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## [The REDD Ulu Masen project in Indonesia: like selling air](#)

The Ulu Masen project was developed in 2008 aiming to generate 3.3 million carbon credits a year. Ulu Masen became the first REDD project to be validated under the Climate Community and Biodiversity Standards. In 2012, Chris Lang of REDD-Monitor visited Aceh and found that the project no longer exists. This article is based on his visit and reports about Ulu Masen (<http://www.redd-monitor.org/tag/ulu-masen/>).

Covering an area of 770,000 hectares in Aceh province in the north of Sumatra, the Ulu Masen project was developed by the conservation organisation Fauna & Flora International (FFI), the carbon trading firm Carbon Conservation and Aceh's then-Governor Irwandi Yusuf, with the aim of generating and selling 3.3 million carbon credits a year to finance "conservation and development projects for local communities".

The project area consisted of 428,757 hectares of logging concessions and 310,991 hectares of protected forest. The logging concessions were inactive because of the logging moratorium introduced in 2007, and due to pressure from villagers and NGOs to prevent the companies from restarting the concessions. "Even without REDD it was their decision to keep their forest," explained indigenous leader Anwar Ibrahim, who lives at the edge of the Ulu Masen project area. Since 2007 he has taken part in more than 30 meetings about REDD.

On 6 February 2008, Ulu Masen became the first REDD project to be validated under the Climate Community and Biodiversity Standards. In 2008, the Merrill Lynch bank, now Bank of America, promised to buy US\$9 million worth of carbon credits from the project. In 2011, with no carbon credits generated, Carbon Conservation sold 50% of its shares to Canadian mining company, East Asia Minerals Corporation.

### **Unresolved issues**

Research published in November 2009 in Environmental Research Letters found that the project "may not significantly reduce deforestation in northern Sumatra" because a large amount of forest inside the proposed REDD project area is protected de facto by being inaccessible, and also much of northern Sumatra's lowland forests will remain outside of REDD and will be exposed to the combined expansion of high-revenue oil palm plantations and road networks.

The change of logging concessions to protected forest and the implementation of protected areas have land tenure implications that were not resolved when the Ulu Masen's Project Design Document was produced at the end of 2007. Land tenure is a crucial issue for communities and the fact that it was not resolved raised questions about how communities could be expected to give their "prior" and "informed" consent to a project where the consultations on key issues including land tenure, had not yet been concluded.

### **REDD: far from clear**

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In a 2010 report published by the Institute for Global Environmental Strategies Lesley McCulloch interviewed Pak Sabibasyah, an indigenous leader from Geumpang in Pidie District. Pak Sabibasyah told her that,

“We have been told very little about REDD. FFI has been here to discuss with us, but mostly in the context of protecting the forests and rivers for our downstream neighbours. We are wondering whether FFI staff themselves understand REDD because information is far from clear. What we want is very simple – do not treat us as children in our own territory. We are the most important stakeholder in the REDD project – why do you have information that we do not have, and how can that be so when the REDD project is about our lives, not yours? That is our question to FFI.”

McCulloch commented, “Sadly, there has been no free, prior and informed consent of indigenous peoples, nor the full (or even partial) support and involvement of local communities.”

SmartWood is a Programme of the NGO The Rainforest Alliance (RA) that administers Verification Services in several areas including carbon project verification and validation. In 2008 it carried out a Validation Audit Report of the Ulu Masen project. Though the audit ended up validating the project, SmartWood’s report revealed that “key staff at FFI had not seen or knew very little” about Ulu Masen’s Project Design Document. This should have raised serious questions about how much detail the communities knew about the project and the implications for their livelihoods.

Anwar Ibrahim, an indigenous leader living at the edge of the Ulu Masen project area told REDD-Monitor in 2012 how he first heard of REDD:

“In 2007, Frank Momberg of FFI organised a meeting in the Hermes Hotel in Banda Aceh. This was when the discussion turned to carbon and the idea that people would get money if they keep their forest. The idea of Ulu Masen came from FFI, acting as a go-between between the Government of Aceh and investors. Since then we keep hearing about REDD, REDD+, REDD++. But don’t ask me what it means, because I don’t know.”

In Aceh, T. Camarud Zaman, the head of Sarah Raya village inside Ulu Masen, asked:

“What is the process of REDD? We’ve heard that carbon has been sold. Where’s the money? We’ve heard rumours that the map produced with support from FFI wasn’t accepted by the government because there are community areas inside it. Community members were involved in the mapping but don’t know what the follow up is.”

In addition to questions from local communities, questions about the Ulu Masen REDD project were also raised elsewhere. In May 2008, the consulting firm Development Alternatives wrote a report looking at the potential for USAID’s Environmental Services Programme to enter the carbon markets in Indonesia. “At the governmental levels there is no capacity to implement a carbon market project,” Development Alternatives concluded, adding that, “Fortunately, these projects will likely be implemented either by private parties or in a public-private partnership.”

In its report, Development Alternatives includes a list of issues that the Ulu Masen project had not publicly addressed, including:

\* The many and critically important land tenure questions;

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- \* The benefit distribution questions – related to the how much, who, what, where and when of the financial flow;
  - \* The agreements between the project proponents. There is a non-transparent process with the project proponents stipulating what their agreements are; and
  - \* The field level activities with communities, over 750,000ha, have not been described or defined other than in general terms.

Development Alternatives report was published three months after SmartWood had validated the Ulu Masen project as complying to the CCBA standard. The issues raised were never addressed and five years later, Ulu Masen became the first REDD project to lose its CCB validation status.

No carbon credits have been sold from the Ulu Masen project and FFI has withdrawn its support. Dorjee Sun, the head of Carbon Conservation, did not reply to REDD-Monitor's questions about the project. The Ulu Masen REDD project is at a complete standstill. Meanwhile, Aceh's forests are more threatened than ever.