GoI Progress Updates (September 18, 2020) to Response CF19 Chair Summary:

1. *Strengthen coordination among the ministries, as well as government entities–at the national, provincial, and local levels–that would be responsible for implementing the ER program.*

   Update:

   o A dedicated Ministerial Decree has formalized the national level structure for the implementation of FCPF Emission Reduction Program No. SK 287/MENLHK/SETJEN/SET.2/7/2020, which provides legal reference for:

      a) A National Steering Committee (NSC) led by the MoEF Secretary General, with echelon one representation from MoEF, Bappenas, Ministry of Agriculture (MoA), MoF, and East Kalimantan Provincial Government. The NSC will meet at least once a year, except when urgent issues or necessary decisions arise that require additional meetings. The national level institutional arrangements will be reflected in a Minister of Environment and Forestry Decree.
      b) Sub-National Project Management Unit (PMU) will be established and led by Economic and Development Administrative Assistant of East Kalimantan Province Regional Secretary, supported by the Economic Bureau as head of the secretariat, and to be staffed with consultants to support and assist Project implementation. A Governor's Decree will be the legal basis for sub-national institutional arrangement for the Project.
      c) REDD+ sub-directorate of Directorate General of Climate Change Management (DG-CC) will take the role as national secretariat of ER programs, including by managing communication and coordination with donors.

   o Governor's Decree for Sub-National of Implementation Structure of FCPF Emission Reduction is being prepared, and will provide legal reference for sub-national level institutional arrangement and coordination:

      a) A Provincial Technical Committee (PTC) will also be established, led by the Provincial Government Secretary (SEKDA), with working groups for Safeguards (coordinated by the Forestry Agency); Benefit Sharing (coordinated by the Economic Bureau); Monitoring, Measurement, and Reporting (MMR; coordinated by the Environmental Agency); and Planning and Budgeting (coordinated by Bappeda). The PTC provides technical guidance for Sub-National Technical Unit Organizations (OPDs) on implementation of the Project.

   o Meetings to improve synergy and coordination at the Ministry of Environment and Forestry, involved Ministry/Agency in national level, Province and District.

   o A dedicated consultant is being recruited to ensure: (i) technical advice and operational support for mainstreaming and coordination arrangement is available during the Program preparation and implementation, particularly related to coordination mechanism and policy required; and (ii) ensure an agreed coordination mechanism is in place for program implementation.

2. *Further develop measures to reduce leakage risks, through measures such as providing alternative livelihoods to communities and continuing moratoria of all new permits on primary forests and peatland following the presidential instruction.*

   Update:

   o Presidential instruction on moratorium of all new permits on primary forests and peatland was initially slated to run for two years, but was extended three times since then, with the latest extension signed in 2017 and expiring on July 17, 2019 has been made permanent on August 5, 2019. The moratorium prohibits the conversion of primary natural forests and peatlands for oil palm, pulpwood and logging

concessions. This will strengthen the implementation of Governor Regulation 1/2018 on licensing in the sector of mining, forestry and palm oil plantation in East Kalimantan.

o Community empowerment activities has been conducted since June 2019 including on social forestry business development, Adat forest facilitation, improvement of capacity and institutionalization of community based economic development, certification of small holder's palm oil farmers, socialization of "kampung iklim plus", and integration of the ER Program in the provincial and district development plan (RPJMD)

3. *Strengthen the benefit sharing arrangement, to ensure (i) equitable and transparent sharing of benefits among all Adat communities, considering the challenges in the government's ongoing process of legally recognizing Adat communities and land titling of these communities; and (ii) private sector entities only receive non-monetary benefits.*

    Update:

    o The advanced draft BSP was satisfactorily reviewed by CFPs and made public in June 2020. The advanced draft BSP specifically clarifies that: (i) all Adat communities in East Kalimantan, regardless of legal recognition, will be eligible to receive benefits from the ERPA, subject to agreed eligibility criteria outlined in the BSP; and (ii) private sector beneficiaries will only receive non-monetary benefits. The draft has been disclosed through several channels:
        - https://documents.worldbank.org/en/publication/documents-reports/documentdetail/542431592547491161/benefit-sharing-plan
        - P3SEKPI | Benefit Sharing Plan (BSP) East Kalimantan Jurisdictional Emissions Reduction, Indonesia

    o Inclusion of benefit sharing documentation and transparency in the MMR system.

    o A dedicated consultant is being recruited to: (i) improve the institutional arrangements and technical capacity needed for benefit sharing is available in the implementation of the Program, specifically related to monitoring and reporting methodologies; (ii) improve technical guidance for distribution and calculation of benefit; and (iii) ensure an agreed system (institutional arrangement, policies and regulations) is in place for the operationalization of the benefit sharing.

4. *Continue to improve emission factors in production forests, including those forests where Reduced Impact Logging is implemented, with a view to better monitoring logging impacts in the future, in line with "FMT Guidance Document on Methodological Framework 2: Guidance on Technical Corrections to GHG emissions and Removals Reported in the Reference Period".*

    Update:

    o Indonesia is integrating National Forest Inventory (NFI) and FCPF data plot for purposes of estimating Emission Factors in six forest and two non-forest categories. The preliminary results have provided Emission Factors with higher precision which will reduce the uncertainty. However, the new estimates calculation is still being reviewed. These new EFs will be used in preparing the technical correction of the reference level, as well as for purposes of producing the ER Monitoring Reports during the ERPA performance period. The table below shows the latest increased sample size by forest type and non-forest type (dry shrub and wet shrub), compared to the sample size used in the ERPD.

Table 1. New Sample Size

Land cover types	N sample	Source
Primary dryland forest	157	FCPF&NFI
Secondary dryland forest	418	FCPF&NFI
Primary swamp forest	18	FCPF
Secondary swamp forest	50	FCPF&NFI
Primary mangrove forest	80	FCPF
Secondary mangrove forest	46	FCPF&NFI
Dry shrub	166	FCPF&NFI
Wet shrub	33	FCPF&NFI

Note : There might be change in sample size according to plot data analysis

Table 2. Sample Size in ERPD

		East Kalimantan (using local allometric) based on PSP at Ea						Sample
		Mean	Stdev	Sample (N)	SE	t0.05	CI 95%	U (%)
Primary Dryland Forest	2001	226.9	212.2	55	28.6	2.005	57.4	25.3
Secondary dryland forest	2002	**118.8**	65.3	68	7.9	1.996	15.8	13.3
Swamp primary forest	2005	253.1	112.6	18	26.5	2.110	56.0	22.1
Swamp secondary forest	20051	**171.7**	164.6	42	25.4	2.020	51.3	29.9
Mangrove primary forest	2004	117.7	108.1	37	17.8	2.028	36.0	30.6
Mangrove secondary forest	20041	**93.1**	55.4	23	11.6	2.074	24.0	25.7

o   Indonesia is not planning on developing separate Emission Factors for Reduced Impact Logging (RIL) areas, as RIL area Activity Data was removed from the ERPD at the recommendation of the TAP due to concerns about double counting. Indonesia does not intend to propose a technical correction to restore RIL back into the reference level. The forest stratification for the ERPA Period will be the same as was used in the ERPD. This is expected to be conservative for purposes of estimating Emission Reductions, since any successful application of RIL will result in lower actual emissions than those estimated to occur through the normal process of forest degradation associated with logging. Indonesia continues to promote RIL as an improved management method for production forest to support the Sustainable Forest Management implementation in Indonesia

5.   *Continue to refine the methodology to measure forest degradation, including associated emission factors, in line with "FMT Guidance Document on Methodological Framework 2: Guidance on Technical Corrections to GHG emissions and Removals Reported in the Reference Period".*

Update:

o   As noted in item 4, Indonesia is integrating NFI and FCPF data plot for purposes of estimating Emission Factors in six forest class categories. The preliminary results indicated that increased sample size has led to reduced estimates of uncertainty for the Emission Factors across all forest types. This in turn will yield reduced uncertainty for estimates of deforestation and degradation emissions and Emission Reductions when combined with Activity Data.

o   Indonesia is preparing to undertake work to further refine the estimation of Activity Data (AD) for forest degradation using a Cloud platform such as Google Earth Engine to improve mapping and stratification of areas of forest degradation. This effort is still in the stages of capacity building and will be useful for

monitoring in East Kalimantan in the future. Future improvements in the mapping of forest degradation will **not** be included in the technical correction; however, such improvements **will** be used to improve stratification in a stepwise manner for future allocation of reference sample points to support the sample based estimation of AD for the ER Monitoring Reports. The use of sample-based estimation is consistent with the approach used in the ERPD and is not expected to require a technical correction.

6. *Improve carbon accounting in the ER Program in line with (i) TAP recommendations in order to reduce uncertainty and (ii) "FMT Guidance Document on Methodological Framework 2: Guidance on Technical Corrections to GHG emissions and Removals Reported in the Reference Period," with special emphasis on sample design.*

   Update:

   o Indonesia has developed a draft SOP for improved application of sample-based estimation and uncertainty analysis (e.g. approach outlined in Olofsson et al. 2014), including increased sample size and possibly improved methodology that appropriate with national circumtances as TAP suggested in order to generate AD with increased precision. The WB team reviewed the draft (in Bahasa language) and was able to make some comments and suggestions for clarifying the text. The Ministry of Environment and Forestry, in collaboration with the MMR Team of East Kalimantan Province, national experts, have applied this SOP in an analysis of land cover change from 2006-2018. Results indicate reduction in the estimates of uncertainty relative to the estimates contained in the ERPD. Indonesia continues to review and refine the SOP, and it is possible that they will make further changes to the stratification design in order to make further reductions in uncertainty. The final SOP will be used in a technical correction to conduct a sample-based estimation of updated AD over the Reference Period.

   o Indonesia has completed a reanalysis of the historical land cover change based on land cover maps from 2006-2016 in accordance with the recommendations of the TAP, namely masking instances of degradation and deforestation to avoid double counting in subsequent time periods to enable direct estimation of gross emissions during the reference period. This reanalysis has been reviewed by the WB team and will be used in a technical correction to the original FRL.

   o In summary, Indonesia intends to make a technical correction to the Reference Level defined in the ERPD which will incorporate the following changes to improve carbon accounting by reducing uncertainty in the estimation of carbon emissions:
   1. Improved EFs with increased precision across all forest types;
   2. Application of masking to time series data (topology error analysis, land cover changes map consitency analysis) in order to eliminate double counting;
   3. Application of an improved SOP and sample design for sample-based estimation, including increased sample size and possibly improved methodology that appropriate with national circumtances as TAP suggested in order to generate AD with increased precision.

   These changes are in accordance with paragraph 3 a, b and d of the FCPF Guidelines on Technical Corrections.

7. *Continue the commitment to make land use data and safeguard documents publicly available.*

   Update:

   o Monitoring, Measurement and Reporting (MMR) system development including capacity building has been involving stakeholders outside the Government's, including university and development partners.
   o Regular update of ER Program development process, including safeguards in East Kalimantan through Climate Change Regional Council (DDPI) website, and other communication media, for example radio show and workshop (https://ddpi.kaltimprov.go.id/)

- Sub-national MMR system will host information on use data and safeguard documents, through the following link: Kaltim - Carbon Emission