

Creating coherence in working with different forest-based financial mechanisms for REDD+ development : Indonesia's experience

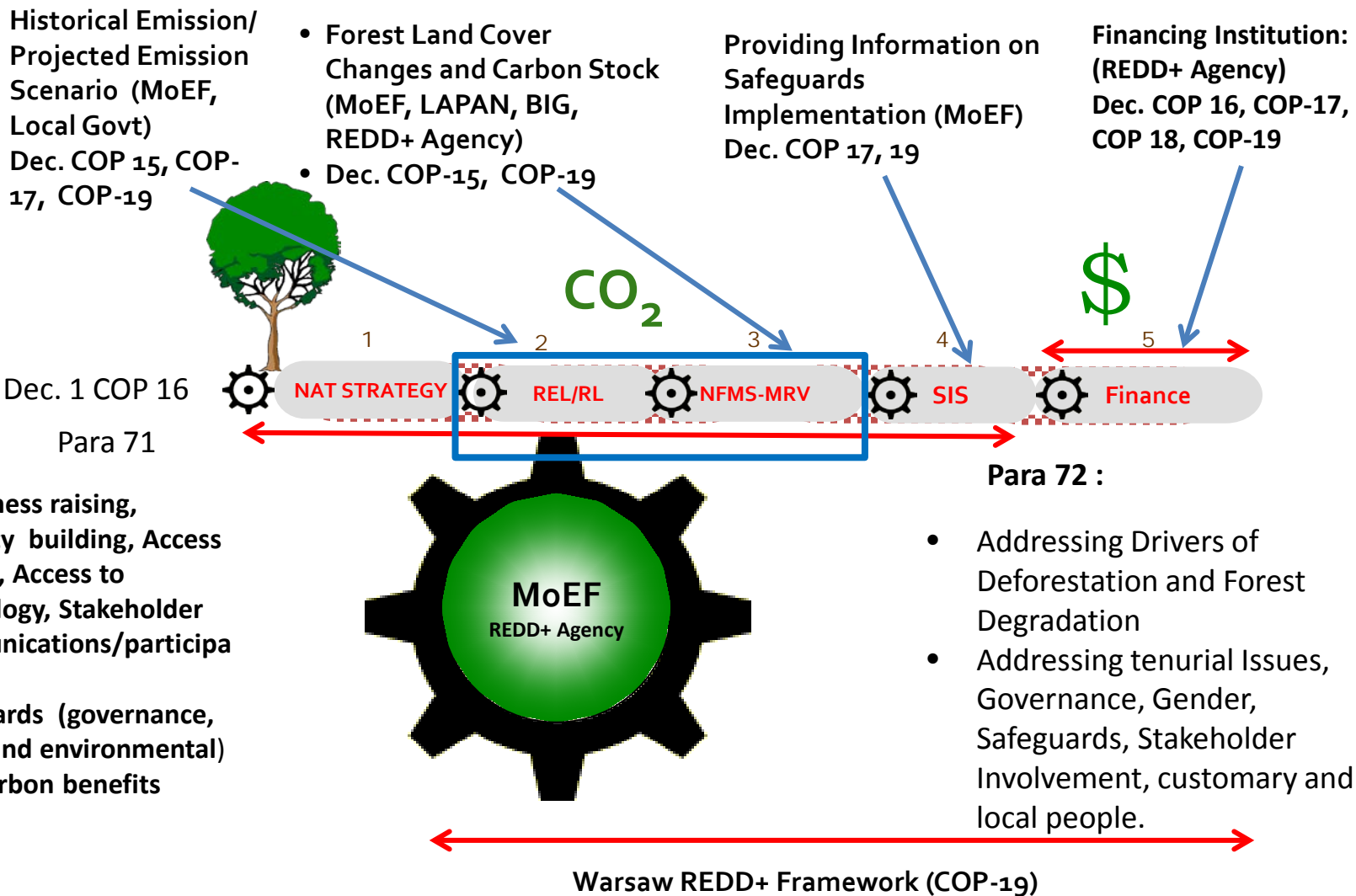


FIP Indonesia

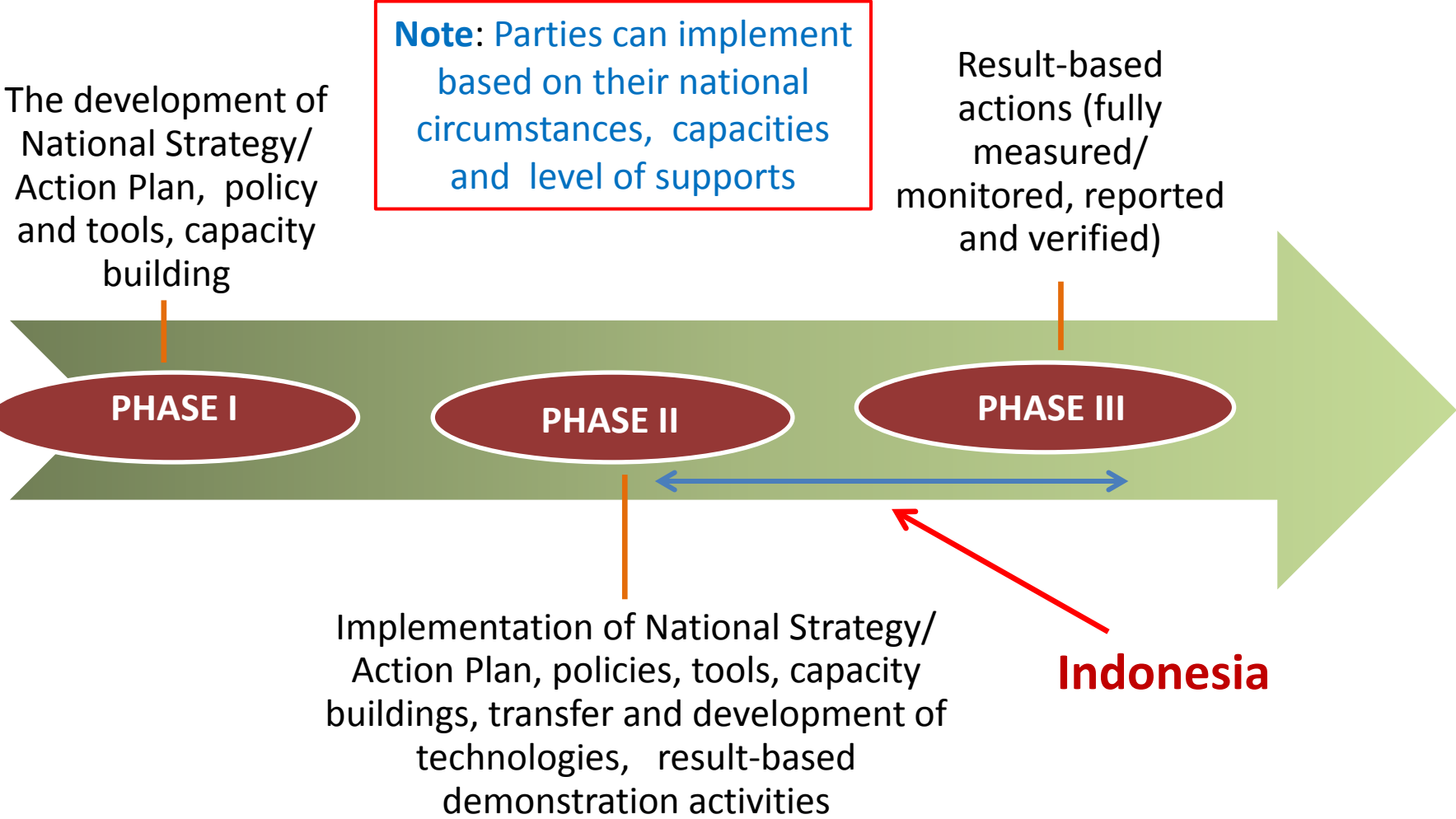
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FIP Pilot Countries Meeting
Kinshasa - DRC, 23-26 June 2015

REDD+ FRAMEWORK IN INDONESIA



Stages/Progress of REDD+ Implementation in Indonesia based on COP Decision (Dec. 1/ CP-16)



Indonesian REDD+ National Strategy

1

Institution and processes :

- National REDD+ agency
- Financial instruments and institution
- MRV System

2

Legal Framework

3

STRATEGIC PROGRAMMES

Sustainable landscape management

1. Landscape/watershed management
2. Enhance employment opportunity
3. Operationalization of FMU
4. Forest fire management

Sustainable use of natural resources in economic system

1. Enhancing SFM practices
2. Increase productivity of agricultural crops
3. Sustainable mining
4. Empower down stream industries

Forest conservation and rehabilitation

1. Peat land restoration
2. Securing protected areas,
3. Controlling peat land conversion,

GOALS

- Reduced emission
- Enhanced carbon stocks
- Conserved Biodiversity
- Provision of Environmental services
- Economic growth

4

Paradigm shift

- Strengthening forest governance,
- Empowering local economy in a sustainable basis
- Campaign to save Indonesia's forests

5

Stakeholder engagement

- Stakeholder communication and engagement
- Safeguards implementation
- Benefit sharing, equity etc

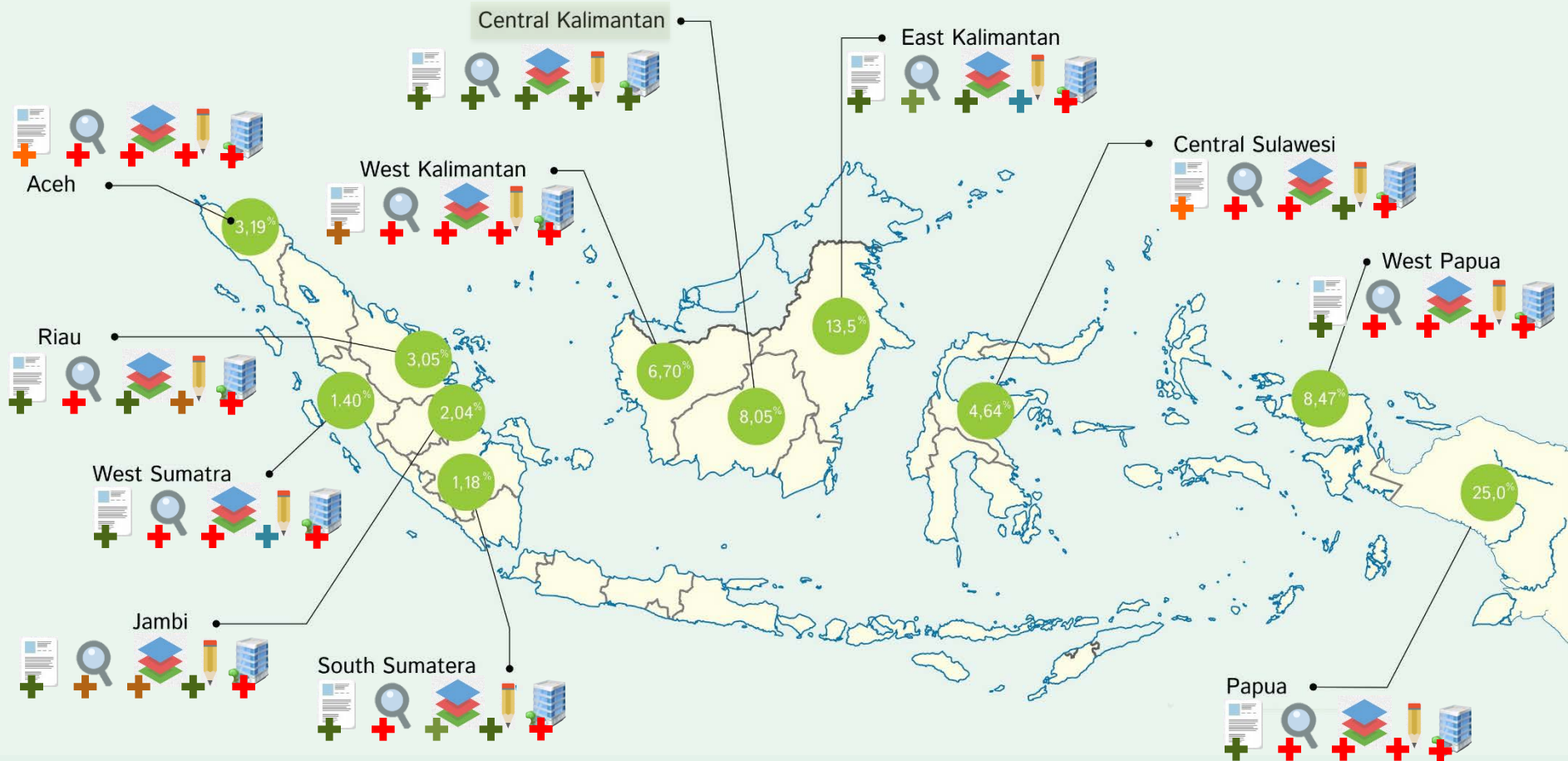
DA/Pilot/REDD+-related activities in Indonesia

REDD+ DEMONSTRATION ACTIVITIES 2014











(Pustanling, 2014)

Progress in the 11 Priority / Pilot Provinces

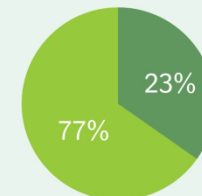




Prerequisite Actions

-  Provincial Strategy and Action Plan and Governor decree
-  Reference Emissions Levels
-  Baseline and Cadastral Map
-  Memorandum of Understanding with Province/District
-  REDD+ Work Unit

-  Completed
-  Ongoing
-  Absent

Forest cover



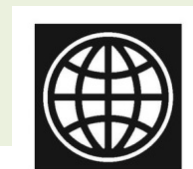
 Priority Provinces (77.151.500 hectare)
 Other Provinces (22.604.300 hectare)

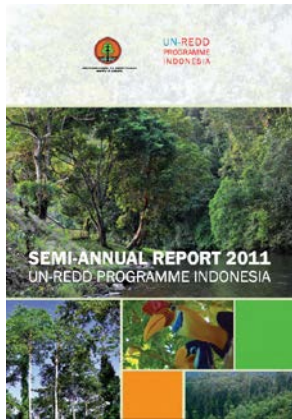
Financial mechanisms to support REDD+ in Indonesia :

1. UN-REDD Indonesia Programme ----- USD 5.6 M
2. Forest Carbon Partnership Facility : REDD+ Readiness Preparation USD 3.6 M
3. Forest Investment Programme :
 - Project I - World Bank ----- USD 17.5 M
 - Project II - ADB ----- USD 17.5 M
 - Project III – IFC ----- USD 32.5 M
4. FCPF Carbon Fund – World Bank ----- USD 60 M

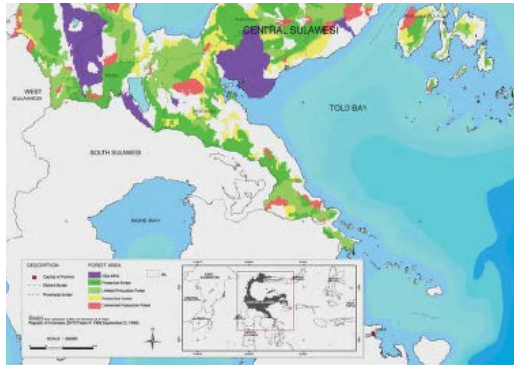


UN-REDD
P R O G R A M M E





- ❑ A collaboration between the UN-REDD Programme (FAO, UNDP, UNEP) and Ministry of Forestry of Republic of Indonesia
- ❑ Budget : USD 5.6 million (Oct 2009 to Dec 2012)
- ❑ Work on the country's national programme for REDD+ readiness in Indonesia, including:
 - Support the development of draft National Strategy of REDD+, and strategy for MRV
 - Support stakeholders engagement at national and local level (through a series of consultations for the National REDD+ Strategy)
 - Piloting REDD+ activities at provincial level (Central Sulawesi province) :
 - Facilitating the establishment of provincial REDD+ working group
 - Develop REL methodology
 - Develop and test FPIC implementation guidelines
 - Redesign/improvement of the existing NFI, incl. quality control and data management





Forest Carbon Partnership Facility (FCPF) - Indonesia



FCPF :

global partnership consists of 36 countries focusing on supporting developing countries to reduce GHG emission from REDD+ scheme. FCPF is in line with UNFCCC negotiation by preparing & implementing Emission Reduction Programs in tropical member countries through financial support

- Managed by Ministry of the Environment and Forestry (Puspijak, Pustanling, DKN)
- Filling the gaps of the REDD+ preparation in Indonesia
- Financial support: US 3,6 million (2011- 2015)

FCPF consists of two phases: Readiness & Implementation (Carbon Fund)

Scope / Focus Areas of Readiness Fund in Indonesia

Analytical Works :

- The dynamics of socio economic factors & land cover
- Identification of activities that reducing emission & increased removals & stabilization of forest carbon stocks

Management of Readiness :

- Review of regulatory framework
- Review of DA
- SIS development
- ToT on Carbon Accounting & Monitoring
- Communication & outreach, incl. website & publication

REL & MRV e.g:

- Establishment of PSP in 13 Provinces
- Establishment of Forest Carbon Monitoring Database

Regional Data Collection and Capacity Building:

- Socio-economic data collection in FMU area
- Capacity building for local stakeholders (incl. for setting up REDD+ framework) , experts & scientists networking establishment/devt. (incl. ARKN-FCC)

Progress on Carbon Fund

• Emission Reduction Program Idea Note (ERPIN) :

- In September 2014, Indonesia has submitted ERPIN as an initial stage for participating in CF scheme. Preparation of the proposal started from April 2014, The process was participative and inclusive, covering various stakeholders
- The proposal has been reviewed by CF participants during 11th CF Meeting in Washington DC, in October 2014. It was agreed that the Indonesia has been put into pipeline with some adjustments before proceeding to ERPD stage.
- The revision on ERPIN is underway and the revision is on progress.
- Once the revision of the ERPIN has been finalised, then Indonesia will prepare an **ERPD** (Emission Reduction Program Document) before starting to prepare **ERPA** (Emission Reduction Payment Agreement)

FIP Indonesia



- ❑ Development objectives : to reduce barriers to sub-national REDD+ implementation and to increase provincial and local capacity for REDD+ and sustainable forest management.
- ❑ To bridge between REDD+ Readiness and the full implementation (result-based payment)
 - Project 1 : Community-focused investments to address deforestation and forest degradation
 - Project 2 : Promoting Sustainable Community Based Natural Resource Management and Institutional Development
 - Project 3 : Strengthening Forestry Enterprises to Mitigate Carbon Emissions

	Overall	Project 1	Project 2	Project 3	DGM
Focus :	FMU as entry point	FMU - community	FMU - institution	Private Sector	IPs and local community
Budget : (US\$)	70 M + 6.5 M	17.5 M grant	17.5 M grant	32.5 M grant 2.5 M loan	6.5 M grant
Institution in charge :	<ul style="list-style-type: none"> • Secr. Gen • Focal Point 	Pustanling	WP3H	Setditjen BUK	National DGM
MDG :	WB	ADB	WB	IFC	WB
Status :	Prepare 3 project documents	PPTA by consultant is on finalization	draft Project Document under review by WB	Finalize initial clients selection	Selection of NEA on progress

FIP Indonesia :

main areas and focus of activities

PROJECT	MAIN AREAS	FOCUS OF ACTIVITIES
Project 1	<ul style="list-style-type: none"> • Institutional Development • SFM and CBFM • Community capacity development and livelihood support • Harmonize national and sub-national policies on carbon stock improvement 	<ul style="list-style-type: none"> • Enhance and enforce Provincial REDD+ Strategy • Community-focused REDD+ pilots in at least two districts • Harmonize national and sub-national policies on carbon stock improvement
Project 2	Community-focused REDD+ investments to enhance the enabling conditions for sustainable land use and REDD+ project implementation.	<ul style="list-style-type: none"> • Support for FMU REDD+ Capacity Building • Support to Communities for REDD+ Readiness and Implementation
Project 3	Strengthening the productive capacities and business skills of forestry enterprises and firms in other related sectors, by leveraging private sector investments	<ul style="list-style-type: none"> • Develop tailor-made financial instruments and strengthening the capacity of both small and large forestry enterprises • Increase investments in the forestry sector by financial intermediaries.

Role of the UN-REDD, FCPF, & FIP in supporting REDD+ in Indonesia

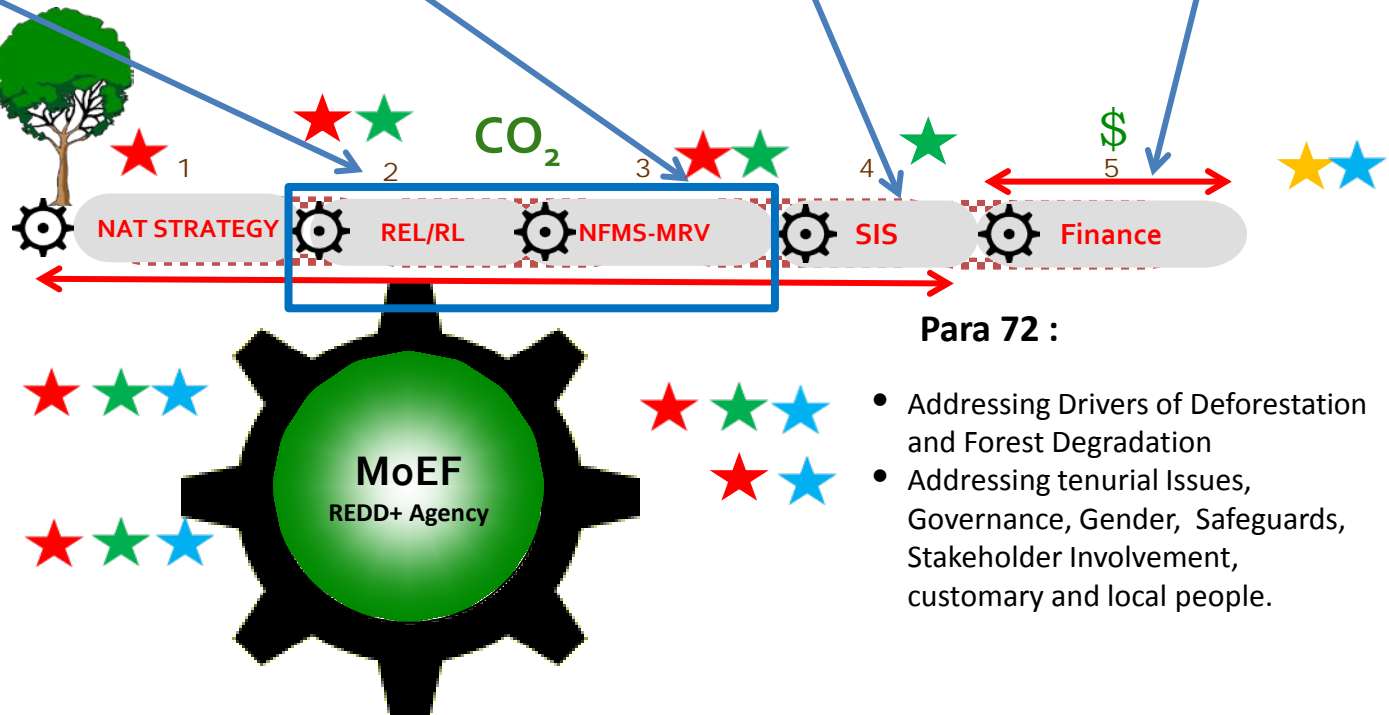
Historical Emission/
Projected Emission
Scenario (MoEF, Local
Govt)
Dec. COP 15, COP-17,
COP-19

- Forest Land Cover Changes and Carbon Stock (MoEF, LAPAN, BIG, REDD+ Agency)
- Dec. COP-15, COP-19

Providing Information on
Safeguards Implementation
(MoEF)
Dec. COP 17, 19

Financing Institution:
(REDD+ Agency)
Dec. COP 16, COP-17,
COP 18, COP-19

Dec. 1 COP 16
Para 71



Para 72 :

- Addressing Drivers of Deforestation and Forest Degradation
- Addressing tenurial Issues, Governance, Gender, Safeguards, Stakeholder Involvement, customary and local people.

- ★ UN-REDD Programme
- ★ FCPF Readiness Fund
- ★ FCPF Carbon Fund
- ★ FIP

1. Awareness raising, Capacity building, Access to data, Access to technology, Stakeholder communications/participations
2. Safeguards (governance, social and environmental)
3. Non-carbon benefits

Coordinated supports to REDD+ in Indonesia

Phase I : Readiness

development of National Strategy/ Action Plan, policy and tools, capacity building

(UN-REDD, FCPF readiness fund, governments, bilateral cooperation funds, etc.)

Phase II : Implementation

Implementation of National Strategy/ Action Plan, local actions, policies, tools, capacity buildings, institutional strengthening, development and transfer of technology, result-based demonstration activities, scaling up, transformational investment program (piloting),

(UN-REDD, FCPF readiness fund, FIP, governments, bilateral cooperation funds, etc.)

Phase III : Performance-based payment

Result-based payment leading to emission reductions (fully measured/ monitored, reported and verified)

(FCPF Carbon Fund, governments, bilateral cooperation, etc.)

National approach – sub national implementation

challenges and lessons learned :

How to be coherent, consistent, integrated, complementary each other ?

- Coordination among financial mechanisms and respective partners, incl. open room for collaboration with other partners (UNFCCC, GEF, UNFCCC)
- Alignment with national development policies, i.e : working with FMU as a locus – mainstreaming REDD+ in FMU development
- Sinergy and coordination to be inline with national funding / budgeting system
- The importance of commitment and leadership
- Coordination and sinergy with other REDD+ -related initiatives (DAs/pilot)
→ Working within the spirit of “filling the gaps”, “complementary”, “sustainability”
- Ensure ownership (national, sub national), inclusiveness, stakeholders involvement
- Institutional challenge



Thank you