



Annual Joint Programme Progress Report - Indonesia

UN-REDD PROGRAMME SIXTH POLICY
BOARD MEETING

21-23 March 2011

Da Lat, Viet Nam



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Country/Global	Indonesia
Title:	UN-REDD Indonesia
Implementing Partner	Ministry of Forestry
Reporting Period	January 2010- January 2011
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I. PURPOSE

The UN-REDD Indonesia Joint Programme aims to assist and support the Government of Indonesia (GoI) to timely develop a REDD+ architecture that will allow a fair, equitable and transparent REDD+ implementation and to attain “*REDD-Readiness*”. In order to secure this Objective, three Outcomes with subsequent outputs and activities are being pursued:

Outcome 1: Strengthened multi-stakeholder participation and consensus at national level

- Output 1.1 : Consensus on key issues for national REDD+ policy development
- Output 1.2 : REDD+ lessons learned
- Output 1.3 : Communications Program

Outcome 2: Successful demonstration of establishing a Reference Emissions Level (REL), a Monitoring, Assessment, Reporting and Verification System (MRV) and fair payment systems based on the national REDD+ architecture

- Output 2.1 : Improved capacity and methodology design for forest carbon inventory within a Monitoring, Assessment, Reporting and Verification System (MRV), including sub-national pilot implementation
- Output 2.2 : Reference emissions level (REL)
- Output 2.3 : Harmonized fair and equitable payment mechanism at provincial level
- Output 2.4 : Toolkit for priority setting towards maximizing potential Carbon-benefits and incorporating co-benefits, such as biodiversity conservation and poverty alleviation under MDG

Outcome 3: Capacity established to implement REDD+ at decentralized levels

- Output 3.1 : Capacity for spatial socio-economic planning incorporating REDD+ at the district level
- Output 3.2 : Empowered local stakeholders are able to benefit from REDD+

- Output 3.3 : Multi-stakeholder-endorsed District plans for REDD+ implementation

The Programme contributes to several national development goals and supports national processes, such as:

- Indonesia's Mid-Term Development strategy (RPJM).
- National Action Plan on Climate Change (RAN-PI) produced by Ministry of Environment and National Council on Climate Change.
- National Action Plan on Climate Change produced by Coordinating Minister of Social Welfare.
- BAPPENAS Yellow Book.
- Indonesian Climate Change Sectoral Roadmap (ICCSR).
- National Action Plan on Reducing Carbon Emissions (RAN GRK).
- Second National Communication.
- "REDD Readiness" produced by Ministry of Forestry.

The Programme is further in line with several UNDAF Outcomes, such as;

- Outcome 1, "Strengthening human development to achieve the MDGs", and especially sub-outcome 1.4 "Increased opportunities for sustainable livelihoods".
- The UNDP outputs are particularly contributing to UNDAF Outcome 2, "Promoting good governance", and sub-outcome 2.1 "Increased adherence to the rule of law and human rights" and 2.2 "Strengthened participatory and decentralization Processes".
- The Programme is equally in line with UNDAF Outcome 3, "Protecting the vulnerable and reducing vulnerabilities", as its local capacity building and empowerment of local stakeholders will particularly take into account disadvantaged and discriminated groups, and ensure that a "Free Prior Informed Consent" is given by all.

Additionally, in 2010, UN-REDD Indonesia has worked with institutional partners such as the new "REDD+ Task Force", The Development Planning Agency (Bappenas), The National Council on Climate Change (DNPI), The National Forestry Council (DKN).

II. RESOURCES

Total approved budget for the National Programme is USD 5.6 million. The UN Agencies have the following budgets; UNDP: USD 2,996 000, FAO: USD 1,498 000 and UNEP: USD 1,150 250.

By 31 December 2010, the total delivery of the project is USD 1,173,618. UNDP had a delivery of USD 1,141,892 through UNDP and government implementation. FAO had a delivery of USD 32,618. UNEP is about to start their activities and a number of meetings with Ministry of Forestry has been taken place Please see part V- "Financial Implementation"- for more information.

Other partners

There are several other partners contributing to REDD+ efforts in Indonesia. In May 2010,

Norway and Indonesia signed a USD 1 billion Letter of Intent (LoI). This has been the most significant REDD+ effort made by a partner in Indonesia to date. In addition, Australia (AusAID and the Indonesia-Australia Forest Carbon Partnership, IAFCP), Germany (GIZ, KfW) and the USA (embassy and USAID) are among other partners contributing significant funds for REDD+ initiatives in Indonesia.

III. RESULTS

▪ **March 2010: UN-REDD Indonesia entered the “implementation phase”**

“The Inception Workshop”, held 30-31 March in Jakarta, marked a milestone for the programme development as it opened the “implementation phase” of UN-REDD Indonesia. The workshop was officially opened by the Minister of Forestry, Mr. Zulkifli Hasan, and attended by a little over 150 participants representing various ministries, provincial governments, international organizations, NGOs and other stakeholders concerned with and interested in REDD+, both at national and sub-national levels. Please see the website of the Ministry of Forestry for more information: <http://www.dephut.go.id/index.php?q=id/node/6282>. The “UN-REDD Inception Workshop Proceedings” were published on the UN-REDD workspace in April 2010.

▪ **March-July: Establishment of a functioning UN-REDD Project Management Unit (PMU)**

While the National Programme Director for the Programme was already appointed, in the aftermath of the Inception Workshop, advertising and preparations were made to hire additional staff for the PMU. By July, recruitment was almost complete. On June 28-29 and July 2-3, the PMU organized a Planning Workshop for revision and elaboration of a detailed Annual Work Plan, and was trained on Standard Operational Procedures (SOP) and how these are relevant for implementation of the UN-REDD Programme. By the end of 2010, the PMU includes a permanent team with diverse professional backgrounds, working from an independent office within the Ministry of Forestry.

▪ **May 2010- end 2010: The development of a new REDD+ architecture in Indonesia**

The first half of 2010 was an eventful period for REDD+ related work in Indonesia, with the signing of a Letter of Intent (LoI) between Norway and Indonesia on the 26th of May as a major event. The USD 1 billion agreement greatly influenced the REDD+ Readiness debate, and gave a new speed and intensity to the preparations. As a result, the Government of Indonesia experienced an urgent need to develop the capacity of central actors on climate change and REDD+. In this context, the UN-REDD Programme supported climate change and REDD+ training for institutions such as the National Council on Climate Change (DNPI) and provided practical support in implementing numerous REDD+ related activities to different institutions within the Government, such as the new “REDD+ Task Force”, led by the Head of the Presidential Working Unit for Supervision and Management of Development (UKP4), Mr. Kuntoro Mangkusubroto. The support to relevant institutions such as UKP4 in their preparations for the national REDD+ architecture has been a perfect fit with the UN-REDD Programme, and has led UN-REDD Indonesia to achieve key results under Outcome 1 of the National Programme; in contributing to “**strengthened multi-stakeholder participation and consensus at national level**”.

▪ **Development of National REDD+ Strategy draft**

One of the key results achieved in 2010 has been UN-REDD Indonesia’s draft National

REDD+ Strategy in collaboration with Bappenas, where UN-REDD has supported drafting the document through an intensive and thorough multi-stakeholder consultation process. The methodology for this consultation method was inspired by the UNDP Legal Empowerment and Assistance to the Disadvantaged (LEAD) project, and the design targeted the National REDD+ Strategy through an inter-unit collaboration within UNDP. Starting in July 2010, and taking place over the course of several months, the process included Focus Group Discussions and Consultations at National Level and preparation and execution of a series of Regional Consultation Meetings. More than 300 experts representing more than 200 organizations from local, national, and international organizations participated in the 7 Regional and National Public Consultations. In addition to supporting the process with PMU staff, writers and resource persons were recruited to support the process. The Programme developed significant partnerships in the process, both with Bappenas and relevant line ministries, the Regional Governments, NGOs, civil society, academics and the private sector. Opening access to the process has increased participation and ownership by stakeholders and improved the quality of the drafts. The process produced three public drafts, a National REDD+ Strategy Executive Summary, and a report of the process to develop the National Strategy. On 18 November 2010, Bappenas officially submitted the final REDD+ Strategy draft to the REDD+ Task Force. In 2011, UN-REDD will work to maintain involvement of multi-stakeholders in the finalization of the Strategy. UN-REDD has supported translation and publication of the draft Strategies and Executive Summary, and will publish a Lessons Learned Report about the multi-stakeholder consultation process.

▪ **Other consensus-building activities**

Under Outcome 1, UN-REDD Indonesia has further supported other REDD+ activities to enhance consensus and multi-stakeholder participation at national level. In the second half of 2010, the Programme facilitated consultation meetings on Selection Criteria for the REDD+ Pilot Province under the aforementioned Lol. Additionally, to enhance coordination, UN-REDD has from an early stage (July 2010) discussed issues such as the Moratorium on all new concessions for conversion of peat and natural forest (planned to be effective in January/February 2011), quality of spatial data and statistical data, and MRV institution with the new REDD+ Task Force.

Other activities include:

- Participation in the Asia Forest Partnership (AFP) Conference and Exhibition in Bali in August 2010;
- Support for DNPI staff to participate in Climate Change Training organized by the Clinton Foundation in June 2010;
- Study trip to Brazil with DNPI staff in September/October 2010;
- Participation in side events at COP16 in December 2010 (on FPIC, organized by RECOFTC and on co-benefits, organized by UNEP) and facilitation of a youth delegation to COP16;
- Facilitation of meetings between Ministry of Forestry and the REDD+ Task Force;
- Participation in the 5th UN-REDD Global Policy Board Meeting in Washington DC;
- Participation in the First Regional UN-REDD Information Exchange Meeting in Bangkok in November 2010 (UN-REDD Indonesia presented progress on the National REDD+ Strategy and FPIC);
- Participation in RECOFTC workshop in Bangkok in November 2010;
- Participation in REDD+ Retreat on REDD+ Implementation in Indonesia in November;

- Facilitation of Ministry of Forestry workshop on status and coordination of REDD+ Demonstration Activities in December 2010;
- Collaboration with DNPI on Indonesia Carbon update in December 2010;
- Facilitation of a series of high-level meetings for decision makers in October, November and December 2010, where topics included the National REDD+ Strategy, the role of the yet to be established REDD+ Agency and Pilot Province Selection.

▪ **Pilot Province activities in Central Sulawesi**

In the aftermath of the Inception Workshop, the Pilot Province Selection for UN-REDD Indonesia was completed. Based on the Selection Criteria and multi-stakeholder inputs, Central Sulawesi was chosen as the main Pilot Province. However, it was also decided that there would be a secondary focus on the other Provinces in Sulawesi, for an island-wide approach. During the second half of 2010, a number of missions to Central Sulawesi were conducted. Meetings were held with NGOs, civil society and Local Universities (especially University of Tadulako) as well as with local government. Following this, a Kick-Off event (Launching) of UN-REDD activities was held at Provincial level (in Palu, Central Sulawesi) on 13 October 2010. More than 200 people, including the local Governor, UNRC and representatives from UNDP, FAO, UNODC, NGOs, CSOs, University partners and the private sector attended the event. A Working Group at Provincial level has been established. Local government and NGOs give their active support to the UN-REDD activities. In November, UN-REDD was provided with space to set up a regional facilitation office. A Regional Facilitator, based in the regional capital of Central Sulawesi, Palu, has been recruited. UN-REDD activities commenced in 2010 in Central Sulawesi include MRV and FPIC. For progress on these issues, see below.

▪ **MRV**

FAO together with the Ministry of Forestry has developed information materials on MRV to aid the discussion on MRV. Also several discussion sessions with the Ministry were held to increase understanding of MRV and REL. As part of the general capacity building in MRV, the UN-REDD Programme is preparing to implement a Remote Sensing and Forest Inventory training in Central Sulawesi together with Tadulako University. Preparation meetings for this were held to agree on the syllabus and course outline.

The UN-REDD Programme has also been meeting with the relevant actors working on MRV, to develop an overview of the initiatives and enhance cooperation and collaboration in this matter. The UN-REDD Programme focuses on developing a new National Forest Inventory (NFI) based on the existing NFI as a necessary part of a MRV system. For this an international consultant is being hired to make a NFI design in close collaboration with the Ministry of Forestry and other stakeholders. The other aspect of an MRV system is the satellite land monitoring. A satellite image interpretation of Lore Lindu National Park in Central Sulawesi was carried out to test the possibilities to identify land-use categories. This resulted in several maps of the Park.

The UN-REDD Programme developed an initial historical emission level from forestry in Central Sulawesi for the period 2000-2009. This was done to present the methodology applicable to MRV and REL processes.

In the second half of 2010, the UN-REDD Programme contributed to several public consultation meetings discussing the new institution which will be responsible for MRV, REL

and fair payment system in Indonesia. As stated in the Norway-Indonesia Lol, an independent MRV body will be established to manage and coordinate all existing agencies on MRV and REL related issues. In this respect, FAO is assisting the Ministry of Forestry with the development of a MRV Road Map for the REDD+ Task Force/future Agency. This road map includes information on required tasks and possible entities to implement those tasks, a time frame and a budget.

▪ **Communication**

In terms of the Communication of the Programme, several steps have been taken. A Communication Officer and a Public Relations Officer have been recruited as part of the PMU. These Officers have developed brochures and information material in addition to promoting and facilitating UN-REDD Indonesia events. The Programme purchased the www.un-redd.or.id and www.redd.or.id web domains, and has actively been using the UN-REDD webpage to disseminate information about the Programme and its activities. This was especially important for the UN-REDD support to the National REDD+ Strategy process, since the various drafts of the National REDD+ Strategy were only available on the UN-REDD website. During this period, the UN-REDD Programme particularly actively promoted the website and its content, and the website had several thousand hits. The UN agencies have further taken regular action to update the global official and internal UN-REDD websites. A promotional film was made about the UN-REDD supported consultation process for the Bappenas led development of the National REDD+ Strategy. Another video film about REDD+ in Indonesia and the UN-REDD Programme activities was made and shown at the UN Climate Change Conference (COP16) in Cancun, Mexico, in December 2010. Lessons Learned Reports on the multi-stakeholder development of the National REDD+ Strategy draft are currently being developed, to be shared with national and international UN-REDD partners. A Communication Strategy and further development of information materials are planned for the FPIC process and other sub-national activities.

▪ **Networking and outreach**

UN-REDD Indonesia has worked with institutional partners such as the new “REDD+ Task Force”, The Development Planning Agency (Bappenas), The National Council of Climate Change (DNPI), The National Forestry Council (DKN) and others. Networking and coordination meetings with related initiatives have been an important part of the UN-REDD Programme, and regular meetings and discussions with actors such as GIZ, AusAID, USDA Forest Service and the World Bank have taken place. UN-REDD has also had frequent contact with Civil Society Organizations and Indigenous Peoples (IP) representatives, such as AMAN, the Rainforest Foundation, WWF, TNC, WRI etc. Researchers from CIFOR, ICRAF, foreign and Indonesian Universities have further contributed to the dialogue concerning the national REDD+ architecture. Moreover, the Norwegian Embassy and Norad, the UN-REDD Secretariat and the UN-REDD Programme in UNDP, FAO and UNEP Headquarters and regional offices have been active partners. Meetings were also held with other UN-REDD countries, to draw upon lessons learned.

▪ **FPIC and multi-stakeholder consultation processes**

UN-REDD has highly prioritized to develop its capacity on the Free Prior and Informed Consent (FPIC) principle for interaction with indigenous peoples and local communities, and – building on the work that was done in 2009, such as the development of FPIC Guidelines for UN-REDD Indonesia – UN-REDD has in 2010 strengthened its understanding of the FPIC principle, through for instance participation in the **UN-REDD Programme Asia Regional**

Consultation with Indigenous Peoples on FPIC and Recourse Mechanisms, 16 – 18 June 2010, Hanoi, Viet Nam. At the national level, UN-REDD has started collaboration with the National Forestry Council (DKN) to develop National FPIC guidelines for REDD+ in Indonesia. Drawing upon work to develop global FPIC guidelines by the global UN-REDD Programme, the National Programme has in late December 2010 and early January 2011 supported the development of national guidelines. A National FPIC workshop was held in early January 2011 to support a national consensus on the importance of FPIC. The Chair of the REDD+ Task Force, Kuntoro Mangkusubroto opened this UN-REDD/DKN supported workshop. In parallel, implementation of FPIC process in Central Sulawesi has started. Through the active involvement of multi-stakeholders at sub-national levels, a targeted FPIC process will be implemented in the pilot province/districts. Workshops on FPIC mechanisms at provincial and district levels were held at the end of December 2010, and several missions are planned to give further support to the multi-stakeholder development of the FPIC processes.

▪ **Inter-agency UN collaboration and implementation arrangements**

While UNDP and FAO have had daily cooperation since both agencies are located in Jakarta, UNEP has been represented through several missions by the regional coordinator of UN-REDD in Bangkok. The UN inter-agency collaboration was further strengthened through development of Harmonized Implementation Arrangements (HIA). A Harmonized Approach to Cash Transfer (HACT) assessment was conducted 24 September 2010 by a “HACT team” from UNICEF. The results of the HACT were issued in quarter four.

All through 2010, several meetings were conducted between FAO, UNEP and the Ministry of Forestry, also involving Ministry of Finance, and Ministry of Foreign Affairs in order to finalize the arrangements needed for the implementation of the UNEP and FAO components of the Programme involving cash transfer. A Letter of Agreement (LoA) is needed for FAO implementation, while a Project Cooperation Agreement (PCA) is needed for UNEP implementation. The Ministry of Forestry suggested several revisions to the legal texts of these documents, to ensure the language reflected an agreement among equal partners, rather than a contractor-contractee relationship. Other suggestions related to terms of payment, the legal status of the documents and other issues. The prolonged revision process of the agreements therefore postponed the signing of the documents. In December 2010 agreement was reached between the Ministry of Forestry and FAO resulting in the signing of the LoA in January 2011. The PCA finalization was concluded in February 2011.

Seeing that fund transfer to the PMU from UNDP, FAO and UNEP do not follow the same mechanism, the PMU suggests that for future similar projects a clear mechanism of fund transfer is decided upon before the Project Document is signed so that project implementation can begin soon after signing of the Project Document.

▪ **Cross-cutting issues; Gender**

Concerning gender aspects of REDD+, UN-REDD Indonesia participated in a discussion at the UN Climate Change Conference (COP16) in Cancun, Mexico, in December 2010. UN-REDD also participated in a working meeting at the Ministry of Forestry for mainstreaming gender in REDD+ programmes, and is building partnerships with NGOs and CSOs working on gender issues in Central Sulawesi. UN-REDD Indonesia further plans to hire a consultant to mainstream gender issues in the REDD+ implementation in Central Sulawesi.

IV. FUTURE WORK PLAN

As recommended by the Programme Executive Board meeting 12 January 2011, UN-REDD Indonesia will seek a no cost extension of the Programme. The Programme therefore plans activities for the full calendar year of 2011. Some of the key activities include:

Consensus on key issues for national REDD+ policy development and capacity to implement REDD+ at decentralized levels (UNDP)

- Develop capacity on fair payment systems and benefit distribution systems. This includes compilation and evaluation of existing payment mechanisms and organization of an event on this topic in the first half of 2011.
- Follow up Provincial activities in Central Sulawesi, including selection of pilot districts.
- Continue FPIC process, both on national level for national policy development of FPIC and piloting of the process on sub-national levels.
- Follow up on National REDD+ Strategy development and lessons learned.
- Support development of the Ministry of Forestry REDD+ Roadmap and internal and external coordination mechanisms.
- Active participation in the establishment of REDD+ Agency and payment mechanisms with the REDD+ Task Force.

Communications (UNEP)

- Recruitment of an international consultant to develop a communications strategy and design the awareness impact monitoring system and training programme on REDD+
- Target messages, target groups and national partners identification through consultations and design social marketing campaign to facilitate high-level government decisions
- These actions will be important in order to get UNEP represented on the ground, and to strengthen inter-agency cooperation.

Multiple benefits (UNEP)

- Toolkit for priority setting towards maximizing potential carbon-benefits and incorporating co-benefits, at the provincial level likely to start in April 2011
- Spatial analysis of co-benefits
- (GIS) Training of provincial staff in use of the Priority Setting Toolkit
- Integration of the results into local spatial planning process, national REDD policy, and decision making.

MRV, REL (FAO)

- Training on Basic Remote Sensing planned in February 2011, FAO, PMU, Tadulako University
- Training on Forest Inventory methodology (March 2011)
- Progress on MRV road map with the TF (Danilo Mollicone, Joel Scriven), mission planned in February 2011 to solidify this further.
- Several workshops on MRV for purpose of consultation and capacity building
- Developing methodologies for reporting and verification
- Develop Reference Emission Levels through a process of consultations and scientific peer review.

V. FINANCIAL IMPLEMENTATION

Participating UN agencies	Total Transferred Up to 31 December 2010 (US\$)	Cumulative Up to 31 December 2010 ACTUALS (USD)	
		Commitments (AWP 2010)	Disbursements
FAO	1,498,000	435,760	32,618
UNDP	2,996,000	1,534,000	943,468
UNEP	1,150,250	143,000	0
Total	5,644,250	2,112,760	976,086