

REDD IN INDONESIA: PREPARING FOR READINESS

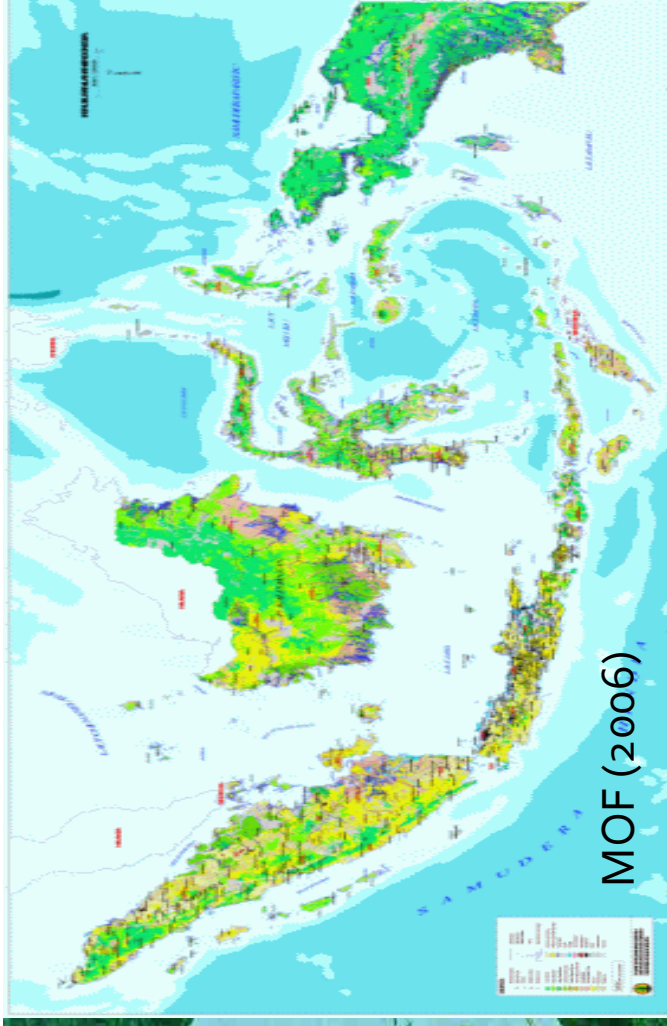
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INDONESIA : brief Introduction

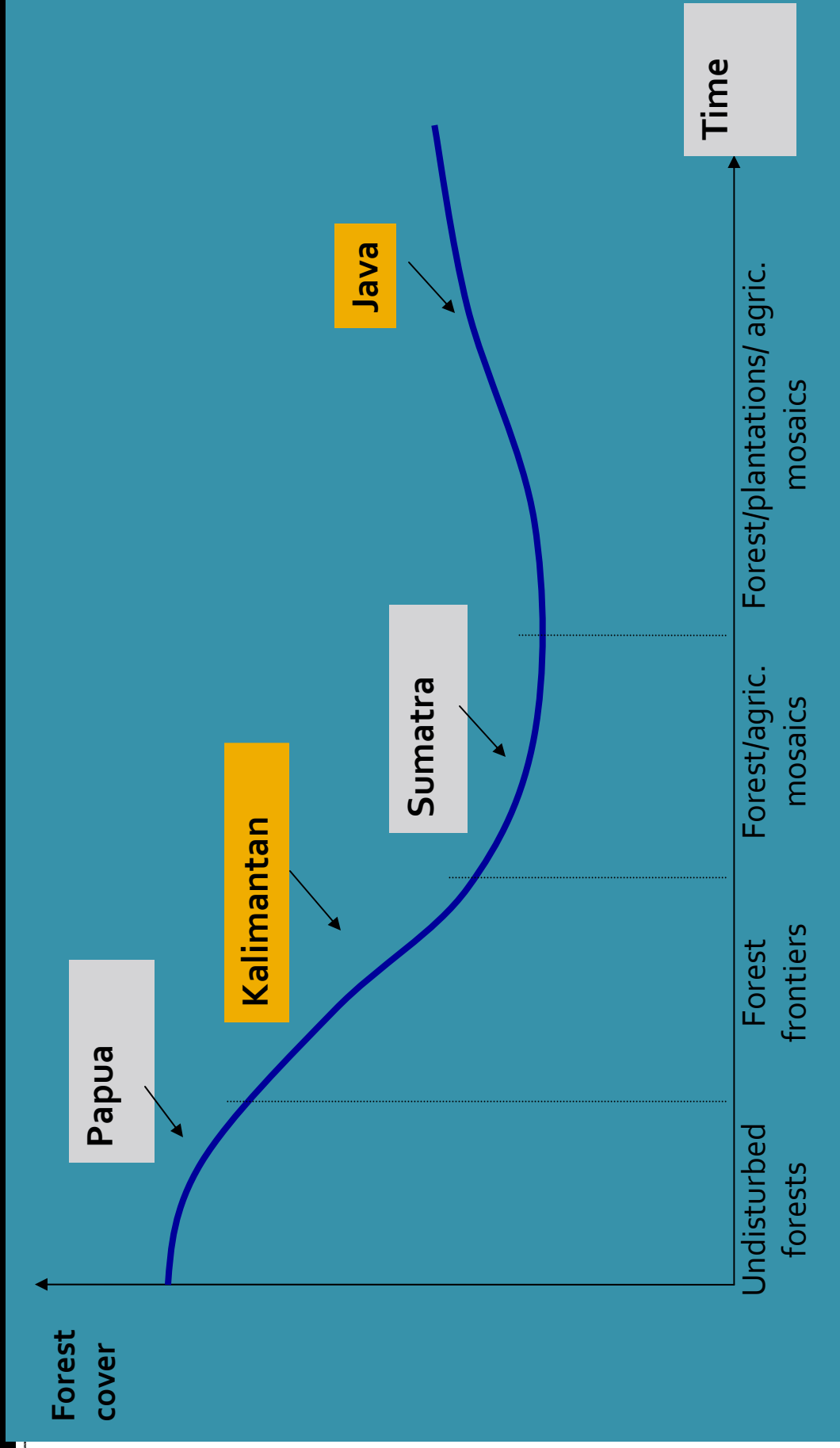


FAO (2006)



- Country land area : 187 millions ha, population : app. 225 millions
- 7 major islands and 33 provinces, autonomous governance system
 - $\pm 70\%$ of the country area are forest land/state forest ($\pm 37\%$ of them are degraded at various levels, forest lost 2000-2005 ± 1 million ha/year)
 - Forest transition from the east (Papua : low historical DD) to the west (Sumatera : high historical DD, Java : forest cover increases)

Forest transition in Indonesia



Non-climate policy instruments

5 PRIORITY POLICIES (2005-2009)

CONTRIBUTION TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Combating illegal logging and its associated trade

Reduce emission

Forest & land rehabilitation and forest conservation

- Enhance sink,
- Reduce emission,
- Carbon conservation, enhance resilient

Forestry sector restructuring

- Reduce emission,
- Enhance sink,

Community empowerment

- Reduce emission,
- Enhance sink,

Securing forest land

Enabling conditions

Indonesia's REDD (REDDI) road map

- Preparation phase : 2007
- Transition phase (including demonstration activities) : 2008-2012
- Full implementation : from 2013 or earlier depending on COP decision and Indonesia's preparedness

Preparation Phase (2007 : prior to COP 13)

- Developed REDDI architecture (analysis on methodological issues, market /financing, incentive mechanisms, and strategy for addressing drivers of DD/for reducing emissions from DD,
- Established Indonesia Forest Climate Alliance (IFCA) to facilitate multi-stakeholders communication /consultation/coordination on the process.

Preparation Phase : Key issues addressed (1)

METHODOLOGY

Reference Scenario:

- What historical emissions have occurred?
- Future emissions with business as usual?
- Impact of additional planned deforestation?
- Suitable benchmark given REDD's potential and future development needs?

Monitoring

- How can we prove that reduced deforestation and degradation have taken place?
- Who has the right to receive incentives/sell carbon?

Preparation Phase : Key issues addressed (2)

REDD markets/financing

- Who can sell carbon/receive incentive?
- How can the price of carbon be fixed?
- How might carbon transactions take place and how should they be regulated?

Incentive Distribution

- How might carbon payments be distributed to give incentives to those who have reduced deforestation?
- Who has the right to receive payments/incentives?
- How can equity and fairness be guaranteed?

Strategies to reduce emissions:

- What are key drivers of deforestation and degradation?
- What measure can be taken to tackle drivers/mitigate emissions?
- Enabling conditions for strategies to work?

Follow up actions recommended

- *Build on initial framework designed by IFCA*
- Continue consultations and technical analysis
- Test and implement pilot/demonstration activities with heterogeneous conditions
- Conduct capacity building at all levels
- **Create credible national framework for verifiable emission reduction**
- **Deliver real reductions in GHG emissions**

TRANSITION PHASE : on going activities/follow up actions

- Methodological aspects,
- Policy and Institution,
- Activities on the ground : demonstration activities and voluntary carbon trading,
- Stakeholders' communications, awareness raising, capacity building,
- Other concept development (e.g. for FCPF???, UN-REDD ??:?).

Methodology

1. Develop Forest Resource Information System (esp.to facilitate in achieving SFM), where **Forest Carbon Accounting** is one of the components of the system (to facilitate REDD implementation, national GHGs inventory),
2. Identify gaps to be filled, including resource needed, capacity building , research activities, institutional aspect related to data management etc.
3. Defined road map to tackle point 2 and achieve the objectives of point 1.

Policy processes

- National Council on Climate Change established (coordinating function),
- REDD Guidelines (Ministerial Regulation, in final stage),
- REDD Commission (Ministerial Decree, in final stage),
- Provincial/District level Working Group on REDD (e.g. East Kalimantan, Berau District, South Sumatra, Central Kalimantan, Papua),
- Working Group on financial aspect established (led by Ministry of Finance),
- Supporting activities : analytical work to address governance issue on REDD (bilateral cooperation), FLEGT (regional/international cooperation)

Activities on the ground (initial stage)

- Demonstration activities in different forest and social conditions (progress : 2 pilots at the initial stage/bilateral cooperation Indonesia-Australia, Indonesia – Germany; 1 pilot in planning process, others : negotiations/proposal development) ➔ challenges : lack of capacities of stakeholders in the region, :??? managing expectations.
- Voluntary carbon trading ➔ challenges in coordinating initiatives, lack of awareness/ capacities of many stakeholders in the region, :??? consistency with on going processes in the UNFCCC .

Stakeholders' communications

Continue IFCA process : Awareness raising/capacity building/ stakeholders' consultations at the national and sub-national levels :

- National level : Focus Group Discussion on financial aspects : periodic; Stakeholders' consultation on draft text 'REDD guidelines' and 'REDD Commission', July 2008)
- Provincial/district level (Papua, Sulawesi, Kalimantan, Sumatera, Java, *Bali*)

Note : joint efforts through resource mobilization (mostly : government institutions, NGOs local/national/international, existing bilateral cooperations, research institutions)

Other actions needed

- Create credible national framework for verifiable emission reduction, including :
 - *Reference scenario,
 - * Institutional setting and relevant policy interventions to guarantee strong link/coordination between sub-national and national activities, thus increase effectiveness in addressing within country displacement of emissions, increase fair distribution of incentives, responsibility and accountability
- ➔ able to deliver real reductions in GHG emissions

CLOSING REMARKS

- Deforestation and forest degradation is a complex issue for Indonesia → a number of policy measures and programmes are already in place → the challenge is in the implementation on the ground,
- It is expected that REDD scheme will support Indonesia's effort in tackling the problem of deforestation and degradation,
- Relevant to this meeting → how FCPF could best assist Indonesia's efforts on REDD, considering the status of REDDI?

Традиционный

