

Dyah Puspitaloka

ECONOMICS OF PEATLANDS RESTORATION IN CENTRAL KALIMANTAN, INDONESIA

Executive Summary

Tropical peatlands holds 15-19% of global peat carbon with Indonesia as the largest contributor. However, many of Indonesia's peatlands are degraded into fire-prone and non-forest vegetation. Indonesian government is trying to restore these degraded peatlands within five years. There are also several peatland restoration projects carried out by private companies and non-governmental organizations with public and private investments. However, time required for peatland restoration will vary from a few years to more than a decade depending on the damage level and for that, restoration efforts will need to be sustained beyond project durations. Thus, it is important to assess restoration practices being implemented by different types of project proponents, and analyze their costs and effectiveness. These aspects have been rarely studied, and will be the focus of this study. Using peatland restoration projects in central Kalimantan as case studies, we will assess three different types of peatland restoration projects for 1) different restoration goals and strategies of project proponents; 2) different time required for peatland restoration and its cost-implications; 3) total restoration costs, including indirect costs (i.e. opportunity costs) and direct costs, and their temporal and social distributions. Results of this study can help design future peatland restoration projects in Indonesia.