Emission Reduction Program in Indonesia:

A District-wide Approach to REDD+

Agus Sari
Chair, Working Group on Funding Instruments
Presidential Task Force on REDD+

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WWF-Indonesia

This is a draft presentation to solicit feedback from the FCPF Carbon Fund participants. The figures presented here are not final, not have they been endorsed by the Government of Indonesia. Most of the information here is only indicative and should not be quoted.

Outline and Goals of the Presentation

Outline:

- REDD+ Readiness in Indonesia – current status
- Background and Rationale of the approach
- National Framework for the Program
- District-Wide REDD+ Programs
- Berau and Kutai Barat in East Kalimantan
- Expected Emissions Reductions from the Program

Goals of this presentation:

- Request early feedback from the FCPF Carbon Fund participants on the proposed approach
- Ensure alignment with emerging FCPF methodological framework
- Start a dialogue with the FCPF Carbon Fund

National Commitment

Reduction of emissions of greenhouse gases by

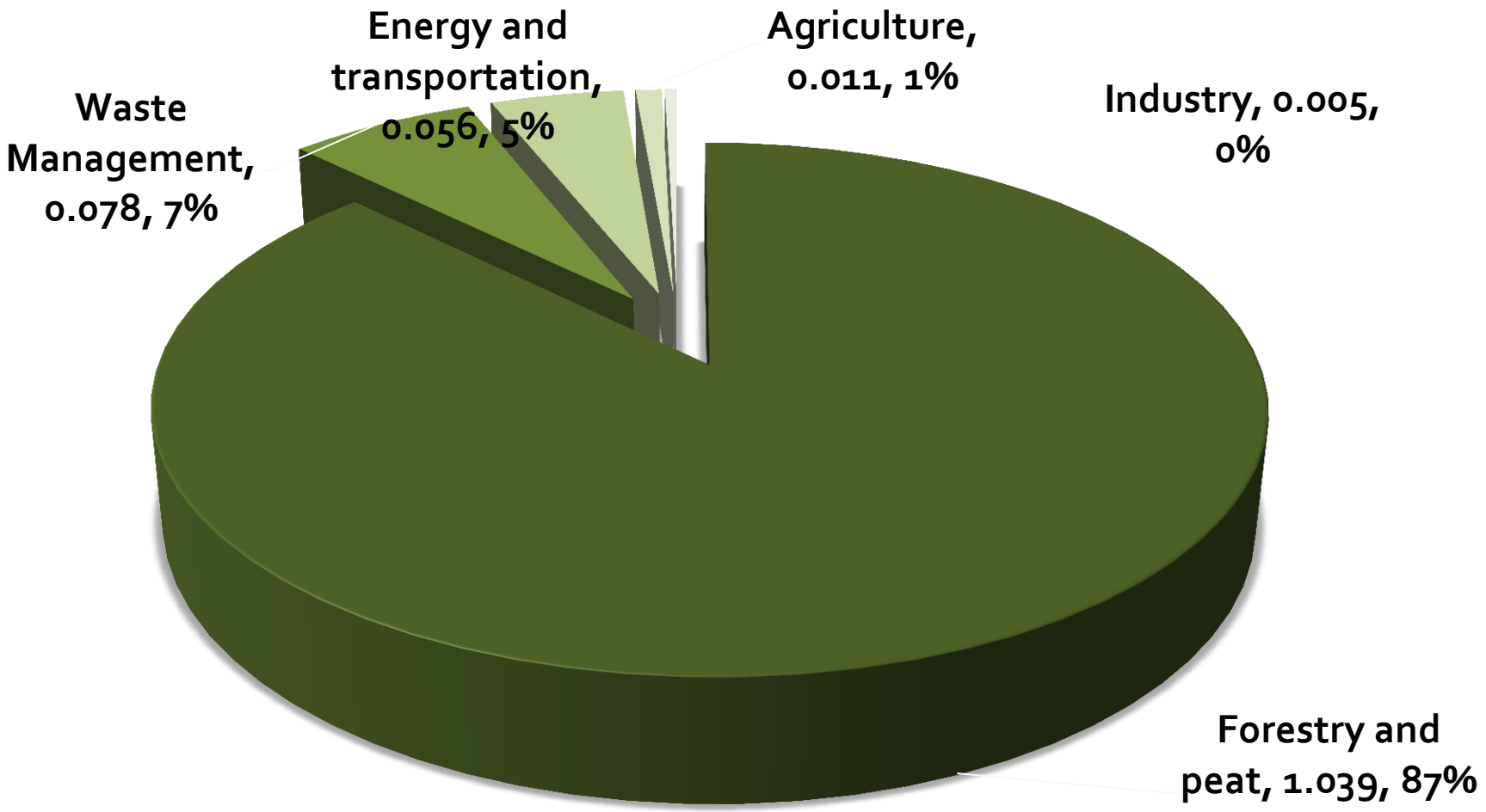
26 – 41 percent

and

Continue to grow the economy by

7 percent

Forestry and peat dominate emission reduction targets



In gigatons (gt, billion tons), and in percentage

REDD+ in Indonesia

- The President's annoucement.
- LOI with Norway.
- Establishment of the REDD+ Task Force.
- National REDD+ Strategy
- Design and Construction of the institutional infrastructures:
  - REDD+ Agency at the Ministerial level.
  - MRV instruments.
  - Funding instruments.
- Moratorium for 2 years, extended recently for 2 more years.
- One Map Movement.
- Provincial REDD+ Strategy and Action Plan.
- Regulatory advancements, including indigenous tenurial rights.
- Design of FREDDI
  - Structural design.
  - Accreditation.
  - Business Plan.
  - Pipeline.
  - Benefit Sharing
- PRISAI, the Safeguard Protocol.
  - Links with SIS and SESA.
- MRV, RL/REL, Registry.
- Demonstration activities.

Challenges to move forward

- Strengthen **law enforcement** and government capacity on the ground, including through deployment of KPHs
- Continue to strengthen de facto **recognition of local communities rights** and further promote community management of forests
- Establishment and operationalization of the **REDD+ Agency:** expected to clarify overall institutional framework for REDD+
- Agreement on a **pipeline** of initiatives to be supported by FREDDI
- Clarify **benefit sharing** rules for REDD+ activities
- **MRV system** and REL to be fully developed, including at decentralized level (Provinces and Districts)

A District-Wide Approach to REDD+ in Indonesia

Objective

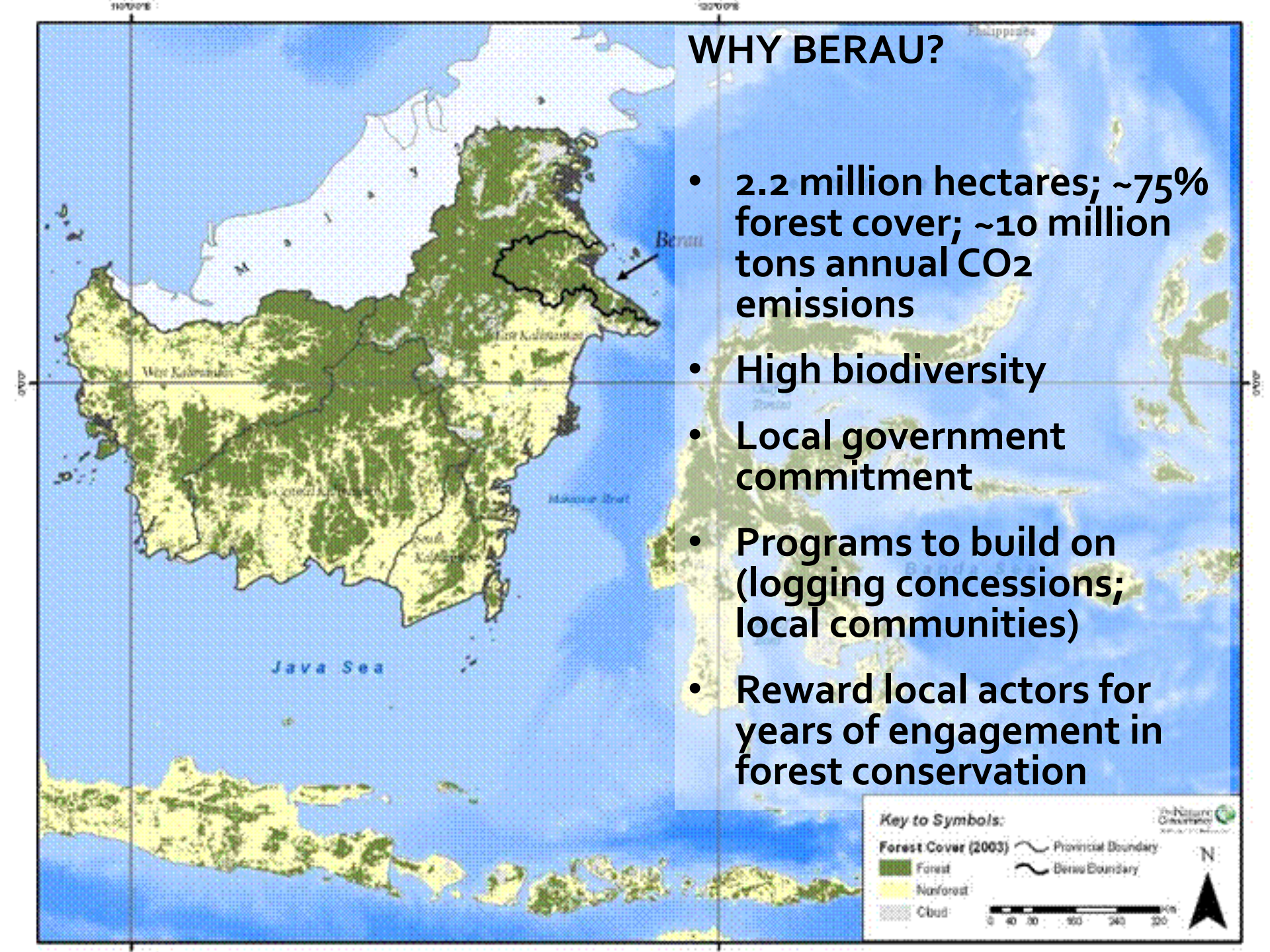
- Contribute to Indonesia's GHG emissions reductions targets by rewarding those Districts (*Kabupaten*) with potential to be expanded into provincial level that demonstrate leadership in achieving REDD+ goals

Instrument

- In the short-term, invest in Districts that demonstrate commitment to the REDD+ agenda through several instruments (Local budget/APBD, FREDDI, GEF, FCPF Readiness, FIP, etc.);
- In the medium-term, promote performance-based payments against emissions reductions

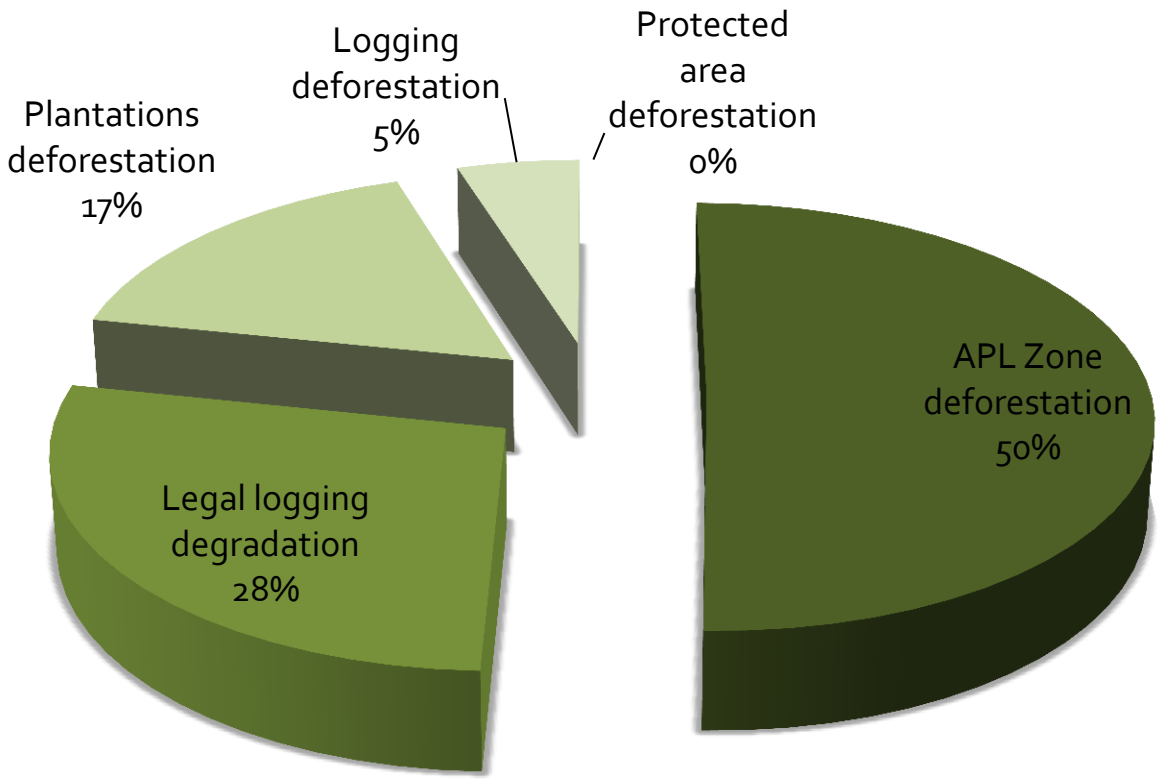
How would it work?

- Jurisdictional approach (provincial and district) a part of REDD+ National Strategy
- A **National Framework** is developed to set minimum criteria to select Districts, technical and methodological guidance and a financing mechanism to fund the District-wide Programs.
- **District-wide Programs** address drivers of deforestation and forest degradation through *policy interventions* and *multi-sectoral investments* across the landscape working with a broad set of stakeholders. District Coordinating Entity in charge of implementing its REDD+ Strategy (policies & investments)

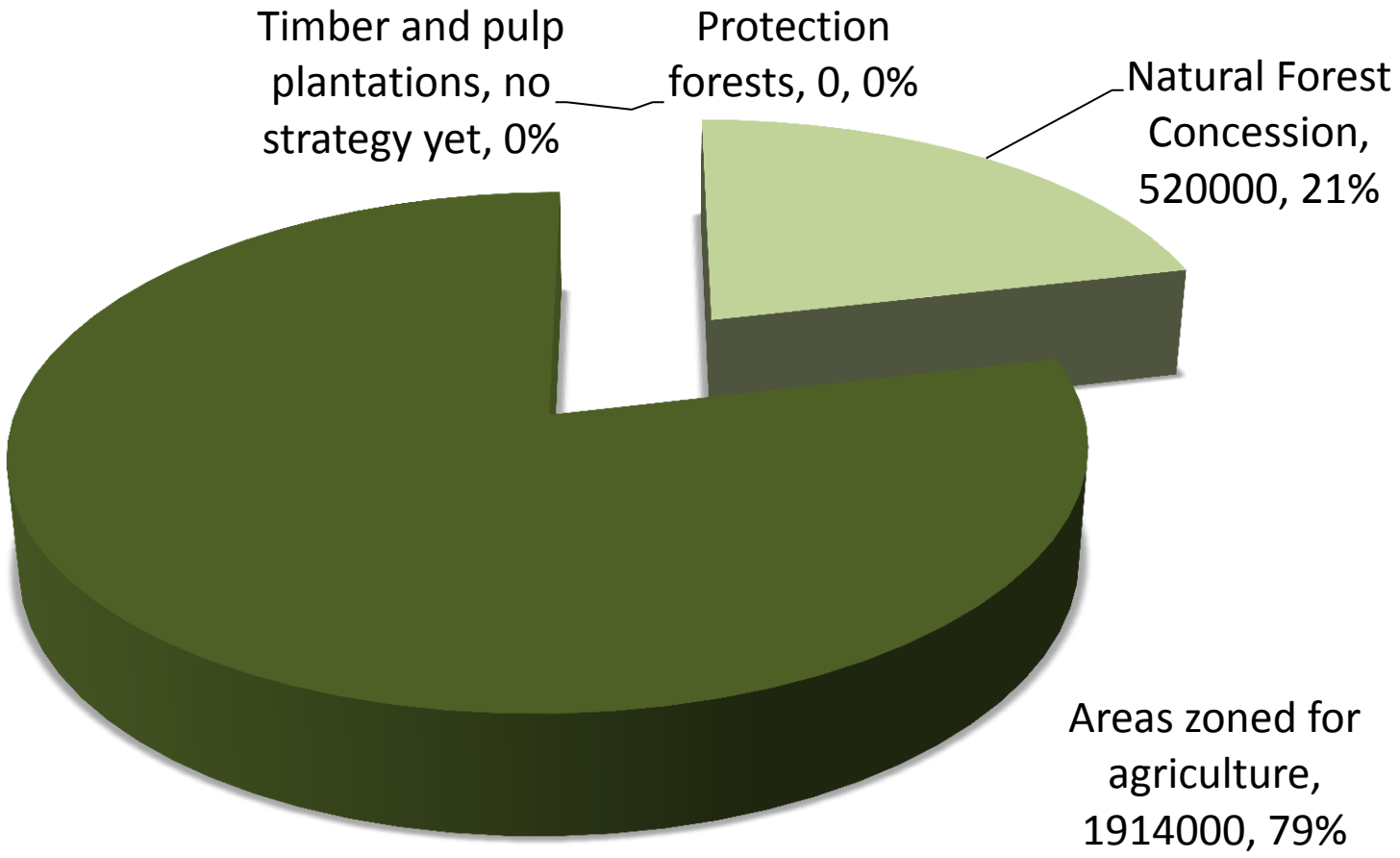

WHY BERAU?
• 2.2 million hectares; ~75% forest cover; ~10 million tons annual CO2 emissions
• High biodiversity
• Local government commitment
• Programs to build on (logging concessions; local communities)
• Reward local actors for years of engagement in forest conservation
Berau
Java Sea
Key to Symbols:
Forest Cover (2003)
Forest
Nonforest
Cloud
Provincial Boundary
Berau Boundary
N

Diverse drivers of forest loss

- Pattern of forest loss mostly aligned with legal conversion of forests and legal logging
- 51% of emissions from deforestation in area planned for conversion
- 28% of emissions from legal logging in natural forest concessions
- 17% of emissions from deforestation in timber plantation licenses



Estimates of yearly emission reductions: 2,424,000 tons



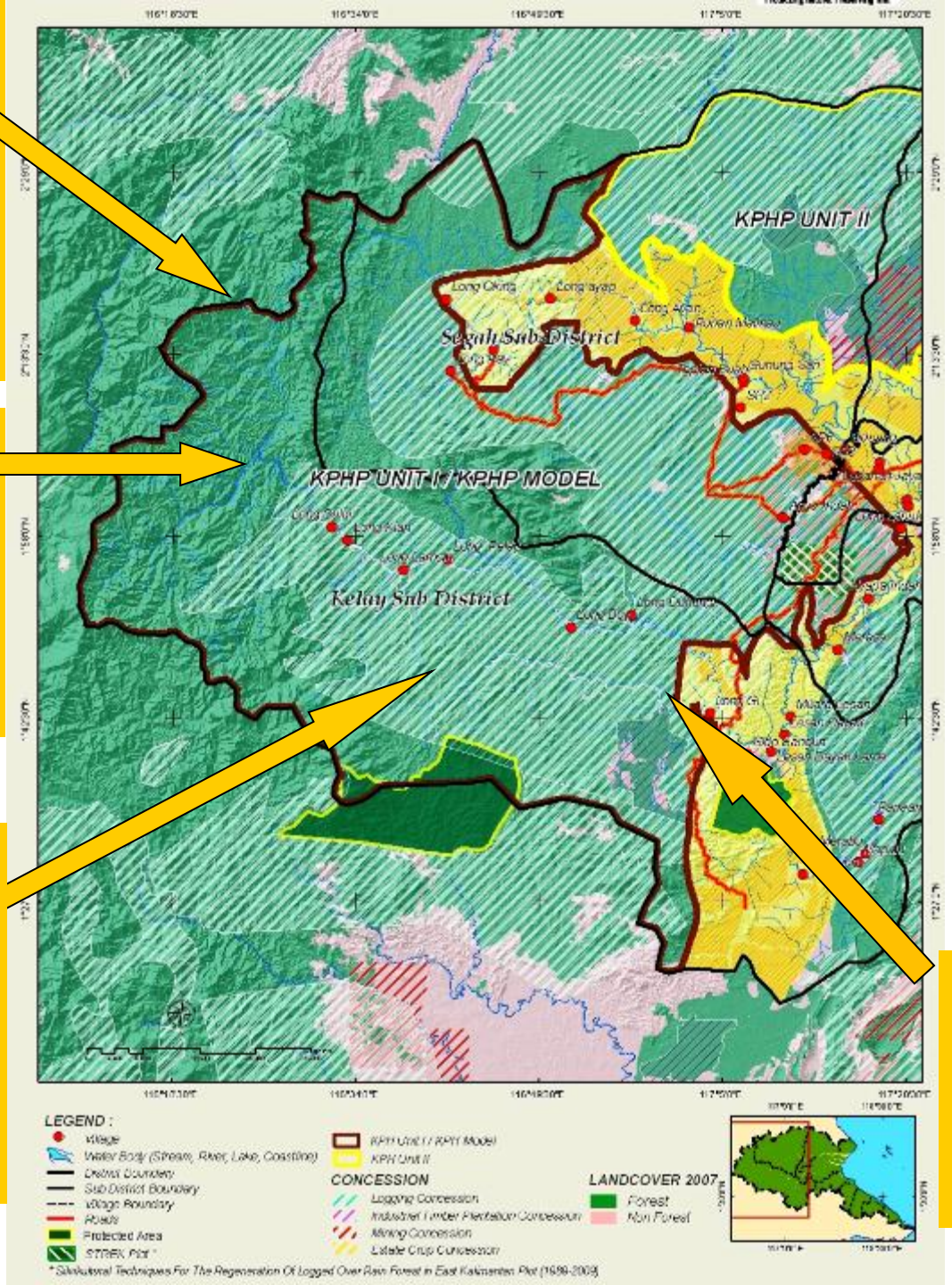
Estimate of emission reduction potential in Berau

Area	Area deforested/ logged (ha/yr)	Area forest regrowth (ha/yr)	Net emissions (Tons CO2/yr)	Strategy	Yearly Potential Emission Reduction
Natural forest concessions	12,079	4,742	2,940,000	Reduced Impact Logging; collaborative mgt w/ communities (build to 30% reduction over 5 years)	520,000
Areas zoned for agriculture	7,144	2,149	4,430,000	Improved siting of oil palm licenses; protection of forested areas for community management, hydrological value, carbon (target: 14,000 ha reduction in conversion for plantations)	1,904,000
Protection forests	42	525	-50,000	Improved enforcement; community management	Minimal
Timber and pulp plantations	2,861	3,381	1,420,000	(no strategy yet)	
Total	22,126	10,797	8,750,000		2,424,000

Forest Management Unit pilot of institution for managing large areas within the forest estate.

Protection forest: developing models of effective management

Logging concessions: legality verification; SFM certification; RIL-Carbon



Linkage to National Programs: Berau program is supporting various national-level forest-sector reforms, many of which are linked together by a 775,000 hectare Forest Management Unit pilot

Communities: Village Forest licenses land tenure clarification

Strategies for Community Engagements

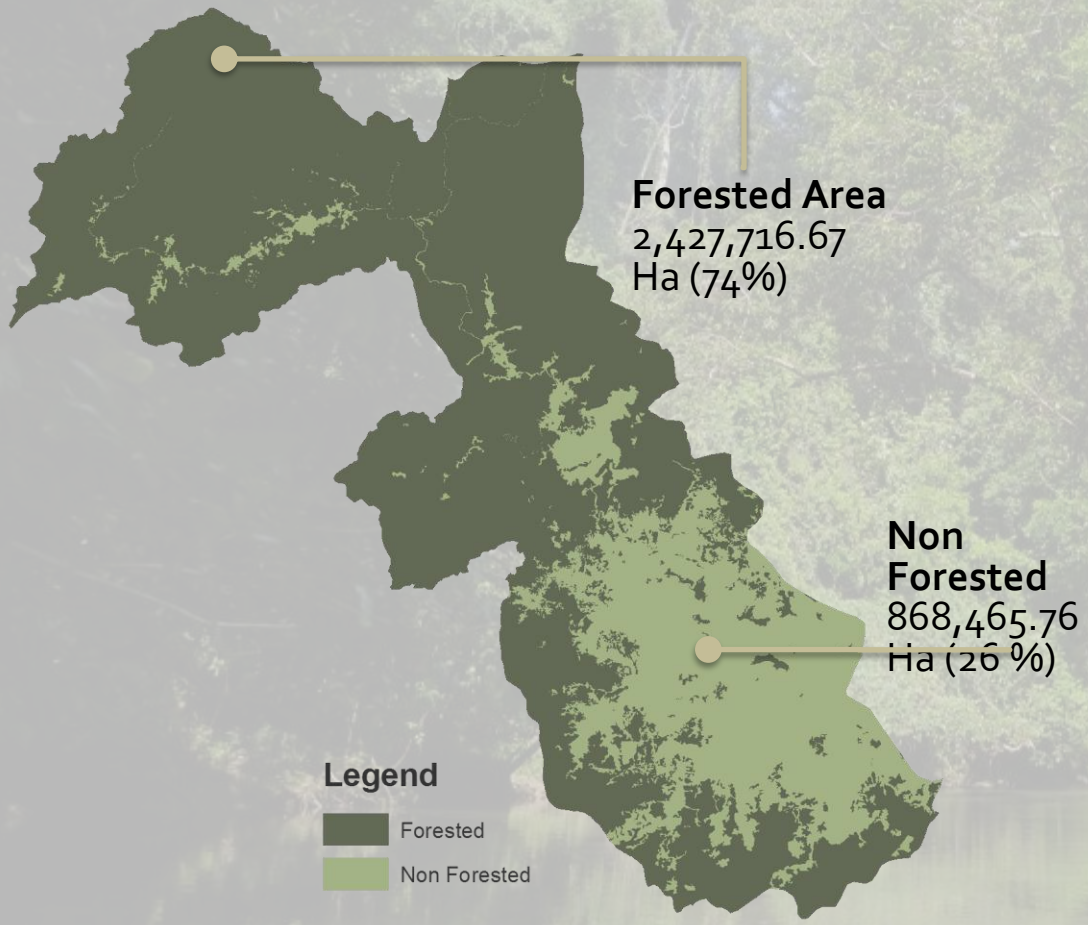
- Focus: 20+ villages in Kelay & Segah watersheds, including 2 coastal villages.
- Community and CSO consultations in the development of BFCP Community Strategy (led by the World Education).
- Community participation in BFCP decision-making processes (reps. in the BFCP Governance Structure or Advisory Board).
- BFCP will provide financial and technical resources to support community engagement.
- BFCP create and manage a fair and transparent payment distribution mechanism.
- TNC develops 'models' in certain sites.

Progress to date

- **Program governance**: Steering Committee established; REDD+ Working Group; Community Forum
- **Analytical base**: Completed in-depth analysis of production forests, profitablity of different land uses, HCVF across district, drivers of DD, laws and regulations across scales, spatial data discrepancies, etc.
- **Program design:** BFCP strategic plan developed based on extensive multi-stakeholder, multi-level consultation. Shaped provincial-level REDD initiative in East Kalimantan.
- **Positioning**: Recognition of BFCP as one of main national REDD Demonstration Activities; Shaped East Kalimantan Low Carbon Growth Strategy; strong alignment of BFCP with nat'l and prov. REDD strategies
- **On the ground**:
  - Work with logging concessions and community managed areas covering nearly 500,000 hectares;
  - Initiation of 775,000 hectare Forest Management Unit (KPH) pilot with Ministry of Forestry
  - 4 "Model villages" initiated with livelihood programs and mitigation commitments
- **Financing**: Various sources of financing
- **Learning**: national-level BFCP lessons learned workshop series; substantial input to national REDD+ strategy and process; substantial inputs to East Kalimantan LCGS;

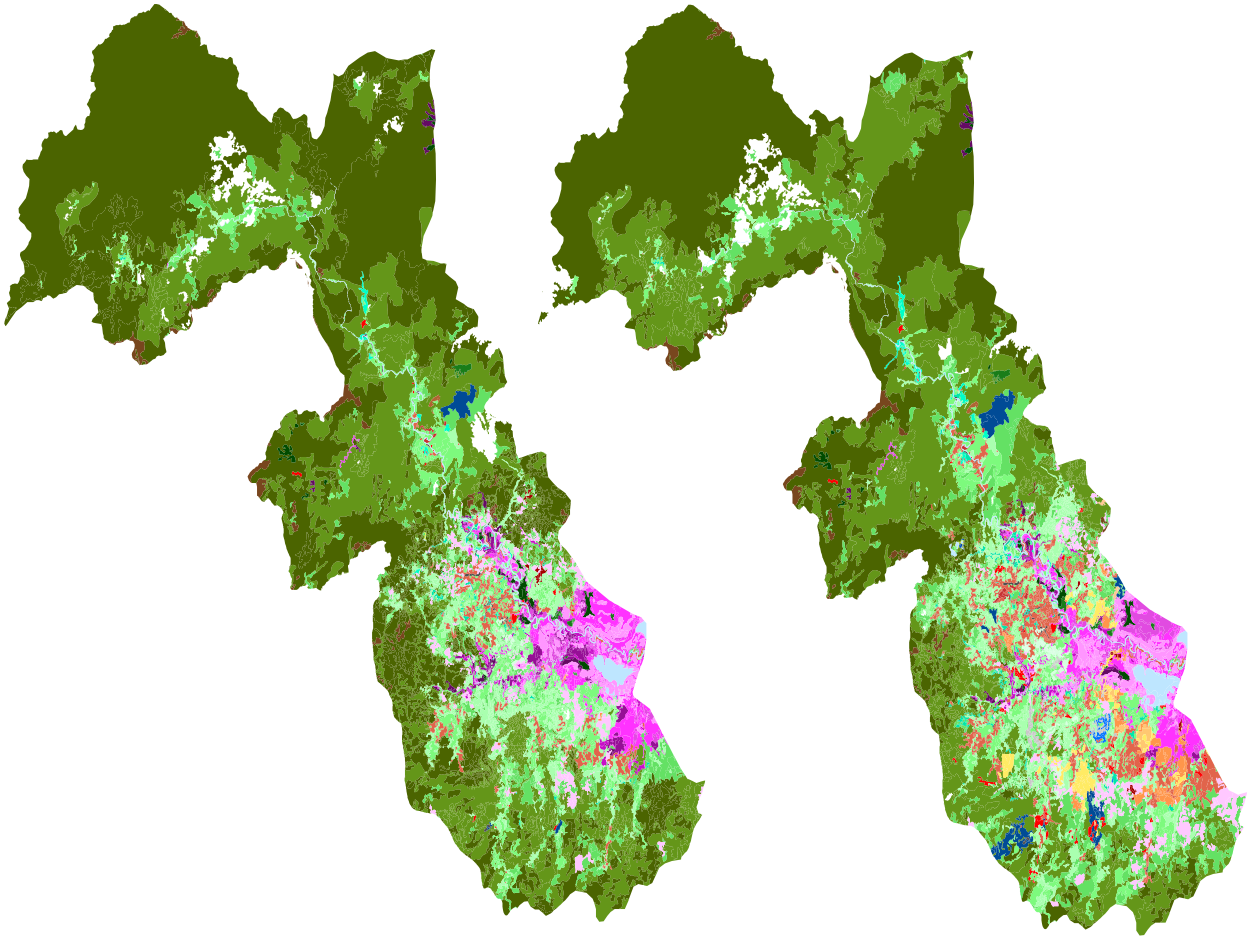
2nd Sample of REDD+ District wide Approach : Kutai Barat

Forests in Kutai Barat District



- Total area of Kutai Barat is approximately 3,2 million Ha (74% from the total district)
- Located in central of the Heart of Borneo (HoB), in the upper Mahakam river, largest river in East Kalimantan on which over 2 million habitants depend.
- Forests well manage by traditional ways, and currently at high threat
- Habitat for the key species such as freshwater dolphin; Sumatran rhino and orangutan.
- Large Indgenous population - Dayak
- High commitment from the district

Land Cover Changes 1990 - 2009



1990

2009

Potential Emission Reduction Scenario

Driver Deforestation

- Timber Concession
- Palm Oil Concession
- Mining Concession
- Investment Permits
- Spatial Plan

Scenario Intervention

Better Management Practices (BMP)
Ex: HCV; RIL; Methane capture; responsible mining; etc

Certification Scheme
Ex: RSPO; FSC (voluntary); SVLK; PHPL; ISPO (mandatory))

Community engagement
Ex: ICCAs establishment; improve community rights; livelihood developments; Villages planning; etc

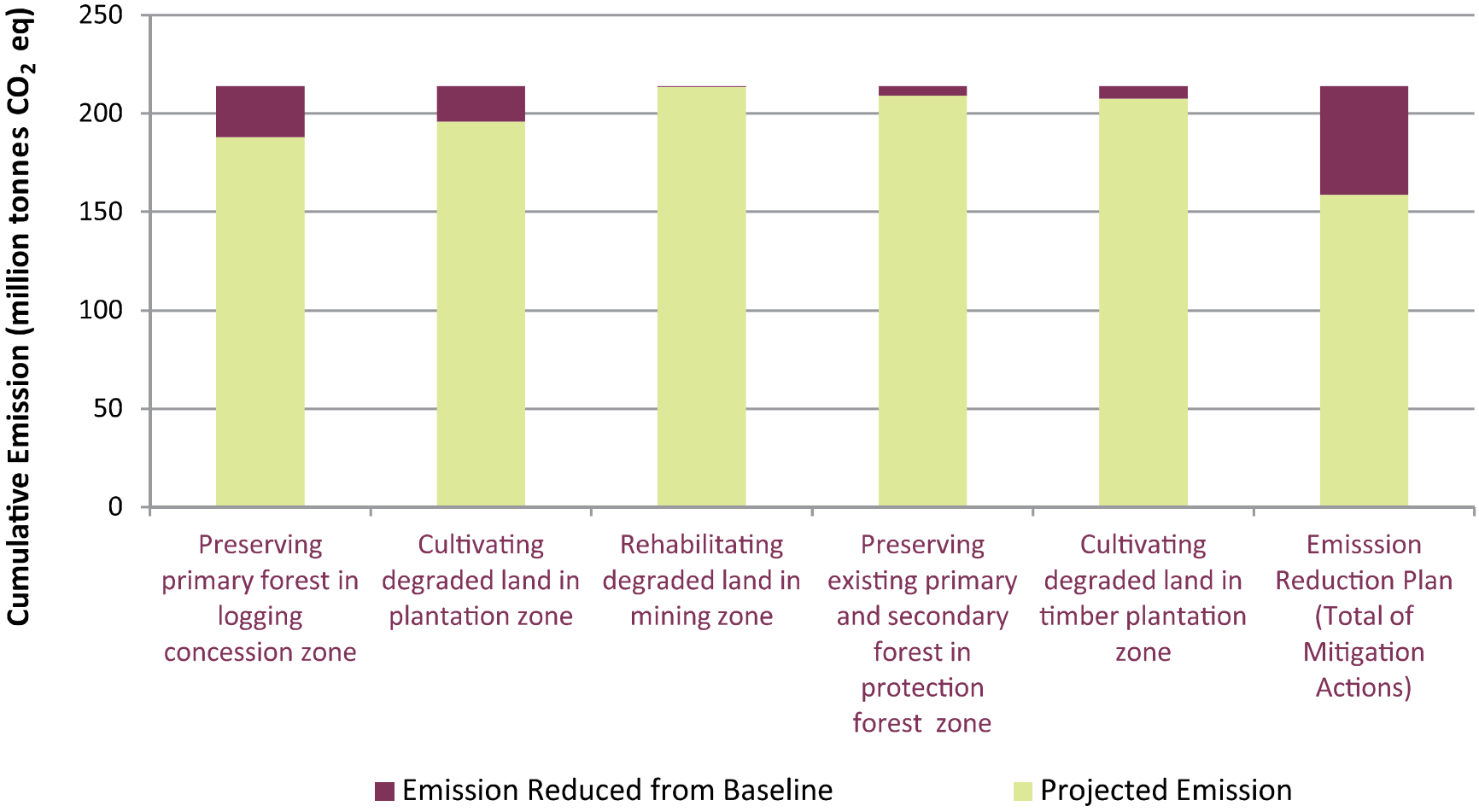
Good Governance
Ex: governance reform; land swap; policy advocacy; etc

Goal

"Kutai Barat's natural resources are conserved and sustainably managed as a key part of a Green Economy where governments, business and communities value key ecosystem services, stop conversion of natural forests, reduce GHG emissions, and generate equitable livelihoods"

Scenarios and their impacts on reducing cumulative emission 2000-2020

Draft figures



ICRAF, 2013

District Programs in other districts

- Other potential districts include Districts with substantial area under carbon-rich peatland.
  - Example: Kapuas in Central Kalimantan
- High carbon stock, very high emissions due to peatland fires
- Potential other Districts with district-level initiatives to be identified in the future
  - Data on the emissions at the District-level not available at this stage
  - However, various initiatives have generated substantial knowledge about this type of ecosystem

Why is the FCPF Carbon Fund of interest to Indonesia?

- FCPF Carbon Fund will add significant **momentum** of REDD+ in Indonesia
- Access to credible **international partners** and to technical assistance
  - Contribute to Indonesia's goal of **diversifying** the sources of funding to emissions reductions – given Indonesia's ambitious commitments
- Ensuring the National Program is in line with emerging **international methodological framework**
- Increase **legitimacy** and ensure **recognition** of national efforts;
- Test a concept of **rewarding result at decentralized level** (District and Province), which could then be scaled up through FREDDI & national policies

Why Indonesia in the Carbon Fund?

- Large scale: Significant Emissions Reductions can be achieved through this Program
  - Step 1 : **Over 50 million ton CO_2 !**
- Approach adopted is **programmatic,** scalable at the landscape level
- Program promotes to **policy changes at the District level**
- ER-P fully integrated into a well-developed **national** framework**,** and legislation
- Approach to **reward** 'good behavior' at the sub-national level (District)
- Diversity of **learning**
  - Dealing with some particular drivers**,** such as peat land emissions**,** forest land conversion into palm oil plantations
- Strong emphasis on partnerships with the **private sector**
- ER-P has the potential of leveraging substantial **additional** resources
  - Link to **FREDDI** (providing investment financing to Districts)
- Significant potential for **co-benefits**
  - Social (promotion of community forestry**,** support to indigenous communities**,** etc.)
  - Biodiversity (habitat for several key species)

Potential ERs from the ER-P
(Estimates for Step I = 3 Districts)

- Expected Emissions Reductions for Step 1:
  - 7.5 million ton CO_2 per year over the three Districts in Step 1
  - From 2014 to 2020: Over **50 million ton CO_2**
- These are rough and conservative estimates
  - Conservative on efficiency of the program
  - Conservative on carbon stocks
  - Conservative REL
- They do not yet account for high emissions from **peatlands**
  - Not clear whether FCPF methodological framework will allow for accounting of peatland emissions

Thank you

agus.sari@santalaya.com