

REDD Readiness Progress Fact Sheet

COUNTRY: Indonesia

October 2013

1. R-PP Preparation and FCPF Readiness grant

- R-PP was endorsed in June 2009
- FCPF grant was signed in June 2011. The grant consisted of four main components: i) Analytical work; ii) Support to Readiness Process; iii) Assessment and measurement of GHG impacts of land use change; and iv) Regional data collection and capacity building. In financing a subset of the overall financial and technical inputs required for Indonesia to reach REDD+ readiness, the FCPF activities are directed to fill the gaps and identify activities that are not covered by other donors and actors.
- The FCPF grant has enabled good collaboration with stakeholders on various REDD+ readiness aspects. It has financed a number of studies, publications and a large amount of workshops and seminars on various issues in the targeted provinces. The FCPF also supports dissemination of results for wider stakeholders.
- A WB mission conducted in February 2013 confirmed that significant progress has been achieved in implementing FCPF-financed activities, and towards REDD+ readiness in Indonesia. The FCPF grant has allowed the Ministry of Forestry (MOFOR) to promote capacity building, analytical work and demonstration activities focused on a number of provinces that are currently not covered by other donors.
- Noteworthy results include progress on the SESA, engagement of subnational agencies in the Readiness process, collaboration with broader public on various readiness issues through workshops and focus group discussions, dissemination of the results and strengthening the role of local universities on REDD+ issues. The activities include, among others, facilitating the development of REDD+ framework in 13 provinces, facilitating the establishment of REDD+ Working Groups or strengthening the existing REDD+ WGs in 3 provinces (Maluku, West Sumatra and South Sumatra) and facilitating the establishment of forest and climate change research and education networks in four regions.
- The MOFOR is leading the medium-term progress assessment of the REDD+ Readiness process, using the R-Package Assessment Framework as a basis for the ongoing evaluation. The midterm report will describe progress and achievement of the REDD readiness development achieved by the FCPF supported activities and overall progress at the national context and identify gaps in the readiness process to be covered by additional finance from the FCPF.
- The government is in the process of requesting additional funds from the FCPF (US\$ 5 million). The government and other stakeholders recognized the strategic value of the FCPF and indicated that additional funds should be allocated to more strategic activities.

2. National REDD Readiness Management Arrangements

REDD+ Readiness is being led by the MOFOR and the President's Monitoring and Delivery Unit (UKP4) /REDD+ Task Force in collaboration with other donors. With the creation of the REDD+ Agency the readiness process will be increasingly led by this Agency in cooperation with other national and subnational agencies.

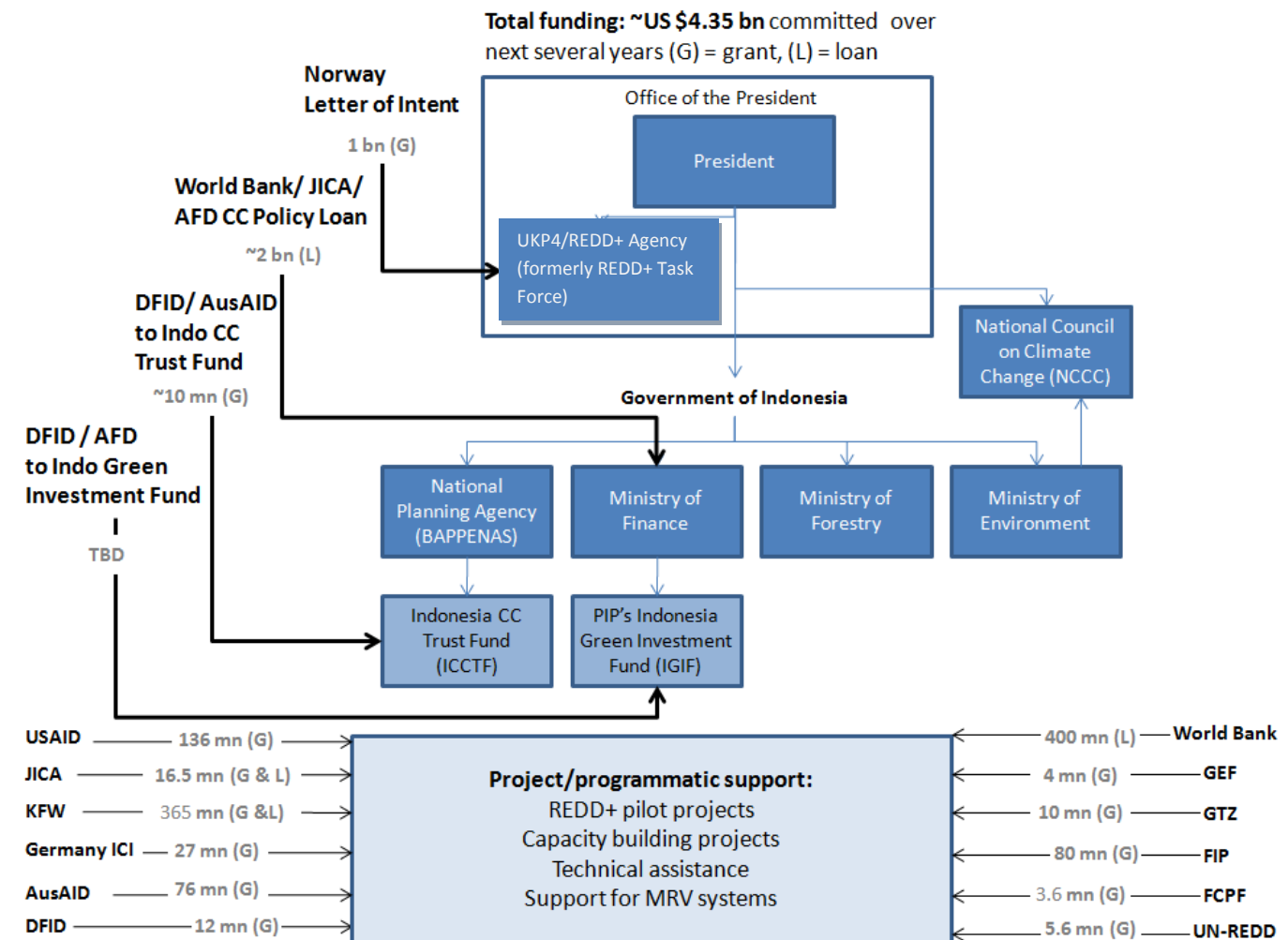
The MOFOR is conducting a series of REDD+ Readiness activities with support of the FCPF funds. FORDA and the Center of Standardization and Environment are leading these activities, in partnership with a number of actors, including the National Forestry Council (DKN). The MOFOR also leads a Steering Committee made up of representatives from the

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UKP4/REDD+ Task Force, Ministry of Finance, National Development Planning Agency (BAPPENAS) and National Council on Climate Change (DNPI). Given the diversity of actors and the small size of the FCPF grant compared to other efforts (see picture below), the readiness activities identified in the FCPF grant agreement are a subset of an overall readiness effort to support the national REDD+ strategy. In this context, the FCPF is supporting selected strategic analytical inputs and a consultative process.



The REDD+ Task Force was established in September 2010. It is chaired by the Head of UKP4 and comprises of high officials from key ministries and agencies as well as various non-governmental experts. Since early 2012, the REDD+ Task Force has 10 working groups responsible for: (i) the National REDD+ Strategy and Action Plans; (ii) the establishment of the REDD+ Agency; (iii) the concept note for the REDD+ financial mechanism; (iv) the development of the first REDD+ Pilot Province of Central Kalimantan; (v) monitoring of the moratorium of new land use licensing; (vi) the establishment of the institution and mechanism for Monitoring, Reporting and Verification (MRV); (vii) mainstreaming of national and sub-national programs; (viii) legal review and enforcement; (ix) communication and stakeholders engagement; and (x) knowledge management and support.

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In September 2013, the President Yudhoyono signed a presidential regulation No. 62/2013 on the establishment of managing agency for the reduction of emission from deforestation and land degradation of forests and peat lands (REDD+ Agency), as part of the government commitment on climate change partnership with the Government of Norway. The REDD+ Agency will report directly to the President and will be tasked to help the President in coordinating, synchronizing, planning, facilitating, managing, monitoring, overseeing and controlling REDD+ in Indonesia. The establishment of the REDD+ Agency will be a starting milestone for National REDD+ implementation in Indonesia. Upon the establishment of the Agency, the grant agreement for the second phase of performance-based funding between Indonesia and Norway will be signed.

After its establishment, the REDD+ Agency will subsequently create a funding instrument for REDD+ in Indonesia (FREDDI) as the financing instrument for the REDD+ Implementation under the REDD+ Agency. The Funding Instrument will be based on the national TF regulations. The REDD+ Task Force has made substantial progress in designing FREDDI. The details on institutional arrangements of FREDDI, fund flow, project cycle and reporting requirements, and the project pipeline windows are developed and ready to be presented and discussed with members of the future Board of Trustees.

3. Stakeholder Consultations and Communication

- All documents on REDD+ implementation system are developed through consultation process at national and local level, reaching out to communities, NGOs, universities and the government (central, provincial and district). The REDD+ Task Force has been leading the consultation process in finalizing the national and sub-national strategy.
- Given the differences of perception what can be classified as consultation, FCPF supported and financed DKN to elaborate and develop a standardized consultation protocol. The ongoing SESA effort has offered good learning opportunities for the MOFOR and other stakeholders who participated in the process.
- The consultation process informed the multi-stakeholders involved in the REDD+ processes the linkages between REDD+ initiatives and National Action Plan on GHG Emission Reduction (RAN-GRK). At the provincial level, Provincial Strategy and Action Plan (PSAP) is linked directly to the achievement of land-based sector objectives under Regional Action Plan on GHG Emission Reduction (RAD-GRK).
- The RAN-GRK followed by the issuance of PSAP used consultation and communication platform to discuss the needs and strategy at the provincial level. Seven out of eleven priority provinces has completed their documentation on strategy and action plan.
- A special consultation process is developed by the Mainstreaming Working Group of the REDD+ Task Force to formulate mechanism of adoption of REDD+ Action Plan into government annual Action Plan at both national and provincial level.
- Outreach and communication material from various development partners has been published through website, printed media, workshops, trainings and other means.

4. REDD Strategy Preparation

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In October 2009 President Yudhoyono stated that Indonesia is committed to reducing GHG emissions by 26% in 2020 against business as usual (BAU) emissions levels through self-funding or by 41% with international support. To follow up on this commitment, the RAN-GRK was developed to provide a policy framework for the central and local government, private sectors and other stakeholders in implementing actions that supports the GHG emissions reduction efforts. The RAN-GRK was formalized in Presidential Regulation No.61/2011.

The National REDD+ Strategy aims to contributing to this commitment's goal. The Strategy document was finalized in early 2012 and launched at the Rio+20 Conference. It was officially adopted in September 2012. The Strategy is formulated with the following intent:

1. To prepare an effective institutional system to implement the REDD+ program;
2. To provide a basis and direction for integrated governance and regulatory systems to ensure the implementation of the REDD+ scheme;
3. To develop systematic and consolidated processes and approaches to save Indonesia's natural forests and the flora and fauna within them; and
4. To provide a reference for the expansion of investment in the utilization of forests and peat lands for the production of forest and/or agricultural commodities, and the provision of ecosystem services that include the conservation and accumulation of carbon stocks.

The Strategy will be implemented in a stage-wise approach, leading towards a complete establishment of all system components at the end of the third year of implementation.

National REDD+ Action Plan. The Action Plan was completed in December 2012. The document contains the elaboration of strategy into actionable steps at the national level. The process of its development is done through interactive and iterative process parallel with the development of the provincial strategy and action plans of the 11 priority provinces. As such, the action plans link the proposed actions at the sub-national with the national level. This is especially true with regards to the changes of regulation or the licensing arrangements. The National REDD+ Action Plan is ensured to be in support of the implementation of bigger climate agenda which is the RAN-GRK that targets the 26-41% overall emission reduction.

Provincial Strategy and Action Plans (PSAP) of the 11 priority provinces are progressing at different stages. The Working Group Strategy of the REDD+ Task Force facilitates the process of the development of and provides technical guidance for the substance of the PSAP documents. Under this facilitation, PSAPs follows a coherent approach that had been agreed by the 11 provinces at the beginning of the process. The provincial document is considered and qualified as PSAP when it is aligned with the National REDD+ Strategy, developed through a multi stakeholder process involving district stakeholders, and addressing the three sub-programmatic questions: (i) what are the enabling condition that must be made available in order for REDD+ program to be implemented; (ii) what are the problems that need to be resolved; (iii) what are benefits for the communities and how to achieve them.

Overall, the progress of the PSAP development as of end of February 2013 can be summarized, as follows: Seven provinces have completed and submitted their PSAP to the REDD+ Task Force (East Kalimantan, West Papua, Jambi, West Sumatra, Riau, South Sumatra and Papua). The priority pipeline projects are ready to be extracted for the compilation of '*ready to finance*' projects from the provincial priorities and strategic intervention programs at sub-

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national level. Of the seven provinces, 2 provinces completed their strategies and officiated them with Governor Regulations, but need to elaborate and align action plans with the national one (Central Kalimantan and Central Sulawesi). And two provinces are currently at the finalization stage (Aceh and West Kalimantan).

5. Implementation Framework

- The Ministry of Forestry issued a Minister Regulation No.68/2008 that defines eligibility of REDD+ demonstration activities in Indonesia, followed by the issuance of regulation No.30/2009 concerning guidelines on reducing emission from deforestation and forest degradation.
- More than 70 Demonstration Activities are being proposed and are being implemented at various stages of development. The MOFOR is currently assessing which Demonstration Activities should be recognized according to the existing regulations.
- The GOI recently issued Presidential Instruction No 6/2013 to extend moratorium on the conversion of primary forests and peat lands into other land uses for an additional two years, which was first initiated with the issuance of Presidential Instruction No.10/2011. Most part of the decree requires the government through UKP4 to close monitor the implementation of REDD+ program in Indonesia, emphasizing on the importance of coordination among government agencies to achieve significant GHG reduction. At the end of the moratorium period, it is expected to have two systems in place: one consolidated map and new land-use licensing system.
- REDD+ Task Force initiated One Map program, a single map managed by the Geospatial Information Agency (BIG) that aims to contain all relevant information linked to forest licensing and land use claims. It is expected to be cross-sectoral and central-regional collaboration efforts to break silo and build trust that can be used as a basis towards better natural resource governance and bureaucratic reform.
- The new REDD+ Agency that was recently established will continue the work of REDD+ Task Force, that has ended its term in June 2013, to achieve emission reduction from deforestation and forest degradation and peat lands and to ensure that this effort are managed in an effective, efficient, equitable and sustainable manner. To help prepare the establishment of the REDD+ Agency, UKP4 has formed a special REDD+ transition team until end of December 2013

6. SESA

The REDD+ National Strategy has been produced before the grant became operational. Thus the shift of the SESA process has been to support the development of the technical instruments and corresponding policies of the REDD+ National Strategy. PRISAI as a safeguards instruments of the REDD+ National Strategy that was initiated by the REDD+ Task Force has benefited from the SESA process in enriching the engagement and the understanding of the stakeholders. Through the focus group discussion and workshops under the DKN platform, PRISAI has gained a lot of feedback for further finalisation. As the country safeguards approach toward REDD+ is evolving, the MOFOR is also developing Safeguards Information System (SIS) as mandated by the Cancun agreement.

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The SESA process can accommodate the development of the existing initiatives (SIS and PRISAI). As the two instruments are at the development stage and seeking further legal umbrella to become operational, the immediate next steps for the SESA process is to facilitate how those initiative can complement each other. DKN will continue their support and lead the process using their consultation platform. DKN will initiate an analytical review on the existing safeguards instruments in close consultation with the MOFOR and UKP4 and provide a policy paper as a basis for further consultation to wider stakeholders. It is the expectation that this process will contribute to the preparation of a country system for REDD+ safeguards.

The consultative process on climate change and REDD+ issues has been on going since 2008. The REDD+ Task Force leading the consultation process in finalising the national REDD+ Strategy. This work is still on going focusing on the alignment between the national and regional strategy. Given the differences of perception what can be classified as consultation, DKN has started as a first step producing consultation guidelines that can serve as a basis of protocol to conduct better consultation. The SESA effort offered good learning opportunities for the Ministry of Forestry and the stakeholders who participated in the process. The extensive consultation and outreach component of the activity is designed to strengthen accountability and transparency by encouraging greater public participation in policy making and policy monitoring processes.

The next immediate portion of the FCPF grant will focus on the development of guidance on effective engagement of indigenous peoples in potential future Demonstration Activities. The emerging local strategy also provide opportunity for FCPF to engage at the local level consultation. This can be done by engaging further the private sector where the entry point can be further developed.

7. Development of a Reference Emission Scenario

- The different methodologies for establishing RELs have been discussed at the national and sub-national, and some of the data has been collected at the sub-national level. Yet, no comprehensive approach on the REL/RL system is published for the national and sub-national approach. There is a need to have an integrated approach to solve different methodology that has been produced through various reports or initiatives (SNC, RAN GRK, SRAP, etc.).
- The REDD+ Task Force has developed draft RELs for 11 provinces. But these have not been officially adopted. This work still needs to be harmonized with the national climate change action plans (RAN-GRK and RAD-GRK).
- There is a need to have a leading institution on REL establishment.
- Further feedback is required to support the National Forest Monitoring System (NFMS).
- Further capacity building is also needed at the local level on REL accounting.

8. MRV

An MRV design document has been prepared, and is under consultation with other stakeholders. The system will rely on the existing forest inventory and carbon accounting system. The MOFOR has led a series of capacity building activities

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on MRV at the national and sub-national levels, in addition to leading the establishment of almost 100 permanent sample plots in five provinces for ground-based estimating forest carbon accounting and monitoring, including the development of time series analysis of the primary social, economic and policy aspects of land use change.

The vision of the national MRV system is to become a national system which is consistent, transparent, complete, accurate, participatory and adaptive according to social condition and the bio-ecoregions of Indonesia. The purpose of National MRV system is to support the National REDD+ Strategy and the RAN-GRK, while complying with UNFCCC standards (including on reporting co-benefits and safeguards). The MRV system will measure the performance of all REDD+ activities, and encompass Nationally Appropriate Mitigation Actions (NAMAs) in the sectors of Agriculture, Forestry and Land Use (AFOLU). The national MRV system is expected to be able to monitor emissions from peatlands, given its overall importance. However, the government has not yet made decision on the national level of MRV institution.

9. Other

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