REPUBLIC OF INDONESIA

UPDATED MID-TERM PROGRESS REPORT OF THE REPUBLIC OF INDONESIA AND

REQUEST FOR ADDITIONAL FUNDING FROM THE FOREST CARBON PARTNERSHIP FACILITY (FCPF)

Jakarta, April 2014

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SUMMARY

The objective of the updated mid-term progress report is to provide the rationale for requesting additional funding through an FCPF Readiness Preparation Grant, while also providing an updated overview of the overall progress in the implementation of Indonesia's R-PP. since the mid-term progress report submitted in December 2013, including the preparation to propose FCPF ER-PIN Carbon Fund.

In general, Indonesia's capacity and capability to be a global leader in advancing REDD+ has been progressing rapidly. However there are still several challenges for the implementation of REDD+ in Indonesia that need to be addressed. Such challenges include: operationalizing institutions for REDD+ at the national level, managing the high expectations for REDD+ payments and other incentives, implementing complex technical aspects of REDD+ (such as MRV systems and reference emissions levels) strengthening governance, and improving consistency and coordination amongst the Climate Change Action Plans (RAN-GRK & RAD-GRK) and the REDD+ Strategy and Action Plans at the national and sub-national levels.

Several lessons have been learned from the FCPF-RPP implementation that can be shared at this stage. To begin with, an improved review of safeguards has been instrumental in developing the 'Principles Criteria and Indicators' (PCI) and assessment tools for Safeguards Information System (SIS) REDD+, as well as a National Consultation Protocol (by DNK). Knowledge dissemination has been made to increase stakeholders' knowledge and awareness related to climate change and REDD+ in sub-national level. Capacity building and stakeholder engagement have been conducted to prepare national submission and national position together with Asean Member Countries (AMS) under the UNFCCC and re*view tools to identify driver of deforestation and forest degradation in the* ASEAN region and PNG. A network of universities and education/research institutions related to forest, land and climate change has been formed in seven regions all over Indonesia. Finally, the national REDD+ Readiness process has been enriched by periodical review on demonstration activities throughout Indonesia and tracking progress through regular information sharing opportunities.

During readiness phase, the following have been achieved:

- Significant progress in the development of readiness organization and consultations as well as national REDD+ management arrangements. Several initiatives for accelerating action on REDD+ have established a phased program of action, focusing on establishment of a national strategy, a MRV-NFMS, REL/RL, SIS and a financing instrument.

- A criteria for determining the success of REDD+ programs. The success of REDD+ programs are determined by the success of efforts to tackle drivers of deforestation and forest degradation as the main sources of emissions originating from the land sector. An

analytical framework and public consultation process strengthened efforts to understand the underlying drivers of deforestation and degradation inside and outside forest jurisdictions.

- Significant progress in the development of a national Reference Emission Level (though currently not finalized). A National Forest Monitoring System (NFMS) has also been established to support MRV in mitigation actions for land based sector.

- A new system for providing information on how safeguards are addressed and respected which is being developed by the Ministry of Forestry. The National Safeguards Information System (SIS) has been built based on existing safeguards systems and is currently being tested in Central Kalimantan and East Kalimantan provinces. A web-based information system is under development and the Ministry of Forestry and the REDD+ Management Agency (formerly the REDD Task Force) have been addressing the integration of the SIS-REDD+ and PRISAI.

Such achievements indicate that Indonesia's REDD+ Readiness process has to date greatly contributed to the countries' capacity to implement REDD+. However, in order for Indonesia to be able to prepare a robust R-Package and to achieve REDD+ Readiness as defined in the R-Package Assessment Framework, the nation must place stronger focus on the decentralized levels (Districts and Provinces), where the dynamics of deforestation occur.

The additional funding request submitted to the FCPF aims to ensure that the objectives of the preparation phase to "readiness" are met. Some of these objectives are already achieved, in whole or in part, as evidenced by the mid-term self-evaluation of the process. The Additional funding will allow Indonesia to maintain the same level of success previously achieved during the launch and the management of the investment phase.

It is widely accepted that REDD+ needs to generate concrete and tangible benefits for actors at the local level, including local governments and stakeholders. REDD+ Readiness is an abstract notion, and has resulted in a sort of "fatigue" across stakeholders in Indonesia, partly due to the amount of analytical and consultation activities. Concrete activities on the ground are required, and moving REDD+ to the 'real life' is also in line with COP decision.

The Additional funding would be required to propose the activities include:

- Analytical Work: REDD+ programs include the activities to reduce emission through avoidance of forest conversion and other activities that cause deforestation and degradation. However, there are still many challenges with REDD+ implementation, including the development goals (trade-off between economic and emissions reduction) and understanding the opportunity costs associated with land use changes. Therefore, there is a need to identify appropriate land-based investments that effectively and efficiently reduce GHG emissions. To address these issues, under the focus area of analytical works, five studies will be focused on the national level, while one study will be at the sub national level.

- Management of the Readiness Process: The focus area of Readiness Management Process consist of 12 main activities, five activities will be focused on the national level, while the

rest will be focus at strengthening the coordination and management capacity at the sub national level (district and provincial).

- The third focus area concerns REL and MRV. There are two technical aspects of REDD+ with activities focused in the sub national level while three at national level.

- The fourth focus area is "Regional Data Collection and Capacity Building". The proposed activities for this area comprise of one national level activity which is to develop an integrated database management systems for REDD+, and five activities at the sub-national level. The sub-national activities are: (1) Training of Trainers on Capacity Building for Local Institutions working on Forestry; (2) Developing (and up-dating) socio-economic and biophysical baseline data in five Districts; (3) Collection sub-national data to be integrated into the national MRV system, including the data from Demonstration Activities and REDD+ projects; (4) Strengthening Forest Management Units (FMUs) to support field-level REDD+ management and implementation; and (5) Strengthening capacity at the District level to provide data to the national MRV system.

Moreover, to support the preparation of an emission reduction program through the scheme of FCPF Carbon Fund, the following activities will be carried out:

- Socialization and dissemination on the concept of REDD+ and result based REDD+, including also to improve community and local government involvement in REDD+

- Strengthening capacity for the preparation of REL and MRV in selected districts

- Determining land based mitigation ativities that results in emission reduction, including its monitoring system

- Developing the mechanism of benefit sharing

1   Objective of the Report

The objective of the updated mid-term progress report for Indonesia is to assess the country's overall progress of readiness, specifically of those activities that have been supported by the $3.4 million from the FCPF Readiness Fund. The self-assessment serves as the basis for identifying gaps where further support is needed in the short term to advance on key readiness components including for successful preparation of the REDD+ programs, including the request for an ER-Program that Indonesia will make to the FCPF Carbon Fund in June 2014. Indonesia has selected pilot provinces for REDD+ implementation and the readiness structures and implementation frameworks at the provincial and district levels that are in need of strengthening to ensure successful REDD+ implementation. Accordingly, the key area of focus of the request for additional funding is for strengthening the institutional, legal and regulatory capacities and creating robust benefit sharing frameworks that are workable at the sub-national level and consistent with the national approach. The report includes the progress of the FCPF supported readiness components, and the rationale for requesting additional fund of $5 million from the FCPF Readiness Preparation Grant. Indonesia presented its mid-term progress report at the December 2013 meeting of the Participants Committee. This report includes an update overview of the overall readiness progress since the mid-term progress report was submitted in December 2013, including the preparation to propose FCPF ER-PIN to the FCPF Carbon Fund.

The intention to submit a request for additional finance to the FCPF has been endorsed by the 3rd national FCPF Steering Committee, held on February 12, 2014. This updated MTR is a revised version of the Mid-Term Report (presented in December 2013) with the request for additional funding that would be presented in the PC Meeting in July 2014 for approval.

Similar to the MTR, the format of the Updated mid-term progress report mirrors the four main components in the R-PP, notably (1) Readiness Organization and Consultation, (2) REDD+ strategy option, (3) Reference emissions level, (4) Monitoring system for forests, and information system for multiple benefits and safeguards. The report provides an updated overview of the overall national REDD+ Readiness process, highlighting the need for additional fund for bridging the Implementation phase and summary statement of request for additional funding to the FCPF. The updated mid-term progress report is an important step leading to the Readiness Package.

2 Updated Overview of the progress made in the implementation of the R-PP

Indonesia's capacity and capability to be a global leader in advancing REDD+ has been progressing rapidly, but several challenges for the implementation of REDD+ in Indonesia that still need to be addressed are as follows :

- Completing the operationalization of Institutions for REDD+ implementation at the national level,

- Better communication to deal with high expectations and different perceptions from all national and sub national stakeholders regarding payment for incentives for REDD+;

- Preparation of guidance and a framework for REDD+ with regard to MRV system including linkages from national to sub national still at minimum,

- Ensuring coherence between Warsaw REDD+ Framework and national practice on technical issues such as National Forest Minitoring System (NFMS) and REL;

- Strengthening capacity to bridge the wide diversity of capacity, governance, and the progress made at the sub-national levels (western, centre, and eastern part of Indonesia) in the preparation to implement REDD+ activities;

- Ensuring consistency between Climate Change Action Plans at the national and sub-national levels (RAN-GRK & RAD-GRK) and REDD+ Strategy and Action Plans at the national and sub-national (National REDD+ Strategy, SRAPs), as well as other initiatives (Bilateral and Voluntary);

- Improving coordination and management to ensure speedy disbursement of the FCPF and other grants which have been slow due to complex fiduciary policies from the Government of Indonesia and of the World Bank,

Key lessons learned from FCPF-supported readiness activities that Indonesia can share at this stage are:

- **Safeguards.** The Principles Criteria and Indicators (PCI) and assessment tools, and Safeguards Information System (SIS) for REDD+ have been developed. PCI has been piloted in Berau, Central Kalimantan and Jamb. On the other hand, SIS REDD/Web Platform database has been piloted in Jambi and East Kalimantan.This system and WEB Platform has opened new venues for all stakeholders including Indigenous Peoples and local community to participate. The proposals on how to effectively engage local community and Indigenous Peoples in REDD+ were developed with a district multi-stakeholder body (Dewan Kehutanan Daerah, DKD, Maluku)).

- **Consultations.** Outsourcing some of the multi-stakeholder consultations and safeguards development activities to a multi-stakeholder body (Dewan Kehutanan Nasional, DKN in this case) has significantly increased the legitimacy of the exercise. A National Consultation Protocol was developed by DKN. On the other side, the capacity of this body needs to be strengthened to ensure proper delivery of agreed outputs;

- **Knowledge dissemination.** Through FCPF supported process, there is increased stakeholders' knowledge and awareness related to climate change and REDD+ in sub-

national level. The grant has enhanced the Involvement of local universities, Forest Management Unit (KPH) and District Officers for capacity building and enhancing knowledge on forest carbon stock measurement and accounting in sub-national level, as well as to develop Permanent Sample Plots for generating data (e.g., factor emission/removal local). A lot of publications and FCPF-Indonesia Website http://fcpfindonesia.org/home have been important and useful tools to ensure information sharing across stakeholders.

- **Collaboration with regional Partners.** Indonesia prepared its national submission and national position together with Asean Member Countries (AMS) under the UNFCCC. In addition the analytical work on REDD was advanced in collaboration with other countries in the region such as re*view of tools to identify drivers of deforestation and forest degradation in the* ASEAN region and PNG.

- **Network Formation.** at sub-regional and national level within Indonesia to enhance understanding of REDD+. A network of Universities, Research and Education Institutions related to forest, land and climate change has been formed in seven regions all over Indonesia to enable knowledge exchange across the country. The capacity building and stakeholder engagement were undertaken with local universities as 'hubs' of knowledge dissemination. Stakeholder engagement has also been strengthened through Forest Management Units known as (Kesatuan Pemangkuan Hutan (KPH)), local district offices, whereby capacity building is led by local actors instead of relying on external actors;

- **Periodical review on demonstration activities** throughout Indonesia and tracking their progress through regular information sharing opportunities has enriched the national REDD+ Readiness process;

2.1   Readiness Organization and Consultation

2.1.1   National REDD+ Management Arrangements

National REDD+ management arrangements have progressed significantly, and the Government of Indonesia has made significant policy level decisions to set up the national architecture for REDD+ management and coordination. Several initiatives for accelerating action on REDD+ established a phased program of action, focusing on establishment of a national strategy, a MRV-NFMS, REL/RL, SIS and a financing instrument as seen below in Figure 1.
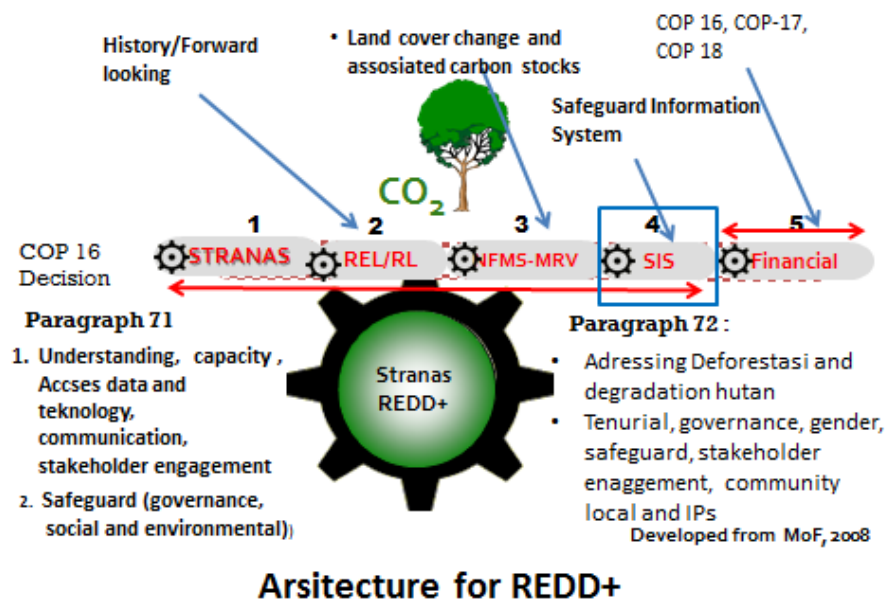
Figure 1. Architecture for REDD+ Readiness (MoF, 2008)

The Presidential REDD+ Task Force that was established in September 2010 had suggested the establishment of a National REDD+ Agency (BP REDD+). Through Presidential Instruction No 5/2013, the BP REDD+ is chaired by Mr. Heru Prasetyo. The establishment of the REDD+ Agency is a starting milestone for National REDD+ implementation in Indonesia. After its establishment, the REDD+ Agency has subsequently created FREDDI (Financing for REDD+ Indonesia/INDRI (Instrumen Pendanaan REDD+ Indonesia) as the financing instrument for the REDD+ Implementation under the Agency. FREDDI acts as a trust fund instrument for REDD+ in Indonesia that directs financial resources towards strategic investments in REDD+. In 2011 the President of Indonesia issued Instruction Number 10/2011, on Postponement of the Issuance of New Permits and Perfecting the Governance of Primary Natural Forest and Peatland. This moratorium on forest conversion, which was extended by another two years through Presidential Instruction Number 6/2013, provides a significant opportunity to address important governance issues, including spatial planning and licensing, before further primary forest and peatland is converted to non-forest uses. The Task Force has also produced a map that identifies the forest areas to be included in the moratorium. The map is available at: http://appgis.dephut.go.id/appgis/petamoratorium.html.

A number of sub-national REDD+ demonstration activities are underway. Most of these are small-scale activities at the project level; others are larger in scale and will test REDD+ strategies at the province or district levels. Demonstration activities spread across the country have produced useful results, including: (i) development of an avoided deforestation methodology for peatlands; (ii) experiences with district level REDD+ approaches; and (iii) inputs into the development and field testing of a national forest carbon accounting system.

In spite of this progress a number of challenges remain, including the following:

- The REDD+ Agency needs to be operationalized,

- National management arrangements need to be better aligned with sub-national agencies at the province, district, and project levels to manage emission reductions programs for REDD+ implementation in future..

- Sub-national REDD+ working groups need to be strengthened

- Community level institutions need strengthening in order to facilitate partnerships,

- Forest Management Units (FMUs) need to be strengthened to support field level REDD+ management and implementation.

2.1.2 Consultation, Participation, and Outreach

A number of consultation processes have contributed to the development REDD+ policies. A national consultation protocol was developed by DNK and serves as a basis for informing all consultation processes. Furthermore community level protocols are currently under development and will be used for consultations with Indigenous Peoples and other local forest dependent communities on REDD+.

Figure 2. Some of Publications from 2011-13

FCPF has carried out numerous capacity building initiatives at the national and subnational levels. Besides workshops and trainings on REDD+, outreach materials in the form of digital and print media (Figure 2) have led to an increased understanding of REDD+ at all levels. This material is accessible at www.fcpfindonesia.org.

The private sector has been consulted during the preparation of national and local-level REDD+ strategies. They have also expressed views during the analysis of drivers of deforestation and forest degradation, given the role of some commercial activities in spurring forest loss. Some demonstration activities are also led by the private sector and have received

guidance from Ministry of Forestry. As the FCPF grant is implemented, engagement with private sector is expected to be strengthened.

In spite of tangible progress in consultation and outreach, stakeholder capacity at the district level needs to be strengthened further. There is still a gap in understanding concerning REDD+ policy as well as technical aspects of REDD+ between the national and subnational levels. Closing this gap will require further training of extension officers, and more outreach to local communities.

2.2 REDD+ Strategy Preparation

2.2.1 Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance

The success of REDD+ program is determined by the success of efforts to tackle drivers of deforestation, because deforestation and forest degradation are main sources of emission from landsector. An analytical framework and public consultation process strengthened efforts to understand the underlying drivers of deforestation and degradation inside and outside forest jurisdictions. Some of the key findings of this focus area can be seen in Figure 3.
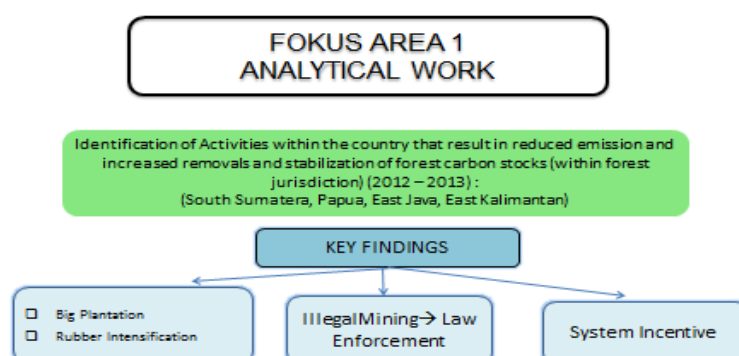
Figure 3. Focus Area on Analytical Works

2.2.2 REDD+ Strategy Options

Since the UNFCCC COP 13 meeting in Bali in 2007, Indonesia has prioritized climate change planning and action; with the President announcing a commitment to reduce GHG emissions nationwide by at least 26 percent by 2020 through its National Action Plan to Reduce GHG Emissions (*Rencana Aksi Nasional Penurunan Emisi Gas RumahKaca, or* RAN GRK). With international support, President Yudhoyono is confident that emissions can be reduced by 41% while growing the economy by 7%. (*Perpres* No. 61/2011). National strategies and action plans recognize that land-use change and forestry activities are the main sources of Indonesia's emissions.

On 28 October 2011, BAPPENAS was launched by the RAN GRK, which is a "work plan document for the implementation of activities to reduce greenhouse gas emissions in accordance with national targets". The plan targets six sectors: agriculture, forestry and peatland, energy and transportation, industry, waste management, and other supporting activities. The targets of six sectors are based on their contribution to national emissions and in accordance with main sources of emissions according to IPCC (2003, 2006), namely energy (including power plant, transportation and industry), agriculture, waste and LULUCF (Land Use, Land Use Change and Forestry). The plan identifies the emissions reduction targets for each sector, activities and objectives within each of these sectors, and identifies the line ministry responsible for each activity. REDD+ is an important component of RAN GRK, amounting to 84 per cent and six relevant strategies are identified: (i) reduce deforestation and forest degradation to reduce GHG emissions; (ii) increase forest plantation areas to improve GHG absorption; (iii) enhance the protection of forest from fires and illegal logging, and improve Sustainable Forest Management; (iv) improve water and watershed management and stabilize the water levels in peat areas; (v) optimize land and water resources; and (vi) apply land management technology and agricultural cultivation with low emissions and optimal absorption of CO_2. The RAN GRK is implemented by Ministerial level agencies. At the sub-national level the RAN GRK is implemented by provincial governments.

The National REDD+ Strategy is aimed to contributing to this goal, by ensuring forests are a net sink by 2030. The Strategy was finalized in early 2012 and launched at the Rio+20 Conference. The synergy of National REDD+ Strategy and the National Action Plan for GHG (RAN GRK) was needed to operationalize at the national and local level, as RAN and RAD GRK have also been widely adopted in 33 provinces in Indonesia. The gap remaining to be addressed include how use of similar data and approach for accounting.

Strategy and Action Plans of REDD+ at Provincial Level (SRAP) of 11 priority provinces and 29 districts are progressing. RAN and RAD GRK have also been widely adopted in 33 provinces in Indonesia. The nature and institutions of RAN/D GRK and REDD+ are different, however, there are possible overlaps between activities within the RAN/D GRK and REDD+.The synergize of the strategy need to be fully understood by all stakeholders at the sub national and local level.

2.2.3 Implementation Framework

As noted in the National REDD+ Strategy, many of the underlying drivers of deforestation lie outside of the forest sector and state forest land, and are related to governance of land, institutional capacity, and regulatory frameworks. Besides REDD+ initiatives, a number of programs and initiatives, both within the forestry sector and outside, address these underlying issues without being explicitly labelled as REDD+ projects. Some key programs are outlined below.

Forest Management Units

Indonesia's Forest Management Unit (*Kesatuan Pengelolaan Hutan*, or KPH) program is an important emerging institution for improving the management of Indonesia's forests and implementation of its REDD+ framework. KPHs are decentralized structures for forest

management and planning at the site level, adapted to local conditions but linked into the National REDD+ Strategy.   Ideally, KPHs would be responsible for developing, implementing, and/or overseeing site level forest governance and management; including preparing participatory plans, enforcing forest regulations such as forest fire control and other illegal practices, and negotiating with local communities on issues such as land use rights and forest access.   By the end of 2014, 120 KPHs have been placed under the authority of Ministry of Forestry and sub national governments, increasing the accountability to local stakeholders. In 2019, 600 KPHs are expected to operationalize. For operationalization some challenges remains to be addressed, including: (i) developing long term forest management plan as a guidance for sustainable management of forest, (ii) skilled human resource, (iii) operationalize budget for forest management, (iv) self sufficient,   and (v) developing "Knowledge Base" and networking KPH. Information on KPH can be seen in **http://www.kph.dephut.go.id**.

 FMU receiving support from MoFOR through the national budget, with 49 of these having already reached full legal establishment. By the end of 2014, according to the Forest Sector Strategic Plan, a total of 120 Model FMUs are expected be fully operational. However, it is recognized that this support is far from sufficient, the institutions for administrating and managing the FMUs still need to be created and/or strengthened, have their capacity developed, and have their practical, on-the-ground operational experience with multi-stakeholder sustainable forest management built. The government has arrangement that FMU for production and protection are managed by local government and FMU for conservation are managed by central government. FMU development is receiving support from a number of donors programs, including through GIZ and the Forest Investment Program (FIP).

Funding Instrument

The Task Force has made substantial progress in designing a national-level funding instrument for REDD+ in Indonesia (FREDDI) or INDRI in Bahasa. 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. FREDDI is expected to manage and channel international funding for REDD+ in Indonesia, including those funds (US$ 1 billion) committed by Norway in 2010. Another funding that has been put related to climate change can be seen in Table 1.

Table 1. Funding for Climate Change in Indonesia (2007-16)

No	Funding Partner	Total (USD)	Time	Form
1	AFD CCPL	800 m	2008-2010	Soft Loan
2	World Bank	400 m	2010-2012	Soft Dev. Loan
3	AusAID	2 m	2008-2012	Grant
4	AusAID/IFCI	75,9 m	2007-2012	Grant
5	JICA	1 b	2008-2010	Soft Loan
6	USAID	136 m	2010-2012	Grant

No	Funding Partner	Total (USD)	Time	Form
7	Norwegia	1 b	2010-2016	Grant
8	UN-REDD	5,6 m	2010	Grant
9	FCPF	3,6 m	2010-2012	Grant
10	FIP	80 m	2010-2012	Grant
11	KfW	6,8 m	2011-2015	Grant
12	GTZ	10 m	2010-2015	Technical
13	ICI	15,35 m	2008-2011	Grant

2.2.4 Social and Environmental Impacts

The development of REDD+ safeguards in Indonesia is proceeding through two main initiatives that both started in early 2011 and are running in parallel. The REDD+ Task Force is developing Principles, Criteria and Indicators for REDD+ Safeguards in Indonesia (PRISAI), consisting of 10 environmental and social safeguard principles. A comprehensive assessment of the national policies/laws/ regulations on environment/social as well as institutional assessment were conducted during the development of PRISAI and tested in Berau, Central Kalimantan and Jambi. Guidelines for implementation of PRISAI as well as development of operational procedures are currently being developed. To date PRISAI has put forward concrete principles, criteria and indicators for addressing governance, social and environmental impacts for future REDD+ programs/projects. Concurrently, MoFr has commissioned the development of national SIS REDD+ that would serve as a basis for reporting on how safeguards would be addressed and respected at the national level. Upstream analytical work has been conducted during the process of developing SIS REDD+ to include pilot testing SIS in Jambi and East Kalimantan. With the support from the FCPF, the a SESA process will draw upon the upstream analytical work already conducted during the development of both PRISAI and SIS, and MoFr will document and produce the SESA report. In addition the work already done will serve as a basis for MoFr to develop ESMF.Currently SIS REDD/Web Platform database had been provided (Figure 4).

Several gap remains to be done as follows:

- Testing the implementation of PCI of the Cancun safeguards in the existing REDD+ DA/projects, through stakeholders workshop at the national level,

- Developing a web-platform for providing information on how the Cancun safeguards are implemented (addressed and respected) in REDD+ activities (start with information obtained from point),

- Initiating the SIS-REDD+ development at the provincial level (start with 2 -3 provinces),

- Analyzing the results of points 1 - 3 and identify gaps for further improvement and providing policy inputs for UNFCCC negotiation on this issue in COP-19,

- Continuing dialogue for aligning relevant initiatives, especially PRISAI and SiS-REDD+.

Figure 4. Example of Web-page of SIS-REDD+ Indonesia

The SESA process has increasingly concerned itself with strategic issues, and is nearly complete. There is on-going discussion on how to make the best use of the outcomes of the SESA process in REDD+ readiness activities, including in relation to SIS-REDD+ development. SESA is currently supporting the on-going consultation process of PRISAI, to elaborate of operational safeguards guidelines. The SESA process has been led by National Forest Council (DKN) – an independent body with institutionalized representation from different stakeholder groups. SESA has been aligned with DKNs public consultation protocol and will proceed with DKD engagement in Maluku.

PCI for SIS-REDD+ has developed for assessing safeguards implementation (how the seven safeguards from COP-16 decision are addressed and respected). The PCI includes 7 Principles, 17 Criteria, and 32 Indicators.

There are also a number of existing policies that are related to safeguards in Indonesia, including (i) Environmental Impact Assessment (AMDAL), (ii) Strategic Environmental Assessment (KLHS), (iii) Sustainable Management of Production Forest (PHPL), (iv) SFM Certification (LEI, FSC), (v) System for Verification of Timber Legality (SVLK), (vi). High Conservation Value Forest (HCVF), (vii) Free Prior Informed Consent (FPIC), (viii) and others (e.g. Rights-based safeguards, Partnership Governance Index, Legislation related to environmental management, biodiversity conservation, etc.

Remaining gaps are as follows:

- Various safeguards initiatives need to be integrated to make them operational and easily monitored. This will require further policy dialogue at the national and subnational levels to develop supporting regulations; The integrated structure should be reflected in the ESMF.

- Project sponsors need increased guidance and capacity development to implement safeguards approaches;

- Safeguards approaches need to be pilot tested and results and lessons need to be integrated into the ESMF.

- Safeguard approaches need to be integrated into subnational REDD+ systems;

- The capacity of KPHs to implement safeguards needs to be increased;

- A legal framework for applying safeguards for REDD+ developers needs to be put in place.

2.3 Reference Emissions Level/Reference Level (REL/RL)

REL is an important indicator against which achievement of REDD+ will be monitored, because REDD+ is a national approach with sub national implementation. Significant progress has been made in developing a national Reference Emission Level, however

REL/RL for national level has not been determined yet. The Ministry of Forestry has established a robust methodology and extensive products quantifying Indonesia's forest resources. Data sets document land cover and land use changes from 1990 to present are available and can be used to quantify land dynamics across Indonesia. For sub-national level, some demonstration activities have developed REL. Further, the REDD+ Task Force has developed draft RELs for 11 provinces in SRAP documents (Province Strategy of REDD+ Action Plan).These SRAP need to be harmonized with the RAN-GRK and RAD-GRK. Another positive development is what is generally referred to as the "One Map" effort. This effort to synergize the maps used by the different agencies will help improve the quality of data and the efficiency in data gathering and reporting. Ministry of Forestry is in progress to prepare Indonesia National Standard (SNI) for estimating deforestation. The REDD+ Task Force has held a number of discussions on Indonesia's deforestation rate and REL. Roundtable discussions have been held on the methodology for calculating deforestation rates that resulted in recommendations on how to improve reporting, robustness and transparency:

- Data and analysis should be refined to enhance product quality and consistency, including the adoption of more precise definitions of terminology to avoid ambiguity in interpreting the results.

- Currently, Landsat imagery is the primary data source but other types of inputs, such as optical, radar, and Lidar data, should also be explored. Moreover, the use of ancillary data sets, such as high spatial resolution data and field data to validate current products are encouraged.

- Additional products such as a deforestation alert system should be added to the MOFor product suite. The Brazilian Space Agency's suite of forest monitoring products could be used as a model.

- Forest dynamics should be mapped through time in a spatially explicit manner to derive summary figures on land deforestation dynamics. These results should be posted on a publicly accessible website.

A key finding from the FCPF Midterm Review meeting was that, while the current national-level REL data is complete and provides an accurate large-scale view, REL for national level has not been determined yet. Lessons learned from sub-national implementation can be used as important inputs to produce a national REL. Thus, moving forward, a key challenge will be to continue with sub-national data collection and to integrate the results into the national system, including the data from demonstration activities and REDD+ projects.

2.4 Monitoring System for Forests and Safeguards (MRV)

2.4.1 National Forest Monitoring System (NFMS)

SBSTA 36 prior to COP 17 in Doha made a decision on which parties to establish within the NFMS. In Indonesia the very early NFMS has been developed to monitor conditions of forest resources continuously. This reliable and transparent NFMS has been established also to support MRV in mitigation actions for land based sector. The detail can be seen in http://nfms.dephut.go.id/ipsdh/

In general the implementation of NFMS applies the IPCC GL. The system will provide transparent, consistent, and complete information through quality assurance and quality control. It provides information on all forest land classes and it can identify changes in land cover. It is also flexible and provides also information on safeguards, thus with increased scale there is possibility for greater coverage and improved functionality.

The national MRV system is being prepared by Ministry of Environment. The system relies on the existing forest inventory and carbon accounting system. The vision of the national MRV system is to become a national system, which is consistent, transparent, complete, accurate, participatory and adaptive. The purpose of the 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 encompasses 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 also monitor emissions from peatlands, given their overall importance. Monitoring of national deforestation will be done with high frequency (approaching real-time) data, to identify areas with high levels of unplanned deforestation. National level monitoring and reporting will cover the dynamics of deforestation, degradation and emissions. This will be supported by forest inventory data, as well as through public feedback. At the subnational level, this will be augmented by an enhance forest inventory program.

While the progress made has been important, much remains to be done, especially at the subnational level. The framework for enabling forest monitoring at the district level still needs to be developed and funded. This includes the use of participatory monitoring. Currently there are no regulations in place mandating district governments to carry out forest inventories, and there is no regular source of funding for this activity. Many regions will also need capacity building. In addition integrating data from Demonstration Activities into national MRV system also needs to be completed.

Several Indonesia National Standards(SNI) for measuring and monitoring forest carbon have been introduced by Ministry of Forestry including:

- SNI 7725 Year 2011 Development of allometric equations for estimating forest carbon stocks based on field measurement (*ground based forest carbon accounting*)

- SNI 7724 Year 2011 Measurement and Carbon Stock Accounting-Field Measurement to measure forest carbon stock.

- SNI 7848 Year 2013 Demonstration Activities for REDD+

2.4.2 Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards

The Ministry of Forestry is developing a system for providing information on how safeguards are addressed and respected. The National Safeguards Information System (SIS) builds on existing safeguards systems and is currently being tested in Central Kalimantan and East

Kalimantan provinces. A web-based information system is under development and the MoFr on one hand and the REDD+ Task Force on the other have been addressing the integration of the SIS-REDD+ and PRISAI.

Successful SIS-REDD+ development and implementation will require the following activities:

- Continued testing of the PCI in SIS-REDD+ to assess how the 7 safeguards of COP-16 decision are addressed and respected in REDD+ activities in Indonesia

- Finalization of web-based SIS-REDD+ at the national level and two/three provinces (linked to national level) as the models.

- Continued discussions between the institutions involved on aligning PRISAI and SIS REDD+.

- Intensification of outreach efforts, including participatory evaluation.

- Support for the operationalization of SIS REDD+ by providing practical guidance at various levels.

- Continued policy dialogue to integrate various initiatives and to make the system operational, including putting in place a legal umbrella for the system.

3   Analysis of progress achieved in activities funded by the FCPF Readiness Preparation Grant ($3.4 million)

3.1   Grant Objective and Expected Results

The FCPF Grant Objective is to support selected REDD+ analytical work, help support REDD+ readiness processes, contribute to the discussion of Reference Emission Levels, and assist in the effort of regional data collection and capacity building. The main expected results of the Readiness Preparation Grant are as follows:

1) Improved understanding and awareness of drivers of deforestation and degradation and of strategies to address them; assessment of priority investment options to reduce deforestation and forest degradation; assessment of activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks; and improved understanding of the status, gaps and capacity building needs for the implementation of national REDD+ policy.

2) Contributions to the establishment of a REDD+ management framework at a national level; assessment of existing REDD+ regulations; and capacity building of REDD+ related institutions; consultation and outreach leading to increased awareness and ownership of the readiness process; strengthened capacity of stakeholders, including indigenous peoples, to participate in policy development processes; and an Environmental and Social Management Framework focussing on the activities financed under the present Grant.

3) Contribution to the discussion of a national reference scenario for emissions from deforestation and forest degradation will be prepared, taking into account the national accounting with sub-national implementation framework; improved understanding of terrestrial carbon cycles of different

4) Improved land uses; availability of a time series analysis of the primary social economic and policy aspects of land use change; Contribution to the establishment of a system of Permanent Sample Plots (PSPs) leading to an increased certainty in GHGs estimates from REDD+ in various forest types in selected areas.

5) New data on REDD+ potential in selected provinces generated; increased capacity to set up REDD+ frameworks and implement REDD+ programs in selected subnational locations (locations : West Sumatra, South Sumatra, East Java, South Kalimantan, West Papua, Papua, South Sulawesi, North Sulawesi, Maluku, Musi Rawas District-South Sumatera, NAD). The Ministry of Forestry selected these regions based on support from the respective sub national governments for REDD+ and the locations of potentially relevant demonstration activities.

3.2 Overall progress from June 2011 to December 2013 with regards to achieving Grant Objectives

Comments on the outcomes achieved from June 2011 to June 2013 are as follows, while location can be seen in Figure 5, 6 and 7.

Component 1: Analytical work

Activities	Target Output	Results
1.1 Analyze drivers of deforestation from a development perspective, land use demands, and demographic development	Synthesis of available assessments and studies on deforestation in Indonesia with specific focus on future land use demands and demographic development	The assessment study is **on-going,** the study seeks to reveal the quantitative causalities of tree cover changes at district level for finding local solutions, policy level and interventions to reduce deforestation and forest degradation. The theoretical framework highlights the multiple scales and processes of tree cover losses, differentiates between agents and underlying drivers. As next steps the study will be widely disseminated and data should be made available to other research bodies.
1.2 Screen options for priority investments to reduce deforestation and forest degradation including a trade-off assessment	Compilation of options for main investment types to reduce drivers of deforestation based on existing program proposals, discussion of pros and cons and possible risks and impacts	**Completed**. Analytical review conducted where five priority interventions were identified at the national level: 1) Forest Ecosystem Restoration 2) Forest and Land Rehabilitation activities 3) Encroachment control 4) Development of Community Forest 5) Prevention of forest conversion. Intervention no 1) and 4) considered to be the most cost effective.
1.3 Identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks	Discussion of options (policies and investments) for mitigation actions	Priority activities are different between sub-national and national level, depending on carbon mitigation potential. Priority emission reduction in South Sumatra can be concentrated on the Forest Ecosystem Restoration, prevention of forest conversion and plantation development. In East Java priority emission reduction activities can be concentrated on plantation management and prevention of forest conversion. The emissions reduction priorities in Papua can be concentrated on plantation development, prevention of forest conversion and implementation of Reduced Impact Logging (RIL). Based on the results of this study the Indonesian government needs to consider several emisssion-based reduction policies, namely: sub-national priority activities not be generalized according to a national approach, the focus should be chosen on the

Activities	Target Output	Results
		performance of emission reduction / enhancement of carbon stock at a low cost, and the government needs to sharpen the role and engagement of the community for emissions reduction activities. Coverage: East Java, South Sumatera, and Papua. Key Findings of the study are: 1. Smallholder rubber plantations, Village Forest, the GN-RHL program absorb emissions 2. Large Plantations tend to be the source of emission (if the land is converted from APL) 3. Required of intensification and planting rubber with agroforestry systems policies 4. Illegal mining requires law enforcement 5. Province successfully reduce deforestation and increase forest cover such as East Java should be given appreciation
1.4 Rapid situational analysis concerning REDD policy in the country	Progress report on REDD+ activities in Indonesia (compilation of studies, initiatives and actions under way that would lead to readiness)	This assessment was done in a participatory manner during the inception phase, to validate the FCPF activities. It is now undertaken again during the Mid Term Report

Component 2: **Management of readiness process**

Activities	Target Output	Results
2.1 Institutional setting and legal framework for REDD implementation: 2.1.1. Stakeholder process to review existing regulatory framework (e.g. Permenhut P. 68/2008, P.30/2009, P. 36/2009) to discuss options and suggestions to be considered key stakeholder, specifically by Ministry of Forestry, Ministry of Finance and REDD+ agency.	Gaps in regulatory framework for REDD+ assessed and options for improvement identified.	National workshops discussed the existing gap of regulation that could further follow up in the context of REDD+ agency establishment, financing, benefit sharing and local institutional framework. It concluded the needs to refer to the existing regulation and to focus on more comprehensive measures based on the integrated action plan formulated by central and local government. Additional financing can be further used to make the identified action plan to become operational.
2.1.2. Establishment of		• The Province of Central Kalimantan as one of the

Activities	Target Output	Results
Information System of Safeguards (National & Regional Workshop)		pilot projects of REDD+ implementation in Indonesia, constitutes a venue for several initiatives in relation to safeguards for the REDD+ Program. • However the understanding of the parties of SIS REDD+ is still lacking due to issues surrounding the implementation of REDD+, as well as its safeguards, and are exclusively still material for discourse at the Provincial Komda REDD+. • The Parties are still unable to provide input concerning which PCI should be used and thereafter how would the integration process be with the SIS REDD+ developed by Pustanling. The parties shall first study the PCI from PRISAI and the PIC SIS before submitting any views and input. REDD+ Working Group has been established in Maluku as a follow up from the series of workshop. The institutional arrangement of this Working Group will be soon stipulated under the Governor decree.
Provide support to REDD+ Working Group public consultations and meetings. The working group consisting of private sector, government, and community creating acceptable management plan, conflict resolution and funding mechanism. 2.1.3. Develop guidance for effective engagement of indigenous people and local communities at a subnational level (Location: South Kalimantan, South Sumatra (MusiRawas), Maluku, NAD, West Papua)		Puspijak is preparing ToRs to recruit a consulting team to develop the protocol in consultation with DKN. DKN will facilitate the consultation process in close collaboration with the consulting team. In parallel, Puspijak has commissioned the Maluku Regional Forestry council (DKD) to develop an IP/community level consultation protocol for Maluku. These guidelines are expected to be completed by this year
2.2 Capacity building of institutions and stakeholders involved in the implementation of REDD activities:	Capacity of REDD+ related institutions strengthened	Trainings on REL, MRV system and Emissions Factor attended by participants from national, provincial and district level. Training Needs Assessment document is produced. Local universities agreed to incorporate carbon accounting and monitoring as part of their curriculum, and further develop a methodology based

Activities	Target Output	Results
Training of trainers (ToT) on carbon accounting and monitoring (ground check and spatial data analysis) at national and sub national levels. Location: West Sumatra, Maluku, East Java, South Sulawesi, West Nusa Tenggara, Jambi, and Bali. - Support to Asean Network Regional Knowledge on Forestry and Climate Change (Annual Meeting & Workshop)		on the local characteristic. • Discussion of Draft Submission Member States related materials COP-18 decision on: Paragraph 24 Coordination of Support • Paragraph 34, Provide adequate and predictable Support • Paragraph 35 (Institutional and arrangements support)
2.3 Preparation of a quick assessment of revenue sharing options in the international context, assess existing proposals in Indonesia and convene a stakeholder process to provide inputs to Ministry of Finance and the REDD+ Task Force to prepare guidelines or resolutions on the REDD+ revenue sharing process.	Compilation of Options for REDD+ Revenue sharing mechanisms, pros and cons, and lessons learned from international experiences relevant for Indonesia	A study was prepared on benefit sharing options focusing on the central role of communities in relation to their land rights and access to forest land for meeting REDD+ objective. Potential follow up activity with Ministry of Finance targeted at intergovernmental transfers. These activities will commence in FY14 in close cooperation with the FORDA, MoFinance and the future REDD+ Agency.
2.4 Consultation and Outreach: 2.4.1. Stakeholder Analysis " The Role And The Responsibilities Of Stakeholders In Readiness Process" 2.4.2. Dissemination Of Information Through Website And Printed Publication 2.4.3. Workshop to Develop guidance for	REDD+ ownership strengthened; awareness and capacities of all REDD+ actors improved	Workshops and Focus group discussions have been conducted targeting key REDD+stakeholders on various Readiness topic. DKN has developed the National Consultation Protocol which serves as a basis for guiding all consultations Various publications made available: Brief info, activities report, meeting proceedings, flyers. Available at: www.fcpfindonesia.org

Activities	Target Output	Results

effective engagement of indigenous people and local communities at a subnational level
 	
2.4.4. Workshop on Identification of Deforestation and Forest Degradation Drivers and Activities that Result in Reduced Emission, Increased removals and Stabilization of Forest Carbon Stock
 	
2.4.5. Public consultation on institutional setting and legal framework
		• Matters requiring further attention after the workshop are the following:
		
		  1) The need for consideration to renew the composition of members of REDD+ Komda through more involvement of the related parties including the private sector.
		
		  2) There still is need for further dissemination to parties in the province as well as in the district/city related to funding of REDD+, which is not the same as carbon trading system with CDM mechanism
		
		  3) The most vital essence of SRAP is how the compiled strategy and action plan can be implemented in the field. The involvement of the district/city (kabupaten/kota) needs to be increased towards the completion of SRAP preparation and compilation of the action plan in the district/city
		
		1. Forestry Sector Challenges associated with the coordination activities and support for the mitigation of climate change through two schemes that REDD + and NAMAs should be integrated properly into one "Registry" system
		
		2. The existence of some schemes related to forestry (eg REDD +, NAMAs, CDM, voluntary market) and anticipating for developments post 2015, it is necessary to have "Registry" limited to "Forestry" which is designed to "link" with "National Registry"
		
		3. National Council on Climate Change has been anticipating the construction of the "Registry" system for national climate change mitigation for the NAMAs scheme and forestry sector registry for various macama schemes (REDD +. RAD-GRK, Forestry, A / R CDM) is part of the nationwide "Registry".

Activities	Target Output	Results
		4. Need to have further discussion related to institutional arrangements and mechanisms in the development of the system "Registry" nationwide, so it can accommodate the needs of the "Registry" between sectors.
2.4.6. Public consultation to facilitate establishment of REDD WG at sub-national level		
2.4.7. Outreach on Management of Data and Lessons on Readiness Activities/REDD+ Demonstration Activity		From these activities, it is concluded that the data associated with carbon stocks in Baluran National Park is still needed given the fact that the dynamics in the region is quite high. In addition, strategies for involving community are needed in efforts to mitigate climate change.
2.4.8. Workshop on SESA/ESMF		
2.4.9. Workshops PSP to Discuss Strategy and Reporting of Future Maintenance of PSP, Location: West Sumatera, South Sumatera,West Nusa Tenggara, North Sulawesi, Maluku		The workshop has succeeded in formulating management strategies of Permanent Sampling Plot (PSP) . The creation of a shared understanding of the roles and responsibilities of the parties at the provincial level forest carbon monitoring and providing input to the development of policies related to the management and monitoring of forest carbon PSP provincial level.
2.4.10. Workshop on MRV for Readiness REDD+ Implementation, Location: West Sumatera, South Sumatera,West Nusa Tenggara, Maluku		Increased understanding of the parties on the draft of the MRV system for NFMS, reducing technical and non-technical gap for MRV development, understanding the readiness of the local level.
		Green Grabbing formulation is expected to be further

Activities	Target Output	Results
• Land Green Grabbing Seminar to support REDD+ Readiness • The First Multi Stakeholders Meeting on Current Status of REDD+ Readiness in Indonesia • Focus Group Discussion (FGD) Challenges and Opportunities Private Sector Involvement in REDD + Mechanism For The Road to Sustainable Forest Management		sharpened by the strategic policy direction for the future forest development. 1. Sharing information on Readiness progress of recent activity by the FCPF Preparation pelaksama FCPF 2. Understanding gaps for REDD + readiness activities by the FCPF and other REDD + initiatives • Engaging the Private Sector in the area of REDD +: 1. Potential funding, 2. Contributions Technical, 3. Easements are the main agents of deforestation of forest conservation at the same time, most players should REDD + is private • Private can act as: 1. Investors / investment, 2. Producers development project, 3. Buyers of carbon credits • The government needs to make the rules and regulations that provide clarity and assurance for the private sector to move in REDD +
2.5 Management of data, lessons, and funding partner coordination, including periodic review of demonstration activities - Workshop Funding Partner Coordination on Climate Change Mitigation in forestry sector and REDD+ Implementation - Workshop Periodic review of demonstration activities - Establishment of SIS-REDD+ database (FGD) - Addressing Driver and Forest Degradation in REDD+ Implementation and National Action Plan for Reducing Green Gas House Emissions (RAN-GRK) in Forestry Sector: Land Swap Option between	Information on Demonstration Activities updated and available in database.	Gap identification to establishment of Demonstration Activity was discussed and reviewed by the local REDD+ Working Group. The workshops presented the key component of the latest REDD+ development agenda and conducted stocktaking on the local challenges on REDD+ implementation. Coverage: South Sumatra and West Papua. Demonstration activities status and lesson learned from the DAs on the institutional challenges have been synthesized and disseminated.

Activities	Target Output	Results
forest area and non-forest area for maintaining forest land cover conserving forest carbon stock - REDD+ and LULUCF from Bonn to Warsawa and Progress at National Level - National Workshop on Development of University, Research Agencies and Training and Education Agencies Network - Public Consultation on Institutional Setting and Legal Framework : Discusion on National Registry for Climate Change Mitigation in Indonesian : Special Case on REDD+ and NAMAs Diskusi tentang "Registry"		
2.6 Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)	Ways for addressing key social and environmental considerations associated with REDD+ are transparently discussed	DKN has promoted multi-stakeholder public consultations on REDD+ policies in general. DKN has produced consultation protocols for policy discussions on REDD+ The SESA process also has facilitated the understanding of the PRISAI framework for safeguards, currently under development by the REDD+ Task Force. Further discussion across stakeholders is needed to increase the understanding on the Safeguards Information System (SIS) being designed by the Ministry of Forestry. So far, discussions on the SIS happened at the national and in Central Kalimantan. As the country safeguards approach toward REDD+ is evolving the Ministry of Forestry also developing a national Safeguards Information System (SIS) as mandated by the Cancun agreement. The SESA process has culminated in a dialogue about the integration of the two initiatives (SIS and PRISAI), to permit to agree to a common approach on safeguards for REDD+ initiatives at local, regional and national level. As the two systems are still under development and seeking further legal umbrella to become

Activities	Target Output	Results
		operational, the immediate next steps for their sponsoring institutions is to facilitate further discussions about how those initiative can complement each other going forward. An ESMF that captures the details, at a national level, of how safeguards will be operationalized for the implementation of different types of REDD+ investments also needs to be prepared, as a final output of the SESA.

Component 3: Reference Emissions Level (REL) and Measurement, Reporting and Verification (MRV)

Activities	Target Output	Results
3.1 Analysis and possible mapping of nature and effect of land use on terrestrial carbon cycles.	Information on terrestrial carbon cycles of different land uses	To be prepared
3.2 Development of a time series analysis of the primary social economic and policy aspects of land use change.	Time series information on social economic and policy aspects of LUC.	GIS analysis on forest cover changes from 1990-2011 in three provinces (South Sumatera, East Java and Papua) was prepared. This analysis included the review of economic, social and cultural drivers for land use change in those three provinces. The analysis can potentially feed into the study 1.1 on the drivers of tree cover change. The key Findings are: 1. Transition process is going on in four of Provinces, the dynamics of the forest cover influenced by the price of timer and income per-capita 2. Patterns of land cover changes has a different behavior (south sumatera and east kalimantan caused by economic factor, east java and papua caused by socio-economic factors) 3. The projection of land cover until 2010 has a different pattern (East Java and Papua are stable; east Kalimantan and South Sumatera more dynamic= the rate of land

Activities	Target Output	Results
		cover decline faster
3.3 Establishment of permanent sample plots (PSPs) for ground-based forest carbon monitoring (for estimatingforest-related GHGs emissions by sources and removals by sinks, and monitoring forest carbon stockchanges). Workshop for monitoring and reporting Permanent Sample Plots to discuss future maintenance for forest monitoring and reporting integrated with provincial strategy for emission reduction target. Location: West Sumatra. South Sumatra, West Nusa Tenggara, North Sulawesi,Maluku, North Sumatera, Central Kalimantan, South Sulawesi, West Papua, Sijunjung Forest Management Unit (West Sumatera), and Gularaya Forest Management Unit (South East Sulawesi)	Increased certainty in GHGs estimates from reduced emissions and increased removals, and stabilization of forest carbon stocks.	PSP research was conducted in several primary and secondary forest in Maluku, West Sumatera, South Sumatera, North Sumatera, West Nusa Tenggara, North Sulawesi, South Sulawesi, West Papua, North Sumatera, Central Kalimantan, Sijunjung FMU (West Sumatera), Gula Raya FMU (South East Sulawesi). In total there has been 199 PSP established. Biomass and carbon stock database has been produced from those researches. The research result will support the national MRV system development.

FCPF has been supporting local institutional capacity on the methodological and technical aspect of carbon stock measurement.

MRV Workshops conducted in West Sumatera, South Sumatra, West Nusa Tenggara, and Maluku to improve the understanding of MRV design development, highlighting the technical gap, identifying the local institutional needs in developing sub-national MRV, contributing to the Provincial Action Plan process and identifying the mechanism option linking to the national MRV design.

Methodological of REL accounting has been presented and incorporated as an input in the process of developing Provincial Action Plan on GHG Emission (RAD-GRK).

Permanent Sample Plots (PSPs) Workshop conducted in South Sumatera, West Sumatera, West |

Activities	Target Output	Results
		Nusa Tenggara, Maluku and North Sulawesi to make the strategy how to manage PSPs after The FCPF program finished, enquires the perception of multi-parties about the management of PSPs. Establishment of the application database for forest carbon monitoring

Component 4: Regional Data Collection and Capacity Building

| Activities	Target Output	Results
4.1 Facilitate the development of REDD+ readiness at subnational level: *- Capacity building and studies on how to set up REDD+ framework at selected area (locations : South Kalimantan, West Papua, South Sulawesi, MusiRawas District-South Sumatera, NAD).* *- Developing socio-economic and biophysical studies to support baseline work to strengthen KPH implementation. Location East Kalimantan, West Nusa Tenggara, Maluku, Sulawesi.* *- Capacity building on how to count the forest carbon and how to do the survey of Socio Economic in 3 KPH. Location in KPH Wae Sapalewa, KPH Sijunjung, and KPH Batu Lanteh.* *- Discuss Environmental and Social Management Framework (ESMF) and monitoring the implementation with stakeholders in subnational Demonstration Activities*	The targetted districts have sufficient capacity to prepare for REDD+	REDD+ strategy preparation action plan has been formulated on three provinces East Java (Meru Betiri National Park, Jember, East Java), South Sumatera (Musi Rawas) and South Kalimantan. Jember has shown the most progress, from institutional arrangement to carbon market strategy options.
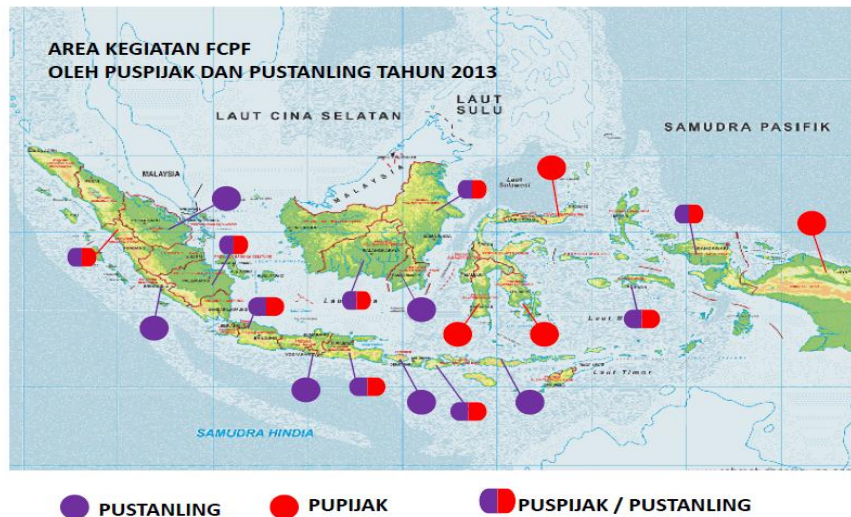
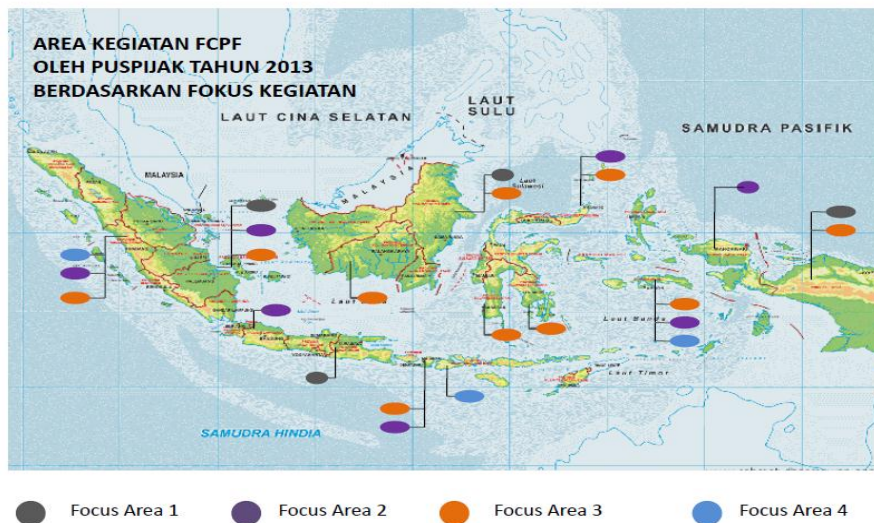**Figure 5. Area of FCPF Activities Undertaken by Puspijak and Pustanling, in 2013**

**Figure 6. Area of Activities based on Focus Area Undertaken by PUSPIJAK in 2013**

Figure 7. FCPF Activities Map based on Focus Area in 2011-13 undertaken by PUSTANLING

4 Review of Indonesia's compliance with the Common Approach

The Common Approach centers on the use of a strategic environmental and social assessment (SESA), particularly in relation to the upstream development of a country's REDD+ strategy. SESA was designed to help ensure compliance with relevant safeguards by integrating key environmental and social considerations covered by the relevant World Bank safeguard policies and procedures at the earliest stage of decision-making. It is also meant to create a platform for the participation of key stakeholders, including Indigenous Peoples and local communities that depend on forest resources, in the Readiness Preparation process. SESA has as a key output the preparation of an environmental and social management framework (ESMF). The ESMF is a framework for managing and mitigating the environmental and social risks and impacts of future investments (projects, activities, and/or policies and regulations) associated with implementing a country's REDD+ strategy.

The ESMF provides a direct link to the relevant safeguard standards, including home-grown safeguards for REDD+ under development in Indonesia.

The SESA is a tool that seeks to integrate social and environmental considerations into policy-making processes, leading to sustainable REDD+ policies. SESA in the FCPF Readiness Mechanism phase should inform the design of the national REDD+ policy framework, including the National REDD+ Strategy.

Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)
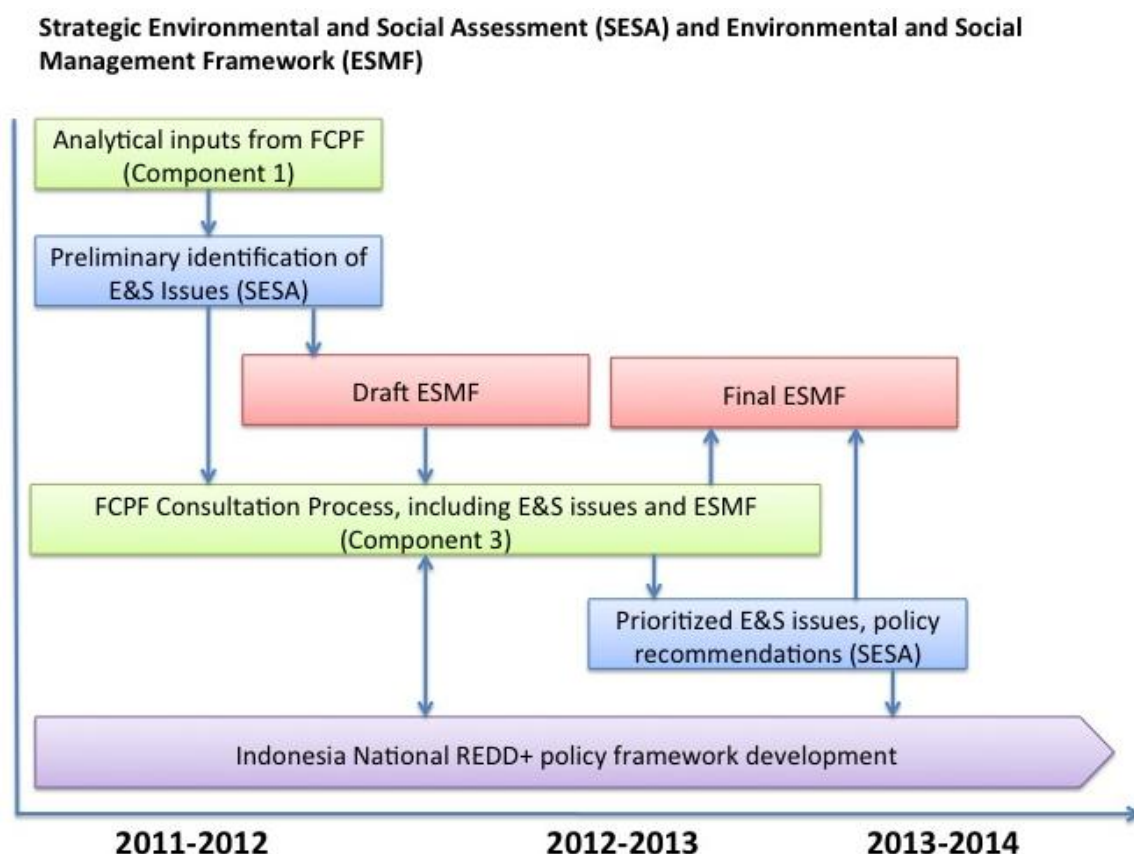
The Indonesian REDD+ process was already relatively advanced by the time that SESA implementation began and SESA's role evolved to fill gaps in existing consultation and safeguards processes. During the R-PP preparation phase, stakeholder consultations on the

REDD+ strategy and its implementation were organized at the national and sub-national levels. This process served as a preliminary step to identify environmental and social issues raised by stakeholders. The National REDD+ Strategy was the outcome of a series of national and regional stakeholder consultations undertaken by BAPPENAS. SESA then became an important tool for advancing a policy dialogue on various REDD+ safeguards processes, with the National Forestry Council (DKN) playing a key role The SESA process will now wrap up with the preparation of an Environmental and Social Management Framework that will be fully owned by the Government. The ESMF is expected to function as a sort of implementation manual for the national-level social and environmental safeguards for REDD+ implementation. It is expected to be completed in a participatory fashion by the end of 2014.

It is also important to recognize that national safeguards development has proceeded rapidly on several fronts as well. The REDD+ Task Force is developing Principles, Criteria and Indicators for REDD+ Safeguards in Indonesia (PRISAI), while the Ministry of Forestry, is developing a Safeguards Information System for REDD+ (SIS, see section 2.4.2).

The consultations that are part of the SESA process have contributed significantly to the development of the national PRISAI safeguards system and there is on-going discussion on how to make the best use of both the PRISAI and the SIS-REDD+ going forward.

Sub-Component 1a – National REDD+ Management Arrangements *Purpose: setting-up national readiness management arrangements to manage and coordinate the REDD+ readiness activities whilst mainstreaming REDD-plus into broader strategies* *Assessment Criteria: (i) accountability and transparency; (ii) operating mandate and budget; (iii) multi-sector coordination mechanisms and cross-sector collaboration; (iv) technical supervision capacity; (v) funds management capacity; (vi) feedback and grievance redress mechanism (GRM)*	☑ ⭕ Significant progress ⚠ ⦿ Progressing well, further development required 🟠 ⭕ Further development required ❌ ⭕ Not yet demonstrating progress N/A ⭕ Non Applicable *Please explain why*: *REDD+ scheme is being mainstreamed into broader climate change strategies and sectors through development of provincial action plans. The management arrangements meet criteria (i) and (iv) but further work is required for fund management (criteria II, III and v) through a fully functional FREDDI and other financial schemes.* Feedback and GRM has been piloting at some REDD+ Demonstration Activities. Those lesson learned will be used for basis to develop GRM at National level. During the stakeholder meeting in the MTR it had been identified the following gaps :

Sub-Component 1b – Consultation, Participation, and Outreach	○ Significant progress
Purpose: broad consultation with and participation of key stakeholders for future REDD+ programs, to ensure participation of different social groups, transparency and accountability of decision-making	○ Progressing well, further development required
	○ Further development required
Assessment Criteria: (i) participation and engagement of key stakeholders; (ii) consultation processes; (iii) information sharing and accessibility of information; (iv) implementation and public disclosure of consultation outcomes	○ Not yet demonstrating progress
	○ Non Applicable
	And explain why:
	Many kinds of participation and engagement of key stakeholders, consultation processes have been undertaken during the preparation of REDD+ by related government institutions such as BP REDD+, Ministry of Forestry, National Planning Agency and National Council on Climate Change as well as Ministry of Finance.
	Information sharing and accessibility of information, implementation and public disclosure of consultation outcomes to some extent have been done but need further works

Subcomponent 2a: Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance *Purpose: identification of key drivers of deforestation and/or forest degradation, as well as activities concerning conservation, sustainable management of forests, and enhancement of forest carbon stocks* *Assessment Criteria: (i) assessment and analysis; (ii) prioritization of direct and indirect drivers/barriers to forest enhancement; (iii) links between drivers/barriers and REDD+ activities; (iv) actions plans to address natural resource right, land tenure, governance; (v) implications for forest law and policy*	✅ ⚪ Significant progress ⚠️ 🔘 Progressing well, further development required 🟠 ⚪ Further development required ❌ ⚪ Not yet demonstrating progress N/A ⚪ Non Applicable *And explain why*: *The assessment met the criteria (i),(II), (III)* Although some parts of the criteria (iv) and (v) have been implemented, additional action plans need to be funded either by LoI of Indonesia - Norway and other scheme.

Subcomponent 2b: REDD+ Strategy Options *Purpose: Develop a set of policies and programs for addressing the drivers of deforestation and/or forest degradation* *Assessment Criteria: (i) selection and prioritization of REDD+ strategy options; (ii) feasibility assessment; (iii) implications for strategy options on existing sectoral policies*	✅ ⚪ Significant progress ⚠️ ⚪ Progressing well, further development required 🟠 🔘 Further development required ❌ ⚪ Not yet demonstrating progress N/A ⚪ Non Applicable *And explain why*: BP REDD+ and Ministry of Forestry (RPP-FCPF) are working to Develop a set of policies and programs for addressing the drivers of deforestation and/or forest degradation address the to meet the criteria. Additional budget from RPP-FCPF is needed to fully meet the criteria.
Subcomponent 2c: Implementation Framework *Purpose: Set out credible and transparent institutional, economic, legal and governance arrangements necessary to implement REDD+ strategy options* *Assessment Criteria: (i) adoption and implementation of legislation/regulations; (ii) guidelines for implementation; (iii) benefit sharing mechanism; (iv) national REDD+ registry and system monitoring REDD+ activities*	✅ ⚪ Significant progress ⚠️ ⚪ Progressing well, further development required 🟠 🔘 Further development required ❌ ⚪ Not yet demonstrating progress N/A ⚪ Non Applicable *And explain why*: Work on implementation frameworks has been ongoingAdditional budget from RPP-FCPF is needed to fully meet the cirteria for developing REDD+ registry and benefit sharing mechanism.

Subcomponent 2d: Social and Environmental Impacts *Purpose: Ensure compliance with the Common Approach and prepare a country specific Environmental and Social Management Framework (ESMF)* *Assessment Criteria: (i)) analysis of social and environmental safeguard issues; (ii) REDD+ strategy design with respect to impacts; (iii) Environmental and Social Management Framework*	○ Significant progress ○ Progressing well, further development required ● Further development required ○ Not yet demonstrating progress ○ Non Applicable And explain why: SESA has been develop and advancing to be tested in more region. ESMF is scheduled to be done this year (2014)
R-PP Component 3 - Reference Emissions Level/Reference Levels *Purpose: Development of the general approach to establish a REL/RL* *Assessment Criteria: (i) demonstration of methodology; (ii) use of historical data, and adjusted for national circumstances; (iii) technical feasibility of the methodological approach, and consistency with UNFCCC/IPCC guidance and guidelines*	○ Significant progress ● Progressing well, further development required ○ Further development required ○ Not yet demonstrating progress ○ Non Applicable *And explain why:* BP REDD+ and Ministry of Forestry have made significant progress on developing REL/RL. Further work is needed to finalise the general approach at national level.

Subcomponent 4a: National Forest Monitoring System *Purpose: Design and develop an operational forest monitoring system and describe the approach to enhance the system over time* *Assessment Criteria: (i) documentation of monitoring approach; (ii) demonstration of early implementation; (iii) institutional arrangements and capacities- Forests*	○ Significant progress ○ Progressing well, further development required ● Further development required ○ Not yet demonstrating progress ○ Non Applicable *And explain why*: Indonesia's National Forest monitoring System has been developed by the Ministry of Forestry, Republic of Indonesia. It was developed to update data, especially for land cover data, forest cover change, deforestation, hotspots, and to ensure imagery data (Landsat) are continuously included in forest monitoring.

Subcomponent 4b: Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards *Purpose: Specify the non-carbon aspects prioritized for monitoring by the country* *Assessment Criteria: (i) identification of relevant non-carbon aspects, and social and environmental issues; (ii) monitoring, reporting and information sharing; (iii) Institutional arrangements and capacities – Safeguards*	✅ ○ Significant progress ⚠️ ○ Progressing well, further development required 🟠 ● Further development required ❌ ○ Not yet demonstrating progress N/A ○ Non Applicable *And explain why*: Safeguards Information System (SIS) for REDD+ have been developed. PCI has been piloted in Berau, Central Kalimantan and Jamb. On the other hand, SIS REDD/Web Platform database has been piloted in Jambi and East Kalimantan Further capacity required at sub national level

5 Updated financing plan for the readiness preparation activities, including funds pledged by other development partners

Budget Summary from FCPF 1 (2011-2014) and Proposed budget for Additional Funding (2015-2017)

NO	Activities		FCPF 1 (2011-2014)		FCPF 2 (2015-2017)
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
1.	Identify Activities within the country that result in reducing emission and increasing removal		1,603,698,099	145,791	
2.	Stakeholder coordination comprehensive mitigation action for REDD+		1,099,143,134	99,922	
3	Develop guidance for effective engagement of indigenous people and local communities		666,688,421	60,608	
4	Training of trainers on carbon accounting and monitoring at central level		250,000,000	22,727	
5	Dissemination of information through website and printed publication		1,378,627,578	125,330	
6	Workshop to develop guidance for effective engagement of indigenous people and local communities		466,688,421	42,426	
7	Workshop on MRV		500,000,000	45,455	
8	Stakeholder analysis: Workshop DA		536,321,050	48,756	
9	Development of SESA		1,872,126,471	170,193	

| NO | Activities | | FCPF 1 (2011-2014) | | FCPF 2 (2015-2017) |
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
10	Stakeholder process to review existing regulatory framework and formulate an integrated REDD Regulation		249,252,000	22,659	
11	Finalize National REDD WG: Establishment of Information System of Safeguards		166,965,000	15,179	
12	Capacity building of institution and stakeholders involved in the implementation of REDD activities :Training of Trainers on carbon accounting and monitoring (ground check and spatial data analysis) at sub-national levels.		1,910,211,000	173,656	
13	WS/dialogues on drivers of deforestation from a development perspective, land use and demands, demographic development		971,087,000	88,281	
14	Consultation to identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks		1,211,256,000	110,114	
15	Public consultation in Jakarta on institutional setting and legal framework		529,520,000	48,138	
16	Public consultation to facilitate establishment of REDD WG at sub-national level		392,810,000	35,710	
17	Outreach on management of data and lessons on readiness activities / DA		639,324,000	58,120	

NO	Activities		FCPF 1 (2011-2014)		FCPF 2 (2015-2017)
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
18	Management of data, lessons , and funding partner coordination, including periodic review of demonstration activities		989,633,000	89,967	
19	Workshop PSP to discuss and strategy of future maintenance of PSP		1,388,500,000	126,227	
20	Development of a time series analysis of the primary social economic and policy aspects of land use change		1,235,394,800	112,309	
21	Development of Sustainable monitoring forest carbon application system		1,505,436,000	136,858	
22	Developing baseline data of socio economics and biophysics		311,467,346	28,315	
23	Capacity building and studies to set up REDD+ framework at selected area (locatios : South Kal., West Papua, South Sul., MusiRawasDistrit, South Sum., NAD)		2,427,282,000	220,662	
24	Capacity Building and study to set up REDD+ Framework including developing socio economic and biophysical baseline data		1,000,000,000	90,909	
25		Establishment of PSP's	2,214,943,958	201,359	
26	The Proposal of REL Establishment at National Level Including The Methodology and The Data Set		266,950,000	24,268	
27	Forest Carbon Monitoring Database to Support National Forest carbon Monitoring System (NFMS)		500,000,000	45,455	

NO	Activities		FCPF 1 (2011-2014)		FCPF 2 (2015-2017)
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
28	Review Of Effective and Efficient Funding Scheme (FREDDI, Trust Fund, FISCAL, etc.) For REDD+ (Small Scale VS Large Scale)		200,000,000	18,182	
29	Integration of results of FCPF Activitiesfor preparation of Readiness Package		514,350,000	46,759	
30	Improvement of Warsaw Framework Understanding for REDD+		150,000,000	13,636	
31	Proposing The RSNI Greenhouse Inventory in Forestry Sector		201,000,000	18,273	
32		Identification of priority investment needed to reduce deforestation and forest degradation in 3 district (1)		-	50,000
33	Analysis of the role of the private sector (land-based industries) in reducing carbon emissions (2: 1-2)			-	100,000
34	Abatement costs Analysis of land-based climate change mitigation			-	550,000
35	Assessment towards MRV for Integrated land-based mitigation actions			-	110,000
36	Assessment of technical, social political and financial readiness for REDD+ implementation at district level			-	120,000
37	Potential 'Leakage' in REDD+ financing (Benefit, Opportunity, Cost and Risk)			-	70,000
38				-	
39		Clarifying the rules for implementing REDD+ activities in the field, including		-	110,000

| NO | Activities | | FCPF 1 (2011-2014) | | FCPF 2 (2015-2017) |
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
		compensation and benefit sharing mechanisms			
40	Promotion of consultations with private sector entities on REDD+ issues			-	60,000
41		Strengthening sub-national REDD+ Working Groups (5 districts)		-	180,000
42		Developing Communication Strategy in 3 District that have linkage with provincial and national level		-	70,000
43	Developing (validating) guidance of Conflict Resolution and ESMF (2), and Piloting Grievance Redress Mechanism			-	280,000
44		Local Land Governance and its influence on the effectiveness of REDD+ Implementation		-	180,000
45		Participatory Planning for Benefit Sharing Options at Local Level		-	100,000
46		Continuing capacity building on REDD+ across stakeholders in 3 districts (Candidates for Carbon Fund)		-	210,000
47		Development of District REDD+ Strategy (5 Districts)		-	210,000
48		Continuing development of PSPs to comply with 7 bio-		-	380,000

| NO | Activities | | FCPF 1 (2011-2014) | | FCPF 2 (2015-2017) |
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
		regions developed by Pustanling			
49	Supporting BP REDD+ in developing and implementing National REDD+ Registry			-	30,000
50		Support facilitation on Formal REL determination at the District level		-	130,000
51	Supporting INCAS as a national carbon accounting system			-	170,000
52	Review and Support for National REDD+ Baseline			-	30,000
53		Training of Trainers on Capacity Building for Local Institutions working on Forestry		-	150,000
54		Developing (up dating) socio-economic and Biophysical baseline data in 5 Districts		-	170,000
55		Collection sub-national data to be integrated into the national MRV system, including the data from Demonstration Activities and REDD+ projects.		-	150,000
56		Strengthening Forest Management Units (FMUs) to support field-level REDD+ management and implementation		-	175,000

NO	Activities		FCPF 1 (2011-2014)		FCPF 2 (2015-2017)
	National	Sub National	Rp	$ (Rate 11.000)	FCPF 2
57		Strengthening capacity at the District level to provide data to the national MRV system		-	160,000
58	Integrated Database management of REDD+ (lessons and funding partner coordination including periodic review of DA's) and Dissemination of Information through website and printed publication			-	465,000
59	Coordination		5,145,714,518	467,792	590,000

		Rp	$	FCPF 2
	Total	32,494,389,796	2,954,035	5,000,000

6 Summary statement of request for additional funding to the FCPF

Indonesia's REDD+ Readiness process has achieved significant progress to date. However, in order for the country to be able to prepare a robust R-Package and achieve REDD+ Readiness as defined in the R-Package Assessment Framework, the nation must place stronger focus on the decentralized levels (districts and provinces), where the dynamics of deforestation are playing out. This came out clearly during the MTR process. It is widely accepted that REDD+ needs to generate concrete and tangible benefits for actors at the local level, including local governments and stakeholders, to maintain its credibility and really make a dent in deforestation. REDD+ Readiness is an abstract notion, and has resulted in a sort of "fatigue" across stakeholders in Indonesia, given the amount of analytical and consultation activities held not anchored in concrete activities on the ground. Moving REDD+ to the 'real life' is also in line with Paragraph 72 of the COP decision. The additional funding request submitted to the FCPF aims to ensure that the objectives of the preparation phase to "readiness" are met. Some of these objectives are already achieved, in whole or in part, as evidenced by the mid-term self-evaluation of the process. The additional funding will allow Indonesia to maintain the same level of success previously achieved during the launch and the management of the investment phase.

The main activities are proposed in the following details.

6.1 Analytical Work

REDD+ is basically the activities to reduce emission through avoidance of forest conversion and other activities that cause deforestation and degradation. However, there are still many challenges that REDD+ implementation is dealing with (i) development goals (trade-off between economic and emissions reduction) and (ii) opportunity cost issue because of land use changes. The implication is we need to identify an appropriate land-based investment that effectively and efficiently reduce GHG emissions. To address those issues, under the focus area of Analytical Works 5 studies will be focused on the national level, while 1 study will be at the sub national level.

6.1.1 National Level

6.1.1.1 Analysis of the role of the private sector (land-based industries) in reducing carbon emissions

The private sector is one of the stakeholders actively involved in land-based investments including forest resources. Private sector investment in forestry sector tends to cause deforestation and forest degradation which resulted in an increase in carbon emissions. Private sector has capacity to implement land-based investment innovation, therefore they are able to slow down, stop and even turn around the trend of forest loss (forest transition). It is necessary to stimulate private sector involvement to change the paradigm of forest management to "low emission forest management activities". These efforts will be more effective, efficient and equitable collaboration by involving the three pillars of development (i.e. private, government and society).

6.1.1.2 Abatement costs Analysis of land-based climate change mitigation actions

Land-based climate change mitigation is facing problems of trade-off between carbon emissions and economic decline. Reducing carbon emissions could potentially reduce the economic benefits of land. The effectiveness of the implementation of land-based climate change mitigation will depend on the carbon price level. To identify price level of each activity, it could use abatement cost approach. Implementation of these activities will effectively run if the abatement cost is lower or equal to the carbon price.

6.1.1.3 Assessment towards MRV for integrated land-based mitigation actions

There are two groups of land-based climate change mitigation, NAMAs and REDD+. Each group has difference institutional arrangement. NAMAs falls under BAPPENAS coordination and REDD+ falls under the REDD+ Agency Coordination. An approach that used in land-based mitigation action is the national approach-sub national implementation. The implication is that there are chances for different understandings of the MRV system between the two groups or amongst activities within the group. Thus the need for necessary integration of MRV systems exists for land-based climate change mitigation activities.

6.1.1.4 Assessment of technical, social political and financial readiness for REDD+ implementation at district level

Preparation of REDD+ readiness activities is mostly done at the national and provincial levels, and it has not been scaled up to the district level yet. Only a few districts in Indonesia conducting preparation activities have the knowledge and the skills required for preparation of REDD+ activities with assistance from several donors. While some districts have done preparation of REDD+ readiness phase activities themselves, others have not done the preparation activities at all. Thus the understanding and implementation of the REDD+ Readiness status at the district level is still very diverse.

6.1.1.5 Potential 'Leakage' in REDD+ financing (Benefit, Opportunity, Cost and Risk)

There are many international initiatives (both bilateral and multilateral) and national efforts related to climate change mitigation including REDD + with a very large amount of money. They also feature a variety of funding mechanisms from sources of funding (public and private funds) to proponents. Similarly, the funding instrument is also very diverse (such as ODA, loans, carbon markets, climate change special financing, and foreign direct investment). However, In Indonesia regulations are not yet available for funding mechanisms and distribution of benefits. These conditions are likely to lead to inefficient utilization of funds due to the self-interest of each stakeholder. Therefore Indonesia needs an analysis of the benefit sharing, opportunity cost, and risk of the existing funding mechanisms to optimize benefit allocations.

6.1.2 Sub National Level

6.1.2.1 Identification of priority investment needed to reduce deforestation and forest degradation in 3 districts

The forestry sector, in which in the context of climate change is included as land use, land use change and forestry, has an important role in carbon cycle. Forest land is rich with natural resources such as forest products, biodiversity, and minerals. The land under the forest is suitable for other activities such as crop and tree plantation. Therefore, forest land has become the main capital in economic development. REDD+ implementation potentially reduces the activities for other land-based investments. Every land-based activity has potentially caused greenhouse gas emissions and generation of carbon sinks needs high investment costs. Hence investment priorities could be identified based on the cost-benefit analysis.

6.2 Management of Readiness Process

The focus area of the readiness management process consists of 12 main activities. Five of these will be focused at the national level, while the rest will be at the sub national level (district and provincial).

6.2.1 National Level

6.2.1.1 Promotion of Consultations with Private Sector Entities on REDD+ Issues

Consultation with private sector entities are crucial as they are one of the real actors that directly can contribute to emission reduction in a REDD+ mechanism through land based sector activities. So far, knowledge on REDD+ is mostly focused on carbon transactions and incentive compensation. It is therefore understood that knowledge sharing and more information is needed to advance the understanding of REDD+.

6.2.1.2 Developing (validating) guidance of Conflict Resolution and Piloting Grievance Redress Mechanism

The characteristic of state owned Forest (so called Forest Area) as common pool resources (CPR) is unsubstractable. Its characteristic lead to the potential conflict from various parties that have interest in the forest. Experiences show that many conflict related to the forest use are still in places. Many partners have been initiating some facilitation to solve the conflict but few have showed good result due to the complexity of the problems and lack of leadership from the local governemnet to involve in this process. It is therefore important for FCPF to facilitate the development of Conflict Resolution Guidance that include Piloting Grievance Redress Mechanism. The main will be focused on districts that joint the Carbon Fund scheme to ensure the outcome goes to the districts.

6.2.2 Sub National Level

6.2.2.1 Improvement of Forest Related Governance

Sufficient forest governance at the local level is one of the prerequisites for implementing REDD+ to meet the conditions of the UNFCCC negotiation process. Support from the FCPF with regard to improving local governance will be needed for the following activities:

1. A policy paper on Local Forest Governance and its influences on the effectiveness of REDD+ Implementation.

   Local land governance is not well-understood especially by decision makers at the national level. Therefore this analytical paper is expected to provide description, analysis and political maps of how forest-related governance is implemented at the local level.

2. A clarification of the rules for implementing REDD+ activities in the field, including compensation and benefit sharing mechanisms.

   To compliment the above study it is also important to understand how the consultation, participation and dissemination of information related to REDD+ will be implemented across stakeholder during the preparation stages. The assessment will underline whether the decision making process is being undertaken in a transparent and accountable manner.

3. Development of a communication strategy in three districts that have linkages at the provincial and national levels

   Under the assumption that the process of effective communication amongst stake-holder at sub national level needs to be improved, a Communication Strategy is therefore relevant and needs to be formulated.

4. Support to strengthen roles and capacity of REDD+ across stakeholders in five districts.

   It is widely understood that the role and capacity of REDD+ related stakeholders needs to be adequately supported to maintain and safeguard the process toward REDD+ implementation. Lack of capacity, lack of resources, limited access to information on REDD+ are limitations that face the local institutions, civil society and indigenous people. Various forms of support from partners will increase their role and capacity to accelerate their preparedness toward REDD+ implementation.

   The support could be (but not limited to) in the following areas:
   - Trainer of Trainee
   - On the job training,
   - Workshop
   - Technical assistance
   - Focused Group Discussion
   - Financial support for facilitating consultation process etc.

5. Participatory Planning for Benefit Sharing Options at Local Level

   Benefit sharing from REDD+ is an issue that has not been formally established by the national government to meet the requirement of a REDD+ architecture. This activity is

part of the support for district level to understand how benefit sharing from REDD+ incentives can be allocated in an accountable, equitable and transparent manner among relevant parties.

6. Development of District REDD+ Strategy (5 Districts) .

The existence of a documented REDD+ Strategy is crucial for a district to have if it is interested in implementing REDD+. The stage of preparations, scale of interventions, and involved actors that lead to contributing in emission reduction and other important issues will be clearly stated in this document.

6.3 REL & MRV

The third area focus is about REL and MRV. There are two activities focused in the sub National level while three at National level.

6.3.1 National Level

6.3.1.1 Review and Support for National REDD+ Reference Emission Level

REDD+ is a national approach with sub national implementation. Achievement of REDD+ is determined from the difference between a baseline (BAU) and REDD+ actions (particularly at the national level). REDD+ activities should be carried out in measurable, reportable and verifiable (MRV) ways, and should comply with international standards. To implement an MRV concept in REDD+, REL is an important indicator to monitor the achievement of REDD+. To date REL/RL for national level has not been determined, yet significant progress has been made. Data sets document the national forest cover and land use changes from 1990 to the present are available and can be used to quantify land dynamics across Indonesia.

6.3.1.2 Supporting BP REDD+ in developing and implementing National REDD+ Registry and Supporting INCAS as a national carbon accounting system

The MRV system will also include a mechanism and list of institutions for monitoring, registering, reporting and verifying emissions reductions. To date, some progress has been made in the development of a national MRV system. The REDD+ Agency will facilitate the development of an MRV institution for REDD+. To support this, MoF needs to establish a robust methodology, including activity data from remote sensing and emission/removal factors. Current activities in the establishment of INCAS in cooperation with Australia need improvement and support need to be officially applied in national level. Sub National Level

6.3.1.3 Facilitation Support on Formal REL determination at the District level

At the sub-national level, some demonstration activities have developed REL. Furthermore, the REDD+ Task Force has developed a set of draft RELs for 11 provinces in SRAP documents (Province Strategy of REDD+ Action Plan). The FCPF is currently developing methodology options and guidelines to set up REL for both national and sub national levels.

There is a need to launch and publicly communicate the guidelines that have been already developed. Further monitoring and validation of each of the methodology options proposed should be carried out to ensure the accuracy of the REL calculations. Furthermore, support to the district level for determining Formal REL will be a prerequisite for receiving payments from the Carbon Fund scheme.

6.3.1.4 Continuing development of PSPs to comply with 7 bio-regions developed by Pustanling

Due to variation in forest types in Indonesia, studies and establishment of PSPs in various forest types in 7 regions of Indonesia, need to be strengthened and completed. Carbon stock data collection is required to support the availability of local emission/removal factors. Under the FCPF framework, currently 199 PSPs have been established in 11 locations which are distributed amongst 10 provinces. Development of PSPs in other locations or in other land cover types would improve and complete database of local carbon stock; therefore it should be endorsed.

6.4 Regional Data Collection and Capacity Building

The fourth focus area is "Regional Data Collection and Capacity Building". The proposed activities for this area comprise of one national level activity which is to develop an Integrated Database management systems for of REDD+, and5 (five) activities at the sub-national level. The sub-national activities are: (1) Training of Trainers on Capacity Building for Local Institutions working on Forestry; (2) Developing (and up-dating) socio-economic and biophysical baseline data in five Districts; (3) Collection sub-national data to be integrated into the national MRV system, including the data from Demonstration Activities and REDD+ projects; (4) Strengthening Forest Management Units (FMUs) to support field-level REDD+ management and implementation; and (5) Strengthening capacity at the District level to provide data to the national MRV system.

The development of integrated database management of REDD+ needs to be continued as a current carbon-related database collected by different actors with different methodologies have not been integrated into a single database management system yet. This activity is the continuation of the activity supported by the existing readiness fund with the purpose to help the collection of various data metrics from different regions and different methodologies and managing them into such an integrated database management system. The activity will be continued to maintain updating information and periodic review of the demonstration activities for inputs of policy making process as well as data and information sharing among parties through website and printed publication.

6.4.1 Sub National Level

The training activity is conducted due to lack of capacity in local institutions' and in implementing REDD+ at a district level. The local institutions targeted by the training are those that are working in forestry-related area. The training activity may include multi-stakeholder consultations before the training is conducted and the provision of equipment to support the works of the local institutions. It is expected that there will be 10 local institutions

from different districts that can be trained as trainers for their members. It is expected that the outcome of the activity is strengthened local institutions.

The second activity is the development of socio-economic and biophysical baseline data in five districts. This activity is conducted because the lack of the data at the district level and, in some districts where the data is available, the data needs to be updated. The output of the activity is a database that can be used to support the implementation of REDD+ at a district level.

The third activity involves the collection of sub-national data metrics to be integrated into the national MRV system, including the data from demonstration activities and REDD+ projects. This activity is needed since the information from districts and demonstration activities has not been collected comprehensively and integrated into national system. This activity is expected to be able to link the data from districts into provincial and national MRV system. This activity may include hiring consultancies and providing training workshops.

Another activity in this focus area is strengthening the Forest Management Units (KPH) since the new institutional arrangements are not fully operational due to lack of capacity. This activity will conduct multi-stakeholder consultations, capacity building events, and equipment provision to improve the FMU capacities in implementing REDD+ in their localities. It is expected that there will be six FMUs whose capacities are strengthened.

The fifth activity conducted at the district level is strengthening district capacity in providing data for national MRV system. By conducting capacity building and workshops on how to provide more accurate data to be used by national MRV system, the capacity of the six districts will be improved in terms of providing carbon-related data.

Annex ? Proposed Overall Work Program Activities for FCPF (2015-2017)

Focus Area	Main Activities 2015-2017		Output	Justification					Main outcomes
	National	Sub-National		Activities	Budget (USD)			Total	
					2015	2016	2017		
Analytical Works		Identification of priority investment needed to reduce deforestation and forest degradation in 3 district (1)		Analytical study, Workshop, FGD	50.000	-	-	50.000	Low carbon investment and considering MP3EI
	Analysis of the role of the private sector (land-based industries) in reducing carbon emissions (2: 1-2)		Report, books, policy paper/policy brief, proceedings	Analytical study, Workshop, FGD	50.000	50.000	-	100.000	Guidance for private sector in reducing carbon emissions
	Abatement costs Analyisis of land-based climate change mitigation (2:1-2)		Report, books, policy paper/policy brief, proceedings	Analytical study, Workshop, FGD	50.000	500.000	-	550.000	The most efficient mitigation options
	Assement Towards MRV for Integrated land-based mitigation actions (2:1-2)		Report, books, policy paper/policy brief, proceedings	Analytical study, Workshop, FGD	50.000	60.000	-	110.000	Improved the accuracy of reduced emissions that have been MRV-ed
	Assement of technical, social political and financial readiness for REDD+ implementation at district level (2:1-2)		Report, books, policy paper/policy brief, proceedings	Analytical study, Workshop, FGD	60.000	60.000	-	120.000	Typology of the district readiness on REDD+ and strategy to implement REDD+
	Potential 'Leakage' in REDD+ financing (Benefit, Opportunity, Cost and Risk) (1)		Report, books, policy paper/policy brief, proceedings	Analytical study, Workshop, FGD	70.000	-	-	70.000	REDD+ financing mechanisms with minimum 'leakage'

Focus Area	Main Activities 2015-2017		Output	Justification					Main outcomes
	National	Sub-National		Activities	Budget (USD)			Total	
					2015	2016	2017		
Management of Readiness Process		Clarifying the rules for implementing REDD+ activities in the field, including compensation and benefit sharing mechanisms(2:1-2)	Increased clarity over the rules that apply to REDD+ activities in Indonesia is available to all stakeholders	Review, consultations, workshop	50.000	60.000	-	110.000	REDD+ is mainstreamed into the decentralized levels (Provinces and Districts)
	Promotion of consultations with private sector entities on REDD+ issues (2:1-2)		3 consultation with selected private sector groups organized	Workshops, consultations	30.000	30.000	-	60.000	Private sector engagement on REDD+ strengthened
		Strengthening sub-national **REDD+ Working Groups (5 districts)(3th)**	5 REDD+ Sub-National Working Groups created and operational	Multi-stakeholder consultations, capacity building, travel, office equipment and supplies	60.000	60.000	60.000	180.000	Working Groups are strengthened
		Developing Communication Strategy in 3 District that have linkage with provincial and national level (1)	Communication strategy	FGD, Workshops	70.000	-	-	70.000	The communication strategy is well-understood and there is a common understanding about REDD+ implementation
	Developing (validating) guidance of Conflict Resolution) (2), and Piloting ESMF (including but not limited to Grievance Redress Mechanism (GRM)) as		Guidance/Tool for Conflict Resolution and Report of the piloted mechanism	FGD, Workshops, Fieldwork	70.000	140.000	70.000	280.000	Guidance/Tool is used to reduce the number of conflicts, and the mechanism of GRM is adopted
		Local Land Governance and its influences to the effectiveness of REDD+ Implementation (3)	Policy paper	Review and field survey	60.000	60.000	60.000	180.000	Policy recommendation
		Participatory Planning for Benefit	Policy paper	Review and	-	50.000	50.000	100.000	Policy

Focus Area	Main Activities 2015-2017		Output	Justification					Main outcomes
	National	Sub-National		Activities	Budget (USD)			Total	
					2015	2016	2017		
		Sharing Options at Local Level (2:2-3)		FGD					recommendation
		Continuing **capacity building** on REDD+ across stakeholders in 3 districts (Candidates for Carbon Fund) (3)	Report	Workshops, capacity building	70.000	70.000	70.000	210.000	District capacity increased to manage carbon fund
		Development of District REDD+ Strategy (5 Districts)(3)	REDD+ Strategy at District Level	FGD, Public Communication	70.000	70.000	70.000	210.000	The strategy can be used as a guidance for implementing REDD+ at the district level
REL & MRV		Continuing development of PSPs to comply with 7 bio-regions developed by Pustanling (3)	PSPs are established	Developing and maintaining PSPs	200.000	90.000	90.000	380.000	Stock carbon in various forest types are collected
	Suppporting BP REDD+ in developing and implementing National REDD+ Registry (1:1)		National REDD+ Registry is developed	Study, Workshop	30.000	-	-	30.000	National REDD+ Registry is implemented
		Support facilitation on Formal REL determination at the District level (3)	REL is determined	FGD, Workshops	30.000	50.000	50.000	130.000	Emission reduction can be formally declared
	Supporting INCAS as a national carbon accounting system (3)		INCAS improved	FGD, Workshops, Site Visits	50.000	60.000	60.000	170.000	INCAS is proposed to be used at the national level
	Review and Support for National REDD+ Baseline (1:1)		Report	Study, FGD	30.000	-	-	30.000	Draft of National Baseline is accepted
Regional Data Collection and Capacity Building		Training of Trainers on Capacity Building for Local Institutions working on Forestry (3)	100 participants are trained	Multi-stakeholder consultations, capacity building, equipment	70.000	40.000	40.000	150.000	Local insitutions are strengthened
		Developing (up dating) socio-economic and Biophysical baseline data in 5 Districts (3)	Databases	Database development	50.000	60.000	60.000	170.000	The databases are used to implement REDD+

Focus Area	Main Activities 2015-2017		Output	Justification					Main outcomes
	National	Sub-National		Activities	Budget (USD)			Total	
					2015	2016	2017		
		Collection sub-national data to be integrated into the national MRV system, including the data from Demonstration Activities and REDD+ projects. (3)	Data from DAs are available to the national MRV system	Consultancy services, consultations, workshops	50.000	50.000	50.000	150.000	The data is available for public
		Strengthening **Forest Management Units** (FMUs) to support field-level REDD+ management and implementation (3)	6 KPHs will strengthen their capacity to promote REDD+	Multi-stakeholder consultations, capacity building, travel, office equipment and supplies	75.000	50.000	50.000	175.000	FMU can implement REDD+
		Strengthening capacity at the District level to provide data to the national MRV system (3)	Capacity on MRV of 6 selected District is strengthened	Capacity building, workshops	60.000	50.000	50.000	160.000	Accurate data is available to be used by national MRV system
	Integrated Database management of REDD+ (lessons and funding partner coordination including periodic review of DA's) and Dissemination of Information through website and printed publication ,		Database Management System (3) and web-based information and publications, and Data Protocol	Developing database management system, FGD, Equipment and website improvement and maintenance, and protocol developed	165.000	150.000	150.000	465.000	More detail Information on DA's and other Related REDD+ information are more accessible and transparent, and The protocol is used for intersectoral coordinating reference
Coordination					170.000,0000	210.000,0000	210.000,0000	590.000	
Total					1.790.000,000	2.020.000,000	1.190.000,0000	5.000.000,0000	

Annexes

FOREST CARBON PARTNERSHIP FACILITY (FCPF)
GRANT No. TF.99721-ID
10 Juni 2011 - 31 December 2013

Puspijak and Pustanling Consolidation

Sources of Funds :	Planned Cumulative to-Date
Sources of Funds :	
GOI	
The World Bank (IDR)	**27.838.389.796,00**
Total Sources of Funds (IDR)	**27.838.389.796,00**
Uses of Funds :	
Focus Area 1: Analytical Works	
1. Identifity Activities Within the country that result in reducing emision and increasing removal	1.603.698.099,00
2. Stakeholder coordination comprehensive mitigation action for REDD+	1.099.143.134,00
Total A	**2.702.841.233,00**
Focus Area 2: Management of readiness process	
3 Develop guidance for effective engagement of indegenous people and local communities	666.688.421,00
4 Training of trainers on carbon accounting and monitoring at central level	250.000.000,00
5 Dissemination of information throuh website and printed publication	801.077.578,00
6 Workshop to develop guidance for effective engagement of indigenous people and local communities	466.688.421,00
7 Workshop on MRV	500.000.000,00
8 Stakeholder analysis: Workhsop DA	536.321.050,00
9 Development of SESA	1.872.126.471,00
10 Stakeholder process to review existing regulatory framework and formulate an integrated REDD Regulation	249.252.000,00
11 Finalize National REDD WG--> direvisi mjd : Establishment of Information System of Safeguards	166.965.000,00
12 Capacity building of institution and stakeholders involved in the implementation of REDD activities : ToT on carbon accounting and monitoring (ground check and spatial data analysis) at sub-nat levels.	1.910.211.000,00

Sources of Funds :	Planned
	Cumulative to-Date
13 WS/dialogues on drivers of deforestation from a development perspective, land use and demands, demographic development	971.087.000,00
14 Consultation to identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks	1.211.256.000,00
15 Public consultation in Jakarta on institutional setting and legal framework	529.520.000,00
16 Public consultation to facilitate establishment of REDD WG at sub-national level	392.810.000,00
17 Outreach on management of data and lessons on readiness activities / DA	639.324.000,00
18 Management of data, lessons , and funding partner coordination, including periodic review of demonstration activities	989.633.000,00
19 Workshop PSP to discuss and strategy of future maintenance of PSP	1.388.500.000,00
Total B	13.541.459.941,00
Focus Area 3 : Reference Emission Level (REL) and Measurement Reporting and Verification (MRV)	
20 Development of a time series analysis of the primary social economic and policy aspects of land use change	1.235.394.800,00
21 Estabilishment of PSP	2.091.943.958,00
22 Development of Suistanable monitoring forest carbon application system	1.505.436.000,00
Total C	4.832.774.758,00
Focus Area 4: Regional Data Collection and Capacity Building	
23 Developing baseline data of socio economics and biophysics	311.467.346,00
24 Capacity building and studies to set up REDD+ framework at selected area (locatios : South Kal., West Papua, South Sul., Musi Rawas Distrit, South Sum., NAD)	2.427.282.000,00
25 Capacity Building and study to set up REDD+ Framework including developing socio economic and biophysical baseline data	1.000.000.000,00
Total D	3.738.749.346,00
Supportive Facilitaion Activities	3.022.564.518,00
Total E	3.022.564.518,00
Total Uses of Funds A+B+C+D+E	27.838.389.796,00

WORK PLANN FOREST CARBON PARTNERSHIP FACILITY (FCPF)

GRANT No. TF.99721-ID

10 June, 2011 - 31 December,2015

NO	Sources of Funds :		Cumulative to 2013		On Going	Planned	TOTAL (D)
			Planned	Actual (A)	PUSPIJAK ' 2014 (B)	PUSPIJAK 2015 (C)	= (A + B + C)
	Sources of Funds :						
	GOI						
	The World Bank		27.838.389.796	23.049.605.961	4.477.000.000	4.000.000.000	31.526.605.961
	Total Sources of Funds		27.838.389.796	23.049.605.961	.477.000.000	4.000.000.000	31.526.605.961
	Uses of Funds :						
	Focus Area 1: Analytical Works						
1	1.3	Identify Activities Within the country that result in reducing emission and increasing removal	1.603.698.099	770.564.544			770.564.544
2	1.4	Stakeholder coordination comprehensive mitigation action for REDD+	1.099.143.134	162.467.800			162.467.800

	Focus Area 2: Management of readiness process		-	-			-
3	2.1.1	Stakeholder process to review existing regulatory framework and formulate an integrated REDD Regulation	249.252.000	178.603.000			178.603.000
4	2.1.3	Develop guidance for effective engagement of indigenous people and local communities	666.688.421	72.100.000			72.100.000
5	2,2	Capacity building of institution and stakeholders involved in the implementation of REDD activities : ToT on carbon accounting and monitoring (ground check and spatial data analysis) at sub-national levels.	1.910.211.000	1.818.778.250			1.818.778.250
6	2.2.2	Training of trainers on carbon accounting and monitoring at central level	250.000.000	148.154.150			148.154.150
7	2.4.2	Dissemination of information through website and printed publication	801.077.578	844.284.400	577.550.000	850.000.000	2.271.834.400
8	2.4.3	Workshop to develop guidance for effective engagement of indigenous people and local communities	466.688.421	334.735.000			334.735.000
9	2.4.4	1. WS/dialogues on drivers of deforestation from a development perspective, land use and demands, demographic development	971.087.000	937.821.700			937.821.700

10	2.4.4	3. Consultation to identify activities within the country that result in reduced emissions and increased removals, and stabilization of forest carbon stocks	1.211.256.000	1.095.644.450			1.095.644.450
11	2.4.5	Public consultation in Jakarta on institutional setting and legal framework	529.520.000	478.514.500			478.514.500
12	2.4.6	Finalize National REDD WG : Establishment of Information System of Safeguards	166.965.000	166.901.000			166.901.000
13	2.4.6	Public consultation to facilitate establishment of REDD WG at sub-national level	392.810.000	383.458.000			383.458.000
14	2.4.7	Outreach on management of data and lessons on readiness activities / demonstration activities	639.324.000	590.713.800			590.713.800
15	2.4.9	Workshop PSP to discuss and strategy of future maintenance of PSP	1.388.500.000	1.278.987.900			1.278.987.900
16	2.4.10	Workshop on MRV	500.000.000	539.030.150			539.030.150
17	2.4.12	Stakeholder analysis: Workshop demonstration activities	536.321.050	100.637.600			100.637.600
18	2,5	Management of data, lessons , and funding partner coordination, including periodic review of demonstration activities	989.633.000	666.426.100			666.426.100

19	2,6	Development of SESA	1.872.126.471	1.342.847.000			1.342.847.000
		Developing of ESMF	-	-		750.000.000	750.000.000
		Integration FCPF Results	-	-		500.000.000	500.000.000
	Focus Area 3 : Reference Emission Level (REL) and Measurement Reporting and Verification (MRV)		-	-			-
20	3,2	Development of a time series analysis of the primary social economic and policy aspects of land use change	1.235.394.800	986.491.800			986.491.800
21	3,3	Establishment of PSP	2.091.943.958	1.935.348.699	123.000.000		2.058.348.699
22	3,3	Development of Sustainable monitoring forest carbon application system	1.505.436.000	1.494.252.800			1.494.252.800
23		The Proposal of REL Establishment at National Level Including The Methodology and The Data Set	-	-	266.950.000		266.950.000
24		Forest Carbon Monitoring Database to Support National Forest carbon Monitoring System (NFMS)	-	-	500.000.000	500.000.000	1.000.000.000
	Focus Area 4: Regional Data Collection and Capacity Building		-	-			-

25	4,1	1.Capacity building and studies to set up REDD+ framework at selected area (locations : South Kal., West Papua, South Sul., Musi Rawas Distrit, South Sum., NAD)	2.427.282.000	2.320.356.000			2.320.356.000
26		1.Capacity Building and study to set up REDD+ Framework including developing socio economic and biophysical baseline data	1.000.000.000	1.003.193.344			1.003.193.344
27		2.Developing baseline data of socio economics and biophysics	311.467.346	263.647.400			263.647.400
28		Review Of Effective and Efficient Funding Scheme (FREDDI, Trust Fund, FISCAL, etc) For REDD+ (Small Scale VS Large Scale)	-		200.000.000		200.000.000
29		Integration of The Results of FCPF Activity for The Document of Readiness Package	-		514.350.000		514.350.000
30		Improvement of Warsaw Framework Understanding for REDD+	-		150.000.000		150.000.000
31		Proposing The RSNI Greenhouse Inventory in Forestry Sector	-		201.000.000		201.000.000
32		**Supportive Facilitation Activities**	3.022.564.518	3.135.646.574	1.944.150.000	1.400.000.000	6.479.796.574
		Total	**27.838.389.796**	**23.049.605.961**	**4.477.000.000**	**4.000.000.000**	**31.526.605.961**

Participants

The First Multi Stakeholders Meeting on Current Status Of REDD+

Hotel Santika, 24th of May 2013

No	Nama	Instansi
1	Irena A	East Java Provincial Forestry Service
2	Delon M	The Nature Conservancy
3	Sutedja	Bureau of Planning, Secretariat General Ministry of Forestry
4	Deden Djaenudin	Researcher, Center for Climate Change and Policy Research and Development
5	Niken S	Researcher, Center for Climate Change and Policy Research and Development
6	Subarudi	Researcher, Center for Climate Change and Policy Research and Development
7	I Wayan S. Dharmawan	Researcher, Center For Conservation and Rehabilitation Research and Development
8	RetnoMaryani	Researcher, Center for Climate Change and Policy Research and Development
9	EvinaUtami	Interpreter/ Aksanisari
10	Ruth Alicia	Interpreter/ Aksanisari
11	Bayu NS	Interpreter/ Aksanisari
12	Yhuda L	Interpreter/ Aksanisari
13	Fentie S	Researcher, Center for Climate Change and Policy Research and Development
14	SulistyaEkawati	Researcher, Center for Climate Change and

No	Nama	Instansi
		Policy Research and Development
15	AgusKastanya	University of Pattimura, Ambon, Maluku
16	ZulfikarMardiyadi	State University of Papua
17	Mubariq Ahmad	WB ISD
18	RuswinRustam	West Sumatera Provincial Forestry Service
19	Rainal Daus	West Sumatera REDD+ Working Group
20	Diki Kurniawan	KKI-WARSI
21	Emile Jurgens	World Bank
22	Tony Diogo	USAID
23	Azis Khan	WB
24	Sidik M.S	Sumitomo
25	Virni Budi A	Researcher, Center for Climate Change and Policy Research and Development
26	Eddy Sudirman	The Association of Indonesia Forest Concession Holders
27	BambangNoer	The Association of Indonesia Forest Concession Holders
28	Anton E.S	Directorate of Utilization of Environmental Services and Protected Forest
29	Abdul Hakim	West Nusa Tenggara Provincial Forestry Service
30	Haruni K	Researcher, Center For Conservation and Rehabilitation Research and Development
31	Mega Lugina	Researcher, Center for Climate Change and Policy Research and Development
32	Joyce Pathoora	North Sulawesi Provincial Forestry service

No	Nama	Instansi
33	Werner Kornexl	World Bank
34	Novia Widyaningtyas	Center of Standardization and Environment, Ministry of Forestry
35	Zulfikhar	South Sumatera Provincial Forestry Service
36	AndiPramaria	West Nusa Tenggara Provincial Forestry Service
37	Herti WR	Center for Forestry Regional Planning II
38	Igap Trisnajaya	ICEL
39	Guntur C Prabowo	World Bank
40	YettiRusli	Senior Advisor, Ministry of Forestry
41	Arief M	Indonesian Wood Panel Association (APKINDo)
42	SinggihRiphat	Ministry of Finance
43	Sri Lestari I	Directorate General of Forest Protection and Nature Conservation
44	M. Ridwan	CER Indonesia
45	Ronny Loppies	Maluku REDD+ working Group
46	Mira Lee	Korean Embassy
47	Sulistyo A. Siran	IAFCP
48	Ruandhaa S	Directorate General of Forestry Planning , Ministry of Forestry
49	Khaerul	State Owned Forestry Enterprise
50	CRM H Purnamasari	Perhutani
51	AlpiusPatanan	Central Kalimantan Provincial forestry service
52	Fajar Tri Y	State Owned Forestry Enterprise
53	EnikEkoWati	Secretariat of Forda
54	Sehu Lee	Korean Embassy

No	Nama	Instansi
55	Nyoman Y	Center for Forestry Regional Planning III
56	GalihKartikasari	Center for Climate Change and Policy Research and Development
57	M. Rayan	Forclime
58	NurMasripatin	Center of Standardization and Environment, Ministry of Forestry
59	Kirsfianti L. Ginoga	Center for Climate Change and Policy Research and Development
60	Doddy S	National Council on Climate Change
61	Achymad P	Center for Climate Change and Policy Research and Development
62	Alfiddin	Center for Climate Change and Policy Research and Development
63	Radian Bagiono	Center of Standardization and Environment, Ministry of Forestry
64	YudhaListya	Interpreter/ Aksanisari
65	Windsol	Center of Standardization and Environment, Ministry of Forestry
66	Haryo P	Center of Standardization and Environment, Ministry of Forestry
67	Wahyuning Hanurawati	Center for Climate Change and Policy Research and Development
68	UlfahZulFarisa	National Council on Climate Change
69	E. AgusMahdar	Center for Climate Change and Policy Research and Development
70	Untung F	Center for Climate Change and Policy Research

No	Nama	Instansi
		and Development
71	M. Farid	National Council on Climate Change
72	Jonny Holbert P	Center for Climate Change and Policy Research and Development
73	M. Miftahyudin	Center for Climate Change and Policy Research and Development
74	Bambang	Center For Conservation and Rehabilitation Research and Development
75	Raha	Secretariat FORDA
76	ImanSantoso	DG FORDA
77	Suratman	FCPF
78	Epon S	FCPF
79	Ratih	Ministry of Forestry
80	Ellis R	Center for Climate Change and Policy Research and Development
81	Tri Pujiastuti A	FCPF
82	IsmayadiSamsudien	Researcher, Center for Climate Change and Policy Research and Development
83	A. Syaffari	Center for Forest Productivity Improvement Research and Development
84	Mira Yulianti	Center for Forest Productivity Improvement Research and Development
85	Yanyan	Center for Forest Productivity Improvement Research and Development
86	Budi Rustam	Center for Forest Productivity Improvement Research and Development
87	WiwiNurhayati	Center for Forest Productivity Improvement

No	Nama	Instansi
		Research and Development
88	AriePrasetyowati	Center for Forest Productivity Improvement Research and Development
89	Dana A	Secretariat of Forda
90	YoyokSigit	Center for Climate Change and Policy Research and Development
91	Reni	Ministry of Forestry
92	RM. Mulyadin	Center for Climate Change and Policy Research and Development
93	Kuncoro A	Researcher, Center for Climate Change and Policy Research and Development
94	YuliRahmawati	Center for Climate Change and Policy Research and Development
95	Ace Rochbani	Secretariat of Forda
96	Daryadi	Ministry of Forestry
97	Krisno DR	Researcher, Center for Climate Change and Policy Research and Development
98	Leni W	Center for Climate Change and Policy Research and Development
99	Tufi A	Center for Climate Change and Policy Research and Development
100	AgusPurwanto	Center for Climate Change and Policy Research and Development

RESULTS FROM FOCUS GROUP DISCUSSIONS

Group "Governance"

REDD+ READINESS RELATED TO GOVERNANCE

Facilitator: Dr. Azis Khan

Participants:

- Mubariq Ahmad (WB)
- Abdul Hakim (NTB)
- Lee Mira (Korea Embassy)
- Sutedja (FORCLAIM)
- Ridwan (CER)
- Werner Kornexl
- I NyomanYuliarsa (PUSDAL)
- Sehu Lee

Minute-takers

- Eka Sulistyawati
- Niken sakutnaladewi

KEY POINTS FROM FGD

A. PROGRESS

- The Taskforce developed National Strategies, REDD+ National Action Plan, and provincial strategies and action plans (7 of 11 priority provinces).
- This activity involved various stakeholders from the National Government, Provincial Governments, District Governments, NGOs, Universities and Communities.
- Outreach and communication took place to achieve transparency through: websites, printed media, workshops, training, and other modes of socialization.
- Capacity building was provided through syllabus production, training (MRV, REL)
- Policy interventions were made through discussions, promoting the production of Governor Regulations (e.g. in Maluku)
- Upon its entry into the Ministry of Forestry (MOFr), the FCPF program has helped narrow gaps between the National Government and Local Governments, and supported MOFr's major programs.
- FCPF has increased capacity at all levels despite some differences of understanding among stakeholders about REDD+
- Overall, FCPF has benefited cooperation between stakeholders at various levels.

B. ISSUES/GAPS

- Technical terms in REDD+ are little understood.
- The National Government, Local Governments, NGOs and communities have different perceptions about REDD.
- No award has been provided by the national government for local activities in reducing emissions from forest degradation.
- No clear regulations have been issued on benefit sharing (on what it is based) particularly related to rights-based compensation for 'carbon credit'.
- There have been gaps in REDD+ implementation at the local level because REDD+ is related to technical issues while BAPPEDA plays a coordinating role.
- Many DA licensing problems have been encountered. More DA activities have been carried out in conservation areas.
- There has been a conflict between the Ministry of Finance (MOF) and MOFr over budgeting mechanisms already addressed at the national level but not addressed yet at the local level. Local KPPN offices follow up regulations from both ministries in a different way.
- There have been inefficient and inconsistent procedures for licensing because there are some licenses for a forest area (Community Forestry License, Carbon License).
- Carbon utilization has been expensive for administration, which is difficult to apply on a community scale.
- Community engagement in REDD+ implementation in the field has been uncertain. How REDD+ is implemented in the field has been unclear (it has not been clear who applies for it, who implements it, who initiates it, and what rules of the game they use)
- Local REDD+ implementation has been dependent heavily on external funds because governments seem to have a weak financial commitment. This condition will threaten the sustainability of REDD+ activities (e.g. PSP).
- There have been difficulties with technical implementation due to changing standards.

C. SUGGESTIONS (FURTHER CONTRIBUTIONS FROM FCPF)

- MOFr should remain to act as lead-agency in implementing FCPF activities.
- Activities should be rearranged to address major issues (corruption, KPH, boundaries, RAN GRK support, promotion of private sector engagement, licensing) and policy works, particularly to prepare enabling and debottlenecking conditions, e.g. addressing MOFr's over-regulation related to licensing.
- Related to the above rearrangement, it is necessary to explore the possibility of revising the rules of the game among components under the executing agencies (Puspijak, Pustanling, DKN, WB).
- FCPF should ensure that REDD+ issues are addressed by local technical institutions rather than by the planning agency (BAPPEDA). This is because the local planning coordination is not functioning well.
- Improve local stakeholders' capability of reducing gaps in understanding REDD.

- Provide outreach to counselors using easy-to-understand language. Then, they should provide outreach to the community.
- Because some local stakeholders are not accustomed to the electronic media (website, email, etc.), information should be disseminated through the print media.
- Strengthen the mechanism for REDD+ compensation because MOFr has not formulated the most suitable compensation scheme. This activity may be carried out through a collaboration among MOF, the Taskforce and MOFr.
- A specific mechanism should be developed for engaging communities in implementing REDD+ in the field.
- The Government should allocate a budget to support sustainable REDD+ activities at the local level. In the future, FCPF should discuss its sustainable activities at the local level (e.g. PSP).
- Compatible and up-to-date standards should be developed in coordination with the National Standardization Agency(BSN).

Group "Preparing Provincial and District REDD+ Strategies"

Facilitator:

Andi Pramaria

Participants:

1. Irena A. (East Java Forestry Office)
2. Joice (North Sulawesi Forestry Office)
3. Fenti S. (Puspijak)
4. Alpius (Central Kalimantan Forestry Office)
5. HeriWinastuti (Pusdal 2)
6. Enik E. (SetbadanLitbang)
7. ReydinalFirdaus (Warsi/West Sumatra REDD Taskforce)

Prerequisites for discussion:

1. Giving up personal attributes (occupation, etc.)
2. Balanced and objective discussion

Indicative Questions

1. How ready are regions to implement REDD?
2. What contribution can FCPF make?

3. What are the challenges?

4. ...

Introduction by Moderator / PakAndi

1. *Opportunities in regions to be used in preparing REDD+ implementation (including policies and regulations)*

   a. Central Kalimantan

   Central Kalimantan has made significant preparations such as Regional Strategies (Strada) for REDD+ (SRAP and RAD). Necessary documents have been prepared.

   b. West Sumatra

   West Sumatra (Sumbar) has had SRAP and RAD.

   c. East Java

   RAD-GRK has been produced, many people's forests have been certified and Perhutani's state forests have also been certified.

   d. North Sulawesi

   North Sulawesi has also had RAD and SRAP

2. *Local REDD+ Strategies:*

   A. West Sumatra (strategies in SRAP)

   a. Provincial institutionstake the form of organization and norms (rules, regulations and policies).

   b. Forest management is community-based meaning that the forest management considers the community's interests/needs.

   c. Spatial planning aims to make areas spatially clear and definite.

   d. Improve the criteria and standards for sustainable forest management.

   e. Develop a partnership scheme in natural resources management between the private sector and communities.

   B. Central Kalimantan

   f. Strengthen the KPH institutionto operate on at the site level.

   g. Include local wisdom (indigenous rules) in local policies

3. Reality of local implementation of REDD+ strategies:

   A. Institution

   a. In West Sumatra, institution is established as the fifth strategy because the other four strategies do not do this. The Forestry Office was not able

to implement the four strategies. Finally, a working group (Pokja) under the governor (of West Sumatra) was set up.

b. Central Kalimantan has an REDD+ Regional Commission (Komda) under the Governor. It more plays a coordinating role and is not much effective.

c. Pokja serves as a coordinating forum rather than an executor who makes recommendations and motivates local stakeholders (Moderator and East Java)

d. Some regions such as East Kalimantan, Papua, South Sumatra, Riau, and Jambi have set up REDD+ Pokja. Other regions do not have such REDD+ Pokja because they apparently do not give facilitation.

B. PHBM

a. Community Based Forest Management (PHBM) in East Java and North Sulawesi Provinces has been in place but not for REDD+ reasons (just to keep routines).

b. REDD+ is not a new activity, but it is more a political commitment of the state.

C. KPH

a. Strengthening Forest Management Units (KPH) is a must because they ensure that state forest areas will be managed. Unmanaged forest areas may lead to land encroachment.

b. The KPH institution is now just a model due to problems with HR, funding/budgeting and infrastructure

D. RKTP

   a. ....

E. Sustainable Forest Management (PHL)

   a. Sustainable forest management has been in place for forest areas, village forests (West Sumatra), community forest, people's forests (East Java) and village forests and industrial timber plantations (HTI).

F. Partnership

   a. In East Java, partnership between people's forests and industries has been in place

G. Local Wisdom

   a. In some areas, local wisdom related to forest management is underway such as in West Sumatra, NTB and Central Kalimantan

Group "Preparation of Provincial and District REDD+ Strategies"

Strategies	Preferable	Problems/Gaps	FCPF's Contributions
REDD+ Institution	POKJA/KOMDA exists in each Province	Not all regions have REDD+ Working Groups (Pokja) because no legal umbrella requires them to establish Pokja	Facilitate the establishment of an institution that includes strengthening local REDD+ organization, norms and institutional capacity
Community Based Forest Management	Operational with a license	Weak commitment (National and Subnational Governments)	-
Spatial allocation to development	RKTP serves as a reference	RKTP is being developed and thus cannot be used for reference	-
Sustainable Forest Management	Should be supported by a certificate from a certification agency	Obtaining a certificate is a long and expensive process	Facilitate certification of Sustainable Forest Management
Partnership	Should take place as permanent, mutually profitable and equal cooperation based on a commitment	Institution at the community level should be strengthened The government should play an improved role in supervision and guidance	-
Forest Management Units	Should meet the prerequisites: - Establishment of working areas, - Organization and - Management plan to make them operational	Poor quality and quantity of HR Insufficient infrastructure (all REDD schemes should be integrated into KPH)	Strengthen KPH institution capacity
Local Wisdom	Protected by the government	Some local wisdom has not been protected yet.	-

Group C – Reference emissions levels and MRV

No	Indicative questions	*Scope of Discussion*
1.	A need to have a leading institution to establish reference emission levels (RELs)	Bappenas→Perpres 61/2011; KLH → National Focal Point; DNPI An existing agency should be used for greater effectiveness.
2.	How will REL/RL methods be demonstrated and documented?	Approach/methodology: - RELs have been developed by the Ministry of Environment/KLH (SNC), REDD+ Taskforce, RAN GRK, RAD GRK. - A bottom-up approach is preferable to establish an REL. - The national level provides data, SOP, and guidance to develop RELs at the subnational level. - It is agreed that the method adopted comes from RAD GRK using 80% of historical methods to establish RELs. - Forward-looking methods are used by Papua, West Papua, East Kalimantan and South Sumatra -
		Use of historical data and supporting data: - The national data source is Ditjenplan. More detailed data is needed at the subnational level - Subnational problem: PSP data from BPKH cannot be used by Local Governments→Subnational forest inventory is necessary to support national REL establishment. - Provinces should be able to take forest inventory because Sub-Agency for Forest Investigation and Mapping (Sub-BIPHUT) is delegated to Provinces. - Regulation of the Forestry Minister (Permenhut) No. P67/2006 on Forest Inventory and Government Regulation (PP) No. 44/2004 on Forest

		Planning→describe forest planning and inventory hierarchically (national, provincial, district)
		- Plots from Ditjenplan can be increased for subnational benefits
		- Supporting data is customized to fit the method to be used in developing RELs
		- Peatland data comes from BBSDLP (Ministry of Forestry) →not peat data for moratorium
		Credibility:
		- RELsfrom MOFr, SNC, RAN GRK, and SRAP have the same source but use different assumptions.
		- Consolidation was done with all stakeholders in May2013
		Transparency:
		- All NFMS data on the website was communicated by UKP4
2.	How will the forest monitoring system be implemented?	Methodology:
		- Vertical integration between forest inventory methods at the national, regional, watershed and management unit levels.
		HR Capacity:
		- It varies at the national and subnational levels
		- Capacity building is needed in some regions
		Stakeholders' Participation:
		- More feedback should be provided by various elements that support NFMS
		- More feedback should be provided for system improvement and data updating
		Transparency in data sharing:
		- NFMS is open to updating

		- Regions may provide input to rectify NFMS data.
		- Satellite imagery data is accessible to regions free of charges.
3.	What are the challenges?	- Problem: It is difficult to obtain funds for forest inventory→Stronger regulations are needed to force local governments to take forest inventory in their regions.
		- Capacity building is needed in some regions in calculating an REL.
		- No leading agency has been authorized to establish RELs in all sectors.
4.	What contribution can FCPF make?	- FCPF can support funding for facilitation:
		1. Integration of forest inventory methods at the national, regional, watershed and management unit levels.
		2. REL synergy process from subnational to national level.

Group "Funding and Benefit Distribution"

Funding Sources

1. Government Fund
2. Multilteral
3. Bilateral
4. Private
5. New Market Mechanism
6. Other Windows

General issues

- Overlapping funding for REDD+
- Institutional authority over funding
- Lack of transparency on data and information →used for reference by donors to make investments
- Gaps in information on funds

- *Sources*
- *Target locations for implementation*
- *Amount of fund needed for implementation*

Alternative Funding:Multilateral and Bilateral

No	Mechanism	Appli-cability	Transparency	Coordination	Distribu-tion	Owner-ship	Goal achievement	Total
1.	On -On	1	3	3	1	3	3	14
2.	On – Off	2	2	2	1	3	1	11
3.	Off - Off	3	2	1	3	3	3	13
4.	Other options?							

Alternative Funding: Domestic-government fund

No	Mechanism	Applicability	Transparency	Coordination	Distribu-tion	Ownership (G)	Goal achieve-ment	Total
1.	On -On	1	3	3	1	3		14
2.	On – Off	3	1	2	3	3		14

Alternative Funding: Private fund

The private sector may take part in REDD+ on condition that there is an incentive as compensation ("facilities") in the form of tax cuts or other facilities

Technical Problems

- Funding mechanisms (ON – ON; ON – OFF; OFF - OFF)

- Clear incentives for the private sector: such as private "cost" to obtain a sustainable forest product (PHPL) certificate

- Fund administrators (e.g. trust fund)

- Absence of real initiatives (real models) related to achieving the targeted 26% emission reduction through REDD+ of their own accord

- Absence of private markets to reduce emissions →the government should give an incentive during the absence of such markets→the government should pioneer such markets

- Private fund (national approach – subnational implementation through a national one-door mechanism) →leading to *double costs*

  - Private fund is easy to come into the center but difficult to go out for REDD+ use (DR experience)

Legal problems

- A legal framework has been in place for implementing climate change programs including REDD+ and should facilitate the legality of funding

- Funding:

  - On budget – on treasury (on-on): complicated bureaucracy

  - On – off: extra charges for supervision

  - Off – off (e.g. the Borneo Initiative): with government intervention (supervision) →consequently, extra charges

- Gaps in funding policy (e.g. dealing with overlapping funding)

Benefit Distribution

    FUNDING SCHEMES:

    Fiscal Transfer

    Market based

    Trust fund

    FREDDI

    RIM

Benefit Distribution

- Funds collected at the national level are distributed to the subnational level

- It is necessary to set aside funds for investment preparation (carbon credit) incl. MRV →for the account of the government

- The private sector receives compensation or incentive ("facility") to carry out their business operations on sustainable (PHL) principles.

- Basis for benefit distribution: Proportionality in distribution based on reduced emissions

- For the governments (national and subnational), benefit distribution will be set out separately by relevant ministries

- Compliance market → tenurial issue

Benefit Distribution Problems

Legal umbrella

Bureaucratic efficiency

High intensity of supervision tends to inhibit project implementation

Recommendations

1. Prepare a policy matrix on REDD+ funding to fill the policy gaps identified above

2. The application of an ON BUDGET- ON TREASURY mechanism requires a further study at the operational level

3. There should be proportional incentives and responsibilities based on reduced emissions by provinces, districts and proponents as the basis for preparing an incentive distribution mechanism.