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Alignment of Sub-National and National REDD+ Policy

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Outline

- Indonesia's policy context for REDD+
- REDD+ vs. Trends and Drivers of Deforestation and Forest Degradation
- National approach to developing REDD+ Strategy
- Status of REDD+ policy set
- Structure of the REDD+ National Strategy
- Approach for alignment of national and sub-national REDD+ policies
- Lessons learned and recommendations

Indonesia's policy context

- Control over state forest land (133/186 mio Ha) is in the hand of central government i.e. Ministry of Forestry
- Highly decentralized unitary state
 - Authorities over territory at Kabupaten level (sub-province)
- Natural resources distribution policy to sub-national
 - The more you exploit, the more \$ you receive
 - The more critical land you have, the more \$ you receive
- Rather fluid and short horizon in spatial planning
- Mineral right prevails
- Expanding agricultural sector especially food estate and oil palm
- Shift from solid wood industry toward pulp & paper
- 26-41% ER commitment + Lol with Norway

Typology and drivers of deforestation/forest degradation

➤ 1.1 million ha/year
➤ 90% occur in 9 provinces

Deforestation/Forest Degradation		Drivers
Deforestation	Planned (mostly central decision)	<ol style="list-style-type: none"> 1. Division of administrative area 2. Approved conversion 3. Forest conversion in land designated for other uses 4. Mining permit in forest area 5. Plantation permit in forest area
	Unplanned (mostly under control of sub-national)	<ol style="list-style-type: none"> 1. Encroachment 2. Fires 3. Land claim leading to conversion
Forest Degradation	Planned	<ol style="list-style-type: none"> 1. Logging permit in natural forest 2. Forest plantation permit on good natural forest land
	Unplanned (both levels involved)	<ol style="list-style-type: none"> 1. Over cutting in logging area 2. Illegal logging. 3. Natural small fires 4. Small fires for agriculture land clearing

Current status of National REDD+ Policy

- **National REDD+ Strategy:**
 - Final draft per May 2011
 - 30 days open public scrutiny just ended Sept 17.
 - Finalization will involve new Task Force and mechanism
- **REDD+ implementation structure under construction**
 - REDD+ Agency, MRV Agency, REDD+ Finance institution
 - MRV and financial flow mechanisms
 - Registry system as yet to be designed
 - Provincial structure as yet to be established
 - FPIC
- **Supporting policies in place:**
 - Moratorium of new licensing for forest land uses
 - Pilot province appointed and MoU signed
 - Second Task Force established (after the first one ended 6/30)
 - DA development supported with Ecosystem Restoration Concession licensing mechanism (42 pilot sites on paper)
 - Forest land tenure reform at early stage

Architecture of National REDD+ Strategy

Objectives:

Emission reduction

Increase in forest carbon stock

Biodiversity/ecosystem services

Sustainable economic development

REDD+ institutions

Laws and regulations
(new and re-alignment)

Strategic programs

Shifts in paradigm
and work culture

participatory
processes

Good governance at national and sub-national levels

Approach to alignment with sub-national REDD+ Policy

- Pilot provinces (1-2), priority provinces (7-8)
- **MoU between central and provincial government**
 - for coherent sub-national system development,
 - financial supports
 - sub-national initiatives
- Establishment of leading provincial body
- **Development of provincial strategy and action plan**
- Consolidation at sub-national level (in progress):
 - Finalization of spatial planning
 - Integrated mapping of land use and claims
 - Coordination across economic sector planning
 - Learning across pilot sites on MRV, area management, benefit sharing approach, etc.

Major issues and challenges for alignment

- Fundings at sub-national level are LOW, while expectations are HIGH
- Alignment of incentives at each and between National and Sub-National levels:
 - Revenue distribution law, rules of law and enforcement need strengthening
 - Ownership and responsibility need more clarity to create incentive for investment and stewardship
 - Ownership and benefits are concentrated → Current beneficiaries have incentive to resist change
 - Most land use/forest conversion decisions made by sub-national governments and actors
 - Cost of change may not align with who reaps the benefit
 - Direct revenue is valued over quantified benefits that can't be cashed in

Recomendations

- **Adopt key ingredients in system development:**
 - Inclusive multistakeholders process across players, sectors, level of administrations
 - High quality technical inputs from local and international experts
 - Transparency in input provision and decision making processes
 - National and sub-national ownership of the process and outputs
- **Manage expectations [Be prepared, frank and fair when responding to questions]:**
 - WII-FM (what's in it for me); show me the money
 - Where's the limit to this initiative
- **Incentive matters, ensure consistency**
 - Financial+regulation/institutions+law & enforcement

Thank You



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