



# Design REDD+ Results Based Payment at Jurisdictional Level



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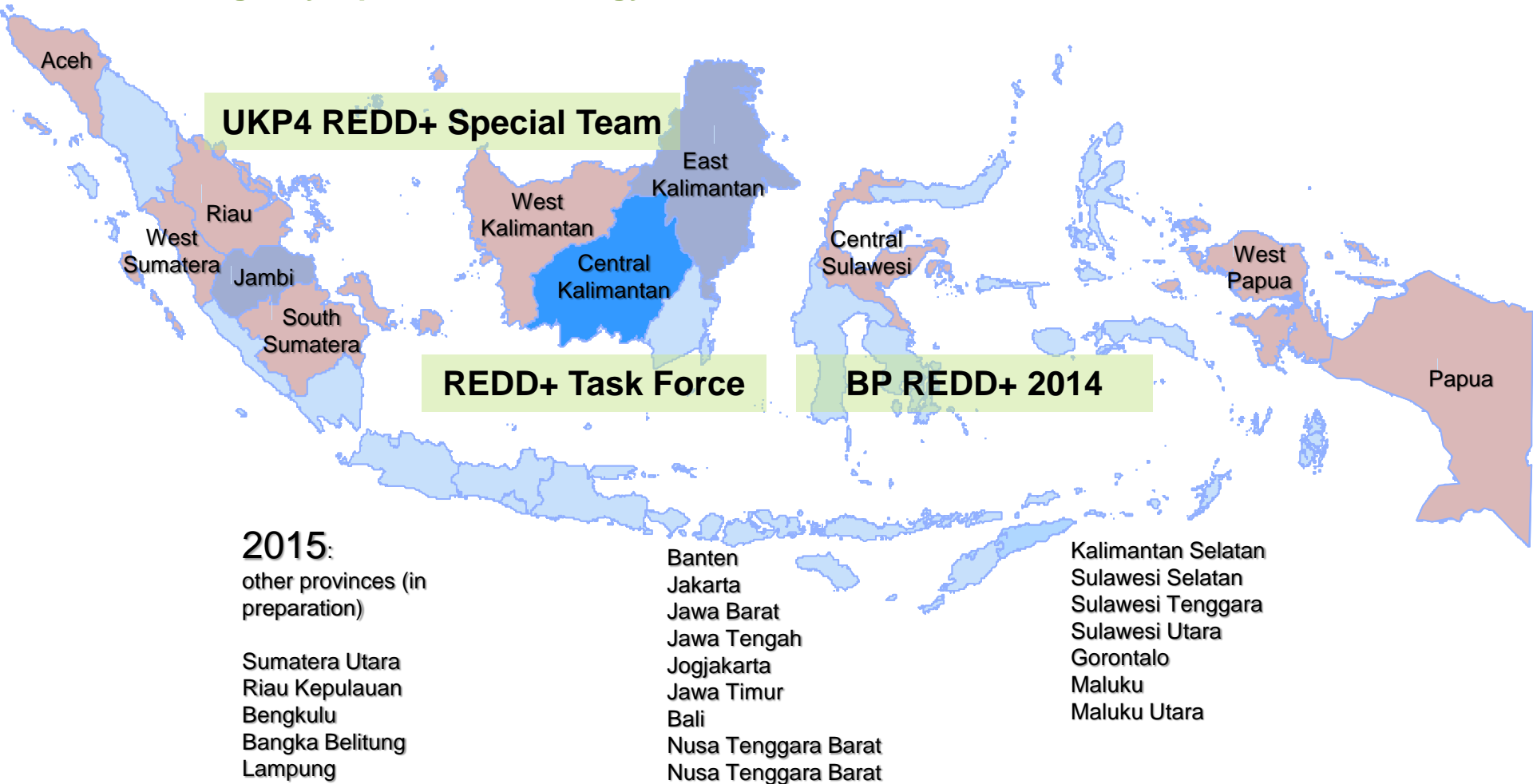
# JURISDICTIONAL APPROACH

- ▶ REDD+ IMPLEMENTATION AT SUB NATIONAL LEVEL BASED ON JURISDICTIONAL AREA AS BASIS
- ▶ JA IS AN APPROACH, ACCOUNTING UNIT, KPH IS MANAGEMENT UNIT – CORE INTERVENTION UNIT
- ▶ REL/RL IS A PART OF NATIONAL REL/RL
- ▶ POTENTIAL FOR BUNDLING FOR WIDE RANGE VARIETY OF INTERVENTION



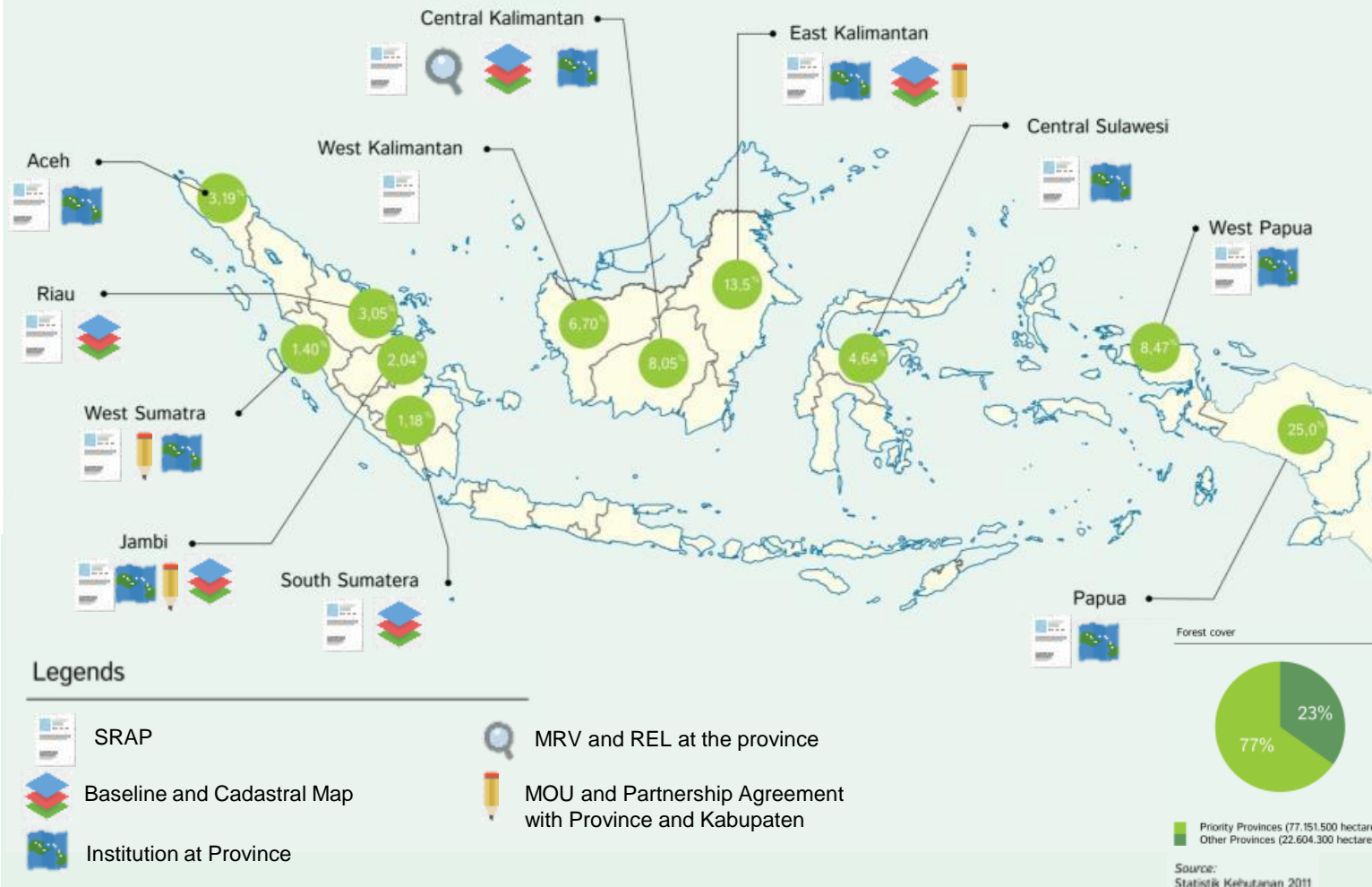
# REDD+ Agency working at jurisdictional level : I Forested Provinces in Indonesia

## REDD+ Agency Operational Strategy



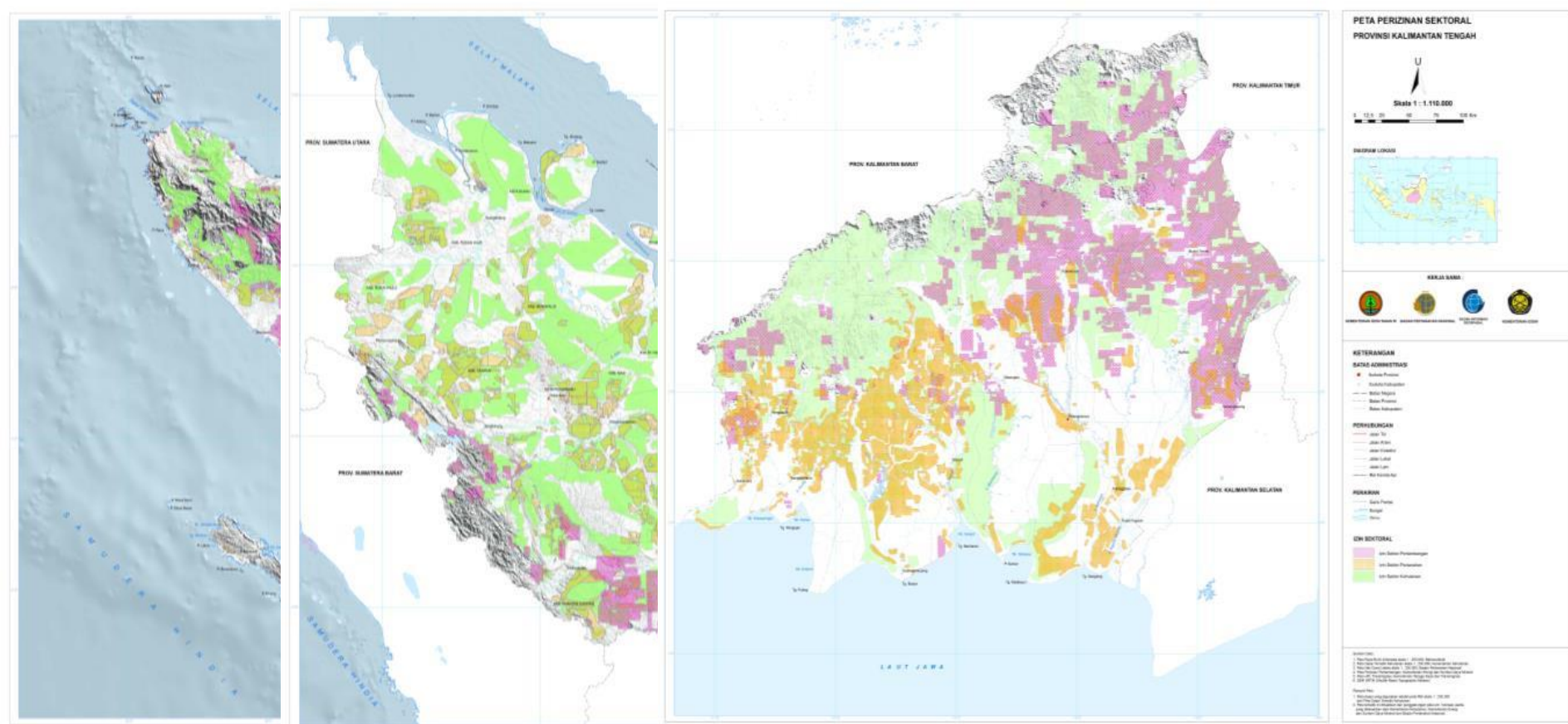
# ...and we are on track to implement REDD+ on provincial level

## Progress of completing REDD+ prerequisites



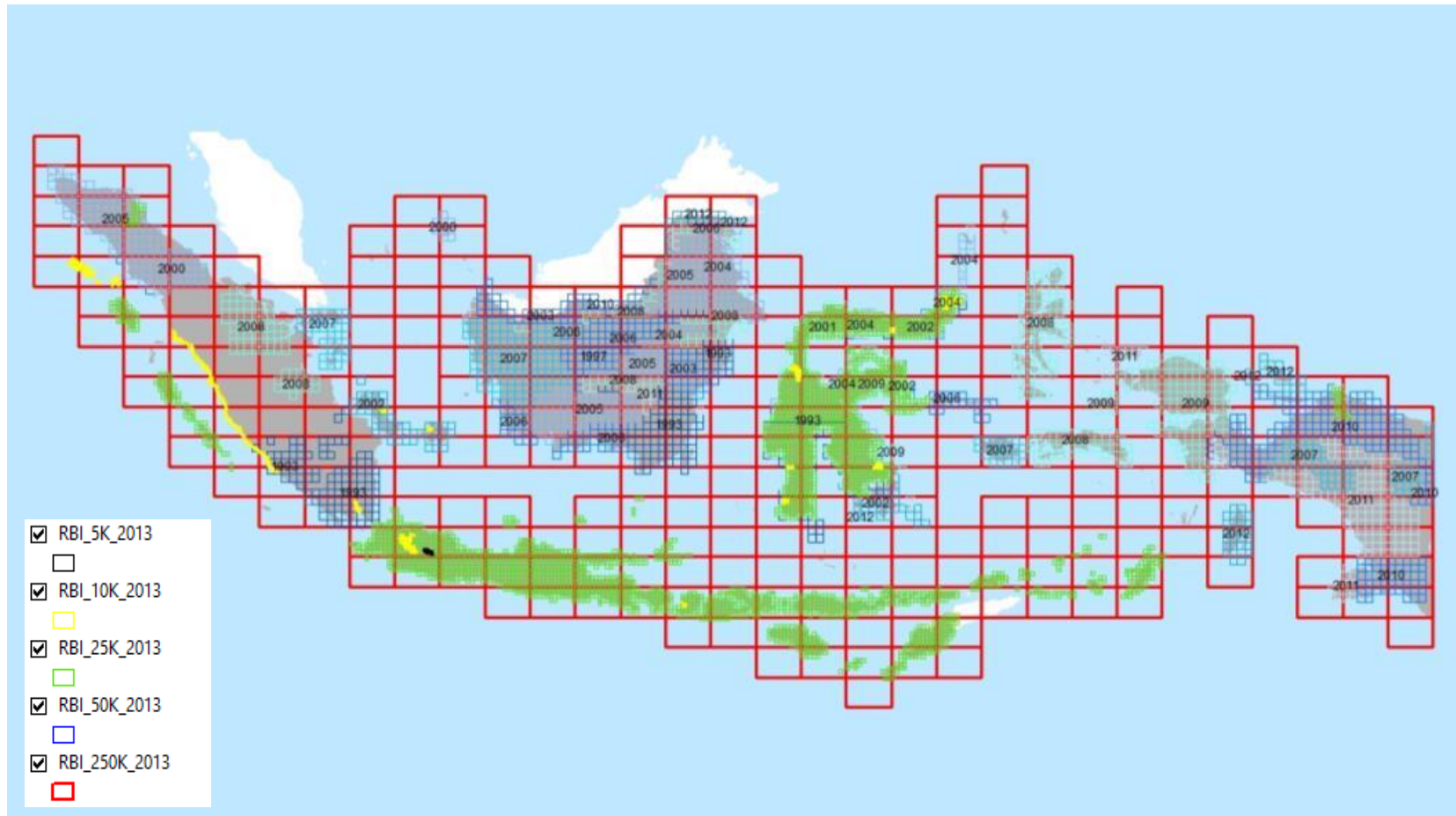
# We are acquiring One Database on forestry, plantation and mining license nationally

## Current status on Moratorium Map



# We are completing large-scale basemap for Sumatera and improving Kalimantan by June 2014

## Current Status of Large-Scale Basemap Provision



# We acquire continuous wall-to-wall national SPOT 5/6 and LANDSAT 8 imaging

## Current status of national hi-res satellite images acquisition

### BERITA KEGIATAN RISTEK

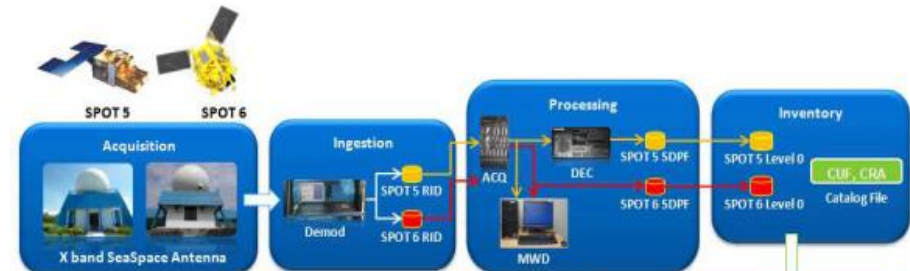
Friday, September 13, 2013

#### Menristek Resmikan Upgrading Sistem Stasiun Bumi LAPAN Parepare

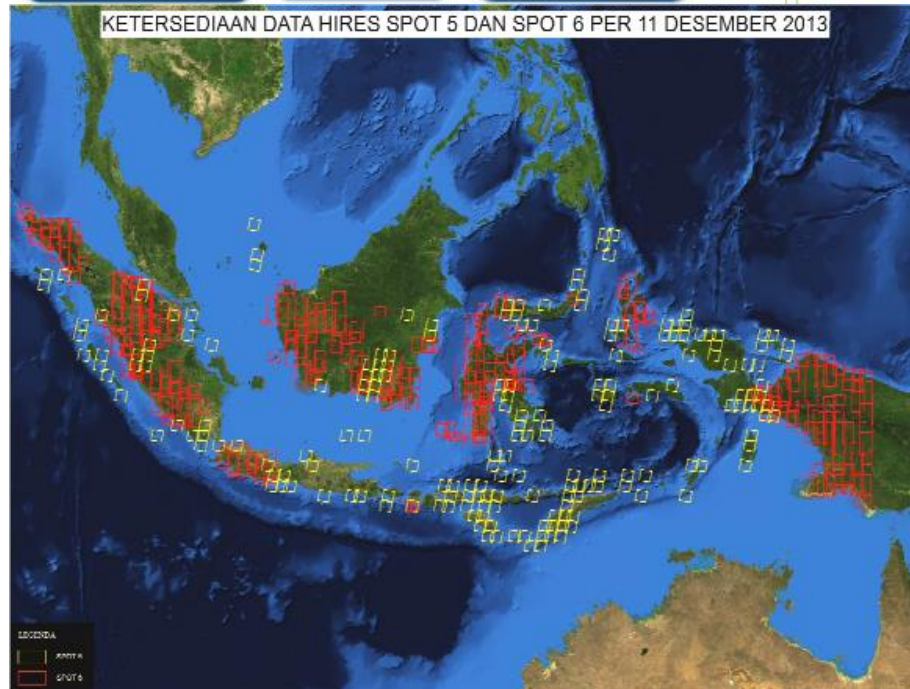


Fasilitas stasiun bumi Lembaga Riset dan Teknologi (LAPAN) yang terletak di kota Parepare diresmikan pada bulan September 2013. Fasilitas ini memiliki kemampuan menerima data Landsat-7 dan ERS-1/2. Pada tahun 2013, LAPAN melakukan upgrading untuk meningkatkan kemampuan SDM yang mengolah data satelit tersebut. Upgrading dilakukan untuk menerima data Landsat-8.

Menteri Riset dan Teknologi, Gusti Muhammad Hatta, berkunjung dan sekaligus meninjau stasiun bumi LAPAN di Parepare pada Rabu, 12 September 2013. Menteri melakukan upgrading sistem dan infrastruktur di fasilitas stasiun bumi LAPAN untuk meningkatkan kemampuan SDM yang mengolah data satelit tersebut. Menteri menyediakan beasiswa yang dapat dimanfaatkan oleh para peneliti termasuk LAPAN. "Jangan sampai ada kesenjangan di antara peneliti yang ingin belajar dan pakar yang ingin mengajar," ujar Menristek.



KETERSEDIAAN DATA HIRES SPOT 5 DAN SPOT 6 PER 11 DESEMBER 2013



# We are on track to properly recognize & protect *adat* communities rights

## Progress of follow-up on MK35

### Constitutional Court Decision No. 35/PUU-X/2012

- Amended Art 1 (6) of Forestry Law No. 41/1999
- 'Customary Forest [Hutan Adat] is State Forest located inside custom based society (MHA) areas'

### Impacts:

- Enable MHA to claim their tenurial rights in forest area
- Enable MHA to protect the forest by implementing their customary knowledge
- Reducing Tenure Conflicts

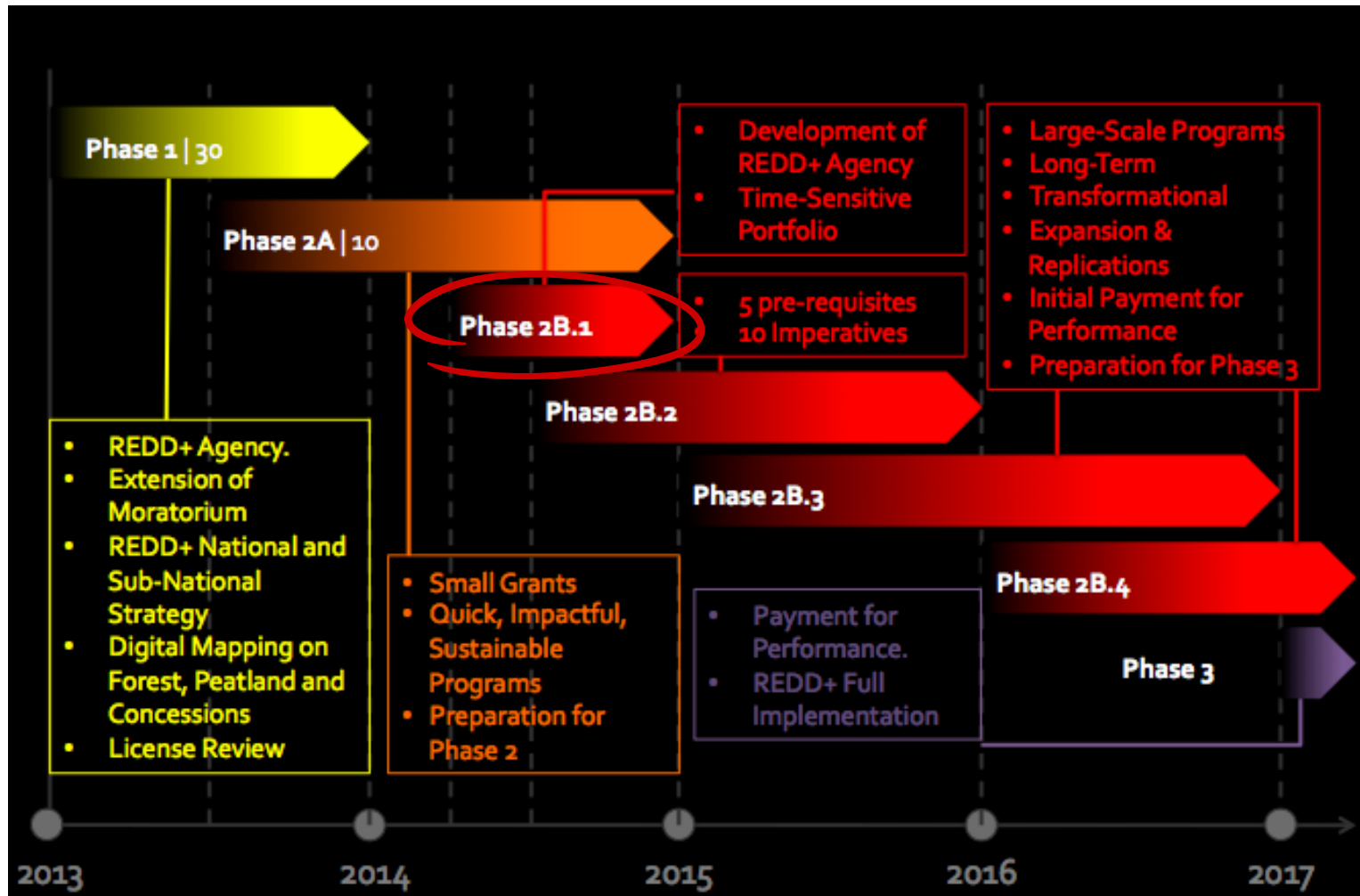
### Further Actions:

- Long term: Law on MHA Recognition and Protection which administers the MHA Rights
- Short term: support for Menkokesra in monitoring "MK35" Action Plan and template for Regional Regulation (Perda) on the recognition of MHA.



# We are embarking on a transformational phase towards full implementation of REDD+...

## Phased Approach on REDD+ Full Implementation



# An innovative structure: three modalities of REDD+ funding instruments

## **Modality 1: Grants**

Consist of Small and Main Grants. Most of the utilization is for readiness, infrastructure (REL, MRV, and capacity building)

## **Modality 2: Investments**

Returns are expected in terms of monetary and performance units. Activated when readiness and capacity are in place. Invest for emission reduction activities in FMU, Province, districts

## **Modality 3: Payment for Performance**

Returns are expected in terms of performance units (emission reductions). Activated once REL (national and sub national) are constructed and MRV instruments are in place.

# FREDDI : FUNDING WINDOW

- National Initiatives
- Sub National Initiative
- **Competitive Window**
- **Small scale grant**



# Sub national implementation : i.e a District-Wide Approach to REDD+

## Objective

- Contribute to Indonesia's GHG emissions reductions targets by rewarding those Districts (*Kabupaten*) with potential to be expanded into provincial level that demonstrate leadership in achieving REDD+ goals

## Instrument

- In the short-term, invest in Districts that demonstrate commitment to the REDD+ agenda through several instruments (Local budget/APBD, FREDDI, GEF, FCPF Readiness, FIP, etc.);
- In the medium-term, promote performance-based payments against emissions reductions

## How would it work?

- Jurisdictional approach (provincial and district) a part of REDD+ National Strategy
- A **National Framework** is developed to set minimum criteria to select Districts, technical and methodological guidance and a financing mechanism to fund the District-wide Programs.
- **District-wide Programs** address drivers of deforestation and forest degradation through *policy interventions* and *multi-sectoral investments* across the landscape working with a broad set of stakeholders. District Coordinating Entity in charge of implementing its REDD+ Strategy (policies & investments)

# Why a District Approach to REDD+ in Indonesia ?



## • **Substantial scale:**

- Example Berau : 2.2 million ha of dense forests, 10 million tCO<sub>2</sub>e emitted / year
- Kutai Barat : 2.4 million ha of dense forests, 8.2 million tCO<sub>2</sub>e emitted / year
- Working with other 5 Districts (Bungo, Merangin, Kapuas, Donggala and Toli Toli)
- Potential development in other districts

## • **Policy making.** Kabupaten/District has decision making power on land use; whereas Provinces act as coordinators

- Authority to propose spatial planning
- Licensing authority for concessions (Palm oil, mining)

## • **Reward good behavior on the ground**

- Such a Program will seek to reward those Districts showing some level of leadership on REDD+
- This is expected to cause a 'race to the top' effect, where the Kabupaten compete with each for the promotion of environmental sustainability
- Test fiscal transfer payments, targeted incentives system (i.e. Regional Incentive Mechanism)

## • **Scale** at which FCPF Carbon Fund payments could make a real difference

## • **Expedite REDD+ implementation** on the ground **and ER generation** by building on existing initiatives at District level. Technically **more feasible** level of intervention.



# Key element for Results Based payment at jurisdictional level

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- ▶ National REL
- ▶ Sub national REL (provincial and district) align with national REDL
- ▶ Further support provinces and districts for readiness
- ▶ Designing results based payment framework
- ▶ Creating incentives mechanism
- ▶ Institutional arrangement at sub national level
- ▶ Alignment of JA with Forest Management Unit (FMU/KPH) development, KPH as a core intervention



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Thank You .....

