

FREDDI Project Portfolio: A Work in Progress



**Agus P. Sari | REDD+ Special Team |
President's Delivery Unit for
Development Monitoring and Oversight
(UKP₄)**

South-South Knowledge Exchange on National
REDD+ Fund Architectures | Second Workshop:
Aligning Disbursements with Strategic
Objectives and Modes of Delivery | Oslo,
October 28, 2013

FREDDI: Design and Establishment Process as Funding Instrument for REDD+ in Indonesia

Proposed Design,
Structure, Modality
& Guiding Principles

Multi Stakeholder
Consultation Process
(Workshop, FGD dan
Bilateral Consultation)

Finalization the
design of
FREDDI

Direction & Mandate
based on Presidential
Regulation 62/2013

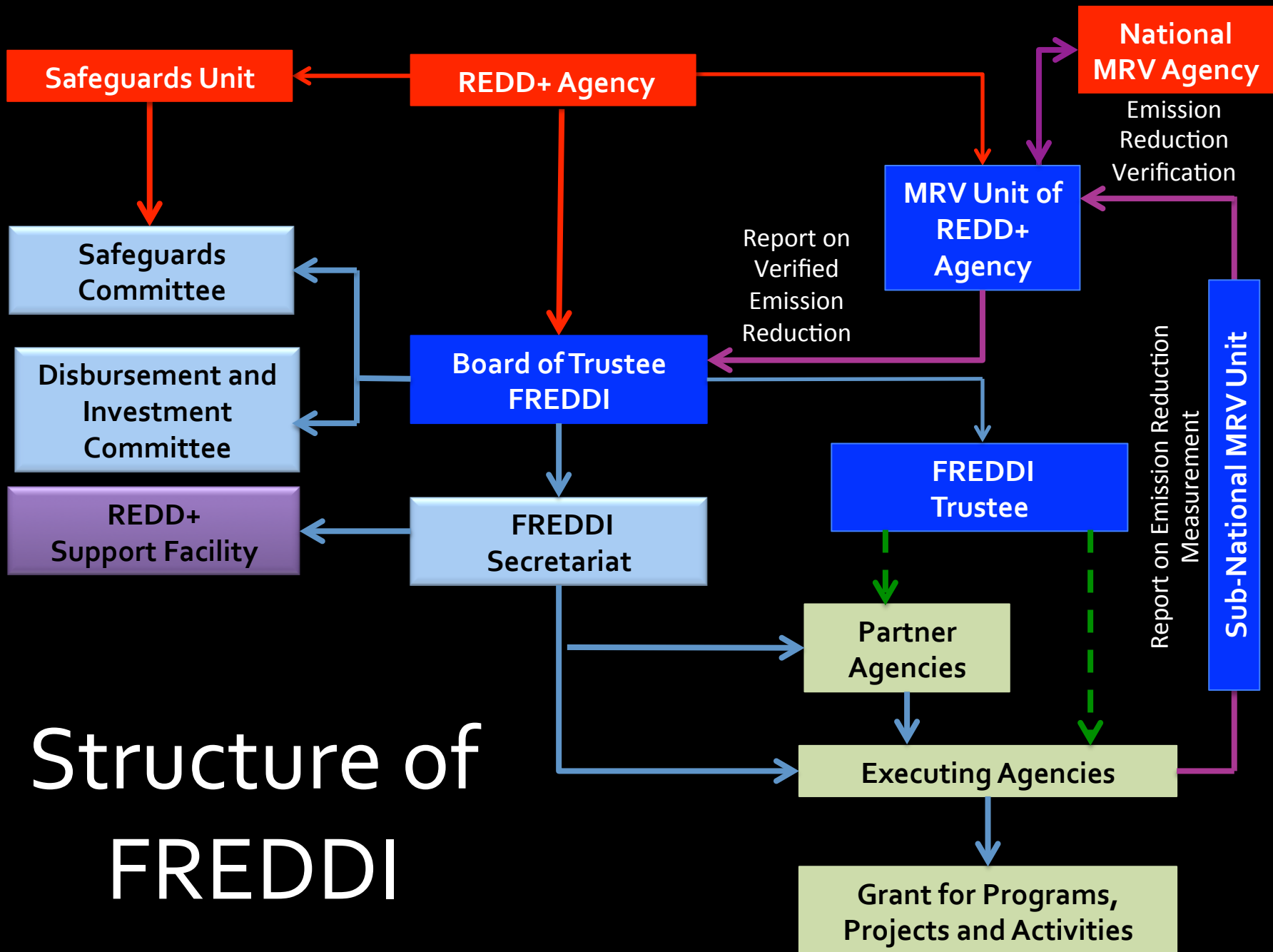
Consultation and Testing
Process on FREDDI's Elements
at Sub –National Level

Final Design &
Establishment of
FREDDI by
REDD+ Agency

FREDDI or Fund for REDD+ Indonesia is designed as a funding instrument of REDD+ Agency that is responsible for managing, channeling and mobilizing REDD+ funds in a transparent, effective, efficient, fair and accountable in support to achieving the REDD+ National Strategy.

Presidential Regulation 62/2013 regarding REDD+ Agency issued in August 2013 defines Funding Instrument as:

“funding management instrument that is established by the Head of the REDD+ Agency to guarantee a transparent management of fund that is transparent, accountable, effective in accordance with the guidelines and REDD+ funding safeguards pursuant to the prevailing laws and regulations”



Structure of FREDDI

FREDDI:

Overall Objectives



- Support the emissions reduction efforts from deforestation and forest degradation in Indonesia;
- Support the implementation of the REDD+ National Strategy
- Support the institutional strengthening and further work of the REDD+ Agency through Funding Window 1;
- Promote payment for performance approach;
- Provide funding that is complimentary to existing sources including national budget, regional budget and other donors
- Ensure that REDD+ funding is sustainably and effectively managed, disbursed and mobilized further.

FREDDI: Guiding Principles

- Effectiveness, Efficiency, Fairness, Transparency and Accountability;
- Government of Indonesia leadership in design, management and governance of FREDDI;
- Ensuring that PRISAI as safeguards are part of FREDDI operation and REDD+ Projects;
- Flexibility to finance national initiatives, provincial priorities, demand-driven proposals, and small grants.



Addressing Key Challenges :

The five pillars of the **National REDD+ Strategy**

Legal review, reform, and enforcement.

Institutional setting and strengthening.

Awareness raising and **paradigm** shifting.

Stakeholder engagement.

Strategic programs through Sustainable landscape management; Sustainable natural resources management and Conservation & rehabilitation.

Modality 1.A: Pure Grant

Final Stage of Design

Consist of small scale, medium and large grant.

Grant is channeled with the priority on readiness activities, infrastructure development and capacity building.

Modality 1.B: Performance-based Grant

Final Stage of Design


Consist of small scale, medium and large grant.

Grant is channeled based on an agreed upon verified performance covering emission reduction activities and the activities that support emission reduction target.

Modality 2: Performance Aggregator

Ongoing design process.

Applied once the MRV system is ready. Returns are expected in terms of performance units.



Sequential Modality

Modality 3: Investment

Ongoing design process.

Returns are expected in terms of monetary and performance units. Applied once the readiness, MRV mechanism and the capacity are in place and ready.

Pipeline Portfolio Development



FREDDI : Funding Windows

As support mechanisms of FREDDI in order to achieve its main objective by taking into account the pipeline development portfolio and the board array of stakeholders, scale, target and the duration of project.

- Strategic Window: Readiness, National Priority and Emergency Intervention
- Sub-National Initiatives
- Competitively-Selected Initiatives
- Small-Grants



Funding Windows : Mechanism

Funding Window 1: National programs

1A: Readiness

Programs that promote national REDD+ policies and strengthen national institutions.

E.g. Develop REDD+ Agency, FREDDI and MRV unit

1B: National priorities

Programs that address nationally significant sources of carbon emissions.

E.g. Conservation and rehabilitation of peat forest

1C: Emergency interventions

Programs that address unplanned priorities that require immediate action.

E.g. Mitigating the spread of large scale peat fires

Exec agencies: National and Provincial governments

Timeframe to commence disbursement: 2014

Funding Window 2: Sub-national programs

Programs that promote the mainstreaming of sub-national REDD+ strategies through capacity building and a system of performance based payments.

This is done by providing Technical Assistance (TA) and funding support to provinces/districts in order to mainstream, prioritize and implement activities in the Provincial Action Plan Strategy (SRAP)s. In the early stage, majority of activities shall be focused on REDD+ readiness of the relevant province/district.

E.g. Support implementation of the SRAP in East Kalimantan.

Exec agencies: Provincial and District Governments

Timeframe to commence disbursement: 2014

Funding Window 3: Competitive calls

Programs that promote sustainable forest and land use management that leads to emission reductions through the support of externally proposed projects.

This will include a number of targeted 'competitive calls for proposals' in order to achieve certain goals of the national REDD+ Strategies.

E.g. Support timber concession in a district to implement sustainable forest management

Exec agencies: National and provincial governments, NGOs, Community Based Organization (CBO)s, private sector

Timeframe to commence disbursement: 2015

Funding Window 4: Small grants

Providing funding to low cost and low complexity programs that strengthen community forestry, livelihood and natural resource management.

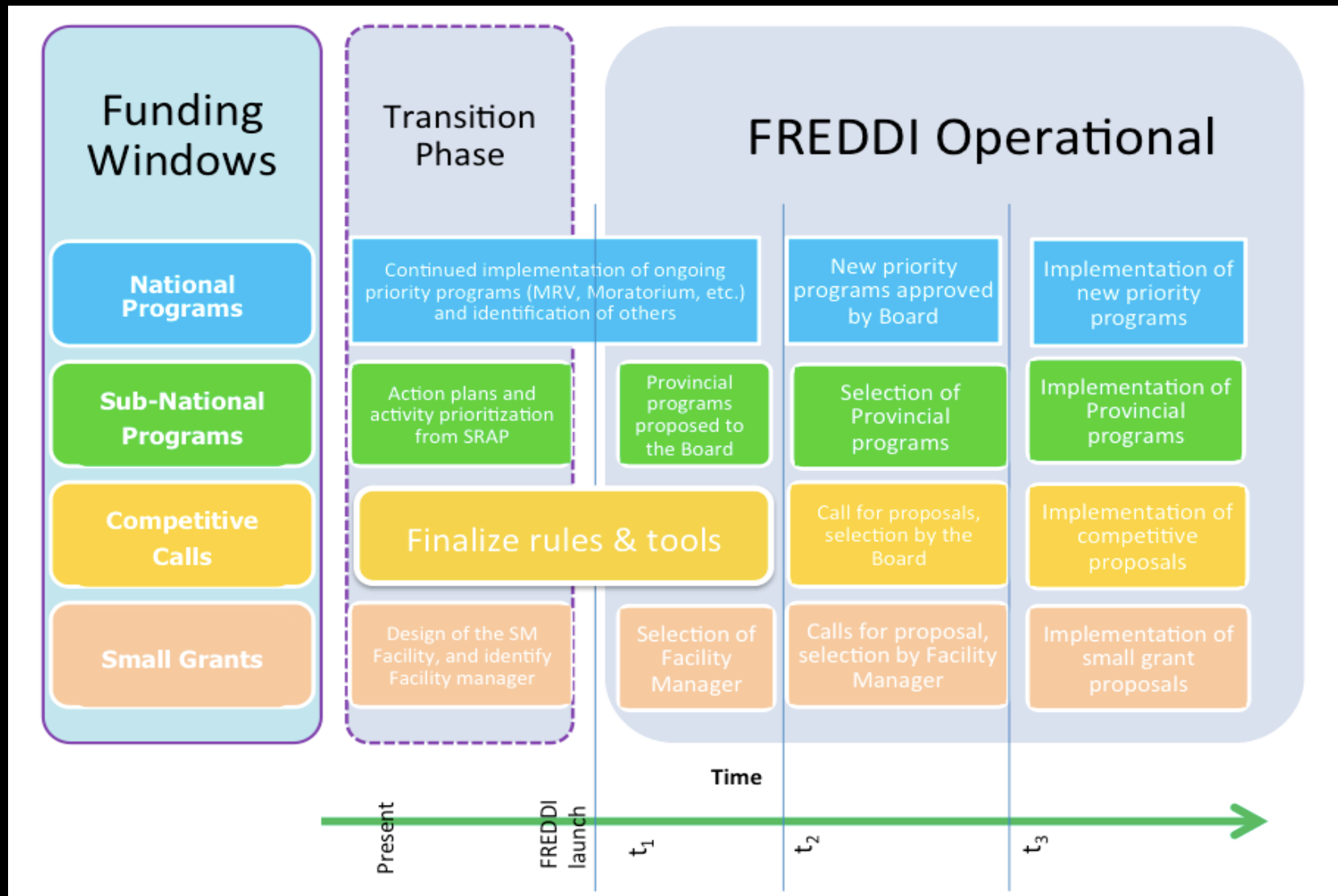
Done through a flexible mechanism with simplified fund access rules and intensive TA to encourage REDD+ initiatives from a broad array of stakeholders, especially the sub-national and site level.

E.g. Increase capacity of communities to implement sustainable land use planning and community forestry projects

Exec agencies: National and provincial governments, NGOs, Community Based Organization (CBO)s, private sector

Timeframe to commence disbursement: 2014

Funding Windows : Operational Timeline



Generic Criteria for Small Scale

- **Quick :**

Location of project, track-record of implementing entity, stakeholders engagement on the ground, size project, capacity & management resources of implementing entity.

- **Impactful :**

Ability to achieve measurable emission reduction or to be transitioned into emission reduction future activities, Compatibility with jurisdictional and nested approach (can be replicated), Compatibility with STRADA – SRAP, STRANAS and Funding Windows of FREDDI, Exposure to other REDD+ Taskforce elements (MRV, Legal, etc.)

- **Sustainable :**

Equipped with elements to ensure sustainable implementation of projects for long period of time (e.g. intensive capacity building & transfer of knowledge for implementing entities for project implementation, including management, monitoring & evaluation and reporting).

Generic Criteria for Large Scale

Based on SRAP Readiness Criteria, generic criteria are :

- Location of projects/program (jurisdictional & nested approach);
- Compatibility with REDD+ National Strategy n pillars;
- Support & capacity of sub-national government (provincial/district) from management, regulatory & budget perspective (including SRAP completion);
- Reference Emission Level (REL);
- Existing projects/activities on the ground.

Funding Windows : Simulation for Pilot

NATIONAL PRIORITY	SUBNATIONAL PRIORITY	COMPETITIVE CYCLE	SMALL GRANTS
Indigenous Community Forest Management	Jurisdictional Approach in existing potential projects (e.g Berau and West Kutai District)	Support to SRAP based on thematic under STRANAS pillars	Programmatic Community Based Land Rehabilitation (Green Village)
Performance Aggregation on performing Demonstration Activities	Jurisdictional Approach in Peat-land area (e.g Kapuas in Central Kalimantan)		Programmatic Community Based Alternative Livelihoods
Ongoing Initiatives under REDD+ Taskforce & REDD+ Special Team	Jurisdictional Approach in area with pristine forest area (e.g Murung Raya in Central Kalimantan)		Programmatic Community Based Forest Fire Management
	Further developing KPH model, focusing on existing area		Programmatic Green School Curriculum Project

Thank You

