimantan, (5) Indigenous Peoples Community of Saureinu - Mentawai Island Regency - West Sumatera, and (6) Indigenous Peoples Community of Moi Kelim Kampung Malaumkarta, Makbon District, Sorong Regency - West Papua



Undang-Undang Masyarakat Adat Meletakkan Kembali Hubungan Masyarakat Adat dan Negara

Bogor, 24 April 2018 - To improve economic literacy on all parties of the existence of Indigenous Peoples and their rights, especially on development policy makers, AMAN has conducted an Economic Study on Sustainable Natural Resources Management in Six Indigenous Peoples Territories during the period of January - March 2018.

In the Workshop on Economic Valuation Study Results (Value) of Sustainable Natural Resources Management in Indigenous Peoples Territories, held in the Ballroom of IPB Convention Center, Bogor - West Java, Monday (23/4/2018). The results of the study in six communities are consulted and discussed to get input about the results.

The six locations of the study on Indigenous Peoples community territories are customary indigenous peoples' community of Karang - Banten, indigenous peoples community of Kajang - South Sulawesi, indigenous peoples community of Kaluppini - South Sulawesi, indigenous peoples community of Seberuang - West Kalimantan, indigenous peoples community of Saureinu - Mentawai Island, and indigenous peoples' community of Moi Kelim, Malaumkarta village - West Papua.

The aim of this study is to get general picture of indigenous peoples' existence and assess their performance and contribution to economy; to identify the status of their existence and recognized customary territories. In addition, it is also to show policy makers, legislators, and development planners that recognizing Indigenous Peoples and their rights is an option that is in line with and supports the government's plans to sustainably and equitably improve peoples' welfare without causing marginalization and displacement.

Mubariq Ahmad Ph.D, an Economist and Advisor on Economic Valuation Study in six Indigenous Peoples territories explained that there were 8 (eight) economic rights of the Indigenous Peoples which have to be recognized in Indigenous Peoples Law. Therefore, the following must

be recognized: ownership and access, priority rights to use natural resources, rights to receive benefits of natural resources use, to keep ownership of customary lands, to be protected, to get protection in maintaining sustainability of ecosystem services, on protection and benefits of the use of local wisdom, and to get protection, certainty, and proof that government's development policies or programs will not eliminate indigenous peoples' rights. This is quoted from Mubariq. "This is the conclusion and recommendations from the economic team, and in the future, AMAN will fight for this and make sure that all clauses in the law that reflect these points will be accommodated within the Indigenous Peoples Law", Mubariq further explained.

Rukka Sombolinggi, Secretary General of AMAN stated in his speech that the economic valuation results in the territories is in line with the state development, and it can be done in cooperation with the government, the public, and the indigenous peoples. "We can't rely on big corporations to develop our country, it's been proven that they have failed!" We hope the Indigenous Peoples Law can be ratified very soon and improve the relationship between the government and the Indigenous Peoples. This is a dream, that the mutual goal of the indigenous peoples and this nation is to create an independent and dignified nation in terms of politics, economy, and culture."

The Vice Chairman of AMAN National Council, Abdon Nababan, who was present in the workshop stated in his speech, "I imagine this economic valuation report will create a new economy." At least we can get a more holistic picture of Indonesia's economy. An economy where we own the richest ecosystem, and the richest culture as there are so many clans."

The Indigenous Peoples Draft Law has been submitted to the National Legislation Program and the Case Inventory List (DIM) is being reviewed by the corresponding ministry. There are 6 (six) Ministers assigned by President Joko Widodo to represent the government and discuss the Indigenous Peoples Draft Law with the Indonesian House of Representatives. They are: Minister of Home Affairs, Minister of Environment and Forestry, Minister of Agrarian and Spatial Planning/Head of National Land Agency, Minister of Marine Affairs and Fishery, Minister of Village, Development of Disadvantaged Regions, and Transmigration. Minister of Home Affairs is appointed as the coordinator to compile Case Inventory List for the government. In accordance with the Law, within 60 days after accepting a letter from the Chairman of the House of Representatives, it must be followed up by the President. A Plenary Session has been conducted on February 14, 2018. It means the DIM must immediately be submitted and discussed with the House of Representatives.

– Titi Pangestu –

Annex 3. Workshop on Review of Economic Value of Sustainable Natural Resources Management in Indigenous Peoples Territories

REVIEW RESULTS

WORKSHOP ON REVIEW OF ECONOMIC VALUE OF SUSTAINABLE NATURAL RESOURCES MANAGEMENT IN INDIGENOUS PEOPLES TERRITORIES

IICC - Bogor, 23 April 2018

Reviewer : Nia Ramdhaniaty ⁷

Introduction

Public has the opinion that economic valuation is a notion of capitalism and neoliberalism because every aspect of it is monetary. In reality, money is not the means to value everything, like culture and local practices that have their own values. In terms of the indigenous peoples (IPs) attempts to get their rights recognized, politics, cultural, and spiritual arguments hold important parts, but they cannot touch the heart and thoughts of the IPs adversaries, i.e. those who think only of economic values. They have inflicted miseries upon the IPs in the name of economy.

Moreover, a change in thinking in Indonesia development is required. The concept of development in Indonesia has proven to be stagnant; it doesn't improve people's welfare and make us happier because the emphasis is on exploiting natural resources. Indonesia development paradigm must be shifted so that it focuses more on equitable, continuous, and sustainable use of the natural resources, and puts the indigenous peoples as the subject of development as well as beneficiary of development. The cooperation between the IPs and the government to develop Indonesia must be included in the Draft Law of the IPs.

Where does the IPs stand? There are two characteristics of IPs: 1) indigenous and 2) ancestral rights. Indigenous means more than "being indigenous"; it is a condition where there is a system as a part of a whole bigger one and it can be perceived and has been possessed by IPs long before the colonialism period (ref: ILO convention 169). Where is IPs within this country? AMAN cites original intent from Budi Utomo and Moh Yamin, which states that Indonesia is built and governed by the central government, and there is not a country within a country. Thus, IPs institution is a part of Indonesia. According to state governance system, IPs is clearly a legal subject. Meanwhile, Moh Yamin also described IPs abilities to manage their land rights and we can see that it's implied in IPs institutional structure that cannot be torn down by capitalism, feudalism, etc. This original intent then became the draft of Clause 18B of the 1945 Constitution.

IPs position in this country is listed in the constitution and must be made into regulations. In order to put the IPs Law in line with the Original intent, there are **six (6)** challenges that we have to face and make into formulations:

- IPs are always a minority in the context of state politics. It is due to their subordinate position, not their numbers. Subordination has become a characteristic of IPs. Large population doesn't play a role in determining a nation's political position
- State administrators usually simplify the nation's cultural heterogeneity and this leads to simplification of social, economic, and cultural issues. We need to think of IPs properly, using our "heart" and "brains" to understand that their culture is a humanity legacy that must always exist and related to our existence as humans
- IPs is always in subordination and not in equal position with other peoples, and this country forces them to assimilate with other dominant groups. IPs are blamed for their

⁷ An associate in Rimbawan Muda Indonesia (RMI) who is working on his thesis in the School of Strategic and Global Studies, Faculty of Gender Study, Universitas Indonesia.

- own misery!
- Conflicts arise with several community groups with different culture due to some reasons, one of them is government's push to minimize differences within communities. The government has certain limitation in interfering with tensions among communities that can be solved independently
- Conflicts among the indigenous peoples' community as the result of power practices
- Development is spread and takes over IPs territories. It is a domestic colonialism, where the colonizers are our own country, and it is an advanced colonialism embedded with industrialization, modernization, and individualization. We need to change our mindset - if it keeps going this way, we will end up selling our country.

Therefore, this study is important because we need to identify a "language" that can be understood by others when it comes to IPs, i.e. economic language. It can also become our argumentative power against our government, for them to see that indigenous peoples' territories can be economically appraised. The result of this valuation study can be used to convince the government not to put suspicion on IPs, and that development can be conducted with the participation from IPs, in addition to big corporations. This review can also be a guidance for the government and the House of Representatives in encouraging the ratification of IPs Law and synchronizing all other contradictory laws. It is high time for the Law to be used as a reconciliation "tool" for issues/conflicts within IPs territories. Moreover, this study is also an attempt to change the mindset of the economists in Indonesia that do not understand the real concept and condition. Therefore, this study of economic valuation is also a part of an attempt to fight such colonialism and is expected to add power to reduce excessive use of natural resources

To assist in ratifying the Draft Law of IPs, an extensive scope of study regarding economic valuation in natural resources use in IPs territories must be conducted in lands and forests, sea, coast area, and small islands.

Current Development on IPs Draft Law

For Nasdem Fraction, the government doesn't firmly recognize the existence of indigenous peoples, because a legitimate and comprehensive legal protection in accordance with the 1945 Constitution is not in place yet. Indigenous Peoples Draft Law has become a national political matter to be discussed since 2017 and it was in the 2017 National Legislation Program discussion. Indigenous Peoples Draft Law has been discussed in 2014 Special Committee, and the title of the discussion is Draft Law on Recognition and Protection of Indigenous Peoples' Rights (PPHMA). However, the Special Committee wasn't able to finish compiling the Draft Law until the end of the Indonesian House of Representatives service within the period of 2009-2014. Discussion on Indigenous Peoples Draft Law wasn't finished in 2017, so the next discussion will be held in 2018, considering that Nasdem Fraction has succeeded in getting the Draft Law into the 2018 Priority National Legislation Program.

There are several arguments regarding the substance of the Indigenous Peoples Draft Law:

1. Whether to use Masyarakat Hukum Adat (MHA or Indigenous Law Peoples) or Masyarakat Adat (Indigenous Peoples or MA) as the title of the Draft Law. The Legislation Body Working Committee Meeting decided to title it as Draft Law of Indigenous Law Peoples (RUU MHA) based on the argument that it is aligned with the constitution. In addition, the meeting also discussed appointment of *leading sector* for IPs matters, because the corresponding ministries are the Ministry of Social Affairs and Ministry of Internal Affairs
2. Discussion regarding identification and establishment of indigenous law peoples
3. Important notes related to clauses number 19, 20, and 21:
 - a. **Clause 19 regarding Ratification**, regulating Minister's decision to ratify Indigenous Law Peoples in accordance with report on validation results submitted to the

Committee of Indigenous Law Peoples in the form of Ministerial Decree. The fraction stated that putting authorities in the hands of the central government will result in longer, more complicated process for ratification

- b. **Chapter III about Evaluation**, Clauses 20 and 21 about Indigenous Law Peoples will be re-evaluated within 10 years after going through recognition stages (Identification, verification, and validation). In the case of violation of the evaluation, the indigenous peoples will be fostered and it may lead to the loss of customary land and the indigenous peoples.
- c. Regarding that Chapter, NasDem Fraction stated that the regulation will create disadvantages to the attempts on strengthening the existence of indigenous peoples, because it will lead to elimination of indigenous peoples' identity if the evaluation didn't go as planned. Therefore, there must be a clear definition on what to evaluate and which mechanism will be used.

Several DIMs (Case Inventory List) are also being prepared by the government. To encourage speedy discussion on Indigenous Peoples Draft Law, mutual strategies and monitoring are required. Please note that all fractions in the House of Representatives agree to defend the Indigenous Peoples Draft Law. It is an opportunity that can be used to advocate Indigenous Peoples Draft Law.

Several strategies that can be implemented are:

1. To have intensive communication with all fraction leaders so that they will keep encouraging discussion on the Indigenous Peoples Draft Law.
2. To have formal talks with all fractions so they will monitor the discussion and substance of the Indigenous Peoples Draft Law.
3. To review inappropriate, crucial issues that are misinterpreted and the results are to be submitted to the fractions or members of Special Committee/Legislation Body involved in the Indigenous Peoples Draft Law discussion.
4. To have intense communication and lobby the government so that the discussion will not take long

Economic Value of Natural Resources on Indigenous Peoples

In general, this economic valuation study shows the economic value of natural resources in IPs territories as the foundation for recognizing their social economy rights and as a part of Human Rights. Additionally, it is also conducted to assess the potential of natural resources within customary territories to be used strategically as a source of IPs economic welfare in the future.

The following approaches are being used:

- To understand IPs economic activity model in the study areas and its comparison with macro economy at regional level
- Economic valuation of natural resources values in terms of products and environmental services within the areas with emphasis on use that can benefit regional areas. Not all ecosystem services values are included;
- Resilience and sustainability values of traditions and local wisdom are not included

Data was collected from surveys, in-depth interviews, focused group discussion, drawing up an independent list of environmental items and services, field observation, and government's official statistics. Meanwhile, the data was analyzed using approaches on production, market price, *benefit transfer*, and comparison on macro scale and among customary territories.

The study was conducted in 6 IPs territories:

1. Indigenous Peoples Community of Karang - Lebak Regency, Banten

Kasepuhan Karang is one of the IPs territories that has been recognized and the recognition is stated in Lebak Regional regulation No. 8 of 2015 and the first Customary Forest Decision Letter in Indonesia in 2016 (SK.6748/Menlhk-pskl/kum.1/12/2016). For 12 years, Karang IPs were not allowed to use the natural resources in their territory, which was claimed as Gunung Halimun National Park (TNGHS).

After the establishment of the customary forest, several institutional models and social, economic, and cultural activities have been implemented, some of them are:

- Indigenous peoples are more enthusiastic in optimizing their cultivation lands, and in 2017 they have planted 5,000 coffee trees, and in 2018 10,000 fruit trees will be planted.
- Development of facilities and infrastructures for education, health, and others are going well, like the first MTS Building, more Madrasah Diniyah, Mosque Renovations, PAUD (Early Childhood) Buildings, Public Health Center branches (Pustu), village administration offices, extension and renovation of indigenous peoples meeting houses.
- Cooperatives founded by women
- Initiate detailed maps compilation All these activities are conducted to: a) identify land owners and which land they own, where it is situated, and types of use of the land (cultivation/plantation) and how many trees and what kind of trees are grown on the land; b) start establishing RT and RW (neighborhood and community associations) in the villages; c) none of the customary villages have conducted point a and b.
- Issuing land "certificates" as proofs of use. This is a part of attempts on establishing *property right* for individual use right within an IPs' communal area, and as a temporary regulation instead of the Ministry of Agrarian and Spatial Planning Decree No. 10 of 2016 regarding Procedures on Establishing Communal Rights which has not been realized.
- Inventory of shorea trees as the legacy of Perhutani (Forestry Agency of Indonesia). Each tree is color-coded as follows: Red means not for logging; Yellow means it can be logged but with strong argument for the logging; Green means it can be logged with permission
- Enthusiasm of the young generation to develop ecotourism. Ecotourism of Karang is located in Wisata Pesona Meranti Cepak Situ, which is managed by the youth and has become an alternative livelihood besides agriculture. The concept is non-industrialized tourism (like homestay, etc.). Kasepuhan Karang has prepared 9 other locations with potentials for tourism areas because there's an increase in number of visitors.

Kasepuhan Karang IPs apply subsistence economy model, and 80% of the people are cultivators and farm workers. Kasepuhan Karang depends on agricultural commodities (local rice and IR rice), plantation products (coffee, mangosteen, durian, agriculture, lanzones fruit, jengkol or stinky beans, sugar palm, banana, coconut, rubber), medicinal plants (cardamom, ginger, turmeric), timbers (shorea or meranti, sengon, African), livestock (chicken, ducks, goats, buffaloes), and environmental services (Pesona Meranti Cepak Situ, Curug Karumai, Curug Tilu, Curug Cilaki Leutik, Batu Peti, Batu Ijan, coffee plantation, handicrafts tourism, Curug Naggeh, and waterfalls for tubing).

From economic point of view, the estimated economic value of all ecosystem products and services in Kasepuhan Karang is Rp. 36,2 B per year. Lebak GDP in 2016 is Rp. 13.77 million/capita/year and Lebak RMW in 2018 is Rp. 2.13 million/month, so the economic value of natural resources products and environmental services in Kasepuhan Karang is higher than Lebak's GDP. In terms of economic value, Karang's is still lower compared with the RMW.

2. Indigenous Peoples of Kajang, Bulukumba Regency, South Sulawesi

Local Regulation of Kajang IPs recognition and regional development policies/programs (RTRWK or district spatial plans, RPJMD or **local** mid-term development plans, and RKPD or regional government work plans) support the development of Kajang IPs and the sector being developed is cultural tourism. Kajang IPs landscape management is conducted based on customary rules ("*pasang*") and it has high economic value (value/hectare & value/year).

Landscape economic value of Tana Toa customary territory comprises of total economic value and woven fabric.

Nilai ekonomi pada bentang alam wilayah adat Tana Toa dapat dibedakan menjadi nilai ekonomi total dan nilai kerajinan kain tenun.

- The total economic value that consists of Direct Use Value, Non-direct Use Value, and Existence Value is up to Rp. 73,404,896/hectare, or Rp. 60,021,437,201 per year, or Rp. 13,323,293 per capita per year.
- Use value and woven fabric sales is Rp. 32,397,494 per hectare, or Rp. 26,468,752,941 per year, or Rp. 5,875,417 per capita per year.

Compared with the GDP per capita in Bulukumba Regency (2017), the economic value per capita of Kajang IPs is lower than the GDP per capita of Bulukumba Regency. It is due to the agricultural density of Kajang, i.e. 26 people/hectare. They depend highly on land as their source of livelihood.

The total economic valuation is lower than the real economic value, because some other values are not included in the valuation, like biodiversity conservation, erosion control, wild animals, medicinal plants, under-developed tourism, etc.

Further recommendations:

- Customary agencies must work together with the regional government to maintain spatial and landscape management, especially customary forests.
- Customary territories' productivity must be improved to increase upgrading on commodities and environmental services value chain and it should be done by implementing cooperation and simple life style.
- Dependency on lands, the need for enforcement of recognition/protection of IPs rights, the right to manage natural resources, or collaboration with various parties based on customary rules

3. Indigenous Peoples of Kaluppini, Enrekang Regency, South Sulawesi

The biggest source of household income for Kaluppini IPs is dry land agriculture (yellow corn) and animal husbandry (cows and chicken). Kaluppini Village also has a village-owned enterprise (BUMDes) and it serves wedding make up and wedding dress rental. Kaluppini IPs use their land for settlements, corn plantations, natural reservation area, bush and vacant land, and secondary forest. Several economic potentials in Kaluppini includes forest products or timbers (bitti, hitan, ulin, kayu kuning, teak), non-timber products (lambing rattans, tohiti rattans, papaya, mango, tubers, banana, medicinal plants, pine sap, orchids, scorpion orchids, bitter squash or paria, Areca nut, betel, lime, honey, sugar palm, firewood), and environment services (water springs).

Four things are valued in terms of product valuation and ecosystem services as well as local wisdom of Kaluppini indigenous peoples:

- Ecosystem products from dry land agriculture and the estimated value is Rp. 35,279,955,000 per year
- Water products for household use with an estimated value of Rp. 310,432,500 per year
- **Carbon sequestration** services from forests and plantations is estimated to be Rp.

195,583,949,055 per year

- Local wisdom economic value

Kaluppini IPs also has tanah Ongko which serves as a conservation area and its economic value is Rp. 35 B. This is much higher than the GDP in Enrekang. The problem is their customary territory is established as nature reserve area (KSA or Kawasan Suaka Alam) and the Kaluppini IPs doesn't have access to it. Other interesting thing is that Kaluppini IPs refuses TORA (Agrarian Reform Land) program, because it is viewed as individual ownership, while the IPs wants collective ownership.

4. Indigenous Peoples of Seberuang, Riam Batu Village, Tempunak District, Sintang Regency, West Kalimantan

Seberuang IPs have gotten formal recognition and it is stated in the Regional Regulation of Sintang No. 15/2015, and the process of establishing the customary rights is underway.

Seberuang IPs performs customary rituals and their customary rules are in place and obeyed by the peoples. Several customary agencies are in place to settle internal conflicts and the peoples still observe and follow nature's phenomena. Seberuang IPs' main livelihood is dry and wet land cultivation, rubber plantation, and picking forest products within the customary area. Currently, Seberuang IPs have become a member of Keling Kumang Credit Union and together with West Kalimantan Chapter of AMAN, they already have access to MCAI fund to build micro hydro power plant, provide clean water, homestay, etc.

This study identified more than 100 environment products and services that can be developed. Furthermore, there are 8 champion products: rubber, jengkol, chili pepper, rice, fish, water, durian, and Tengawang. The economic value of Seberuang is Rp. 38,49 B per year (the economic value of natural resources products is Rp. 27,14 B per year and the economic value of environmental services is Rp. 11,35 per year). These numbers are conservative, the calculation is not complete and the prices included in the calculation is the lowest ones. They don't include non-economic activities, non-cash revenue (rice, fish, water) and working hours.

The per capita value of Seberuang IPs is Rp. 36,45 million/year or Rp. 3.04 million/month. Therefore, if the GDP of Sintang in 2016 is 27.89 million/year or the RMW of Sintang in 2017 is Rp. 2.03 million/month, it is certain that the economic value of Seberuang IPs is higher than the RMW or GDP. It is a strong economic argument for IPs in Indonesia. This proxy will have bigger potential if the environmental services, non-economic activities, non-cash revenue, and IPs workforce are included in the valuation. This proxy is not sensitive to development opportunities found in IPs, particularly if the recognition of IPs and their customary forests as a development requirement is met. In addition, if customs and local wisdom as their resilience are included in the valuation, IPs bargaining power is still high especially against corporations and if the government is consistent with the development goals, i.e. to improve the communities, including IPs.

5. Indigenous Peoples Community of Saureinu, Mentawai Island, West Sumatera

The existence of Saureinu indigenous peoples has been recognized and stated in Regional Regulation No. 11 of 2017, but the criteria and requirements to be established as an Uma have not been issued through Regent Regulation. IPs of Saureinu use their land based on uma/clan and it's managed by 13 clans. There are some external challenges faced by the Saureinu IPs, i.e. the narrowing of the land of Mentawai peoples due to various permits issued by the central government.

The Saureinu IPs use their land to produce some commodities in *Onaja* (marsh), *Suksuk* (flatland), *Leleu* (forest), river and babak or peatland pools. Economic valuations conducted on six commodities, i.e. food (sago, taro, protein), plantation products (cloves, copra), clean water for household use, hydrological functions (water for irrigation), carbon absorption, and

timbers. The direct use value of Saureinu is Rp. 33.54 billion per year or Rp. 1.93 million / capita / month. The RMW is Rp. 1.8 million/month, so the economic value of Saureinu IPs landscapes is higher than Mentawai's RMW.

6. Indigenous Peoples of Moi Kelim in Malaumkarta, Sorong, Papua

Economic valuation study conducted on these coastal indigenous peoples yielded a total economic value analysis and economic instrument of coastal ecosystem landscape and indigenous peoples of Moi Kelim management in Malaumkarta, Makbon District, West Papua. The specific aim of this study is to assess economic value of dependency on resources and environmental services of Moi indigenous peoples in Malaumkarta (*market, non-market/direct use value and non-use value*).

Several main commodities that contain direct benefits and values for Moi Kelim peoples are sago, banana, vegetables, coconuts, chili pepper, fruits, tubers, cacao, timbers, spices, Areca nut, Matoa, deer, pigs, and chicken. Direct economic values identified in this calculation are categorized based on the following:

- Total use value/direct production received by Moi Kelim peoples is Rp. 1,973,936,080 per year.
- Total direct use values/production of fishery in Malaumkarta is Rp. 3,894,781,440.96 per year
- Option Value of Malaumkarta primary forest is Rp. 1,201,778,184,600, and the wood varieties are Merbau, Matoa, Palaka, Kuku, dan Ketapang
- Total use value of tourism environmental services in Malaumkarta Village is Rp. 600,000,000 per year
- Total direct use value of women empowerment in selling bamboo sticky rice is Rp. 50,000,000 per year, making noken and mats is Rp. 60,000,000 per year
- Timor woven fabric yields Rp. 110,000,000 per year
- Local wisdom value is Rp. 17.3 million per year
- Value of Sasi Udang/Lobster is Rp. 45.98 million per year, Sasi Tripang is Rp. 45.73 per year, and Sasi Lola is Rp. 244,250 per year

Additionally, indirect economic use value of several commodities can be appraised, and they are:

- a. Malaumkarta Forest that functions as carbon absorber:
 - With reference to Directorate of Inventory and Monitoring of Forest Resources (NFI 1996-2013 measurement), 2014, for dry primary forest in Papua, the carbon absorption is 119.83 ton per hectare.
 - In a 5,005-hectare forest, the absorption value is 599,749.15 ton.
 - Referring to carbon global market price in the past few years from EU ETS and California cap-and-trade and compared with carbon social cost estimation as well as mitigation cost of "pan-tropical modelling effort (Seymour and Busch, 2016) of about USD10 per ton, the total value of Malaumkarta forest on carbon absorption is USD5,997,491.50 or Rp. 77,967,389,500,- (as per current exchange rate of Rp.14,000) or 78 billion rupiahs/year.
- b. Environmental Services
 - Mangroves, with total economic value of up to Rp. 728,529,373;
 - Coral Reefs, with total economic value of up to Rp. 31,067,147,437.15
 - Seagrass Beds, with total economic value of up to Rp. 35,669,785,750.66

Based on *willingness to pay* (WTP) of each head of household, it was found that the total

use value of resources in Malaumkarta is Rp. 34,941,951.22 per hectare per year or Rp. 3,541,838,426.34 per year.

Compared with GDP and RMW of Sorong Regency in 2016, it is apparent that:

- the economic value of Moi Kelim IPs is higher than the GDP of Sorong without oil and gas
- the economic value of Moi Kelim IPs is lower than the GDP of Sorong without oil and gas
- the economic value of Moi Kelim IPs is higher than the RMW of West Papua

It is important to maintain society's subsystem pattern by employing traditional production and catching models, improving the society's capabilities to add values on the products, and providing information on the importance and meaning of the landscape economic value.

Review Results

IPs lands are considered as non-productive and of low value. This is the reason why the government always states that they need to be improved to increase welfare. The other known notion is that we need an economic development that builds welfare, thus we need investment and all its sweet promises. Investment is promised to create more job opportunities, improve people's income, increase regional and tax revenue, and grow foreign exchange. These promises make us wonder about the following ideas:

- Which revenue will be improved by the investment? How will it transpire?
- How about the local revenue and tax revenue in the Local Budget/State Budget?
- What's the correlation between state economy and who's going to reap the benefits?

Natural resources economic value can be appraised based on three value forms: common value (high), tangible value (medium), and feasible value (low). To quote Einstein, "Not everything that can be counted counts, and not everything that counts can be counted". A question then arises, who is that value for?

It can be concluded that IPs unique economic models are subsistence agriculture/fishery, plantation (combination) for cash, products of all primary commodities that are not processed further, rice and plantation products sales, warung or tavern categorized as *perfectly competitive*, environmental services (water, pollination, medicine), and external concepts like *Credit Union* vs loan sharks, ecotourism, and *sasi* (fishing closure). Additionally, other unique models are reflected in the values of goods that cannot be transacted in the market, around 40%-60% of household income, and customary/religious rituals to maintain the ecosystem as well as ongoing economic production.

This study identified several economic value variations in all study locations:

- Kasepuhan Karang → The real income per capita is higher than the regency GDP, but lower than Regency RMW
- Kajang → Real income per capita is only Rp. 5.8 million/person/year. Far below GDP and RMW. It is due to the density of the area and the people don't want to break the customary law
- Kaluppini → real income per capita is also far below GDP and RMW. It is due to the limitation set by the government to the Kaluppini IPs on their living space use for the sake of the country's development
- Seberuang → income per capita is higher than the GDP and RMW
- Saureinu' Malaumkarta → Real income per capita is not higher than the GDP, but higher than the RMW.
- Moi Kelim → Real income per capita is higher than the GDP and RMW

The above variation show that recognition of IPs' existence and territories will help improve economic investment as well as preserve the nature. As in the case of Seberuang, Karang and Moi Kelim Malaumkarta IPs, recognition of customary territories will have positive impact on

local economic activities, improve local investment, serve as the base of social system integrity, and protect against natural resources exploitation. These three territories are preserved by the customary rules which serve as control or *safeguard* to the preservation of ecosystem, natural resources, and social familiarity. IPs are not ontological matters; they are facing real epistemological issues.

Local economic potentials developing in indigenous territories are also facing challenges on their integrity, i.e. threats from private investment and government support on private plantation concession (palm trees, rubber, Industrial Plantation Forest or HTI, and Forest Concessionaire or HPH), and establishment of the areas as Conservation Area. The IPs are well aware of the investment risks that threaten the integrity of their territories, capital, and society, but it doesn't mean that they have the choice to defend their living space. IPs are viewed as an anti-development, anti-investment society, and many other things. Do they have other solutions for the development in their territories, a concept of *win-win* in a community-government-corporation partnership?

Several investment models are being developed in order to get the understanding of economic growth (people's income):

- a. Investment model A, where people's real income will increase if the people own their share on the investment, besides external investment. For example, the people own 10 percent of shares and other parties own 20.
- b. Investment model B, where people's real income doesn't grow because the whole investment is managed by other party.
- c. Investment model C, where people's income keeps decreasing because of investment push by other parties and the people don't get any chance.

In addition, several recommendations on IPs economic rights that must be recognized in IPs Law are:

1. Ownership and/or access right on natural resources that they own since the beginning and are located in their territories,
2. Priority right in using natural resources,
3. The right to use natural resources within customary areas which are being used by parties other than the indigenous peoples as the result of recognition of their rights,
4. The right to own customary territories regardless of the resources used by external parties,
5. Protection right against destruction caused by parties that use the territories or resources within the customary territories,
6. Protection right on the sustainability of ecosystem resources functions that support indigenous peoples' production system
7. Protection right on the benefits of local wisdom use
8. The right it be protected, get certainty, and proofs that government's development policies and programs will not lead to the elimination of IPs rights and decrease on indigenous peoples' economic and social welfare as the target of the programs or affected by the development.

This economic study is not intended to spread new capitalism, enforce materialism in IPs, or instill materialism into policies. This study shows the strong stereotype of IPs and the notion that IPs are isolated. There's a strong sociocultural bond between the peoples and land with its natural resources; they have a functional institution; they also have the abilities to adapt with external values related to the IPs' needs. IPs tend to be dynamic. They understand that economic values are reproduced within various social and cultural contexts. In addition, they have social units as the base for various tenurial systems and social functions where IPs play a role and hold a position in a wider system network, and they have succeeded in re-orienting their cross-generation economy.

AS a conclusion, IPs and AMAN can develop other strategies to defend and develop local economic value based on human rights, and the strategies are:

- to build a holistic and sophisticated system database;
- to create a replication of economic valuation which is integrated with advocacy strategies;
- To build *roadmap* for developing cultural-based economy for IPs

Biodata Economic Expert Management Team AMAN:



MUBARIQ AHMAD is Indonesia Country Director of Yayasan Strategi Konservasi Indonesia (Conservation Strategy Fund/CSF-Indonesia), the organization that builds capacity of community of change makers inside and outside government agencies in policy analysis and design from economics, governance and sustainable development perspectives.

Mubariq holds a Ph.D. in Natural Resources and Environmental Economics (Michigan State University, 1997), MA in International Trade and Finance (Economics Department, Columbia University, New York, 1990), and BA in Economics (University of Indonesia, 1985). While teaching at Faculty of Economics, University of Indonesia, Mubariq has served in international editorial board of Elsevier's Journal of Forest Policy and Economics since 2000. Mubariq worked as Senior Environmental Economist with the World Bank Indonesia Office during 2010-2015 and was assigned to lead the Strategy Working Group at Indonesia's REDD+ Task Force. He had also worked as Executive Director of WWF Indonesia in 2003-2009 and Executive Director of Indonesian Ecolabeling Institute in 1997-2000. Mubariq had served as Steering Committee of The Forest Dialogue under the auspices of WBCSD/Yale University in 2000-2d member of WEF Council on Ecosystem and Biodiversity in 2008-2010. Mubariq currently leads Conservation Strategy Fund Indonesia, a CSO focusing on capacity building for the use of economics and governance tools for sustainable development, environment and natural resources management.



SUNDJAYA, M.Si. Sundjaya holds Master degree in Anthropology from University of Indonesia (2008). He graduated bachelor degree of Anthropology from UI in 1994. Recently, Sundjaya is a lecturer in Department of Anthropology, Faculty of Social and Political Science, University of Indonesia. In 2012, he awarded grant from Australian Leadership Award Fellowship (ALAF) to participate in short course on the Developing research capacity in response to climate change program in Monash University, Melbourne. Sundjaya is a member of Asosiasi Anthropology Indonesia (AAI).

From 1999, Sundjaya has worked in issues on conservation and community-based resources management, started as Program Manager in Conservation International Indonesia until 2006. He also holds position as Manager of Training and Coordinator of Cluster of Environment Anthropology in Center for Anthropology Studies (PUSKA)-UI. Up to recent, Sundjaya has been involved in several anthropological researchs and as social culture expert for some institutions, such as: WWF Indonesia, Fauna and Flora International, Wildlife Conservation Society (WCS), GAIA dB Consultant, Asian Development Bank, PSF-Worldbank, Millenium Challenge Account-Indonesia and other NGOs or governmental agencies.



ALIN HALIMATUSSADIAH is a lecturer in Department of Economics, Faculty of Economics and Business, Universitas Indonesia. She is also active as a researcher in the Institute for Economic and Social Research, Universitas Indonesia, taking a role as the head of Environmental Economics Research Group. Her research interests revolve around the topic mainly in environmental valuation, sustainable waste management, sustainable financing, social capital as well as experimental techniques for environment. She involves as vice director at the Economy and Environment Institute – Indonesia (EEII), a partner of the Economy and Environment Partnership for Southeast Asia (EEPSEA). She also become the vice secretary general of Indonesian Regional Science Association (IRSA). Actively combines research and community engagement activities, now she become the editor of the Asean Journal of Community Engagement, a collaboration between Universitas Indonesia and AUN Network. Her active research and community

engagement in sustainable waste management took her to become the Zero Waste City team that assist the Mayor of Depok City, West Java, to develop city planning and monitoring Zero Waste City program.



Dr Ir. Bahruni Said, MS. Bahruni Said graduated with a doctorate in forestry science from IPB in 2008, master of science in the field of rural and regional planning from IPB in 1993 and a bachelor degree in forestry graduate from the Faculty of Forestry IPB in 1986. He is listed as the premier professional engineer in the Indonesian Engineers Association, and as a regional and municipal planning expert in the professional association of Indonesian Planner Union. He is a lecturer in Department of Forest Management, Faculty of Forestry Bogor Agricultural University, and as a senior researcher at the Centre of Regional Development Studies Bogor Agricultural University. His research interests in forest management, resource and environmental economics, ecosystem valuation, regional development planning. He has experience working with government agencies such as the ministries of environment and forestry, national and regional development planning agencies, private forestry companies,

and non-governmental organizations. Besides, he is also a sustainable forest management assessor in several certification bodies on a contract basis. He recently worked as a natural resource economist at the Directorate of Environmental Services and Non-Timber Forest Products at the Ministry of Environment and Forestry on advisory activities, concession holder company of forest ecosystem restoration, and also in collaboration with the Regional Government on the preparation of the 5-year Regional Development Plan (RPJMD), and Strategic Environmental Assessment (SEA) of regional development plans and spatial plans.



Martin Daniel Siyaranamual is a lecturer in Department of Economics, Faculty of Economics and Business, Universitas Padjadjaran. She is also active as a researcher in the Center for Economics and Development Studies, Universitas Padjadjaran. His research interests revolve around the topic mainly in environmental valuation, behavioral and experimental economics, and empirical economics. He is a senior research associate at the Economy and Environment Institute – Indonesia (EEII), a partner of the Economy and Environment Partnership for Southeast Asia (EEPSEA), and senior researcher at Center for Sustainable Development Goals Studies (SDGs Center) of Universitas Padjadjaran. He is also member of Indonesian Regional Science Association (IRSA).



AZIZ KHAN BA in Forestry graduated from Faculty of Forestry IPB (1985). MS in Forestry and Natural Resources graduated from Department of Forestry and Natural Resources, School of Agriculture, Purdue University, USA (1995). Completed his PhD in Forestry Policy and Institution from IPB Graduate School (2011).

He used to work partly for Forestry R and D Agency, Ministry of Forestry (1986-1999); a USAID funded Natural Resource Management Program (1999-2004); CSIRO-WB (2009-2011), UNDP (2010-2012), World Bank (2005-2008, 2012-2016). In forest economic area his works also deal with natural resource economic valuation as well as provide training on this issue. Currently he works as a freelance consultant on various NRM and Environmental program, partly those funded by USAID, especially on policy, institution, economic and NRM governance related works. With USAID LESTARI he is now doing the natural resource economic valuation in regard to enrich SEA/KLHS from green economic and sustainable development point of view (Aceh and Central Kalimantan case) – KLHS is legally mandated to be done in formulating local development planning processes, RPJM. For CSF, he leads both training and policy study agenda on Sustainable Integrated Landscape Management involving various **multi-stakeholders'** components originated from six districts in Central Kalimantan – in which KLHS linkage to the local development process is one of major content in this agenda. As a senior associate at Faculty of Forestry IPB he also **gives** an academic service as a lecturer and a supervisor as well as examiner for graduate student upon official assignments basis.



LUCENTEZZA NAPITUPULU is affiliated with the Department of Economics University of Indonesia, where she is a lecturer teaching undergraduate and master's level natural resources and environmental economics course. She holds a Ph.D. in Environmental Science (Universitat Autònoma de Barcelona, 2017), Master of Economics, with specialization in Natural Resource and Environmental Economics (North Carolina State University, 2007), and a Bachelor's degree in Economics (University of Indonesia, 2001). Her research interests is on understanding institutional diversity, governance of commons, collective action, the use of social norm toward sustainability. She has written articles in academic journals, book chapters and policy papers.



Dr Zuzy Anna has a background in Coastal and marine resources Economics. She **got** **her** doctoral and master degree in Coastal and Marine Resources Management Studies from Bogor Agricultural University, and bachelor degree in Mathematics and Natural Sciences from Universitas Padjadjaran. Currently she works as a head of Fisheries and Marine social economics Department, and as a lecturer in social economics department, Faculty of Fisheries and Marine Science, and Economics Department, Faculty of Economics and Bussiness, Padjadjaran University, and guest lecturer in Resource and Environmental Economics Department, Bogor Agricultural University. She teaches fisheries economics, resource and environmental economics, economic valuation, fisheries Economic Development. She currently also hold a position as a president of Indonesian Marine and Fisheries Socio-economics Research Networking (IMFISERN) in the period of 2014-2016, and as the Deputy Director of Economy & Environment Institute Indonesia (EEII). She is also an Executive Director of Center for Sustainable Development Goals Studies in Universitas Padjadjaran. Her researches focused in the

area of resources and environmental economics and fisheries economics (bio-economic modelling). She has an experienced in working with various international donors such as DANIDA, ACIAR, Packard Foundation, USAID, and UNDP for resources and environmental economics and marine and fisheries economics projects. She is now become a member of professional organization such as: IIFET (International Institute of Fisheries Economics and Trade), AFS (Asian Fisheries Society), EAAERE (East Asian Association of environmental and Resource Economics), EAERE (European Association of Environmental and Resource Economists). She also has Traveling award grantee from IIFET, EEPSEA, Worldfish, USAID MARKET Project, SIDA, and Beijer Institute.



Climate and
Land Use Alliance