



**WORLD BANK GROUP**  
Climate Change

# Indonesia: FCPF Grant Report

## Updated MTR and Additional Funding Request

FCPF PC 17  
Lima, Peru  
July 2-4, 2014

# FCPF Grant Objective

To contribute to the development of Indonesia's capacity to

- design a sound national REDD+ strategy,
- develop national and sub-national reference scenarios and
- establish a forest monitoring and carbon accounting system, consistent with local, regional and national conditions and circumstances.

# Expected Results

- Improved understanding and awareness of drivers of deforestation and degradation and of strategies to address them;
- Contribution to the establishment of a REDD+ management framework at the national level;
- Contribution to the discussion of a national reference scenario for emissions from deforestation and forest degradation prepared, taking into account the national accounting with sub-national implementation framework;
- New data on REDD+ potential in selected provinces generated

**In short: significant progress has been made towards achieving the grant's expected results**

# Value-added of FCPF grant funding

- The FCPF covers activities and regions not covered by other development partners
- Good alignment with the Norway Letter of Intention (and associated program) and Forest Investment Program
- The World Bank effectively facilitates coordination between Ministry of Forestry and other stakeholders (e.g., on green growth)
- The grant fills gaps in SESA, forest carbon assessment, and analytical work and helped build significant capacity at FORDA

# Key areas of progress

- Indonesia has shown significant progress on REDD+ Readiness components
  - Formal adoption of a national REDD+ Strategy
  - Development of the MRV system, including sub-national level capacity development
  - Development of a reference level
  - Creation of a REDD+ Agency
- Ministry of Forestry and the REDD+ Task Force have been leading the process in a highly participatory and consultative fashion
  - Results and proposals have gone through public events with stakeholders
  - The FCPF has supported DKN to elaborate a standardized consultation protocol
  - SESA has created further opportunities for consultation and information sharing
- The FCPF has made important contribution to the REDD+ Readiness process in Indonesia and it is an element of a larger and dynamic national process

# Key remaining challenges

- Forest governance and political economy are not conducive to REDD+
  - The regulatory and legislative framework for forest and land use management is fragmented, often inconsistent and sometime even contradictory
  - Decentralized government policies are also often geared towards revenue generation activities, which often promote forest conversion into other land uses
- Although legally recognized, customary rights of indigenous communities to forests are often not applied in practice
  - A recent court ruling effectively created Customary Forests Adat could have significant impacts on future land/forest use and land rights
  - REDD+ galvanized an unprecedented and high level of attention from Government
- The national REDD+ Readiness process in Indonesia is still fragmented due to high number of actors and stakeholders
- For REDD+ to have impact, more focus on the subnational level is needed
- Foster coherence and synergy between Climate Change Action Plan and REDD+ Strategy and Action Plan at national and sub-national level

# Request for Additional FCPF Grant Funding

- USD 2,770,000 has been disbursed (as of May 2014)
- The Bank is prepared to support Indonesia in implementation of additional grant funding
  - Additional resources should be largely focused on sub-national activities and readiness to operate a REDD+ program for the FCPF Carbon Fund
- Bank team provides technical assistance in preparation of Emission Reduction program for the FCPF Carbon Fund
  - Focus needs to be on integration of the sub-national program with national process
  - The proposal needs to be scoped to be ambitious, yet achievable



**WORLD BANK GROUP**  
Climate Change

**THANK YOU!**

For further information, please contact  
Werner Kornexl ([wkornexl@worldbank.org](mailto:wkornexl@worldbank.org))