

BENEFIT SHARING REDD+ INDONESIA

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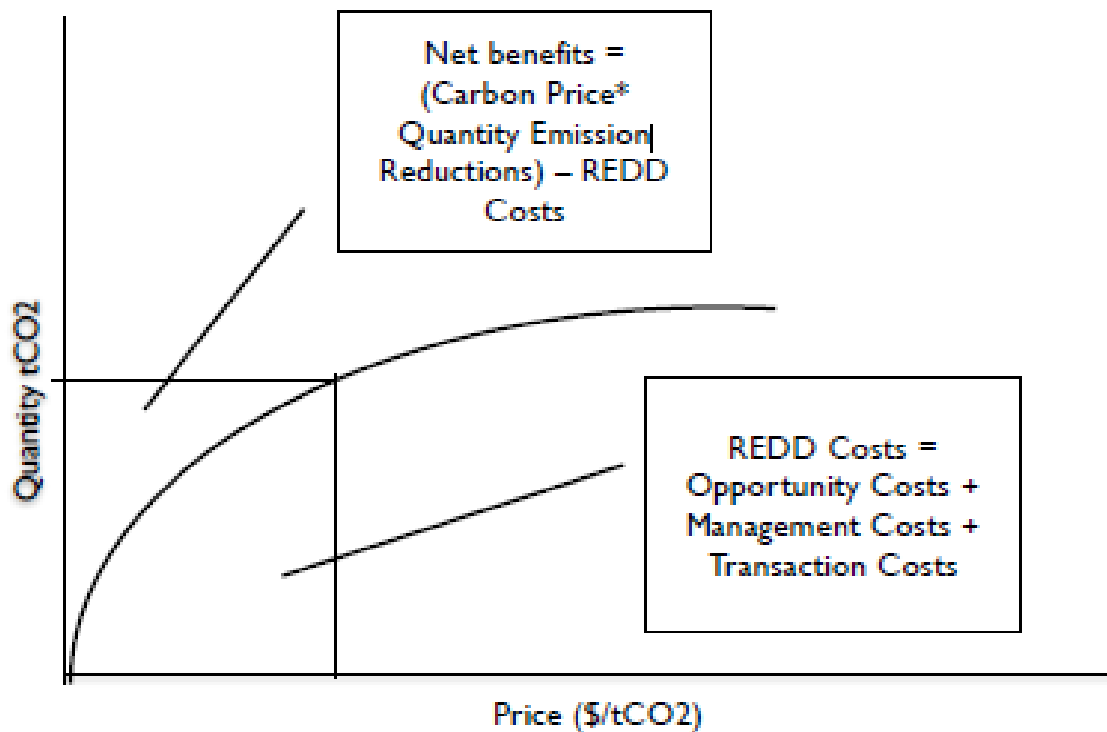


Background

- Cancun Agreement : compensation from developed countries to developing countries should be long-term financing In conserving forest resources
- Benefit sharing mechanisms is needed as a strategic infrastructure for the success of REDD+ implementation → additionality and performance based
- Incentive → The benefits of REDD+ activities in the form of financial support or technology transfer or capacity building (Permenhut No. 30/2009) → to beneficiaries based on their roles/contribution on emission reduction/removal → the form of incentive is depend on the needs of stakeholders



Components of REDD payment



Methods: Stakeholder Analysis

Peran Para Pihak dalam REDD+



Para Pihak di Kabupaten Berau



Para Pihak di Kabupaten Kapuas

Mechanism of Distribution

- **Transfer Fiscal**
- **General Services Agency (BLU)**
- **Credit for Farmers (KUT)**
- **Trust Fund**
- **Payment for Environmental Services (PES)**
- **National Program of Community Empowerment (PNPM)**

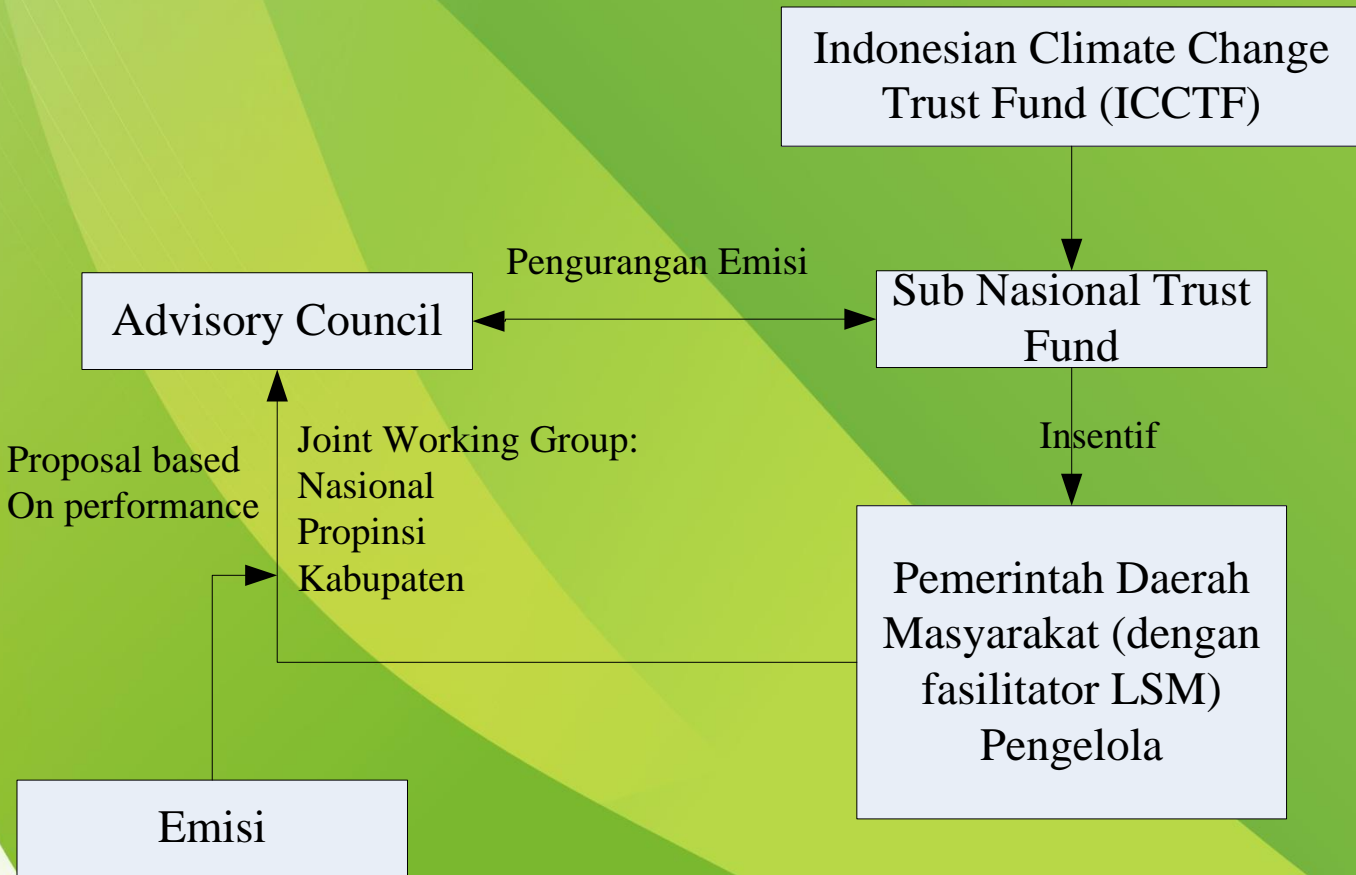


Transfer Fiscal

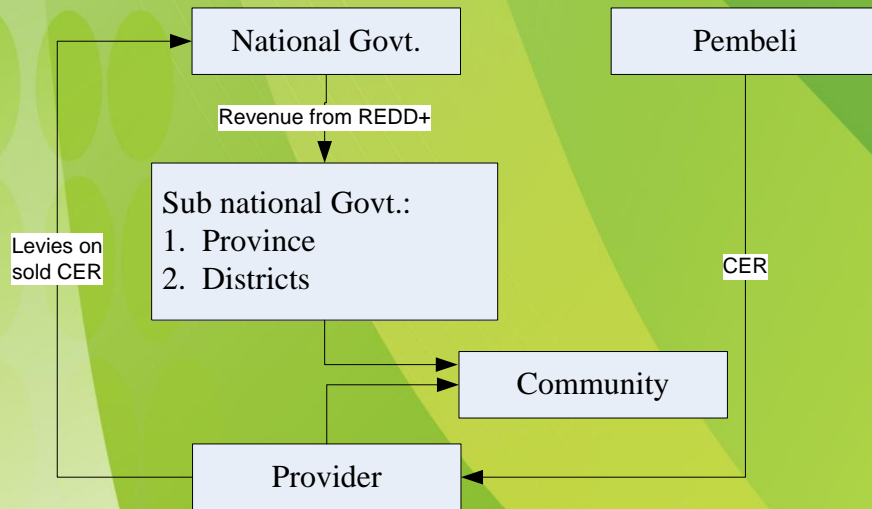
	Foreign Grant	Revenue Sharing (RS)	Conditional Grants (CG)
Grant size	N/A	Percentage from national taxes or based on the actual opportunity costs	Distribution formula based on costs of providing services at local levels
Distribution formula	N/A	Total emission reduced (factor of total forest areas and carbon stocks)	Cost elements of providing related services
Conditionality	Earmarked	Unconditional	Earmarked for a specific sector with a tentative list of activities
Accountability	Disbursement	Performance	Expenditure and Performance



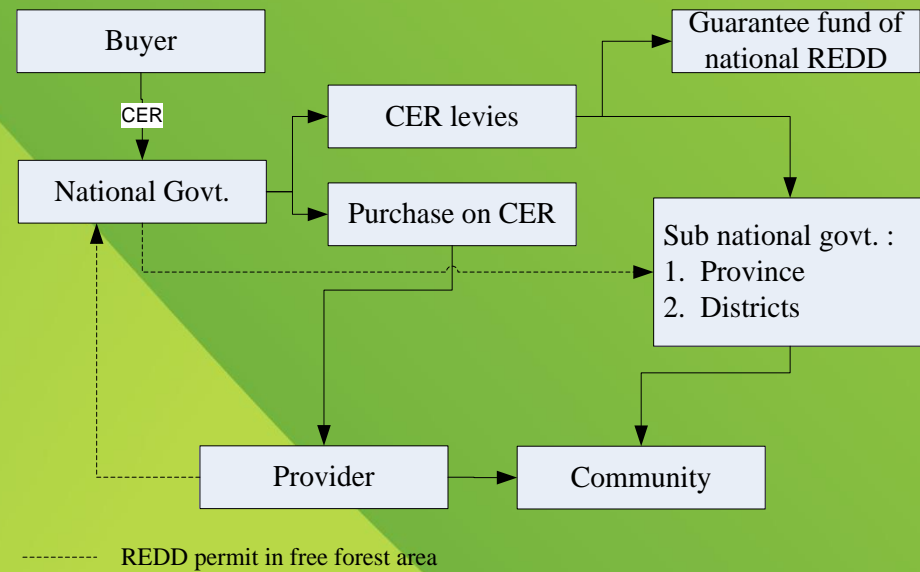
Trust Fund



Distribution mechanism



a. Voluntary market



b. compliance market

Proportion of Incentive: Value Chain Analysis

Cost Component in REDD+

Level	Costs
Local	<ul style="list-style-type: none">• Opportunity cost• Management• Transaction
Sub National	<ul style="list-style-type: none">• Readiness• Facilitating
National	<ul style="list-style-type: none">• Readiness• Facilitating
Independent	<ul style="list-style-type: none">• Verifikasi/monitoring



Proportion for Farmers: Based on *value chain*

	Berau (25 th, i=12% ,BCR=1)		Kapas (25 th, i=12% ,BCR=1)	
	NPV Total (IDR/ha)	Proportion (%)	NPV Total (IDR/ha)	Proportion (%)
Farmers	93,715,844	97.45	84,625,877	93.66
Project developer	270,592	0.28	3,545,111	3.92
National government	1,517,560	1.58	1,517,560	1.68
Sub national government	330,280	0.34	330,280	0.37
Independent auditor	280,263	0.29	280,263	0.31
broker	57,135	0.06	57,135	0.06
Total	96,171,676	100	90,356,227	100

Based on cost expenditure assumption by each stakeholder



Closing remarks

- Benefit sharing mechanism involves a broad stakeholders and options → locally specific, nationally connected, and globally recognised
- Incentives is performance based and need to be monitored and safeguarded



Terimakasih

