

+ Indonesia:

**Progress Report on
the National REDD+
Readiness Process**

and

**Request for
Additional Funding**

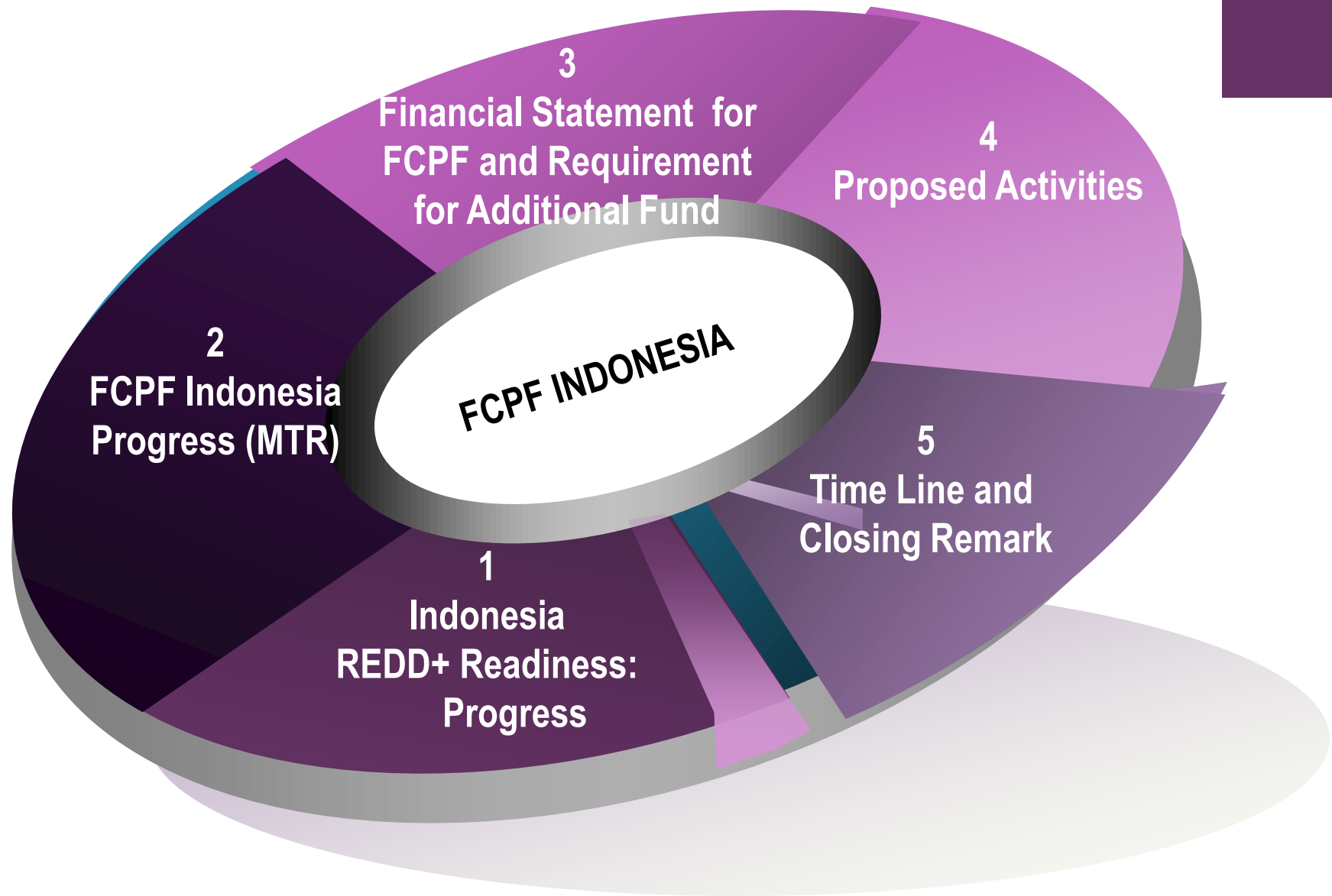


FCPF PC Meeting 17

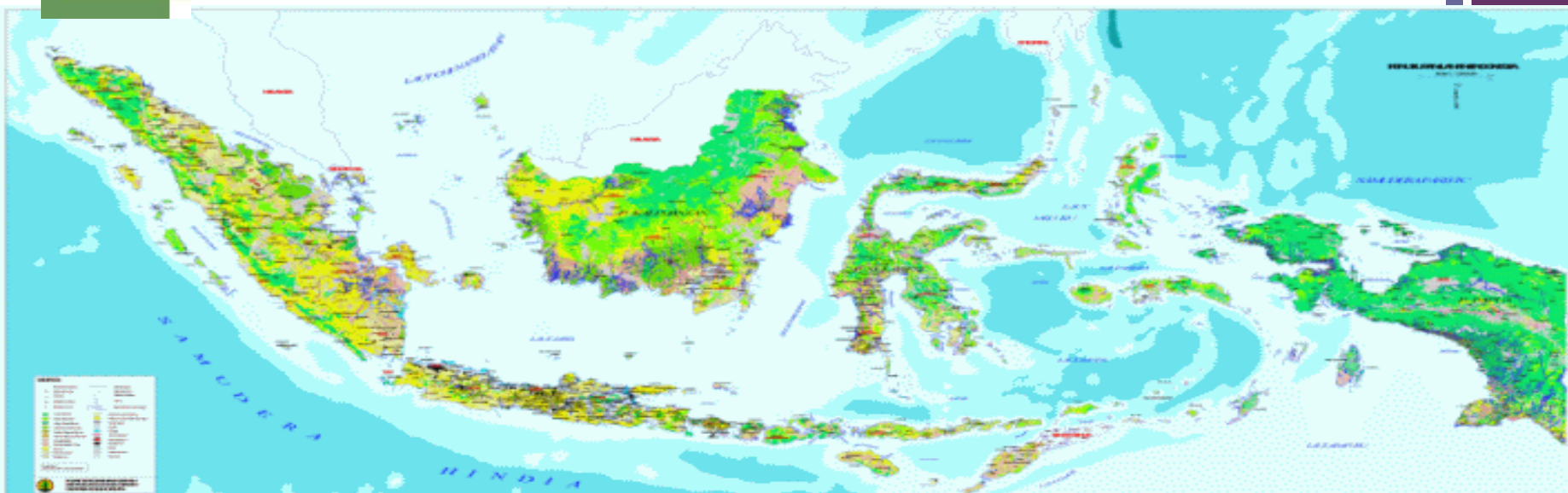
**Lima, Peru
2 July, 2014**



OUTLINE



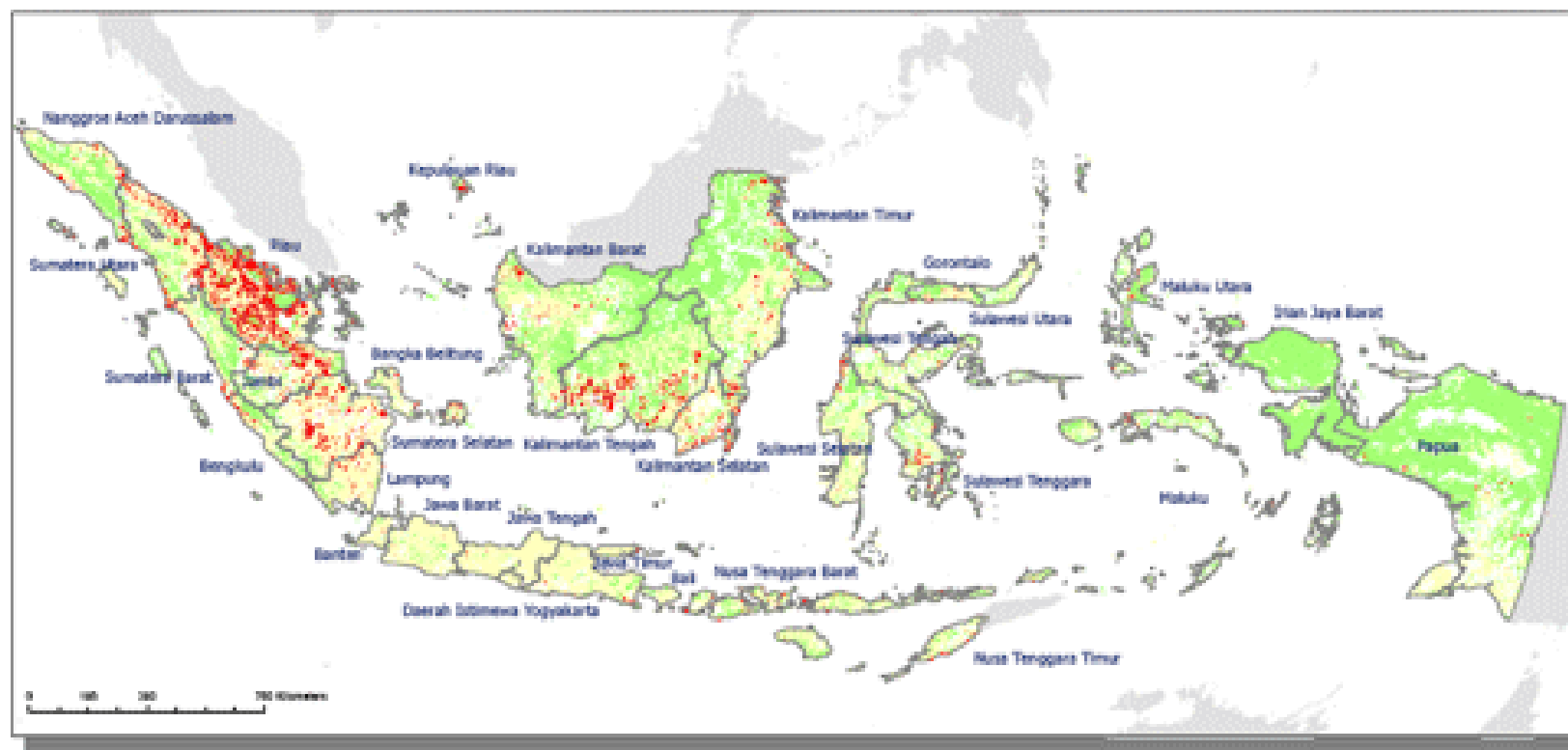
1. INDONESIA



1. Land area: ± 187 millions ha, population: ± 230 millions
2. Total island: > 16 thousands, > 300 tribes
3. 33 provinces, > 300 districts, autonomous governance system
4. State forest: $\pm 60\%$ of land area ($\pm 37\%$ degraded at various levels)
5. Forest transition from:
 - Papua: low historical DD;
 - Sumatera, Kalimantan, Sulawesi: high historical DD;
 - Java: forest cover increases




INDONESIA'S FORESTS

Decrease of forest cover in Indonesia 2000-2005: Forest cover change areas



 Forest cover change areas

Landscape classes

 Natural forests
 Other areas
 No data (clouds) and inland water

MODIS analysis – SDSU/SUNY-ESF
 Landsat analysis – SDSU/MoF
 MODIS pre-processing – NASA/UMd/SDSU
 Landsat data provision – USGS/GPW/UMd
 Indonesia land cover – MoF

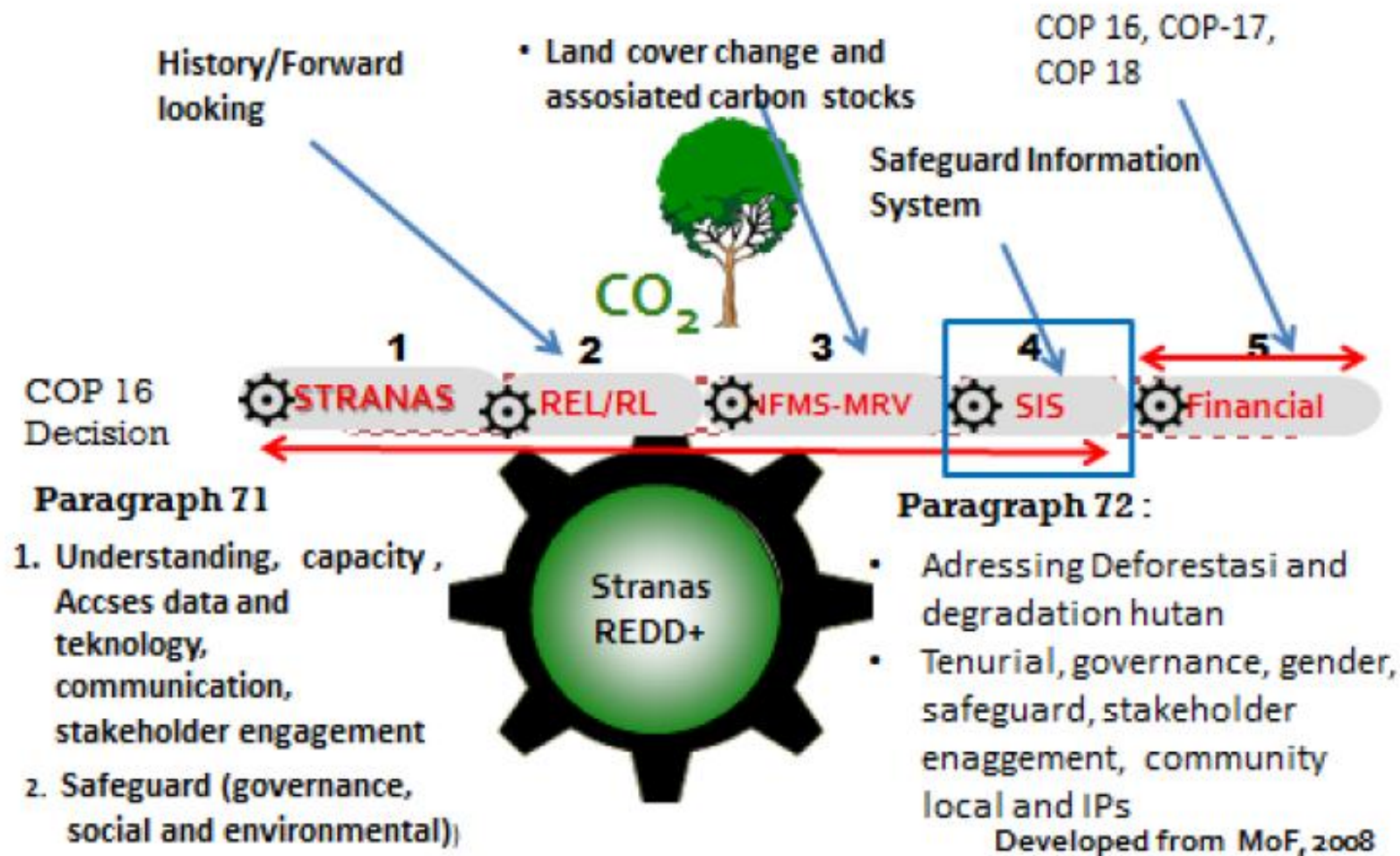
FORESTRY CONTEXT & POLITICAL COMMITMENT

- National Commitment:

“Reduction of emissions of greenhouse gases by 26 – 41%, and Continue to grow the economy by 7%”

- Annual deforestation rate went down from 1.15 m. ha/year in 2003 – 2006 to 0.45 m. ha/year in 2010 – 2012

READINESS PHASE → REDDI ARCHITECTURE



■ POLICY AND REGULATIONS

Significant progress

- ❖ REDD+ National Strategy (prepared)
- ❖ National Action Plan for CC (26-41%) prepared
- ❖ Regulations /REDD+ Management Agency
- ❖ LOI extended

■ REL Progressing, further devt's required

- ❖ National REL have been drafted, with sub national calculation at 11 Provinces as part of national REL;
- ❖ Forest cover data is available from 2000 onwards
- ❖ The changes within forest classes will be used to measure degradation

Significant progress

Progressing, further development required

Further development required

Not yet demonstrating



INDONESIA REDD+ READINESS PROGRESS



■ **MRV** **Progressing, further devt's required**

- ❖ Design for a national MRV system has been prepared & under consultation
- ❖ Data collection & capacity building at local level achieved ~ DA-REDD (good practice)

■ **Governance Reforms** **Further Development Required**

- ❖ Land / forest tenure clarification (Adat community rights, change in the definition of the State forest domain)
- ❖ Forest Management Units (FMU/KPH)
 - over 56 million ha of state forest land across 25 provinces allocated into 600 discrete KPH areas. At least 120 KPH institutions should be operationalized in 2014

INDONESIA REDD+ READINESS PROGRESS



■ Funding and Benefit Sharing

Not yet demonstrating

- ❖ Fund for REDD+ in Indonesia (FREDDI) is being designed
- ❖ No funding yet for result based

■ Safeguards

Further Development Required

- ❖ Principles, Criteria and Indicators for REDD+ Safeguards in Indonesia (PRISAI) – has been developed and adopted in a highly participatory way: 10 social and environmental principles
- ❖ Safeguards Information System have been developed
- ❖ Integration of SIS and PRISAI as one national safeguards system in 2014
- ❖ Strategic Environmental and Social Assessment (SESA) led by National Council of Forests (DKN) to complement the previous two initiatives



CLIMATE FINANCE IN INDONESIA



FUNDING PARTNER	TOTAL (US\$)	NOTE
Norway	1 B	LOI
AusAID/IFCA	76 M	INCAS, DA, KFCP
GTZ	10 M	
FIP	80 M	
FCPF	3.6 M	
UNREDD	5.6 M	
KOICA, ITTO, WWF, MARUBENI, TNC, JICA, etc)		DA-REDD+

2. FCPF PROGRESS/ACHIEVEMENT

- REL, MRV:
 - Progress in developing a national Reference Emission Level and MRV
 - Periodic review of demonstration activities
- Capacity building:
 - Increased stakeholder knowledge and awareness on REDD+
 - Facilitating the Establishment of REDD+ WG or Strengthening the existing REDD+ WG in 3 Provinces -- Maluku, West Sumatra, and South Sumatra in 2012
 - Prepare natl. submission & natl. position w/ ASEAN Member Countries under UNFCCC
 - Review tools to identify drivers of DD in ASEAN region & PNG
 - Outreach, consultation, review on drivers DD

2. FCPF PROGRESS/ACHIEVEMENT

- Safeguard:
 - SIS)has been developed and tested (SIS REDD+ Website) in Jambi and East Kalimantan
 - National Consultation Protocol has been developed
- Developing Network (Universities, Research Agencies and Training and Education Agencies)
- Current achievement: process of CF district selection, updated PSP database

3. FINANCIAL STATEMENT FOR FCPF

FCPF grant : US\$ 3.6 million (IDR 36 billion)

Spent : US\$ 2.5 million (IDR 23 billion or 78 %)-by MoF & National Forest Council) , US\$ 0.4 million (IDR 4 billion or 85 % -by WB)
US\$ 0,7 million (in progress for 2014)

- Remaining Budget is due to **differences in exchange rate**
- Will be spent for, among other things:
 - * Policy dialog on REL,
 - * Monitoring PSP,
 - * Preparation and communication of R-Package,
 - * CF communication to districts.
 - * Implementation of SIS,
 - * Dissemination of safeguards

Components TOTAL	Spent ('11-'13)	Proposed ('15-'17)
Analytical Works	245,712.84	1,000,000
Mgt. of Readiness	1,231,041.81	1,360,000
REL and MFV	439,343.16	740,000
Regional Data Collection	339,886.30	1,270,000
Supporting activities	274,778.59	630,000
TOTAL	2,530,762.71	5,000,000

WHY FCPF ADDITIONAL FUND IS REQUIRED?

- Additional fund is for REDD+ readiness towards result based payment (C-fund)
- National level → improvement is still required for MRV mechanism/ determination of REL/RL, financing and benefit sharing, safeguards, engagement of private sectors
 - Policy intervention for results based payment (carbon fund)
- Sub-national level → filling gaps for MRV mechanism/RL, financing and benefit sharing, implementation of Safeguards, strengthen local government
 - Capacity building

(endorsed by FCPF Steering Committee)

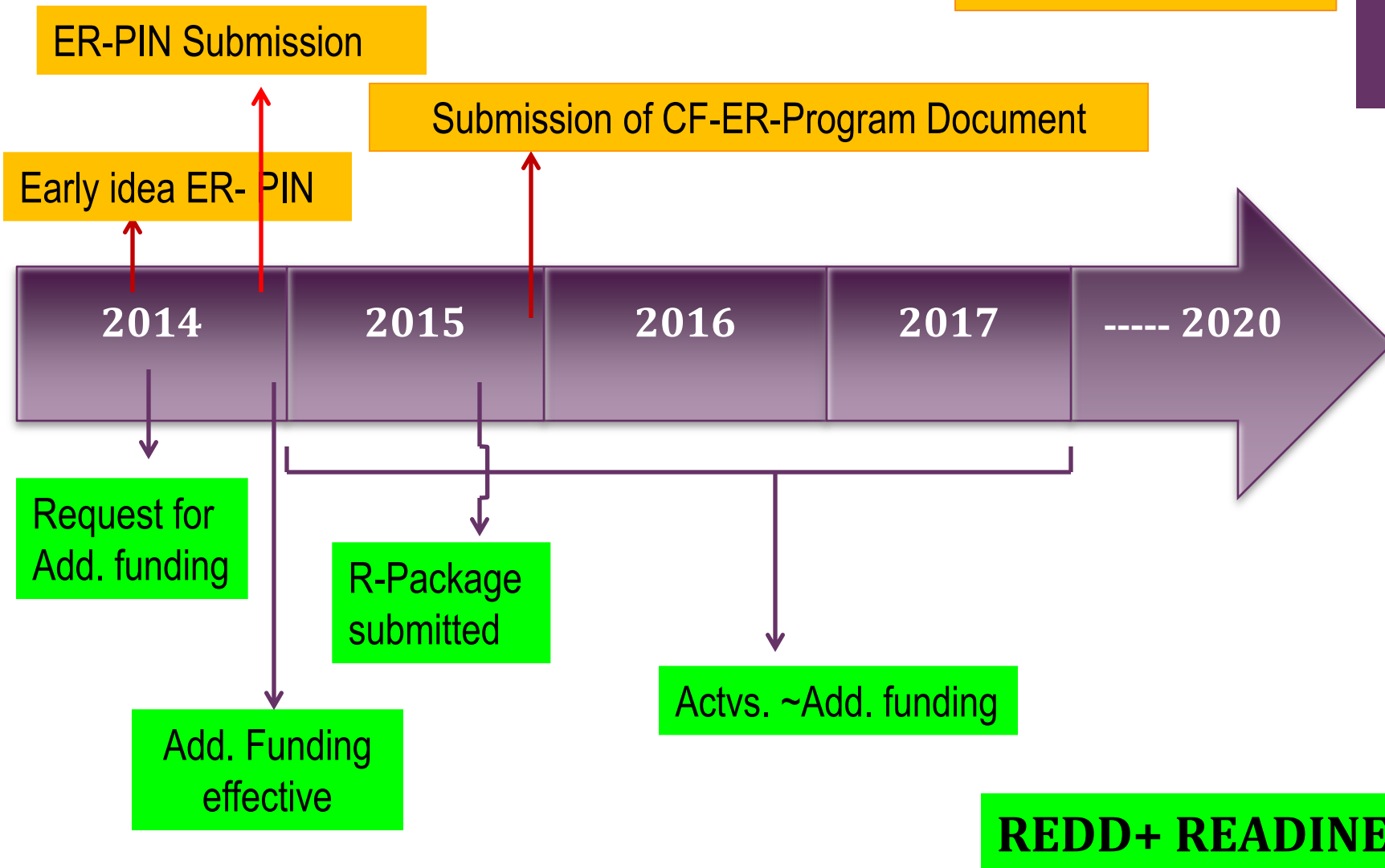
4. COMPONENT AND PROPOSED ACTIVITIES 2015-2017

COMPONENT	PROPOSED ACTIVITIES	SUPPORT TO INDONESIA REDD+ READINESS
1. REDD+ Strategy development (US\$ 890,000)	<ul style="list-style-type: none"> Enhancing role of private sector, analysis of land based mitigation actions (abatement cost) Potential leakage in REDD+ financing 	RL, FINANCING
2. REDD+ Implementation Framework (US\$ 2,605.000)	<ul style="list-style-type: none"> Assessment of technical, social political and financial readiness for REDD+ implementation at district level Strengthening REDD+ program preparation & implementation arrangements at district level 	REL, MRV, benefit distribution, capacity building at sub-national

COMPONENT	PROPOSED ACTIVITIES	SUPPORT TO INDONESIA REDD+ READINESS
3. Supporting national carbon accounting system (US\$ 170.000)	<ul style="list-style-type: none"> Supporting INCAS as a national carbon accounting system 	REL, MRV
4. Developing guidance of Conflict Resolution and ESMF,(US\$ 280,000)	<ul style="list-style-type: none"> Developing (validating) guidance of Conflict Resolution and ESMF, and Piloting Grievance Redress Mechanism 	SAFEGUARD
5. Integrated Database management of REDD+ and Dissemination (US\$ 465,000)	<ul style="list-style-type: none"> Integrated Database management of REDD+ and Dissemination of Information through website and printed publication 	REL, MRV
6. REDD+ coordination (US\$ 590,000)	<ul style="list-style-type: none"> REDD+ coordination 	Coordination

5. TIME LINE

CARBON FUND



5. CLOSING REMARKS

Indonesia has made a lot progress towards REDD+ readiness.

However,
there are still gaps needed to fill in at national and sub-national, in particular.

Additional fund from FCPF will be used for REDD+ readiness towards implementation of payment from result based REDD+ through carbon fund scheme.



THANK YOU