

# A DIRECT FUNDING MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES IN INDONESIA

An initiative by AMAN, KPA & WALHI

## BACKGROUND

Indigenous Peoples and Local Communities (IPLCs) are the front lines and the largest contributor to preserving the nature including forests and bio-cultural diversity. It has been clearly documented that 80% of the world's biodiversity is protected and managed by IPLCs. However, direct support for them has been minimal. For example, only \$270 million or 1% of global funding for climate change goes to IPLCs. Of that number, only 16% or \$47 million went directly to IPLCs worldwide.

Indonesia is no exception. Forests are protected by IPLCs, who maintain and manage these areas. IPLC areas are increasingly threatened due to the weak protection and recognition by the government, as well as administrative hurdles to manage these territories due to bureaucratic measures. Meanwhile, the expropriation of these areas has increased due to regulations focused on investment by any means necessary. Therefore, there is a need for a Trust Fund for IPLCs in Indonesia that can support IPLCs efforts and initiatives in protecting and managing their lands, territories and resources, so they can continue contribute directly in reducing emissions related to deforestation and forest degradation, increase carbon stocks and improve local economies. This mechanism will also assist IPLCs in preventing the seizure of their territories by socio-environmental investment regulations that are against IPLCs.



## VISION

Established strong support for IPLCs' initiative to protect and manage their land, territories and resources to increase contribution in reducing emissions related to deforestation and forest degradation, increase carbon stocks and improve people's quality of life.

## MISSION

1. Promote and implement a simple yet strong direct financial support for Indigenous Peoples and Local Communities initiatives.
2. Develop and empower quantity and quality of resources of individuals/ groups of Indigenous Peoples and Local Communities in Indonesia;
3. Build and strengthen the collective economic, social and political strength of Indigenous Peoples and Local Communities in Indonesia;

Urge and restore the role of the state to recognize and protect Indigenous Peoples and Local Communities' rights and knowledge in managing the environment, agrarian and natural resources;



# TARGET

1. Increased mapping of Indigenous Territories, Community Managed Areas, and Priority Agrarian Reform Locations from the currently mapped 15 million hectares.
2. Protection and recognition of 28 million hectares of the recognized 7.8 million hectares.
3. Rehabilitation and restoration of 35 million hectares of IPLCs territories.
4. The realization of various models of production, distribution and consumption that are just and sustainable in accordance with IPLC principles.
5. The establishment of “Peoples Education” centers that function to revitalize, restore, innovate and collaborate to increase the capacity, quality of knowledge and skills of IPLCs in protecting and managing their lands, territories and resources.
6. These targets will have a direct impact on at least 62 million people or at least 25% of the total population of Indonesia and impact 62 million hectares of forest and land, or 1/3 of Indonesia’s total land area.

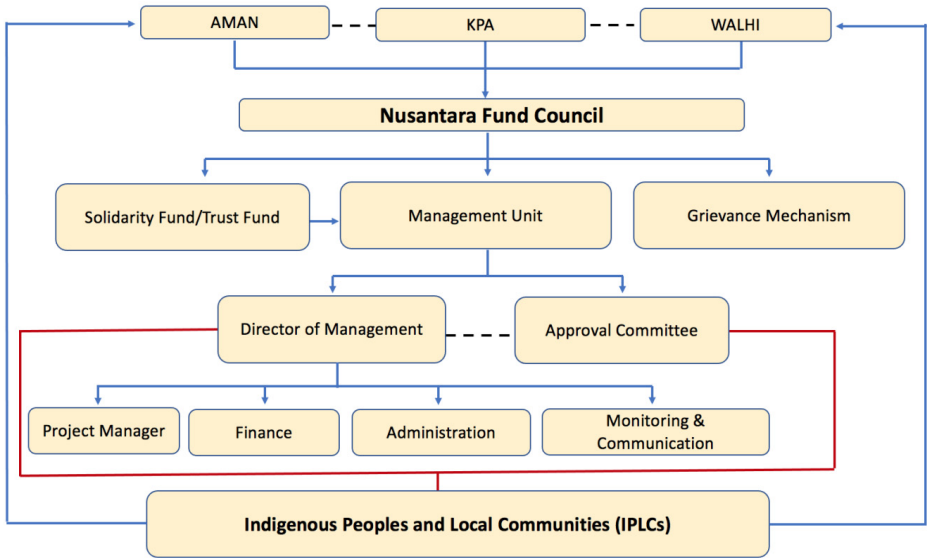
# MAIN PRINCIPLES

- The “People-Based” principle will be implemented by this fund so that it is directed to IPLCs in Indonesia. These efforts include protect, recognize and restore their territory and resources. In addition, this fund will be implemented in an inclusive manner so that access to this fund prioritizes women, youth, communities in areas experiencing emergency situations and a lack of support.
- Accountability and Transparency with simple access and Capacity Building of IPLCs: This Fund will make it easier for local organization and IPLCs to access the Fund. It requires technical assistance, institutional strengthening and technical reporting capabilities.
- Equality in managing these funds will not only be carried out by the three institutions, but also by IPLCs that receive support. In implementing this principle, AMAN, KPA and WALHI realize that this program relies on full trust in IPLCs who have high integrity, initiative and direct field experience.
- Diversity and Equality: Uphold the customary system of cultural diversity and local rules. No one or more groups are higher or special than any other group. In the decision-making process as well as in receiving benefits, all groups must receive benefits.
- Respect for Human Rights: Every activity must be oriented towards the protection, promotion and fulfillment of the basic freedoms and human rights of indigenous peoples as well as the human rights contained in the Human Rights Law and the aforementioned UN declarations, both as individuals and as a group.

Agrarian Sovereignty: Planning and implementation of activities must ensure the full ownership and control of agrarian resources by Indigenous Peoples and Local Communities with the principles of justice, gender equality, ecology and participation for common prosperity.



# GOVERNANCE OF THE FUND

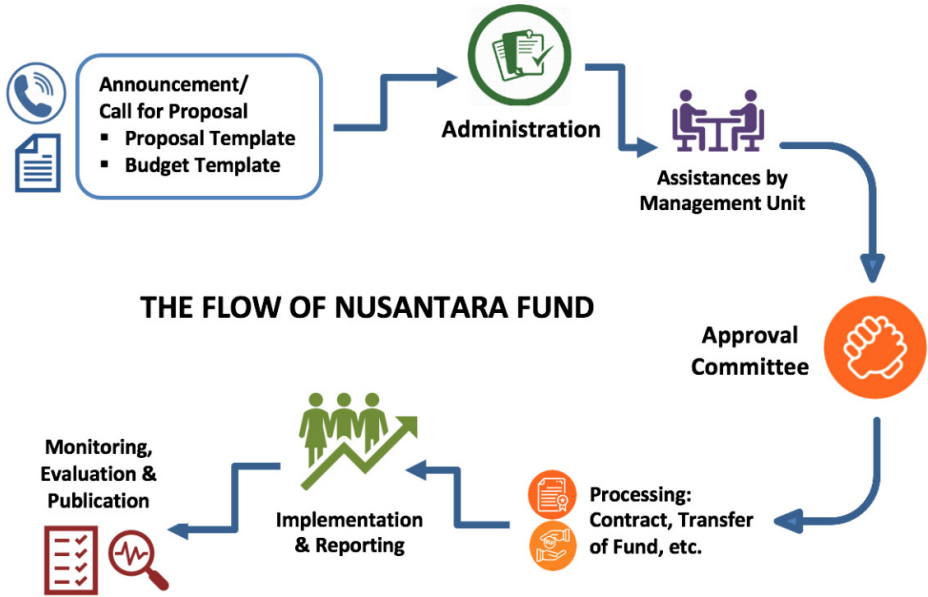


**Nusantara Fund Council (The Council)** consists of leaders of AMAN, WALHI, and KPA. The Council will establish:

1. Management Unit and can directly assigned a Director to lead the operations of the Management Unit.
2. The Council also establish an independent Grievance Mechanism to receive and handling complaints concerning violations of the Fund Safeguards.
3. A Solidarity Fund (Endowment Fund) will be established to ensure financial sustainability of the Fund.

Legal Entity: Legal registration of the Management Unit and the Solidarity Fund is ongoing by the Indonesian Law and Policy Study Centre (Pusat Studi Hukum dan Kebijakan Indonesia/PSHK)

## Funding Mechanism for Local Organizations an IPLCs



# CONSULTATION PROCESSES

- In developing the Nusantara Fund, AMAN, KPA and Walhi conducted series of consultations to get consent from member communities or regional & local organizations under each organization.
- **Walhi:** Walhi National Consultation was held offline from 1-4 June 2022 in Jambi, Sumatera. The consultation was attended by 100 participants from Walhi National Council, National Executive, Local Councils and Local Executives from 28 Provinces in Indonesia.
- **AMAN:** AMAN's National Consultation was held online on 29 August 2022, attended by 198 participants from AMAN Local Chapters, Regional Chapters, Wing Organizations and Autonomous Bodies from 33 Provinces in Indonesia.

KPA: KPA's National Consultation was held two times. First, offline in Jakarta 4-5 August 2022 attended by 23 participants of National Council and Expert Assembly. Second, hybrid 6 September 2022 attended by 137 participants from 58 peasant and fisherfolks unions.

# WHO WE ARE?

## **AMAN (The Indigenous Peoples Alliance of the Archipelago)**

AMAN was established on 17 March 1999. AMAN composed of: 2,449 member communities; + 20 million in population, 21 Regional Chapters, 115 Local Chapters, 3 Wing Organizations, 2 Autonomous Bodies, 2 Economic Institutions. Additionally, we represent non-member IPs—over 60 million Indonesians who manage over 60 million hectares of forests and other natural resources in Indonesia. AMAN is a leading organization that fights for the recognition and protection of Indigenous Peoples Rights in Indonesia. Nationally and globally AMAN was the recipient of the Elinor Ostrom Award on Collective Governance of the Commons Council, Culture Award from the Indonesian Minister of Culture and Education, and “The Best Mass Organization Award” from the Indonesian Minister of Home Affairs. At international level, AMAN has been involved in initiation of various global initiatives including: Global Alliance of Territorial Communities (GATC), The International Indigenous Peoples Forum on Climate Change/IPFCC, and member of Asia Indigenous Peoples Pact (AIPP). To fund these activities, AMAN budget totals USD 4-5 million/year to date. Visit: [www.aman.or.id](http://www.aman.or.id)

## **WALHI (Friends of the Earth Indonesia)**

WALHI is the largest environmental movement organization in Indonesia, headquartered in Jakarta, with 28 Regional Offices in 28 provinces. WALHI consists of 491 Non-Governmental Organizations, Civil Society Organizations, Nature Lovers’ Organizations and Women’s Organizations. Since its establishment in 1980, Walhi has actively encouraged efforts to save and restore the environment in Indonesia. WALHI is member of Friends of the Earth (FoE) International. WALHI has been easy management USD 2-3 million per year in funding. Visit: [www.walhi.or.id](http://www.walhi.or.id)

## **KPA (Consortium for Agrarian Reform)**

KPA is the largest agrarian reform movement-based organization in Indonesia, founded in 1994 and based in Jakarta. KPA has 139 member organizations, consists of peasants, fisherfolks, Indigenous Peoples and NGOs spread over 21 provinces with 2.5 million individual members. Internationally, KPA is a member of the International Land Coalition (ILC), as well as Member of the ILC Global Council. KPA received an award from the Indonesian Ministry of Home Affairs as “The Best Mass Organization” in 2017. KPA has been managing \$2.5 million per year. Visit: [www.kpa.or.id](http://www.kpa.or.id)

# NUSANTARA FUND

An initiative by AMAN, KPA & WALHI

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