



DIRECTORATE GENERAL OF FORESTRY PLANNING
MINISTRY OF FORESTRY

UN-REDD PROGRAMME INDONESIA



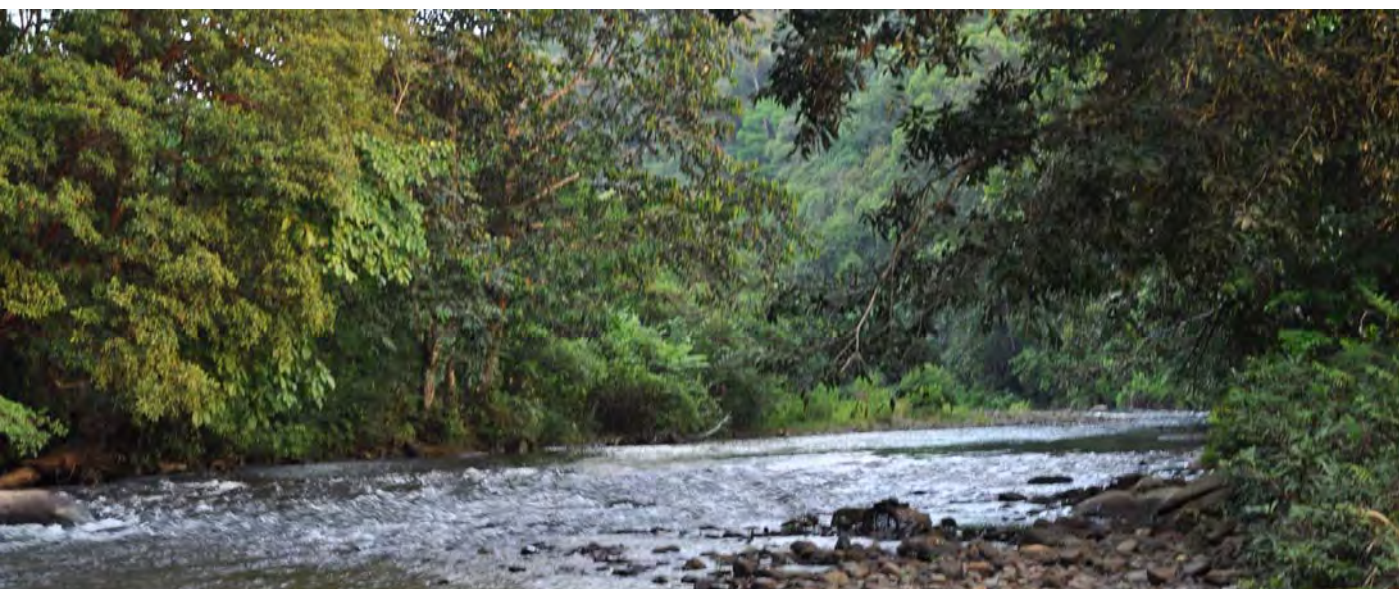
SEMI-ANNUAL REPORT 2011

UN-REDD PROGRAMME INDONESIA



SEMI-ANNUAL REPORT 2011

UN-REDD PROGRAMME INDONESIA



DIRECTORATE GENERAL OF FORESTRY PLANNING
MINISTRY OF FORESTRY

UN-REDD
PROGRAMME
INDONESIA



Message from The Ministry of Forestry

The first six months of our second year have passed. At this mid-point, we see considerable progress towards REDD+ readiness in Indonesia. The UN-REDD Programme Indonesia has contributed significantly to building the Indonesian REDD+ architecture. Not only at the national level, but also at provincial level in the pilot province of Central Sulawesi where a REDD+ Working Group was established early this year. Members of the Working Group represent provincial government institutions, universities, NGOs, CSOs, the private sector and the provincial level implementing units of the Ministry of Forestry. The Working Group has begun synergizing its work plans with the UN-REDD Programme Indonesia's work plan. The newly elected governor of Central Sulawesi has also given a commitment to collaborate with the UN-REDD Programme Indonesia.

The Programme continues to facilitate key components of REDD+ implementation, including the national Measurement, Reporting and Verification (MRV) system, the development of a forestry road map, and awareness raising and dissemination of the Cancún Agreements. This report has been prepared to share our

activities, approaches and achievements up to the end of June 2011 with our international audience. This report also includes the lessons learned from implementing these activities, as we continue to learn while we work towards REDD+ readiness in Indonesia.

Ir. BAMBANG SOEPIJANTO
Director-General
Directorate General of Forestry Planning
Ministry of Forestry, Republic of Indonesia
for UN-REDD Programme Indonesia

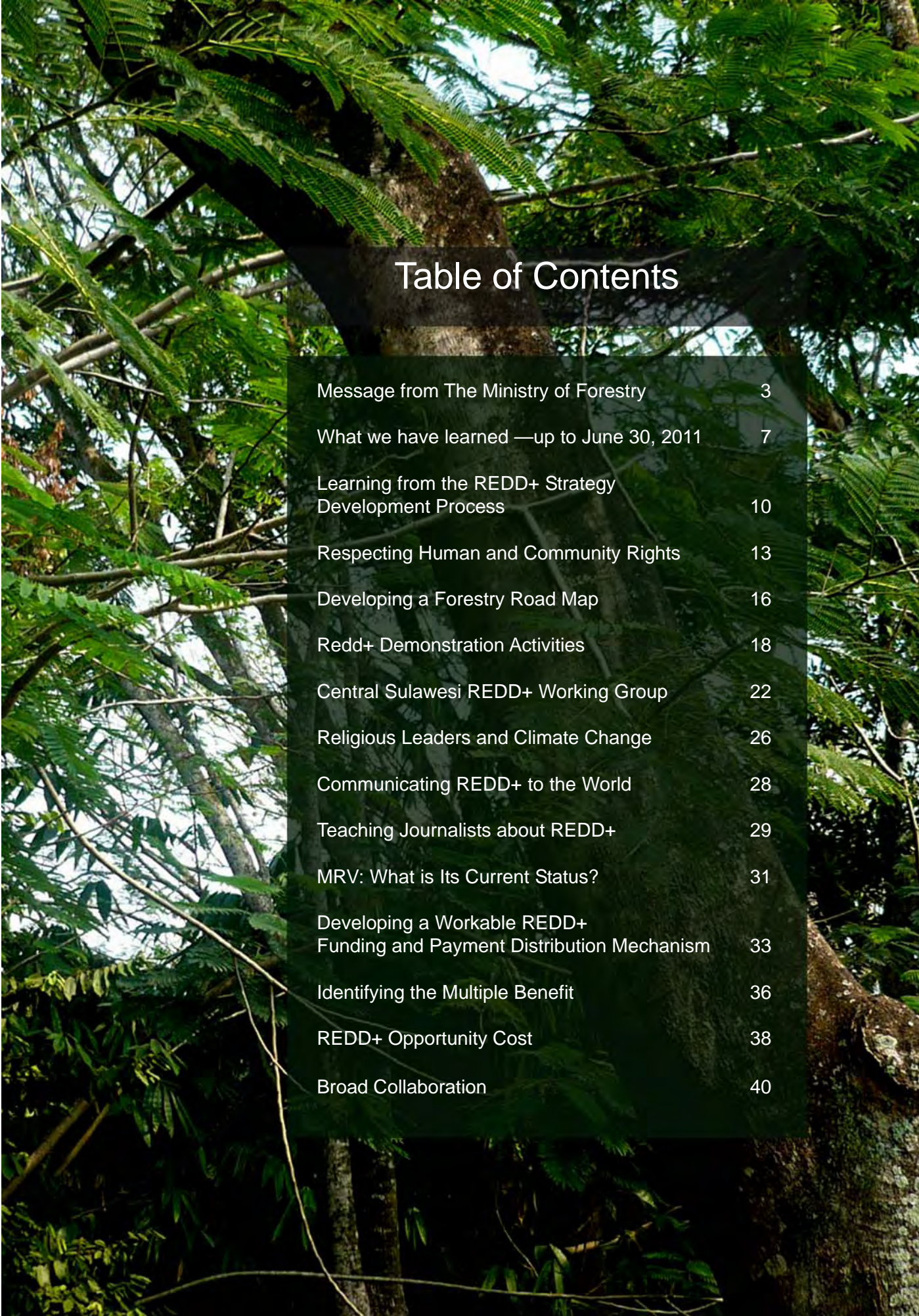


Table of Contents

Message from The Ministry of Forestry	3
What we have learned —up to June 30, 2011	7
Learning from the REDD+ Strategy Development Process	10
Respecting Human and Community Rights	13
Developing a Forestry Road Map	16
Redd+ Demonstration Activities	18
Central Sulawesi REDD+ Working Group	22
Religious Leaders and Climate Change	26
Communicating REDD+ to the World	28
Teaching Journalists about REDD+	29
MRV: What is Its Current Status?	31
Developing a Workable REDD+ Funding and Payment Distribution Mechanism	33
Identifying the Multiple Benefit	36
REDD+ Opportunity Cost	38
Broad Collaboration	40



What We have Learned — Up to June 30, 2011

REDD+ or *Reducing Emissions from Deforestation and Degradation Plus*, is a strategy to mitigate climate change that emerged from the United Nations Framework Convention on Climate Change (UNFCCC). The scheme aims to provide incentives for developing countries to reduce emissions from the forestry sector, including actions to reduce deforestation and degradation, to foster sustainable management of forests, and to enhance and conserve forest carbon stocks.

The Government of Indonesia (GOI) recognizes the critical role played by forests, not only in conserving biodiversity, but also in enhancing competitiveness in forest-based sectors. Indonesia has much to gain from implementing REDD+, but a number of critical issues may stall the process if they are not properly addressed.

The **UN-REDD Programme Indonesia's** objective is to assist the GoI, playing a leading role in driving Indonesia's REDD+ readiness process. The Programme aims to bring all REDD+ stakeholders together to contribute to the development of the REDD+ infrastructure.

“When the President gave Kuntoro Mangkusubroto (Chief of REDD+ Task Force) and me the responsibility to implement REDD+, I felt like being thrown into open water without being able to swim. It was scary, but fortunately UN-REDD Programme Indonesia saved us with their boats. Without UN-REDD Programme Indonesia, the REDD+ Task Force would not have been able to swim in that water. UN-REDD Programme Indonesia has helped us in collaborating with multi stakeholders.”

Heru Prasetyo
(Secretary of REDD+ Task Force)

What have we learned this year from running the UN-REDD Programme Indonesia? There are two key lessons:

1. REDD+ is strongly associated with different interests at local, national and global levels. Discussions about how current problems should be addressed and how institutional and financial mechanisms can support the REDD+ readiness preparations, clearly require an inclusive consultation process. Better coordination at the national level would have benefited the stakeholders involved in, or affected by REDD+.

Lesson learned: Consultations need to be supported by all stakeholders to ensure their voices are heard and issues that affect them are handled correctly.

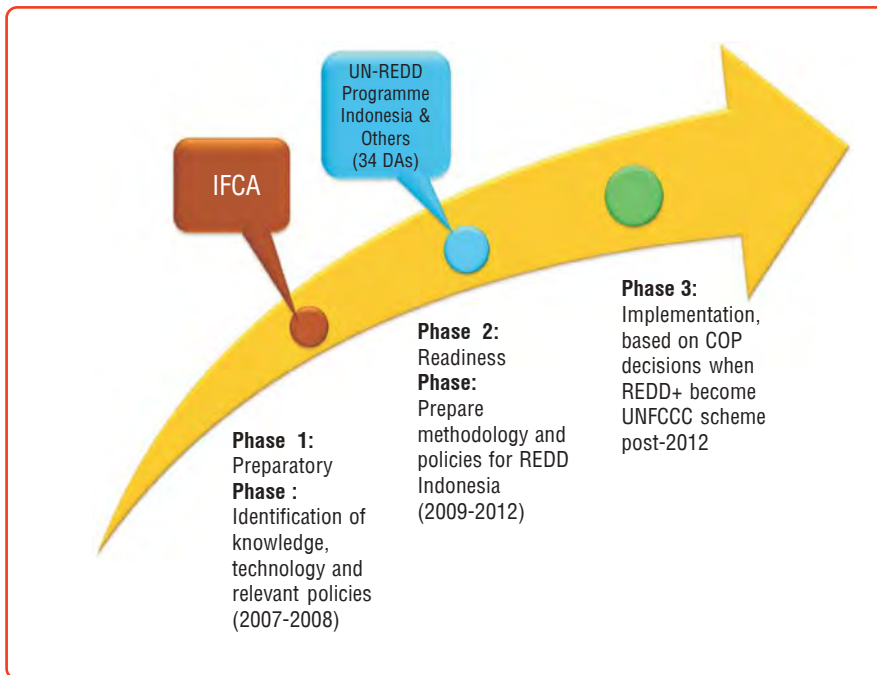
2. The presence of the UN-REDD Programme Indonesia has been critical to the consultation process, since the UN is perceived by many as a neutral institution able to remove barriers and enhance communication between stakeholders with sometimes opposing views. The National UN-REDD Programme was instrumental in assisting the GOI to coordinate the work of the REDD+ Strategy drafting team. In collaboration with partners, the Programme was able to bring together all stakeholders, especially indigenous peoples and other forest-dependent communities, as well as CSOs and government representatives. This attempt to build support for policy changes in the midst of declining public trust in forest management policies and management on the ground was much appreciated.

With the assistance of an experienced writing team and an efficient secretariat, the consultation process was managed smoothly, although there will always be criticism by some parties. Overall, by providing a solid support system, the UN-

REDD Programme Indonesia made a significant contribution to the preparation of Indonesia's first National REDD+ Strategy.

Lesson learned: Consultations clearly benefit from the support and facilitation of a mutually agreed upon neutral partner.

ROAD MAP REDD+ INDONESIA



Learning from the REDD+ Strategy Development Process

It was difficult to carry out an inclusive dialogue on such a complex topic within the time frame given, and because of this the results were unlikely to satisfy all participants and observers. In spite of this, the REDD+ Strategy for Indonesia was developed using a credible, transparent, inclusive and institutionalized multi-stakeholder process that addresses the key drivers of deforestation and degradation. The Strategy provides a clear direction for activities in the next REDD+ Phases, including:

- a. Establishing a regulatory climate and implementation protocol including ratifying policies for REDD+ implementation, disseminating REDD+ guidelines, and distributing the benefits and responsibilities fairly.
- b. Implementing necessary changes, including reform of land-use planning and sector development, legal reforms and strengthening law enforcement, improving the local economy, strengthening stakeholder involvement and transparent governance processes.
- c. Reforming key sectors related to REDD+ including forestry, agriculture and mining.

Feedback on this process varied from 'excellent' to 'a token effort', the more critical pointing out that workshops in the provinces began without the participants understanding the issues and so they were only able to articulate their concerns in a general

① **Institutions and Process**

- REDD+ Special Agency
- Funding Institutions and Instruments
- MRV System and Institutions
 - Monitoring
 - Reporting
 - Verification

② **Legal and Reporting Frameworks**

- Review land rights and accelerate spatial planning process
- Increase legal compliance and prevent corruption
- Suspend new forests and peats licenses for a period of 2 years
- Improve data on coverage and licenses of forests and peats
- Synchronize intensive systems

③

Strategic Programmes

Management of Extended

- Planning and management of multifunctional watershed landscape/ecoregion
- Extending the options of fields of work continuously
- Accelerate the formation of organizations and operational instotions for areas of forest concessions
- Control & prevention of forest and land burnings

Landscape

Economic System of Sustainable Usage of Natural Resources

- Drive the practices of sustainable forest management
- Increase agriculture and plantations productivity
- Carry out environment friendly mining practices
- Promote marginal industry with a high added value

Conservation and Rehabilitation

- Affirm the roles of reserve areas
- Control forests and peat conversions
- Forests restoration and peats rehabilitation

④

Changes of Paradigm & Culture of Work

- Strengthen forest tenure
- Empower local economy with the principals of continuity
- National campaigns for the action of "Saving Indonesian Forests"
- Control and prevention of forest and land burnings

⑤

Strategic Programmes

- Interact with different groups (regional governments, private sector, non government organizations, indigenous peoples, local and international communities)
- Develop social and environment safeguards system
- Aim for a fair and just benefit sharing

Emissions reduction

Increase of carbon stock in the forests

Biodiversity and environment services are well-maintained

Economic growth



way. In the Indonesian context, however, it was an innovative step to openly discuss REDD+ with civil society during the policy development process. Inviting civil society to participate in formulating and communicating evidence-based policies is a new experience.

In collaboration with the State Ministry of National Development Planning (Bappenas), the UN-REDD Programme Indonesia facilitated the development process over a four-month period before submitting a draft document to the REDD+ Task Force of the Presidential Working Unit for Supervision and Management of Development (*Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan* or UKP4).

The process was documented, analyzed and shared with national stakeholders and the international community. Feedback indicates that the multi-stakeholder consultations increased the sense of ownership of the Strategy by all stakeholders. The real drivers of deforestation and forest degradation were agreed upon by all participants consulted. A publication describing the process in detail and its lessons learned has been prepared and is being widely distributed. □

Respecting Human and Community Rights

REDD+ raises many challenges, especially the issue of rights. The UN-REDD Programme has adopted a UN human rights-based approach to programming, with particular reference to the **UN Declaration on the Rights of Indigenous Peoples**, UNDRIP and the **United Nations Development Group Guidelines**.

In accordance with UNDRIP's Articles no. 18, 32 and 41, as well as the Guidelines, indigenous peoples must fully participate in the definition and implementation of policies and plans related to climate change mitigation.¹ The UN-REDD Indigenous Peoples Guidance requires their participation in the 'development, implementation, monitoring and evaluation' of all Programme activities that may impact on the rights and livelihoods of indigenous peoples and other forest-dependent communities. It clearly states that Free, Prior and Informed Consent (FPIC) must be adhered to, in order to ensure the full and effective participation of indigenous peoples and other forest-dependent communities in policy and decision-making processes.

The success of Indonesia's REDD+ programme will depend on the formulation and implementation of appropriate policies, and on the effectiveness of collaboration among the various

¹ UNDG Guidelines, *supra* note 7, at 18.

UN-REDD Programme Indonesia asks for inputs from the indigenous people of Salua, Central Sulawesi, to raise awareness about REDD+ among the societies.



Photo: UN-REDD Programme Indonesia

stakeholders. Meaningful dialogue and coordination with civil society will be crucial, since formulating the policies to implement REDD+ will mean dealing with conflicting interests, the rights of indigenous peoples, as well as land tenure and overlapping policies and laws.

In early January 2011, the UN-REDD Programme Indonesia supported the National Forestry Council (*Dewan Kehutanan Nasional* or DKN) in building consensus on the importance of FPIC. The Chair of the National REDD+ Task Force, Minister Kuntoro Mangkusubroto, opened the workshop, which developed a set of recommendations. In March 2011, the National FPIC process was officially launched and its recommendations to the REDD+ Task Force formally submitted. The *Policy Guidance on the Rights to FPIC* was developed and publicly distributed by the UN-REDD Programme and the DKN.



Photo: UN-REDD Programme Indonesia

An interaction between participants of an international conference of forestry and the indigenous peoples in Lombok.

Following the national initiative on FPIC, in early 2011, the Central Sulawesi REDD+ Working Group was established, chaired by the Governor of Central Sulawesi. One of its four sub-working groups is developing a suitable approach for implementing FPIC in Central Sulawesi. □

Developing a Forestry Road Map

The forestry sector in Indonesia can contribute to economic growth while at the same time decreasing emissions from deforestation and forest degradation. The following four priorities guide the contribution of the sector to the GOI's development programme: its activities must be pro job, pro poor, pro growth and pro environment.

The Ministry of Forestry needs to prepare a roadmap to achieve Indonesia's target of reducing emission of up to 41% by 2020. This map will guide the industry in reaching the President's targets for the next 25 years.

Indonesia has committed to 26-41 percent CO² emission reduction target by 2020:

“We are devising an energy mix policy including LULUCF (Land Use, Land Use Change, and Forestry)) that will reduce our emissions by 26 percent by 2020 from BAU (Business As Usual). With International support we are confident that we can reduce emissions by as much as 41 percent. We will change the status of our forest from that of a net emitter sector to a net sink sector by 2030.”

President Susilo Bambang Yudhoyono committed Indonesia to a 26% emission reduction target by 2020.



Photo: www.antara.or.id



Looking at the important role of the Ministry of Forestry in successful REDD+ implementation, the UN-REDD Programme Indonesia has facilitated activities to help develop an Industry and National Park Road Map. A series of focus group discussions (FGD) and public consultations were held to produce the final draft, which has been submitted and is waiting official recognition by the government to make it a legally-binding document. □

REDD+ Demonstration Activities

The 13th UNFCCC Conference of Parties (COP 13) mandated that all countries develop demonstration activities (DAs) in order to pilot REDD+ mechanisms. DAs will provide the groundwork for learning and will build stakeholders' commitment and synergies. Setting up DAs is an important component in the Readiness Strategy for REDD+ Indonesia. The DAs are where various activities related to methodology and policy development are being piloted and tested for wider replication.

REDD+ DAs are being developed in Indonesia by multilateral, bilateral and unilateral programmes without much coordination. Some DAs were initiated several years ago, even before the COP 13 decision was issued; others are still being established. Currently there is no comprehensive and easily accessible information available on the status of each DA.

The Centre for National Standardization and Environment (*Pusat Standardisasi dan Lingkungan* or *Pustanling*) in collaboration with the UN-REDD Programme Indonesia, brought representatives from thirty DAs together for the first time to discuss their status, approach and progress on 21 December 2010.





The DAs can be grouped into three categories:

1. Those developed by multilateral organizations such as *Meru Betiri* of the *International Tropical Timber Organization (ITO)*, and Accountability and Local Level Initiatives to Reduce Emission from Deforestation and Degradation in Indonesia (ALLREDDI) of the World Agroforestry Centre (ICRAF).
2. Those developed by a bilateral organization such as the Kalimantan Forests and Climate Partnership (KFCP) of Australia, Letter of Intent (LoI) of RI and Norway, Forests and Climate Change Programme (FORCLIME) - *Gesellschaft für Internationale Zusammenarbeit (GIZ)*, Korea International Cooperation Agency (KOICA) of the Republic of Korea, and the *Japan International Cooperation Agency (JICA)*.
3. Those developed by other organizations such as the *Berau* project of *The Nature Conservancy (TNC)*.

The public has responded very positively, as indicated by the numerous requests to publish the information provided during the event - which the UN-REDD Programme Indonesia is now doing.



The Centre for National Standardization and Environment plans to conduct similar events regularly so that the progress and status of Indonesia's DAs, along with Indonesia's REDD+ readiness, can be monitored and widely shared.

Demonstration Activities may take place at different levels (national, provincial, district or local), depending on how they relate to national or local government competencies. It also depends on the type and scale of emissions reduction activity in question (e.g. across provincial or district boundaries, or within individual forest units). A number of basic criteria should be established to assist in the selection of REDD+ pilot activities.

The UN-REDD Programme Indonesia has been also developing a pilot activity. The Programme has conducted two site selections for pilots: a pilot province and a pilot district within the pilot province. Central Sulawesi was the selected on 13 October 2010 as the pilot province for the UN-REDD Programme Indonesia. The

selection was based on criteria developed by the Ministry of Forestry in addition to criteria provided in the Joint Programme Document.

For district pilot selection, the Programme is facilitating the Central Sulawesi REDD+ Working Group to develop the selection criteria. The selection criteria will be developed using a multi stakeholder, fair and transparent process, along with a consensus approach – which is, of course, quite a time consuming process.

The Programme and the Central Sulawesi REDD+ Working Group agreed to take this approach, not only to strengthen multistakeholder approaches in Central Sulawesi, but also to build a strong sense of ownership among the involved stakeholders, in the hope that this will enhance the success of the Programme. All stakeholders have to really understand the issues, including potential impacts on the selected district. This is particularly important as all districts in Central Sulawesi have indicated their interest in hosting a pilot project. □

The criteria for selecting Central Sulawesi are:

- high carbon density
- strong local political support
- local capacity is strong enough to generate rapid results
- the drivers can be addressed relatively easily
- REDD+ can result in significant co-benefits within the project site
- GoI preference
- no other initiatives in that location

Central Sulawesi REDD+ Working Group

The Provincial Government of Central Sulawesi is serious about REDD+, particularly after President Susilo Bambang Yudhoyono committed to quite significant emissions reductions at the G-20 Summit in Pittsburgh, USA, and at COP 15 in Copenhagen, Denmark.

Central Sulawesi's leaders are aware of its important role as a testing ground. Concrete actions include the formation of the Central Sulawesi Working Group for REDD+ Implementation. On 18 February 2011, the Governor issued decree No. 522/84/DISHUTDA-G.ST/2011 to form the Working Group, based on multistakeholder inputs and democratic principles. The Working Group has about 70 members representing government institutions,

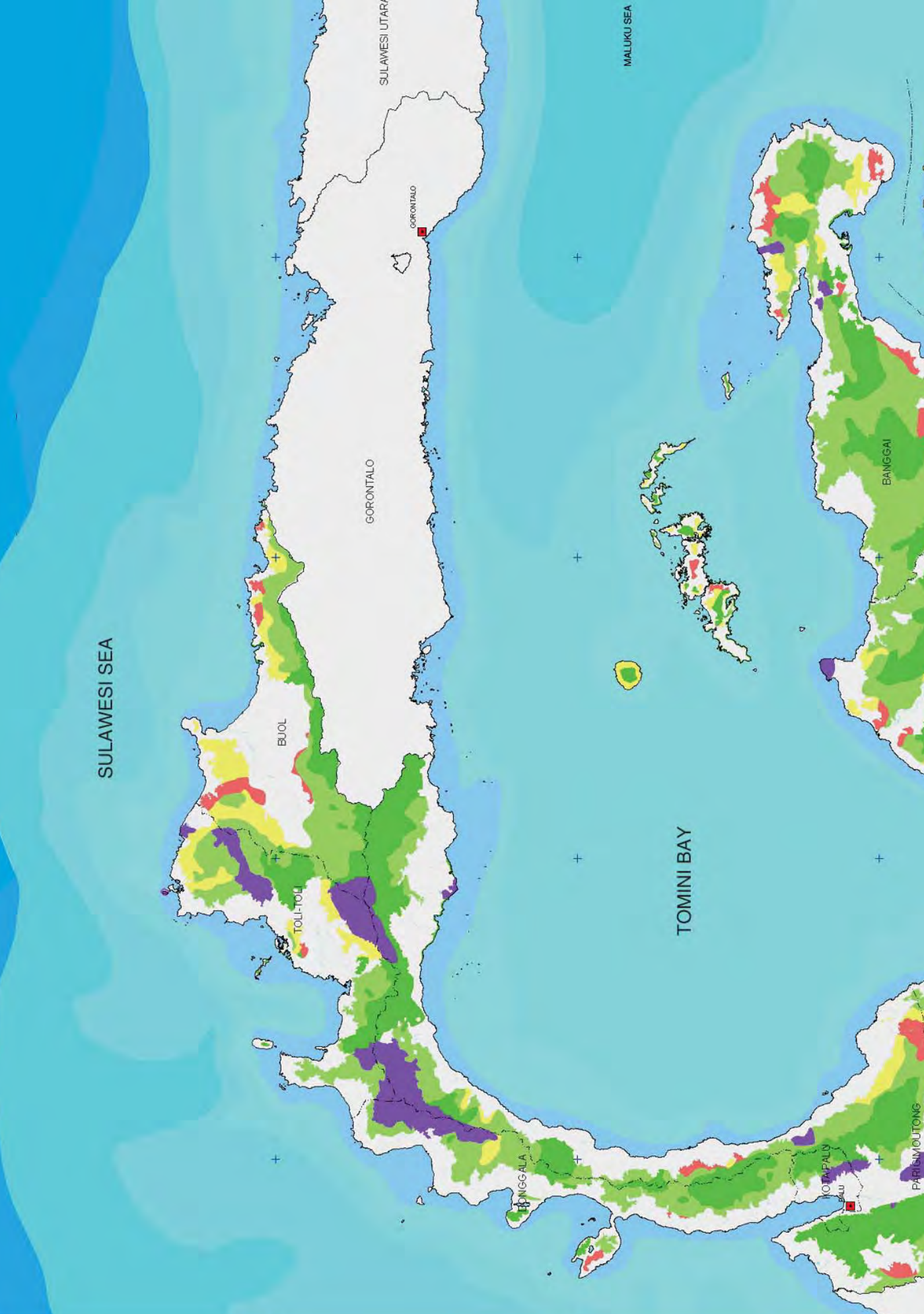
CSOs, NGOs, universities, the private sector and professional organizations. Its Secretariat is based at the Provincial Forestry Service Office in Palu. With the support of the UN-REDD Programme Indonesia, the Working Group is implementing activities according to its mandates and is providing recommendations to the Governor on issues related to:

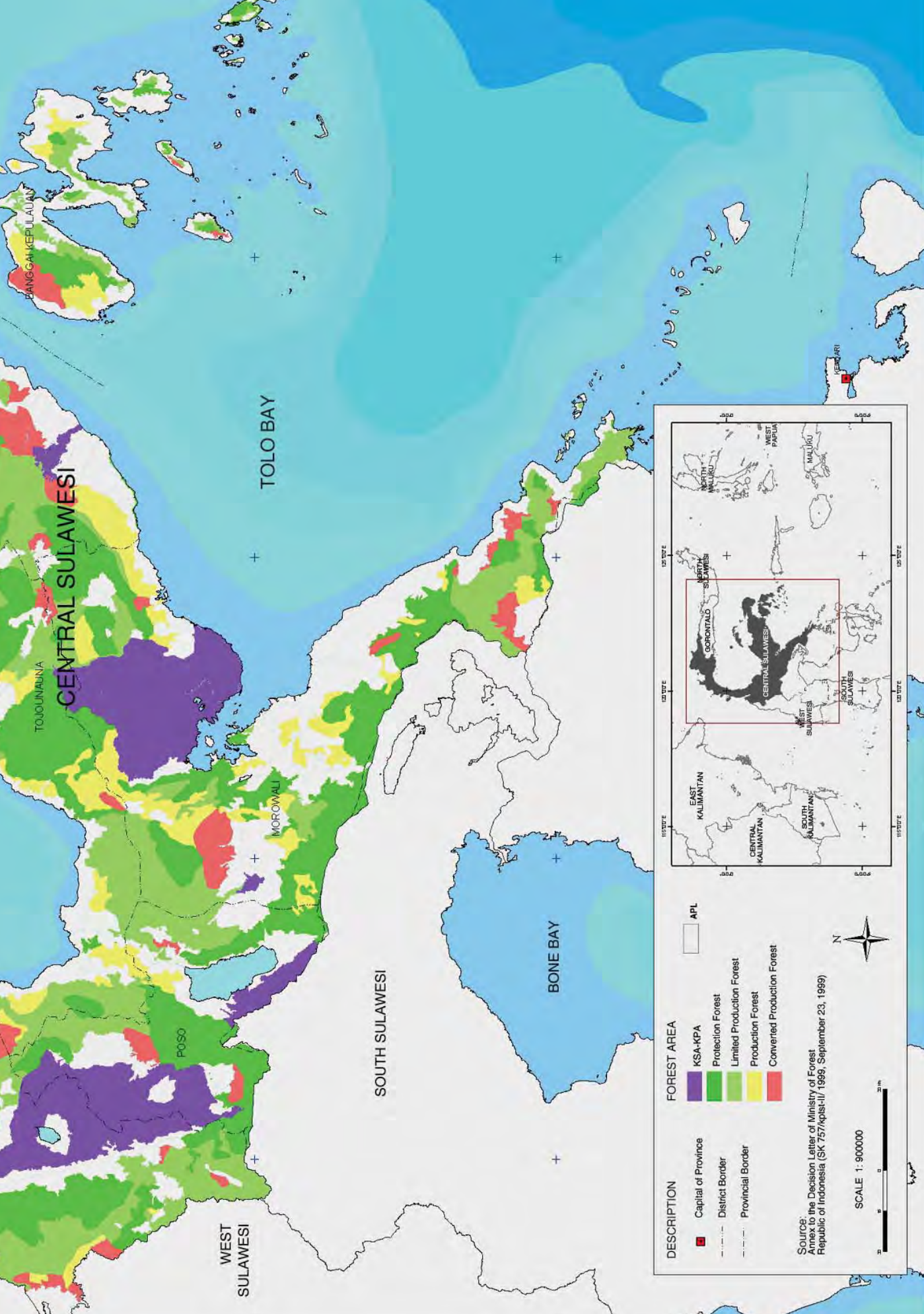




1. Policy development for REDD+ implementation.
2. REDD+ related methodology including MRV, reference emissions level/reference level (REL/RL), options for the distribution of benefits.
3. Development of criteria and indicators to select pilot districts.
4. Actions needed to implement FPIC and stakeholders' capacity building in REDD+ related issues.

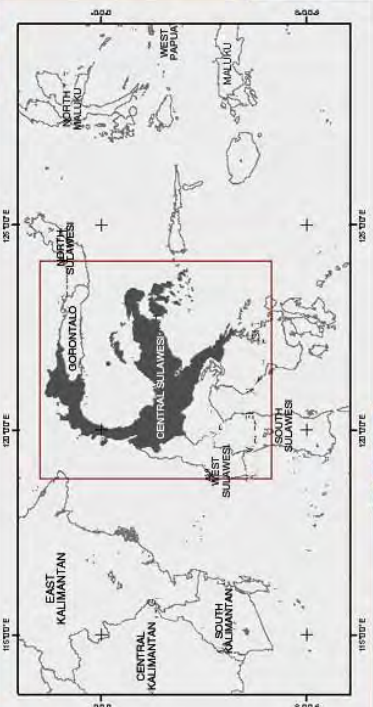
In recent months, the Working Group has been drafting recommendations for the development of a provincial strategy for REDD+ implementation, development of criteria and indicators to select pilot districts, and the development of a framework for implementing Free, Prior and Informed Consent (FPIC). In June 2011, the Road Map for Working Group activities was developed and is now being implemented. Activities related to FPIC at the district level are expected to start after the selection of pilot districts in October 2011. □





DESCRIPTION	FOREST AREA
Capital of Province	KSA-KPA
District Border	Protection Forest
Provincial Border	Limited Production Forest
	Production Forest
	Converted Production Forest
	APL

Source:
 to the Decision Letter of Ministry of Forest
 Republic of Indonesia (SK 757/Kpts-II/1999, September 23, 1999)



Religious Leaders and Climate Change

In June 2011, the Ministry of Forestry organized a meeting with Indonesian religious leaders to discuss REDD+ matters, attended by more than 100 people. In his opening address, Zulkilfli Hasan, Minister of Forestry, encouraged religious leaders to actively participate in forest conservation and REDD+. Din Samsudin, a prominent Muslim leader, encouraged leaders of all religions to strengthen their role in the conservation of the country's forest resources. He said, 'the role of religious leaders is very strategic; hence we need to join hands with the government to make REDD+ a success in Indonesia.' Leaders of various faiths signalled their commitment with the signing of a declaration.

The signing of a declaration by Indonesian religious leaders to participate in global warming mitigation efforts.



Photo: UN-REDD Programme Indonesia

Planning for, and implementing REDD+ requires that we get the technical issues right. But a major requirement for making a difference on the ground is to change the behavior of many stakeholders. Effective communication requires that we use innovative approaches to reach millions of people. Religious leaders can be a strategic partner in this endeavor. Also, the experience in Indonesia indicates that they want to be involved. Their constituents are at the grassroots, which are difficult to reach through workshops and written materials. Climate change mitigation is also in line with religious teachings.

"In line with building the local communities' capacity for REDD+ in demonstration activity, UN-REDD Programme Indonesia has done a number of trainings and workshops in different districts in Central Sulawesi."

There are other innovative ways to spread messages. The example of Indonesia shows that we need to think more creatively and that there may be valuable partners in many countries beyond religious leaders, who can help implement and promote a UN-REDD National Programme. □

Rizal Mahfud
(Head of Indigenous Peoples Alliance of the Archipelago)

DEKLARASI

DALAM RANGKA TURUT SERTA UPAYA GLOBAL MENANGGULANGI DAMPAK EMISI GAS RUMAH KACA (GRK),

Para tokoh agama di Indonesia sebagai kelompok yang mempunyai pengaruh yang luas dan dipercaya oleh masyarakat, memberikan dukungan terhadap upaya penanggulangan dampak emisi Gas Rumah Kaca (GRK) melalui pengelolaan lingkungan yang lestari.

Jakarta, 15 Juni 2011
PARA TOKOH AGAMA DI INDONESIA

Perwakilan Islam	Perwakilan Katolik	Perwakilan Kristen Protestan	Perwakilan Budha	Perwakilan Hindu	Perwakilan Konghucu
					

Disaksikan oleh
Sekretaris Jenderal Kementerian Kehutanan


Hadi Daryanto

Declaration of Religious Leaders to support the global effort to mitigate climate change.

Communicating REDD+ to the World

How well are we getting our message across? Answering this question is important for the Programme because the UN-REDD Programme Indonesia is a driver of REDD+ infrastructure development. Information on the status of activities, including lessons learned, is useful for others who are interested in REDD+. Moreover, it is also important to give accurate information to stakeholders at all levels to get their support for implementation. This is where a communication strategy fits into the picture.

To achieve those objectives, the Programme has worked with an International Communications Consultant to develop a communications strategy that incorporates stakeholders' aspirations, especially at the local level. The Consultant interviewed stakeholders in Jakarta and Central Sulawesi. A draft communication strategy was then discussed with a focus group. The final document was presented to the stakeholders in Central Sulawesi in September 2011, and will be presented to the National REDD+ team as a tool to assist REDD+ communication to all stakeholders in Indonesia.

The Programme is aware of the opportunities offered by the internet for reaching a wider audience. As part of the Strategy, a website is being developed to enable people across the globe to learn more about REDD+ in Indonesia. □

Teaching Journalists about REDD+

The climate change story is now no longer the exclusive domain of scientific and environmental journalists. Government, politicians and the public have entered into the climate change debate. Global warming and climate change are covered in beats ranging from international affairs, technology, business and even general affairs.

People have known for years that Indonesia's forests are under threat. A big new question that journalists should be asking themselves, and their sources, is what does climate change mean for the forests in Indonesia and the people who depend on them? Will the global REDD+ effort be a boost for forests and people in Indonesia?

The media with its wide audience can help share correct information about REDD+ through consistent and persuasive coverage. The media has an important role to play in shaping stakeholder mindsets - this was the conclusion a group of journalists from various electronic and print media on 14–15 April 2011 in Bogor.

Using the theme '*Social Forestry and REDD+: People, Forest and Climate Change*', 16 journalists from various media in Indonesia and Singapore attended a workshop facilitated by the Center for People and Forests (RECOFTC), the ASEAN Social Forestry Network (ASFN), the UN-REDD Programme Indonesia,

Dr. Machfudh from Programme Management Unit UN-REDD Programme Indonesia facilitated a workshop for the journalists.



the Center for International Forestry Research (CIFOR) and The Nature Conservancy. A field visit to enrich participants' knowledge of REDD+ was part of the program. Journalists from Central Sulawesi have made good use of the knowledge gained at this workshop by providing inputs to the Programme's Communication Strategy on ways to maximize the media's role in communicating REDD+ to the public. □

MRV: What is Its Current Status?

A transparent, coherent, complete and accurate Measurement, Reporting and Verification (MRV) system is a key element of an effective REDD+ mechanism. It guarantees that Parties will effectively meet their respective mitigation commitments under a new UNFCCC mechanism that would include REDD+.

Ultimately, the MRV system enables countries to develop their National Forest GHG Inventory and to report on the performance of REDD+ activities to the UNFCCC Secretariat. The *Intergovernmental Panel on Climate Change's* most commonly used approach is to estimate GHG emissions by relating information on the extent to which a human activity takes place (activity data) to coefficients that quantify the emissions or removals per unit of activity (emissions factors). In response, the Measurement and Reporting of the proposed MRV system consists of the following three components:

1. A Satellite Land Monitoring System to assess activity data on forest area and forest area changes.
2. A National Forest Inventory to assess emissions factors on carbon stocks and carbon stock changes.
3. A National GHG Inventory to estimate and report anthropogenic emissions by sources and removals by sinks.

Participants go to the field during remote sensing training in Central Sulawesi (June 2011).



Photo: UN-REDD Programme Indonesia

The UN-REDD Programme Indonesia is aware of the many elements required to develop an MRV system, including an institutional body responsible for the coordination of administrative and technical arrangements, the overall quality of reported estimates, monitoring of safeguards and the successful implementation of REDD+ policies at the national level.

Under the responsibility of FAO, the UN-REDD Programme Indonesia is leading discussions at the national level. It is collaborating with UKP4 to develop a Road Map for MRV for the forestry sector and to redesign the National Forestry Inventory (NFI) system. The MRV road map and the new design of the NFI are still in progress. The first draft of the road map is ready for consultations with stakeholders in the implementation of the necessary activities. The NFI will be adapted to meet the requirements set by REDD+ for more specific carbon data from the field. As part of capacity building, the Programme has already organized remote sensing training in Palu, Central Sulawesi. □

Developing a Workable REDD+ Funding and Payment Distribution Mechanism

Indonesia was the first nation to introduce a national REDD+ legal framework, including three regulations issued by the Ministry of Forestry in response to the decisions made at COP 15 in Copenhagen, Denmark, December 2009:

- P.68/Menhut-II/2008 (P.68) on the Implementation of Demonstration Activities for REDD+
- P.30/Menhut-II/2009 (P.30) on procedures for REDD+ activities
- P.36/Menhut-II/2009 (P.36) on distinguishing between Clean Development Mechanism (CDM), REDD+ compliance and voluntary markets.

These regulations outline a broad domestic regulatory framework for REDD+. Some key issues within the regulations are still being resolved and the GoI needs to provide the clarity needed for investment certainty. The National Council for Climate Change, the Ministry of Finance and the Ministry of Forestry have been working closely to resolve these issues, in particular the revenue sharing arrangements. In a statement to the Indonesian press, the Ministry of Forestry anticipated that the three regulations would be revised in a single all encompassing REDD+ regulation.



In collaboration with the *Forestry* Research and Development Agency (FORDA) and the Ministry of Finance, the UN-REDD Programme Indonesia is reviewing various payment mechanisms for environmental services in Indonesia and abroad. The Programme is also mapping the existing funding mechanisms in Indonesia—bilateral or multilateral—including the way funds are distributed from national to district levels. The mapping is divided into:

Payment mechanism:

- Analyzing existing payment systems in Indonesia
- Analysis of the benefits and constraints of existing systems

Funding mechanism:

- Collecting information on existing funding mechanisms in Indonesia



Next steps will include:

- Integration of both analyses on payment and funding mechanisms to support the work of the REDD+ Task Force
- Determination of options for payment mechanisms and distribution at the provincial level (Central Sulawesi)

The UN-REDD Programme Indonesia plans to collaborate with other initiatives such as The *Forest Carbon Partnership Facility* (FCPF) of the World Bank, Kalimantan Forests and Climate Partnership (KFCP) of AUSAID, and The Forest Investment Program (FIP) of the World Bank to the design a REDD+ payment framework. □

Identifying the Multiple Benefit

The ecological services provided by forests include regulating local and global climates, buffering weather events, regulating hydrological functions, protecting watersheds and their vegetation, water flows and soils, and providing a vast store of genetic information. These benefits accrue at different spatial levels: at the local and regional level (e.g. downstream farmers using water for irrigation), national (e.g. downstream hydroelectric dams) and global (e.g. carbon storage mitigating climate change). Many valuation studies have shown that the external or off-site service values tend to be higher than the internal or local ones, sometimes by several orders of magnitude.

The training in UNP-WCMC from left to right: Barney Dickson (UNEP), Monika Bertzky (UNEP-WCMC), Adi Setyawan (Forestry Service, Central Sulawesi), Hasbi Afkar (Forest Mapping Agency).



Photo: UN-REDD Programme Indonesia



To help local decision makers to identify the multiple benefits of a forest so they can factor them in planning for REDD+ activities, the UN-REDD Programme Indonesia is designing a tool kit for decision makers. The World Conservation Monitoring Center of UNEP (UNEP-WCMC) is leading these activities, and a team from Indonesia (represented by staff of MoFor, Central Sulawesi REDD+ Working Group and Central Sulawesi University) met in Cambridge, Great Britain with UNEP-WCMC representatives to jointly develop the tool kit. The Indonesian team has returned to their posts and presented their work results from Cambridge to the Central Sulawesi Working Group. The presentation also covered the next steps to be taken in the near future. □

REDD+ Opportunity Cost

Local government decision makers interested in developing and implementing strategies for REDD+ need to consider a number of important issues, including the opportunity costs of foregoing the conversion of forests into alternative land uses and foregoing some types of forest extraction. A good understanding of the opportunity costs—and the factors that shape opportunity costs—is important for well-grounded REDD+ planning.

Opportunity costs include foregoing the benefits of activities such as logging, agriculture or mining. They become expenditures

when they determine in part the compensatory payments. These expenditures are the largest portion of REDD+ costs. Various models enable the calculation of opportunity costs, including models developed by *Alternatives to Slash and Burn Partnership at the World Agroforestry Centre* (ASB-ICRAF), and The Open Source Impacts of REDD+ Incentives Spreadsheet (OSIRIS) developed at the University of Wisconsin, U.S.A.

UN-REDD Programme Indonesia recognizes the importance of such tools for decision making at the local level. It is therefore crucial to understand the REDD+ opportunity cost





concept. For this reason and also to prepare for the cost analysis activity of the UN-REDD Programme Indonesia, the Programme sent one of its Team Leaders and staff from the Ministry of Forestry to a training session on REDD+ opportunity costs, organized by the World Bank in Bangkok, Thailand. As follow-up to this training, in addition to sharing the training results with key stakeholders, the Programme has been conducting an opportunity cost study, by applying the tools in selected districts in Central Sulawesi. The study focuses on the major drivers of deforestation including plantations, mining and cocoa production. □

Broad Collaboration

UN-REDD Programme Indonesia has continued working with institutional partners such as the REDD+ Task Force, Bappenas, the National Council for Climate Change (DNPI) and the National Forestry Council (DKN). Networking and coordination meetings for related initiatives have been an important part of the Programme.

The Programme also has frequent contact with CSOs and indigenous peoples representatives, such as the Indigenous Peoples Alliance of the Archipelago (*Aliansi Masyarakat Adat Nusantara* or AMAN), The Organization of Women of Ngata Toro (*Organisasi Perempuan Adat Ngata Toro*), the World Wildlife Fund and The Nature Conservatory. Researchers from CIFOR, ICRAF, and foreign and Indonesian universities have further strengthened deliberations and work concerning the national REDD+ architecture.

Moreover, the Norwegian Embassy and Norwegian Agency for Development Cooperation (Norad) have contributed to Executive Board Meetings to make REDD+ implementation in Indonesia a success. Meetings were also held with representatives of executing agencies of other UN-REDD partner countries to share and build on lessons learned. □



Secretariat:

Manggala Wanabakti Building Block IV, 5th Floor, Suite 525C
Jl. Jenderal Gatot Subroto, Jakarta 10270, Indonesia
Ph. +62 21 - 570 3246/65, Fax. +62 21 - 574 5748

UN-REDD Programme Indonesia, Central Sulawesi Office
c/o Provincial Forestry Service, Central Sulawesi
Jl. S. Parman No. 9 Palu, Central Sulawesi, Indonesia
Ph. +62 451 - 421 260/61, Fax. +62 451 - 426 860



PRINTED ON RECYCLED PAPER