

# FGLG-Indonesia

Progress report 2012



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## Narrative Reports FGLG Indonesia 2012

### I. Progress with activities –

FGLG Indonesia is working together with NRDC (Natural Resource Development Centre) to aim as a leverage to improve governance of natural resource (forestry) in Indonesia since July 2012. NRDC is an independent non-governmental organization and has been working on identification issues in natural resources management including REDD+.

This report is covering FGLG activities progress at January 2012 to -January 2013.

As mentioned in Work Plan 2012, activities that must be carry out to achieve **Output 1“National REDD+ strategy, with credible components on good forest governance”** are:

#### Activity 1.1 Develop policy brief on Benefit Sharing in REDD

One of the main issues related to REDD implementation in Indonesia is benefit sharing. Benefit distribution system is a mechanism how REDD+ funding can be used and distributed fairly to all stakeholders. Beside carbon monitoring and other technical challenge, benefit distribution system is also potentially raises sensitive issues. The benefit may not always involve direct monetary payment and the total benefit delivered may be a combination of many different forms of benefits. The distribution of benefits from REDD project revenue particularly needs further discussion. An initial proposal was put forward in regulation P.36/Menhut-II/2009, but it illustrates the questions that need to be answered and it is now under revision process by Ministry of forestry and Ministry of Finance.

FGLG has facilitated several discussion on REDD+ Benefit sharing since July 2012 together with Center of Policy Research on Climate Change (*Pusat Penelitian Kebijakan Perubahan Iklim*). We agreed that determining allocation of REDD+ benefit sharing amongst stakeholders is very important to ensure the sustainability of REDD+ programme/Project activity. The benefit sharing allocation, both vertically and horizontally, has to be defined clearly prior to the starting of REDD+ project. Lesson from benefit sharing mechanism best practice of Payment Environmental Services (PES) in Indonesia could be apply for REDD+. Therefore REDD+ needs to learn from PES, in how the benefit sharing mechanism will work and how to set up an accountable monitoring system to ensure that environmental services are delivered. Focus Group Discussion (FGD) at 12 September 2012 found that it is need to analyze benefit sharing from the REDD+ initiatives on the ground in order to have an options of distributing of benefit for stakeholder involve in REDD+ activities such as central government, local government, investors, and local communities.

To support the improvement of policy on benefit sharing of REDD+ it is needed to develop assessment by consultant. Since October-December 2012, FGLG Indonesia initiated series of FGD (Focus group Discussion) in Jakarta and Bogor to discuss benefit sharing issue, as well as TOR and potential consultant for conducting the assesment, timeline and expected outputs. Participants of FGD's were government (Ministry of Forestry and Ministry of Coordinating of Economy sector) , NGO's, International project cooperation, Research Agency, universities etc. The last FGD at 9 January 2013, recommended that the potential candidate for consultant is Dr. Ngaloken Gintings, he is senior researcher in Center for Climate Change Research in Bogor. The assessment now is being implemented by consultant. Before publishing, the assessment will be reviewed by experts team.

1.2 Decision makers and other stakeholders meeting to share the findings of the policy brief (1.1 above) and identify ways forward

This activity has not been implemented yet because this is the following up the activity 1.1. But some informal meetings and FGD has been implemented, initiated by FGLG to share the findings of REDD+ DA's implementation.

1.3 Develop simple learning tool on REDD+ for decision makers at national and sub-national level and grass root stakeholders. Possible format - interactive presentation.

This activity is being implemented by Inspirit. As mentioned in the FGLG workplan for 2012, Inspirit as responsible party to carry out this activity with supported by material from FGLG team (ITTO, FFI, WWF, MoF). Inspirit will finalize the product and test the tool. Actual time line for the activities is January 2013.

1.4 FGD (cooperation with working group of CC-MoF and CC council -DNPI) to review/improve learning tool (1.3 above)

This is continuation of activity 1.4. Role of Inspirit.

1.5 Training workshop using the tested tool (1.4 above) for decision makers within MoF and, if possible, including decision makers in provincial level (echelon 2) to increase awareness and understanding about REDD+ and training for grass root stakeholders in pilot province

This also continuation of activity 1.4.

1.6 Map activities/local experience on REDD+ and gender in Indonesia – and produce a short report of the mapping

Gender is as an important variable that determines access to and control over forest resources. Thus, any forest-related initiative, such as REDD+ (Reducing Emission from Deforestation and Forest Degradation), which does not consider a gender perspective could restrict women's involvement in forest governance and likely hamper the attainment of good forest governance. Evidence shows that women are likely to be affected differently than men and are more likely to be disproportionately affected by REDD+ policies and initiatives, based on their gender roles in relation to forest management. Therefore, engaging both men and women in REDD+ is necessary to generate positive outcomes. FGLG members have actively involved in addressing gender in REDD+ initiatives in Indonesia. On November 2012, one of FGLG members and her colleagues have written a study on "A Guidance Note to Integrate Gender in Implementing REDD+ Social Safeguards in Indonesia" supported by UNREDD and UNEP. So that other countries considering such activities, can learn from what we have done.

To carry out the mapping activities/local experience on REDD+ and Gender Indonesia, FGLG team has initiate joint activities with RECOFTC Indonesia. Initial meeting has already done by 17 December 2012, and we agreed to start with workshop, which planned to be held on March 2013. TOR and objective of the workshop will be discussed sometimes in the beginning of February.

1.7 Disseminate printed material (1.6 above) to the relevant stakeholders and decision makers on REDD+ such as within MoF, Task Force REDD+ and CC council REDD+

It is planned to be implemented on March-Mei 2013. This is continuation of activity 1.6.

## Output 2: “FGLG Indonesia alumnae effectively engaged in implementing REDD+ strategy”

### Activities :

#### 2.1 Develop a database of FGLG alumnae and their current roles/functions and how they engage in REDD+.

As we agreed that in 2012, FGLG Indonesia will bring young members into FGLG. The activity was started by collecting data and information related to FGLG alumnae which has been done by September 2012. The exist database has been updated and has been uploaded in website of NRDC (Natural Resource Development Centre) website.

[www.nrdcf.org](http://www.nrdcf.org)

#### 2.2 Develop webpages on FGLG alumnae work/roles

As mention above, FGLG alumnae was uploaded in website NRDC. The data will continue to be updated.

#### 2.3 Record stories of change from selected FGLG alumnae and produce them in an effective product form

Stories of change related to the impact of FGLG Indonesia activity which would like to included in this report particularly as follows :

- 1) Community forest (Hutan Rakyat or HR) which literally means people's forest which basically is community forest on privately owned forests in Gunung Kidul district, Java. Development of "hutan Rakyat" in this area has changed a dry area to be a green area managed with local communities group which have been certified by FSC and LEI. (Indonesian eco labeling Institute). HR managed with local communities group which in some area have been certified by FSC (Forest Stewardship System) and LEI (Indonesian Eco Labeling Institute). However forestry farmers now faced some challenge such as weak local institution, market access and capital support to scale up the activities. In the meantime there is new regulation related to TLAS (timber legality assurance system) which should be implemented on March 2013. All wood product should be legal and it perceived as "buden" by the community. FGLG Indonesia has been working there, recently to facilitate Ministry of Finance and Ministry of Forestry to support development of investment in HR. FGLG assist team of Ministry of finance to explore funding to support investment in HR. it is recognized that business in HR is not "Bankable", it need innovative action to help the farmers in HR. Beside that we also facilitate improving capacity of community groups and head of villages in implementation of TLAS ( this is part of the improving governance) through training for the forest farmers (supported by ITTO). FGLG with supported by DFID project (**Investing low-carbon growth sector**) has been carried out national workshop in Jogjakarta at July 2012 to formulate issues and solution in HR (both investment and technical aspect). Participants of this workshop include decision makers in Ministry of forestry and Ministry of Finance and other relevant stakeholders such as farmers, NGO's universities and associations. To follow up the process, FGLG Indonesia also initiated several internal meeting with stakeholders in Jogjakarta particularly to facilitate community forest or HR in order to get funding by national budget through revolving funding scheme. FGLG initiative also has been presented in ITTC side event in Yokohama , 7 November 2012. Intervention FLGG in policy aspect is to support Ministry of forestry and Ministry of finance to revise regulation related to “utilization of reforestation fund” for investmen in HR area. The improvement regulation has already approved at the end 2012. And FGLG team has assisted community group in Gunung Kidul district to develop proposal for accesing credit line from Reforestation Fund.

- 2) Other site story of change is in East Nusa Tenggara (ENT). ENT is the less developed province in Indonesia, which has no many resources contribute to the local government revenue. Natural condition is very dry, and dominated by degraded land (70%). Sandalwood (*Santalum album* L.) is endemic species from East Nusa Tenggara (ENT) Province Indonesia. And Sandalwood plays an important role as one of the main sources of local government and communities for long time. However the resource is being rapidly depleted due to weak of policy on sustainable management of the resource. Many studies have identified that an effective policy would address the sustainability of the sandalwood resource. The local people gain little from sustaining sandalwood resources, and unclear rights over sandalwood production have even burdened them. Regulation is discourage local communities to involve in managing the resource. There was also showed that local people tend to kill the young trees to turn away from the obligation to maintain the trees once it was inventoried. Concerned about the future sustainability of sandalwood, FGLG member initiated to take concrete action in supporting improvement of policy of Sandalwood management in ENT. Started with facilitating in developing proposal to the Ministry of Forestry and with the support of the International Tropical Timber Organization (ITTO), the project PD 459/07 (F) Rev. 1, “*Improving The Enabling Conditions For Sustainable Management of Sandalwood Forest Resources In East Nusa Tenggara (ENT) Indonesia*” was funded. The project aims at developing sustainable sandalwood resource management by strengthening policies, economic incentives, and the capacity of local institutions. This approach is necessary to increase the local people’s participation in maintaining sandalwood resources. FGLG team worked hardly to approach local government and legislative and other stakeholder to improve the regulation related to Sandalwood management. And now the improved regulation has been approved by legislative. The revision of the regulatory framework (1) Remove any elements that act as a disincentive for people to engage in sandalwood production on their private land (2) Introduce incentives (financial and technical) to encourage people to engage in cultivating and managing sandalwood on their private land. (3) Empower rural people to take control of their natural resources and benefit from their sustainable management. Beside that FGLG also initiated some activities in improving capacity of local community in planning Sandalwood and motivated local communities through trainings on cultivation sandalwood and distribution of seedling. By supported RECOFTC, the story of change in ENT has been recorded as short film which will be up loaded in You Tube. Project finding also has been presented in Sandalwood symposium at Hawaii, in September 2012. The paper will be compiled in proceeding soon. As the ITTO evaluation on December 2012, the project activities will be extended for phase II.

### **Output 3. “Findings and lessons from experience relevant to REDD+ and governance taken up by stakeholders in REDD+ initiatives”**

#### **Activities**

##### **3.1 Synthesize experience of REDD+ initiatives on the ground, such as demonstration activities and voluntary initiatives in all types of forest (production, conservation and community forest) – and produce a report in booklet form**

As country with the third largest tropical forest in the world, the forestry sector does not only contribute in the national development, it also plays significant role in maintaining ecosystem balance, including in stabilizing global emission. The Ministry of Forestry of Indonesia tried to accommodate the REDD Plus concept into the existing policy measures. Accordingly, the REDD Plus was translated into five main area of reducing emission that can be carried out by forestry activities, i.e. 1) avoiding deforestation; 2) avoiding forest degradation; 3) improving the capacity of conservation forests as carbon sink and removal; 4) improving

sustainable forest management practices; and 5) enhancing and rehabilitating the role of forest as media of carbon stock. The fourth area, which is SFM, than was put on the top and becomes an umbrella for the remaining fourth areas, with an argument that the remaining REDD Plus activities should be directed toward SFM.

At the ground level, the SFM practices are being put into the Demonstration Activities (DA) exercises. Indonesia is the most advanced and progressive forested developing country in the world experiencing with REDD activities. There are currently about seven demonstration activities (DA) under auspices of the Government, and more than 30 voluntary initiatives all over the country. The former is undertaken through bilateral G to G cooperation, while the later are voluntary-basis and mostly carried out through individual business to business relationships, acknowledged and supported by individual provinces. The DA is considered as a compliance track mandated by UNFCCC, and it is an important component of the readiness phase. The aim of Demonstration activities is to test and develop methodologies relating to reducing emission from deforestation and degradation. In addition DA REDD serve as learning by doing facility and means of building commitment and synergy among stakeholders. Therefore, the development of DA REDD is an important component in the Readiness Strategy of REDD in Indonesia, in which various activities related to methodology, policy, involvement of stakeholders are being implemented. For Indonesia, REDD+ is now becoming the banner for forestry. Their primary reason is because Indonesia is no longer free to utilize their-own natural forest resource, and that means breaking up national sovereignty. As well as to reform forestry institutional structure, cleaning up the forest governance, and simplify the REDD+ procedure.

The FGLG Indonesia support the implementation of REDD+ to be well performed through reviewing and analyzing the existing DA in ground level. FGLG initiate to conduct study to get findings and lessons from experience in DA REDD+ initiatives to support the improvement of policy/regulation. At 17 December 2012, FGLG initiate small meeting to discuss objective, and TOR for study on REDD+ Demonstration activities. The meeting is continued at 9 and 22 January 2013 in Bogor to define scope of work, timeline and potential consultant. The assessment now is being implemented by consultant and FGLG team.

### 3.2 Organise national workshop to present results of the synthesis in 3.1 and gain commitment to pursuing ways forward

It is planned to be implemented after above assessment is completed.

### 3.3 Formulate draft country position with UNFCCC Indonesian delegation based on synthesis (3.1) and workshop (3.2) results.

FGLG members are actively involved in REDD+ talks both in national and international event. Some of FGLG members also appointed as negotiators in COP 18 UNFCCC Doha Qatar and involved in formulating country position for REDD. Three times FGD's initiated by FGLG cooperation with Climate Change Council (DNPI) has been carried out since September to November 2012 to discuss National Forest Monitoring System (NFMS) and MRV as well System information of Safeguard.

To follow up the result of COP 18 Doha in REDD+ issue, FGLG has initiated informal meeting to discuss "**The Robust Deforestation Calculation Methodology**" and this is preparation for the roundtable discussion at 8 February 2013 in Jakarta, which will deliver an outline for robust deforestation calculation for Indonesia forestry and land use change management that can be used in accordance to the national circumstance and national commitment as a global citizen.

FGLG team also now is actively involved in drafting submission Indonesia for SBSTA (Subsidiary Body for Scientific and Technological Advice) as follow up Doha gateway 1) Coordination on funding for the implementation of REDD+ and 2) work programme of REDD+. Meeting to formulate submission has been conducted on 17 January 2013.

Implementation of activities up to this semester (6 months) so far has gone smoothly and reached the target. Although some activities were implemented slightly behind schedule (timeline), is caused by the delay of handover process from Inspirit to NRDC. Infact implementation of activities under FGLG budget just started on December 2012.

## **II. Forest Governance development and lesson learned**

Indonesia currently in phase, building instutional arrangement of REDD+ and develop REDD+ policies and measures. National REDD+ strategy has been developed and is expected to respond to challenges of the need for integrated reform towards governance of land use based sectors, such as forestry, agriculture, and mining. Process of drafting the National Strategy for REDD+ is based on four basic principles, namely: inclusiveness, transparency, credibility, and institutionality. Inclusiveness principle means that the process of developing the National Strategy for REDD+ has involved both parties who will implement the policy and parties who will be affected by the implementation of the REDD+ policy, either directly or indirectly. Engagement process is undertaken through public consultation and outreach communication efforts. FGLG members involved in long way process and efforts in developing of national REDD+ strategy. This is in-timely manner to reform forestry institutional structure, cleaning up the forest governance, and simplify the implementation based on national strategy.

An important element of REDD+ is distribution of benefits. Learning from the process, an equitable distribution mechanism should encourage key actors involved in the forestry and land-use sectors to be more involved in and/or supportive to REDD+. If this happens, it can ensure the smooth implementation of REDD+ on the ground. Indonesia has issued regulation (P.36/menhut-II/2009) related to the distribution of income from the sale of carbon credits according to forest category, however this regulation become the subject of debate. Transparent and equitable distribution of benefits among the government, the local community and the project developer now is major concern of REDD+ policy development. The FGLG consultations recommended the importance of redistributing benefits to local communities for long-term sustainability. Lesson learned from seventy seven of REDD related project which has been developed in Indonesia should be considered to support the improvement of the regulation/decree.

Communities depend heavily on forests for their livelihoods. They have traditionally managed their forests. Participation of local communities is essential to the succes of REDD+ or REDD related activities. Lesson learned from the case study in Java and East Nusa tenggara showed that the sucess story of leveraging people participation through sustainable plantation in mitigating climate change and ensuring a sustainable livelihood as well as increase ownership and management of their natural resources. Local government has a role in facilitating suatainable forest management efforts, in both technical and administrative aspect. Government officials should move from a focus on policing/licensing to facilitation of community development; Strengthen useful local institutions and build the capacity of villagers to take more effective control of their local situation (contributing to local empowerment). A financing mecahnism for community forest by acessing credit line from reforestation fund to support REDD related activities in Java is financial reward model in linking effort in reducing emission and economic activities.

### **III. Interlink with other programme/initiatives**

TLAS is a national policy instrument to combat illegal logging and its associated trade and to promote marketability of Indonesian wood products in domestic as well as international markets. TLAS formulation was a multi-year, multi-stakeholder process that consumed a huge amount of resource. FGLG member involved to support application of TLAS particularly in improving of capability in implementing TLAS for timber sourced from community forests and community plantation forests in Java working together with DFID II-Multistakeholder processes. The primary beneficiaries of the initiative was local communities owning or managing plantation forests, local timber processing industries and central as well as local government institutions. Each of the beneficiaries had been actively involved in project implementation. The local communities were involved in the training of skills as trainees, in the focus discussions as recipients of information on TLAS as well as informants of occurring issues and problems facing community forest management operations and timber certification process.

FGLG members under Forestry training and Education Center working together with RECOFTC to support development of standard module and curricula on REDD+ for communities level. And also working together with UNITAR and National Climate Council (DNPI) to develop a National Strategy to Strengthen Human Resources and Skills to Advance Green, Low Emission and Climate Resilient development. REDD+ now is banner of forestry related issue within Ministry of forestry.

Other interlink activity is FGLG member engaged with "HOB (Heart of Borneo initiatives): Enhancing the Community Livelihood". HoB is an Indonesian government initiative about conservation and sustainable development in the heart of Borneo area, the border between Indonesia and Malaysia . At 2012, FGLG member in cooperation with WWF Indonesia has developed project proposal "Promoting biodiversity conservation in Betung Kerihun National Park (BKNP) as the trans-boundary ecosystem between Indonesia and State of Sarawak Malaysia" which has been agreed to be funded by ITTO. The initiatives beneficiaries are wide range of stakeholders, from local communities, local government in provincial and district level, universities and local/indigenous communities group. Bentung Kerihun National Park also will be promoted as Demonstration REDD+ Activity of conservation forest in Indonesia.

#### **Annexes**

- 1. Study Report on REDD+ and Gender**
- 2. TOR for Consultants and workshop**
- 3. Other documents (ppt presentation etc)**
- 4. Documentation of activities**



FGLG initiated FGD in improving regulation related REDD+ implementation at 18 April 2012



Informal meeting on DA REDD+ assessment initiated by FGLG and TNC Indonesia