

Lessons Learned on Setting Community Based Organizations in Demonstration Activities of
REDD+ in Conservation Areas of Indonesia: Responsibility and Benefit Sharing
Bambang Supriyanto (Ministry of Environment and Forestry, Indonesia)

I would like to say to all of you about the institutional setup to REDD+ and also to distribute not only the benefit sharing but also the responsibility in term of PES in the global and also local level.



**Lesson Learned on Setting
Community Based Organization in
The Demonstration Activities of
REDD+ in Conservation Areas of
Indonesia: Responsibility and
Benefit Sharing**

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University of Tokyo, 3-4 February 2015

DIREKTORAT PEMANFAATAN JASA LINGKUNGAN KAWASAN KONSERVASI DAN HUTAN LINDUNG
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Content of Presentation

- The Challenges of REDD+ implementation in Indonesia
- Readiness of institution in the field and activities monitoring (MRV) of REDD+ implementation
- Setting Up Community Based Organization: Responsibility and Benefit Sharing

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My presentation will be divided into two main parts. The first part is dealing with the challenges of REDD+ implementation in Indonesia. The second one is dealing with the readiness of the institution in the field and activities of monitoring including its responsibility and benefit sharing.

1. The Challenges of REDD+ Implementation in Indonesia



**The Challenges of REDD+
implementation in Indonesia**

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**SCOPE OF REDD+ ACTIVITIES :
national implementation context**

REDD + Indonesia → [Emission reduction from deforestation (conversion decreasing), Emission reduction from forest degradation (forest governance), Carbon stock conservation (prevent emission), Carbon stock enhancement (restoration, Reforestation etc)] → **Sustainable Forest Management** → **Modalities** (Net Sink/ Balance & Sustainable Development) and **Safeguards**

Scope of REDD+ activities according to COP-13 and COP-16 Commitment

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May I start with the first? The scope of REDD+ activity according to the COP13¹ and COP16 is that there are at least four pillars. The first one is dealing about the emission reduction from deforestation and also degradation. The third deals with the carbon stock conservation. This is not exercised very well in term of global negotiation. Last but not least, it is dealing with the carbon stock enhancement.

In terms of communication in Indonesia especially, we prefer to use sustainable forest management instead of carbon credit incentives due to the fact that the carbon market is uncertain. There is something

¹ <http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf>

counterproductive during the process of readiness of REDD in Indonesia because of that issue. Having these institutions is to ensure the net sink and also the balance and also the sustainable development can happen in Indonesia.

Challenges in sustaining Result Based DA (The way to carbon market)

- ☐ Period of DA REDD for result based is 20-100 years (carbon credit can be re-calculated)
- ☐ Carbon with conservation (biodiversity) and social benefit need premium price → has not yet accommodated in market
- ☐ How conservation and biodiversity value could get incentives from REDD+ scheme
- ☐ **Readiness of institution in the field and activities monitoring (MRV) of REDD+ implementation including benefit sharings**
- ☐ Search for alternative incentive source of Carbon Credit to be used as a sustainable economic for community

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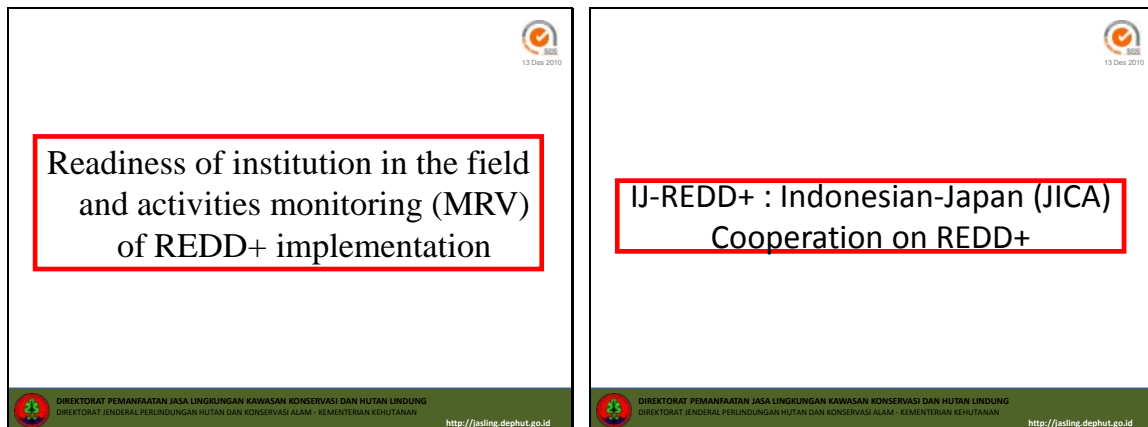
We have at least three big challenges for us. The first one is dealing with the period of the DA² REDD for the result base is 20-100 years, while we understand clearly the readiness project funded by the government as well as the donor normally only last for three to five years. My initiative is how to create in terms of the institutional setup to ensure the carbon credit calculations in year 20 can be measured, can be traded in terms of the regional and also international.

The second one is also what I said to all of you is the third pillar of the REDD+ about the 'Carbon Conservation' is not really discussed in terms of the international level. By having the communication of the forest management/business management we assume there is a good buyer. They can lower that premium price so that the best it can be happened in those issues.

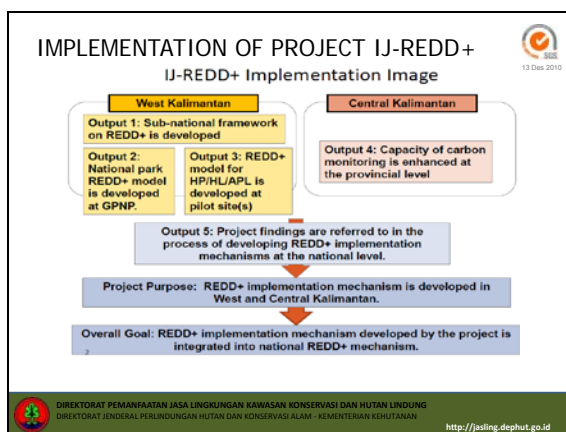
Last, but not least, this is about the challenges about the community who live inside or nearby the forests. We understand clearly without the participation of the community, it is not possible to prevent and also to halt the main driver of deforestation and degradation of the forest. We have to pay attention on those issues.

² Demonstration Activities

2. IJ-REDD+: Indonesia-Japan (JICA) Cooperation on REDD+



Ladies and gentlemen, let me continue with the exercise of how to establish the institution of PES in terms of institutions in three of our DA project Indonesia. The first one is about the Indonesian-Japan REDD+. I am the director of this project. I am responsible for the access strategy of this project.



There are five outputs that should be achieved during the next one and half years. The first one is about cluster of the subnational approaches. We have three outputs that should be there. The first one is about how the subnational framework on REDD+ is developed. The second one is very important. This is very rare. Also, how can we model in terms of REDD+ in the national parks? This is related with the third pillar of what I explained before. The third one is about the REDD+ model, this is HP. It means protection forest and non-forested area including palm oil, mining, timber concessions and other areas. The fourth output is the capacity of carbon monitoring is enhanced at the professional level. Last but not least, how can we develop the mechanism of the REDD+ in terms of landscape subnational which comply with the methodology of national level? This will be the output of number five.

Outcome #1

Market-Based Development
-IJREDD+ toward REDD+, JCM and CSR



Report on Country Focused Training & Dialogue Program in Policy for REDD+

Japan, February 1 - 8, 2014

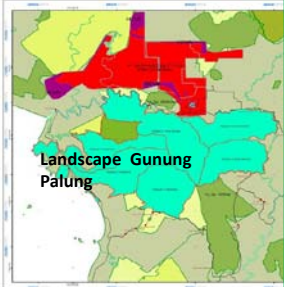
U-REDD+ PROJECT

Ministry of Forestry, Japan - Project for Development of REDD+ Implementation Mechanism
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In all of the readiness processes, the outcome should be directed in terms of PDD³, in term of REL, in term of MRV should be directed for the readiness, for the market and/or market purpose.

We understand clearly. We made a discussion with the JICA how can we propose our pilot project will be also under scheme of JCM (Joint Credit Mechanism)? Yesterday, I explained to all of you that only nine projects in Indonesia are already undertaken, but most of them only related with energy. Now, we are going to start with the reforestation and degradation in terms of the land. We are also seeking corporate social responsibility domestically. We have the government act number 5,1995 saying that 2.5% of the profit of the company should go toward social and the environment. By having this document, I would like to use it in terms of how we can get the support from the private, especially on the domestic level.

Outcome # 2



Landscape Approach

- Gunung Palung NP
- HCVA Palm Oil Plantation PT. PAS
- Protection Forest G Badung
- Protection Forest G. Tarak /G Menangis

Landscape Gunung Palung

Ministry of Forestry, Japan - Project for Development of REDD+ Implementation Mechanism
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The second one, this is very important to be shared to all of you since our approach is landscape. There are many multi-stakeholders involved in that approach. We understand clearly that is national park inside of our area and then we also find some company, palm oil and then protection forest and timber concessions.

³ Project Design Document

Outcome # 3

Governance
Distinction on land-use,
owners, management:

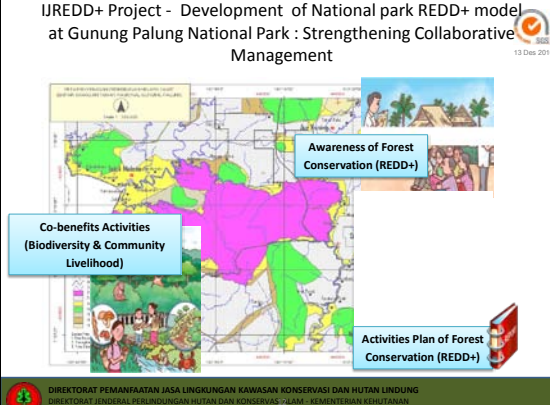
- "Low Emission Development" / Green Initiatives
- Public Forum
- Co-Benefit /Benefit Sharing



WILAYAH KERJA PEMANFAATAN JASA LINGKUNGAN KAWASAN KONSERVASI DAN HUTAN LINDUNG
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Since our approach is that multi-stakeholder approach. We understand clearly about how the type of management differs greatly among the land use as the owner. By having this institution, we are going to set up the collaborative management plan of how to produce the low emissions within the five or the coming 20 years. How do we do it? We need a public forum not only sharing about the benefit sharing, but also cost and responsibility.

IJREDD+ Project - Development of National park REDD+ model
at Gunung Palung National Park : Strengthening Collaborative
Management

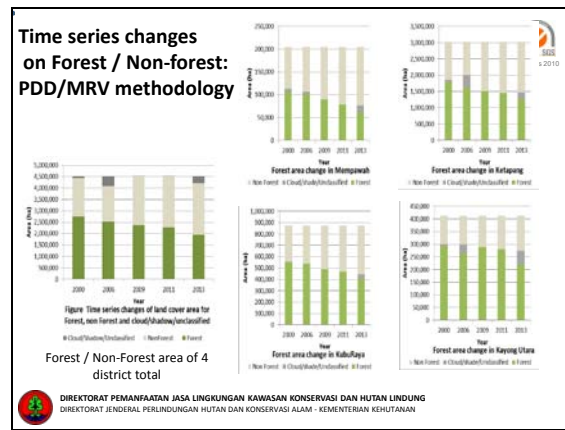
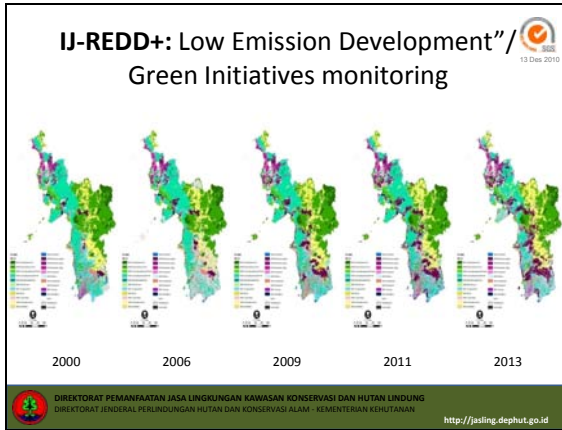


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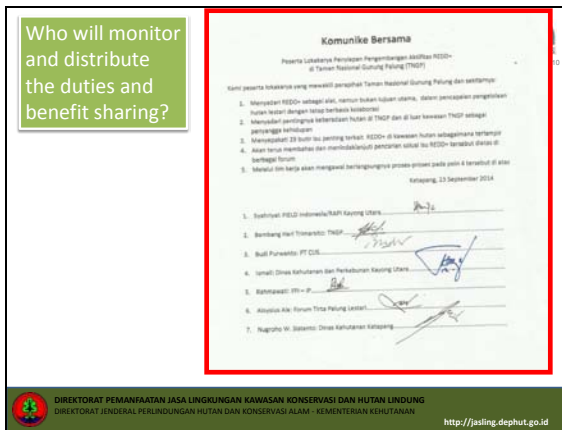
This is how to do it in terms of the long-term low emission targets. Of course, we are going to ask using the public forum. We set up the time series of deforestation and degradation to set up the REL and then asking what kind of low emissions to be adopted in that area. To give you an example, in the conservation forest and protection forest, we can use what we call the community-based national park approach or best management practices on that area.

Another example is how we can endorse the high conservation value forest using some criteria of RSPO⁴? This is the one for palm oil. This is the area of Pasifik Agro Santosa company (PT.PAS). We are going to conduct the corridor between the conservation areas with a protection forest. Can you imagine the commitment of the palm oil company would like to share about 10,000 hectares? It is not converted to the palm oil, but leave it like a forest as a corridor of orangutan over there. It is fair if the consumer gives a premium price for that company.

⁴ Roundtable on Sustainable Palm Oil: <http://www.rspo.org/>

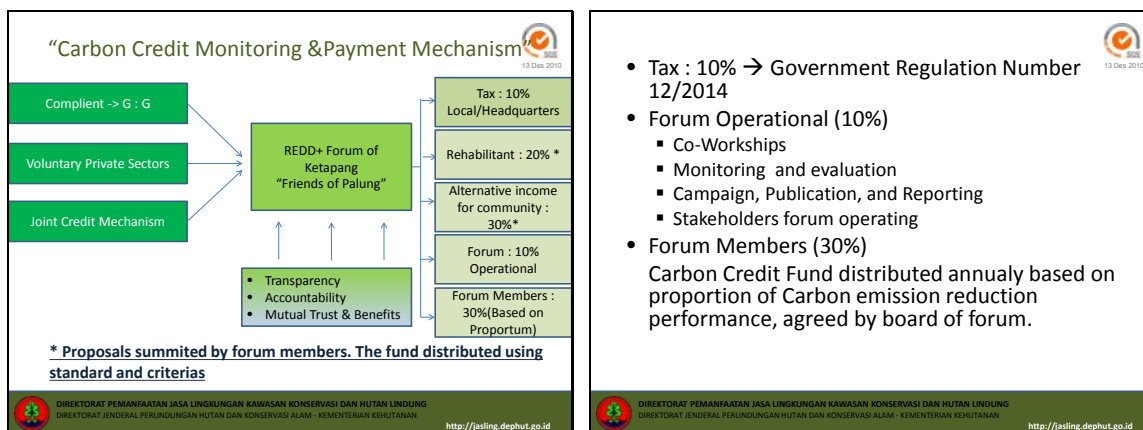


I used the time series data of our landscape approach to discuss with the stakeholders involved in that area. We see that based on our REL the forested area is decreasing within the 15 year period by almost 20%. Then, for the coming year, we are going to at least remain constant or become increasing if it possible.

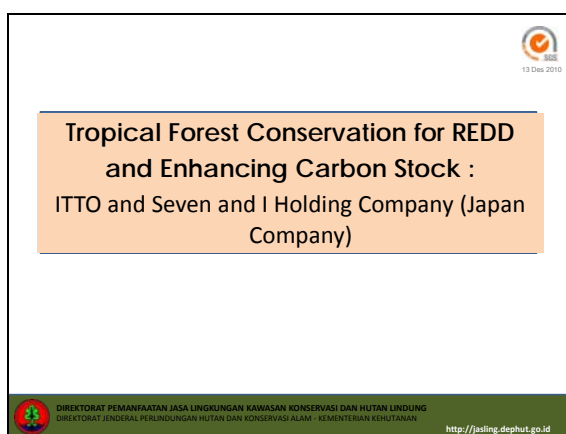


This is the institutional forum we set up just four months ago, the stakeholder forum, especially for discussing issues. The first one is how we can create the collaborative management plan in terms of low-emission targets. The second one is dealing with the right and duties among the stakeholder. The fourth, this is very important. When the benefit is already coming, normally the conflict will happen. The third one is how to solve conflict internally. Last but not least, if there is public support in term of the fund, the fund is not managed individually, but managed by the forum.

3. Carbon Credit Monitoring & Payment Mechanism

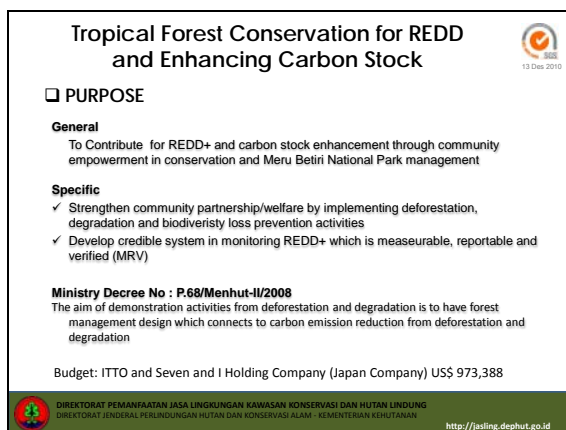


This is just an idea. It has not been decided yet, about REDD+ forum of Ketapang. The name is Friends of Palung. If there is a payment in term of PES, then the distribution most likely will be that 50% (subject to discussion) will be to strengthen our rehabilitation and restoration in that area. The rest is for the administrative support in terms of running operation of the forum. Last but not least 30% will be given to each individual stakeholder involved to the low emission carbon target.

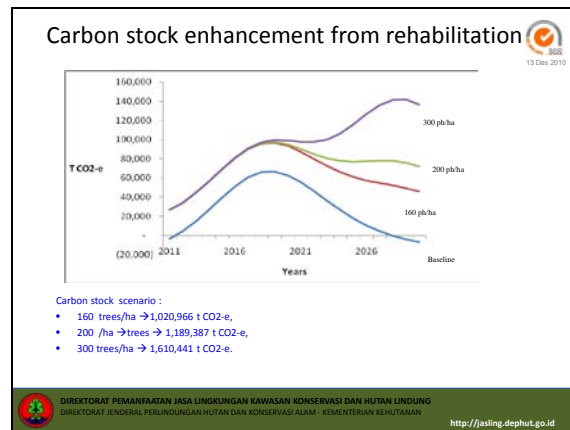
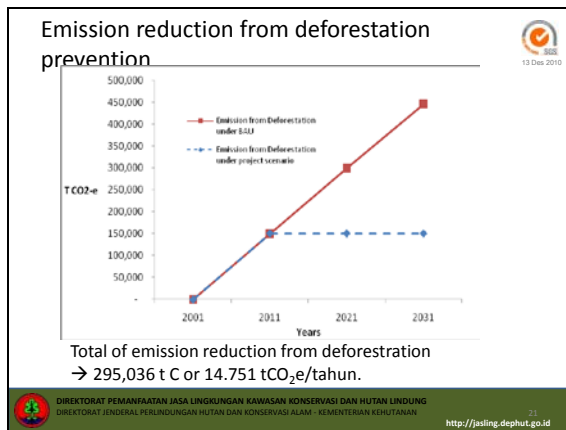


The second is example of tropical forest conservation REDD+ and enhancing carbon stock. This is ITTO and Seven and I Holdings, which is a Japanese company.

4. Tropical Forest Conservation for REDD and Enhancing Carbon Stock



The project is the 'Tropical Forest Conservation for REDD+ and Enhancing Carbon Stock.' The purpose is to contribute for REDD+ and carbon stock enhancement through community empowerment. The specific target is to strengthen community partnership by implementing deforestation, degradation, biodiversity loss prevention activities, and develop credible systems in monitoring REDD+ that are measurable, reportable, and verifiable.



This is the emission reduction from deforestation prevention by two activities. One is making a community protection unit, and another one is using community-based development. By having the plantation, of course, the total emission reduction from deforestations is already calculated. The amount is mentioned in this presentation.

This is also for the carbon stock enhancement.

Carbon potentials and Co Benefits

Landcover	Area	Ton C/ha	Total Stok (Ton C)	Ton CO ₂ -e
Forestland	47.761	149	7.102.061	26.040.890
Grassland	1.706	7	12.283	45.038
Cropland	679	3	1.969	7.220
Agroforestry (existing condition)	2.535	29	72.755	266.768
	52.681		7.189.068	26.359.916

- ❖ MBNP biodiversity sources (flora dan fauna) ex. Raflesia, wild cow, Javan eagle, etc
- ❖ Future threat deforestation and degradation
- ❖ In relation with social safeguards, community as key stakeholder decide the achievement of REDD+: what kind of institution set?

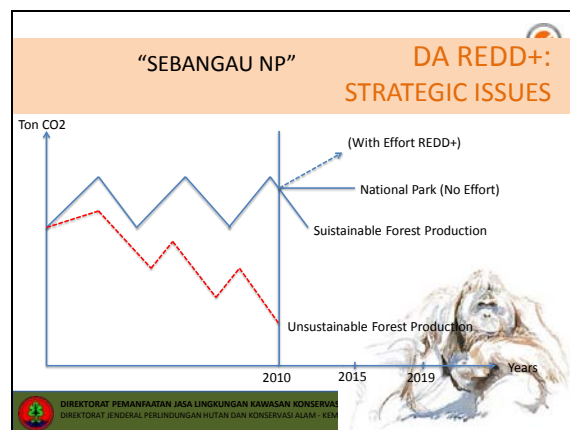
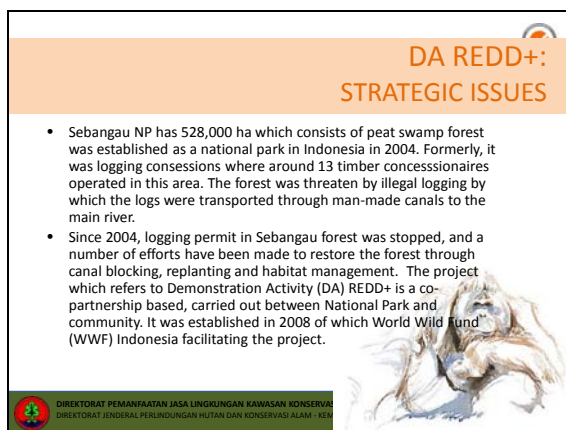
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The most important thing is the benefit sharing. If the project is dealing with carbon reductions, of course the impact is not only for the forest, but also the environmental services become good. Also, the habitat of wildlife, flora and fauna also would be great. This is the benefit but there is a still question by Dr. Ma. This is our responsibility, which is what kind of institutions should be set up, especially if there is carbon payment in the future?

5. Re-Wetting of Forest Peatland in Sebangau National Park

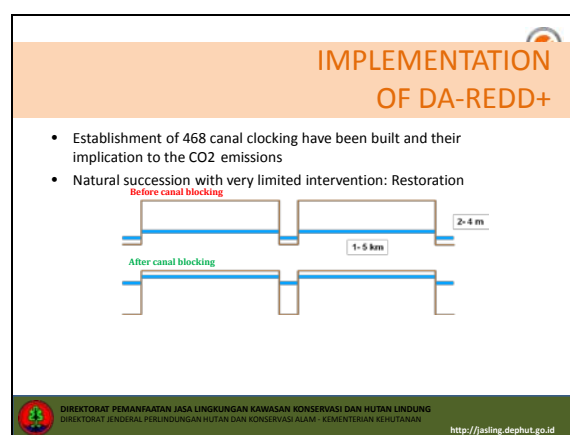
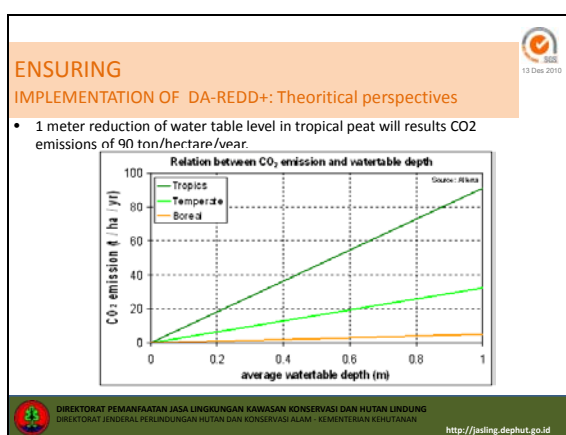


This is last but not the least about the project with WWF. I am an alumni of WWF, so we give priority in terms of the project of re-wetting of forest peat-land in Sebangau National Park.'



This is a very excellent example of how the national policy changes because of environmental reasons. Previously, Sebangau National Park was a production forest, and there was so much illegal logging happened over here. WWF, with us, initiated the initiative of national park in the year 2004.

Then of course, this is the scenario.

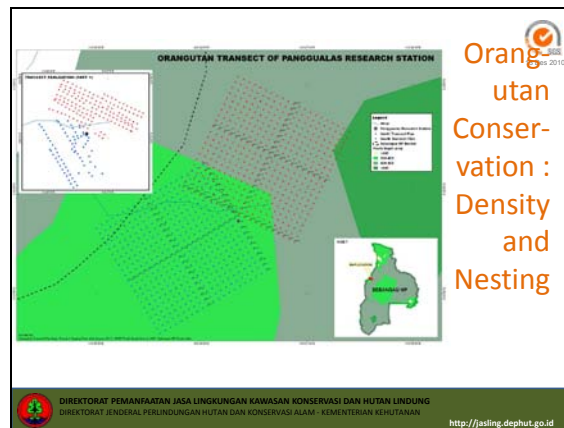


We are only making two kinds of activity in that area. The first one is how to recover the ecological

situation due to illegal logging and production forest activities by making a canal blocking to increase the water content of the peat-land. According to the research, it says that that one meter re-wetting of the carbon yielded about 90 tons of CO₂ equivalent.

Year	Hectare	Baseline Emissions	Project Emissions	Gross ERs	Leakage	Non-Perm	Net ERs
2010	60,500	2,752,750	2,312,310	440,440	(44,044)	(176,176)	220,220
2011	60,500	2,752,750	1,871,870	880,880	(88,088)	(352,352)	440,440
2012	60,500	2,752,750	1,431,430	1,321,320	(132,132)	(528,528)	660,660
2013	60,500	2,752,750	990,990	1,761,760	(176,176)	(704,704)	880,880
2014	60,500	2,752,750	550,550	2,202,200	(220,220)	(880,880)	1,101,100
2015	60,500	2,752,750	550,550	2,202,200	(220,220)	(880,880)	1,101,100
2016	60,500	2,752,750	550,550	2,202,200	(220,220)	(880,880)	1,101,100
2017	60,500	2,752,750	550,550	2,202,200	(220,220)	(880,880)	1,101,100
2018	60,500	2,752,750	550,550	2,202,200	(220,220)	(880,880)	1,101,100
2019	60,500	2,752,750	550,550	2,202,200	(220,220)	(880,880)	1,101,100
				17,617,600			8,808,800

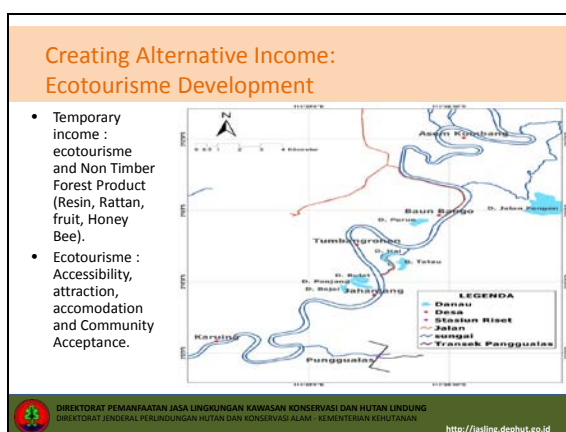
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Year	Total density (individu/Ha)		Orang-utan Nesting	
	Before project	After project	Before project	After project
2010	1.2 – 1.6		2 (?)	
2011				
2012				
2013				
2014				
2015		1.6 – 2.0		4 (?)
2016				
2017				
2018				
2019		2.0 – 2.4		8 (?)

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This is the calculations of the carbon stock reducing emissions from that area.



Creating Alternative Income: Ecotourisme Development			
<ul style="list-style-type: none"> Economic riil : US \$ 823680/year Nett revenue /family : US\$ 458/month 			
Type of Income	Price/Package/Person of Foreigner	Price/Package/Person of Domestic	
1 Accessibility			
- Boat	40	20	
- Motorcycle Taxi	8	4	
2 attraction			
- Interpreter Guide	60	30	
- Souvenir	10	10	
3 accomodation			
- Homestay	150	100	
- Beverages	60	40	
Total	328	204	

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Year	Hectare	Net ERS (ton CO2)	Price (US\$/ton CO2)	REDD	REDO+	Total Revenue (US\$)	REDD	REDO+
2010	60,500	330,220	2	2		440,440	440,440	
2011	60,500	440,440	3	4		1,321,320	1,761,760	
2012	60,500	660,660	4	6		2,642,640	3,963,960	
2013	60,500	880,880	5	8		4,404,400	7,047,040	
2014	60,500	1,101,100	6	10		6,606,600	11,011,000	
2015	60,500	1,301,300	7	12		7,707,700	13,213,200	
2016	60,500	1,501,500	8	14		8,808,800	15,415,400	
2017	60,500	1,701,700	9	16		9,909,900	17,617,600	
2018	60,500	1,901,900	10	18		11,011,000	19,819,800	
2019	60,500	2,101,100	11	20		12,112,100	22,022,000	
		8,000,000	56	98		488,782,800	848,562,400	

Possibly Carbon Credit

Some of REDD+ Program Implementation related to Biodiversity		
Areas	Program	Partner
Meru Betiri NP, East Java	Tropical Forest Conservation for REDD and Enhancing carbon stock	ITTO, Latin, Centre for Climate Change and Policy Research (Puspajak), FORDA
Sebangau NP, Central Kalimantan (Peat land)	DA REDD+ Pilot Project	WWF Indonesia
Tesso Nilo NP, Riau, Sumatera	DA REDD+ Pilot Project	WWF Indonesia
Berbak NP, Jambi, Sumatera	Berbak Carbon Value Initiative	The Zoological Society of London (ZSL)
Sumatera and the HoB	The Forest Conservation Act 1 / TFCA(Sumatera), and the Forest Conservation Act 2 / TFCA (Kalimantan)	US Government, TNC, WWF, Yayasan Kehati
Kayan Mentarang NP, East Kalimantan	Malinau Avoided Deforestation and DA REDD+	KIW, GTZ
Gunung Palung NP	Indonesia Jepang Project for Development of REDD+ Implementation Mechanism	JICA

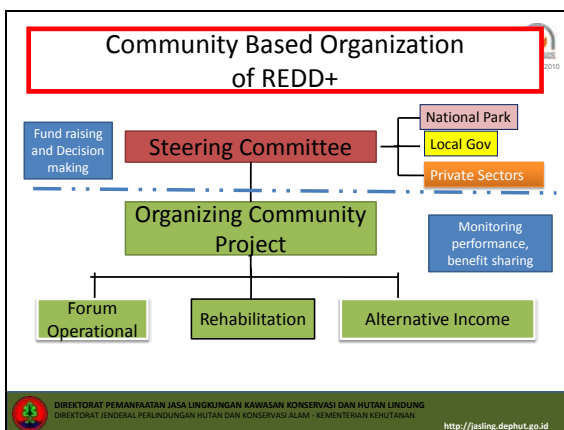
What is the opportunity cost given to the community because the canal is blocked? We are offering two kinds of policies in that area. The first one is that we give access to the community to use non-timber forest product and also from the services like the tourism potential over there.

6. Setting up Community-Based Organizations: Responsibility and Benefit Sharing: Conclusion

**Setting Up Community Based Organization:
Responsibility and Benefit Sharing:
Conclusion**

COMMUNITY BASED ORGANIZATION		
Forum	→	Community based organization.
	→	Stakeholder member who participate in the REDD+ project
	→	Collaborative management plan
		Right and responsibility of emission reduction
		Resolving conflict between the members
		Benefit Sharing Distribution

I go to the conclusions. This is about the community organization. For the land use approach or landscape approach, we need a forum as stakeholder members who participate in the REDD+. Then the main function is to make a collaborative management plan and then the rights and responsibility of the emission reductions should be defined by themselves. Then this organization is also resolving conflict between the members and benefit-sharing distribution.



Thank You

The idea is very simple. The champion of the stakeholder will be put in the steering committee. This is to decide about the proposals, not only the task or the responsibility, but also the benefit sharing. We also will hire for the organizing community project.