



Cooperation on Reducing greenhouse gas Emissions from Deforestation and forest Degradation

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with the assistance of government and non-government organisations
and through consultation with partners in the field.

Programme Design Document 'Transition toward Phase 2' Indonesian-Norway Partnership 2015 – 2016

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ACRONYMS AND TERMS

AMAN	:	<i>Aliansi Masyarakat Adat Nusantara</i> (Indonesian Indigenous Peoples Alliance).
Bakosurtanal	:	See BIG.
Bappenas	:	<i>Badan Perencanaan Pembangunan Nasional</i> (National Development Planning Agency).
Bappepti	:	Badan Pengawas Perdagangan Berjangka Komoditi (Commodity Trade Supervisory Board)
BAU	:	Business-as-usual.
BIG	:	<i>Badan Informasi Geospasial</i> (National Agency for Geospatial Information), formerly <i>Badan Koordinasi Survei dan Pemetaan Nasional</i> (Bakosurtanal, National Coordinating Agency for Surveys and Mapping).
BKPM	:	Badan Koordinasi Penanaman Modal (Investment Coordinating Board)
BKPRN	:	<i>Badan Koordinasi Penataan Ruang Nasional</i> (National Spatial Plan Coordinating Agency)
BMKG	:	<i>Badan Meteorologi, Klimatologi dan Geofisika</i> (Meteorology, Climatology and Geophysics Agency).
BNPB	:	<i>Badan Nasional Penanggulangan Bencana</i> (National Agency for Disaster Management), a non-departmental institute established to assist the President in planning for and responding to disasters. Established under Perpres 8/2008. See also BPBD.
REDD+ AGENCY	:	<i>Badan Pengelolaan REDD+</i> (REDD+ Agency).
BPBD	:	<i>Badan Penanggulangan Bencana Daerah</i> (Regional Agency for Disaster Management), a conduit of BNPB established in a growing number of provinces and districts.
BPK	:	<i>Badan Pemeriksa Keuangan</i> (Government Audit Agency).
BPKH	:	<i>Balai Pemantapan Kawasan Hutan</i> (Centre for the Registration of Forest Area), a work unit under the Director General of Forest Planology, Ministry of Forestry.
BPN	:	Badan Pertanahan Nasional (National Land Agency).
BPPT	:	<i>Badan Pengkajian dan Penerapan Teknologi</i> (Agency of Assessment and Application of Technology)
BRWA	:	<i>Badan Registrasi Wilayah Adat</i> (Agency for Registration of Traditional Regions).
BUR	:	Biennial Update Reports are submitted by non-Annex 1 countries based on Durban Decision in term of their progress in implementing mitigation actions and status of GHG emission. Indonesia became a party to the United Nation Framework Convention on Climate Change (UNFCCC) in Rio in 1992, which was ratified in 1994 through Law no. 6/1994.
CBFFM	:	Community-based Forest and Peat-land Fire Management
CGF	:	Consumer Goods Forum is a global industry network bringing together CEO and senior management of some 400 retailers, manufacturers, service providers and other stakeholders across 70 countries. In 2010, the CGF board approved a resolution to achieve zero net deforestation by 2020 through responsible sourcing of commodities such as soy, beef, palm oil and paper so that the sourcing of the key commodities will not deplete tropical rainforests.
CGSD	:	Center on Globalization and Sustainable Development (CGSD) is the scientific arm of the Earth Institute of Columbia University.
CIFOR	:	Center for International Forestry Research, a non-profit organisation that provides decision-making information about the use and management of forests in less-developed countries.
Climate Advisers	:	Climate Advisers is a mission-driven policy and politics organisation working to deliver a strong low-carbon economy through creation and implementation of large-scale, cost-effective strategies to strengthen climate action and improve lives. Work in Indonesia includes green economy analysis and strategies establishment.
CLUA	:	Climate and Land-Use Alliances, a multi-foundation collaborative working to reduce net GHG and enhance carbon stocks associated with land use management in ways that protect the livelihoods and rights of indigenous peoples and poor rural communities and that slow the loss of ecosystem services and biodiversity.
CPI	:	Climate Policy Initiatives, an organisation working to improve most important energy and land-use policies around the world, with a particular focus on finance.
CSO	:	Civil Society Organisation.
Dirjen PHKA	:	<i>Direktorat Jendral Perlindungan Hutan dan Konservasi Alam</i> (Directorate General Forest Protection and Conservation of Nature), Menhut.
DGCCCI	:	<i>Direktorat Jendral P Perubahan Iklim</i> (Directorate General Climate Change Control), KLHK.
DKN	:	Dewan Kehutanan Nasional (National Forestry Council).
DNPI	:	<i>Dewan Nasional Perubahan Iklim</i> (National Council on Climate Change).
DPR	:	<i>Dewan Perwakilan Rakyat</i> (House of Representatives).
DPDR	:	<i>Dewan Perwakilan Rakyat Daerah</i> (Regional House of Representatives).

EPISTEMA	:	EPISTEMA Institute, a foundation under HuMa functioning as learning platform to develop and enhance cross-sectoral legal and society analysis and studies.
Eyes on the Forest	:	A coalition of three local environmental organisations in Riau: WWF Indonesia's Tesso Nilo Programme, Jikalahari (Forest Rescue Network Riau) and Walhi Riau (Friends of the Earth Indonesia). It was launched in December 2004 to monitor and report on Riau's forests and the players who influence it.
FoMMA	:	<i>Forum Musyawarah Masyarakat Adat</i> (Discussion Forum for Traditional Communities), a forum for traditional communities living in and around the Kayan Mentarang National Park in North Kalimantan can discuss issues related to natural-resource management.
FREDDI	:	Fund for REDD+ in Indonesia.
FWI	:	Forest Watch Indonesia is an independent forest-monitoring network incorporating individuals and organisations committed to fostering a transparent forestry data and information management system, which can ensure the sustainable forest management. FWI have been involved in the process of ensuring moratorium of license in Indonesia.
GGGI	:	Global Green Growth Institute, an international organisation working with public and private sector in developing and emerging countries around the world to put green growth at the heart of economic planning.
GHG	:	Greenhouse gas.
Greenpeace	:	Greenpeace refers to Greenpeace Indonesia and Greenpeace global operation.
HuMa	:	Pembaharuan Hukum berbasis Masyarakat dan Ekologis (Community and Ecology Law Reform).
ICCC	:	Indonesia Climate Change Center, a platform of channels and networks between the scientific community and policy makers with program clusters on Peatland and Peatland Mapping, Low Emission Development Strategies, MRV and Climate Resilience. Overall direction is provided by DNPI.
ICEL	:	Indonesia Center of Environmental Law is an organisation focusing on research, advocacy and capacity building on environmental law.
ICRAF	:	International Centre for Research on Agroforestry
IDH	:	Dutch Sustainable Trade Initiatives is an organisation based in Utrecht, The Netherlands with an office in Indonesia. The IDH sustainable palm oil program aims to increase sustainable production of palm-oil by improving the productivity of smallholders in existing area.
IGI	:	Ikatan Guru Indonesia (Indonesia Teachers Union).
IMS	:	Information Management Systems.
INCAS	:	Indonesia National Carbon Accounting System.
IPB	:	<i>Institut Pertanian Bogor</i> (Bogor Agricultural University).
IPCC	:	Intergovernmental Panel on Climate Change (IPCC).
JCN	:	Joint Concept Note which outlines implementation timeline and details of the Letter of Intent.
Jikalahari	:	Jaringan Kerja Penyelamat Hutan Riau (Forest Rescue Network Riau).
JKPP	:	<i>Jaringan Kerja Pemetaan Partisipatif</i> (Indonesian Network for Participatory Mapping).
KADIN	:	<i>Kamar Dagang dan Industri Indonesia</i> (Indonesia Chambers of Commerce & Industry).
Karhutla	:	
KEHATI	:	KEHATI is a nonprofit and independent grant-making foundation dedicated to help Indonesia conserve biodiversity as well as use biological resources in sustainable and equitable manner.
Kemen ESDM	:	Kementerian Energi dan Sumber Daya Mineral (Ministry of Energy & Mineral Resources).
Kemenagraria	:	Kementerian Agraria dan Tata Ruang (Ministry of Agrarian Reform and Spatial Planning)
Kemendag	:	Kementerian Perdagangan (Ministry of Trade).
Kemendagri	:	<i>Kementerian Dalam Negeri</i> (Ministry of Home Affairs).
Kemendikbud	:	<i>Kementerian Pendidikan dan Kebudayaan</i> (Ministry of Education and Culture).
Kemenegpp	:	<i>Kementerian Pemberdayaan Perempuan dan Perlindungan Anak</i> (Ministry for Women's Empowerment and Child Protection).
Kemenhut	:	<i>Kementerian Kehutanan</i> (Ministry of Forestry).
Kemenkeu	:	<i>Kementerian Keuangan</i> (Ministry of Finance).
Kemenko Ekonomi	:	<i>Kementerian Koordinator Bidang Perekonomian</i> (Coordinating Ministry for Economic Affairs).
Kemenko Kesra	:	Kementerian Koordinator Bidang Kesejahteraan Rakyat (Coordinating Ministry for Social Welfare).
Kemenko Polhukam	:	<i>Kementerian Koordinator Bidang Politik Hukum and Keamanan</i> (Coordinating Ministry for Political, Legal, and Security Affairs).
Kemenkumham	:	Kementerian Hukum dan Hak Asasi Manusia (Ministry of Law and Human Rights).
Kemenlh	:	Kementerian Lingkungan Hidup (Ministry of Environment).

Kemempu	:	<i>Kementerian Pekerjaan Umum</i> (Ministry of Public Work).
Kemristek	:	<i>Kementerian Riset dan Teknologi</i> (Ministry of Research and Technology).
Kementan	:	<i>Kementerian Pertanian</i> (Ministry of Agriculture).
Kemitraan	:	Also known as "the Partnership for Governance Reform", Kemitraan is a multi-stakeholder non-profit and non-government organisation dedicated to support Indonesian initiatives aiming to promote good governance through reform.
Kemlu	:	Kementerian Luar Negeri (Ministry of Foreign Affairs).
Komnas HAM	:	Komisi Nasional Hak Asasi Manusia (National Human Rights Commission).
KLHK/MoEF	:	<i>Kementerian Lingkungan Hidup dan Kehutanan</i> (Ministry of Environment and Forestry).
KPA	:	<i>Konsorsium Pembaruan Agraria</i> (Agrarian Reform Consortium), which promotes community empowerment and advocacy for agrarian reform in Indonesia.
KPH	:	Kesatuan Pengelolaan Hutan (Forest Management Unit).
KPK	:	<i>Komisi Pemberantasan Korupsi</i> (Corruption Eradication Commission).
KpSHK	:	<i>Konsorsium Pendukung Sistem Hutan Kerakyatan</i> (Support Consortium for Community Forestry Systems).
LAPAN	:	<i>Lembaga Penerbangan dan Antariksa Nasional</i> (National Institute of Aeronautics and Space).
LIPI	:	<i>Lembaga Ilmu Pengetahuan Indonesia</i> (The Indonesian Institute of Science).
Lol	:	Letter of Intent which refers to a REDD+ Partnership between the governments of Norway and Indonesia established on 26 May 2010. This partnership aims to support Indonesia's efforts to reduce emissions from deforestation and degradation of forests and peat lands.
Manggala Agni	:	Forest Fire Brigade established by the Ministry of Forestry in 2003.
MK	:	<i>Mahkamah Konstitusi</i> (Constitutional Court).
MK35	:	Refers to the Constitutional Court's ruling No. 35/PUU-X/2012 released 16 May 2013 on adat forestry.
MoU	:	Memorandum of Understanding.
MPA	:	<i>Masyarakat Peduli Api</i> (Communities Concerned about Fires), a voluntary community-based fire brigade established in various regions across Indonesia. In 2011 it was reported that the MPA had more than 5,000 members in Java, Sumatra, Kalimantan and Sulawesi. They receive training from the Ministry of Forestry.
MRV	:	Measurement/Monitoring, Reporting and Verification refers to the collection of data and information at a national or sub-national level and applying calculations for estimating emission reductions or enhancement of carbon stocks based on a reference level (RL).
NKB12	:	<i>Nota Kesepahaman Bersama</i> (NKB) 12 <i>Kementerian dan Lembaga non-kementerian</i> (MoU between 12 Ministerial and Non-Ministerial), an agreement initiated by KPK to tackle forest governance through a multi-door approach.
OJK	:	<i>Otoritas Jasa Keuangan</i> (Financial Service Authority).
Perpres	:	<i>Peraturan Presiden</i> (Presidential Regulation).
PGRI	:	<i>Persatuan Guru Republik Indonesia</i> (Republic of Indonesia Teachers Association).
PIPIB	:	Indicative Map for the Moratorium on New Licenses (<i>Peta Indikatif Penundaan Izin Baru</i>) or the Moratorium Map, which is regularly updated every six months, pursuant to Presidential Instruction No. 10/2011 on the Moratorium on New Licenses and the Improved Governance of Primary Forests and Peatlands.
PMD	:	<i>Direktorat Pemberdayaan Masyarakat dan Desa</i> (Directorate for Community and Village Empowerment).
PMD	:	<i>Pemberdayaan Masyarakat dan Desa</i> (Empowering Communities and Villages), a Ministry of Home Affairs programme designed to strengthen economic, social and cultural aspect related to community and village life.
PMU	:	Programme Management Unit, REDD+ Agency.
PNPM	:	<i>Program Nasional Pemberdayaan Masyarakat</i> (National Program for Community Empowerment), a nationwide community-driven development programme established through integrating a multitude of community level poverty initiatives, including the Kecamatan Development Project (KDP) and the Urban Poverty Project (UPP), into a coherent poverty alleviation and governance approach at community level. In 2012, the programme covered some 70,000 villages. The implementing agency is the Directorate General of Village and Community Empowerment (PMD) within the Ministry of Home Affairs.
POLRI	:	<i>Kepolisian Negara Republik Indonesia</i> (Republic of Indonesia State Police).
PORT-REDD+	:	Portfolio Management Mechanism (PORT-REDD) is an online repository of all REDD+ projects in Indonesia coordinated under REDD+ Agency
PPATK	:	Pusat Pelaporan dan Analisis Transaksi Keuangan (Financial Report and Transaction Assessment Center).

PPMHA	:	<i>Perlindungan dan Pengakuan Masyarakat Hukum Adat (Protecting and Recognising Traditional Communities).</i>
PRISAI	:	<i>Prinsip Kriteria Indikator Safeguards Indonesia (Principles, Criteria and Indicators for Safeguards in Indonesia).</i> PRISAI is based on the seven principles stipulated in the Cancun Agreement (FCCC/CP/2010/7/Add.1) and have been extended to ten principles to ensure elements peculiar to Indonesia are included.
PSAP	:	Provincial Strategic Action Plan (<i>Strategi Rencana Aksi Provinsi, SRAP</i>). See also STRADA/SRAP.
PSF	:	PNPM Support Facility, a multi-donor trust fund managed by the World Bank which is the major policy forum for developing the PNPM policy roadmap. It finances a broad range of supporting activities that include evaluations of local government poverty programs, improving legal access for poor communities, and field experiments to improve the incentives for better supply side delivery of poverty services to poor communities.
Pusdalkarlahut	:	<i>Pusat Pengendalian Kebakaran Lahan dan Hutan (Land and Forest Fire Control Centre).</i>
Pusdiklat	:	<i>Pusat Pendidikan dan Pelatihan Kehutanan (Centre for Forestry Education and Training), Ministry of Forestry.</i>
PUSPIJAK	:	<i>Pusat Penelitian dan Pengembangan Perubahan Iklim dan Kebijakan (Research and Development Center for Climate Change and Policy).</i>
RAD-GRK	:	<i>Rencana Aksi Daerah Pengurangan Emisi Gas Rumah Kaca (Provincial Action for the Reduction of Green House Gas Emissions).</i> See also RAN-GRK.
RAD-GRK	:	Regional Action Plan to Reduce GHG Emissions.
RAN-GRK	:	<i>Rencana Aksi Nasional Pengurangan Emisi Gas Rumah Kaca (Provincial Action for the Reduction of Green House Gas Emissions).</i> See also RAD-GRK.
RAN-GRK	:	National Action Plan to Reduce GHG Emissions.
REDD+	:	Reducing Emissions from Deforestation and Forest Degradation; refers to a mechanism that enables developing countries to move towards a low-carbon development through the implementation of REDD+ activities and for developed countries to support a reduction in global deforestation and forest degradation by contributing funds for these activities. REDD+ activities include: reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (<i>Cancun Agreement FCCC/CP/2010/7/Add.1, Paragraph 70</i>).
REDD+ Task Force	:	<i>Satuan Tugas REDD+ (Satgas REDD+);</i> refers to the government appointed National REDD+ Task Force (Keppres 19/2010, 25/2011, 5/2013) responsible for establishing a government REDD+ Agency in Indonesia as a part of an agreement (LOI) between the governments of Norway and Indonesia.
RKP	:	<i>Rencana Kerja Pemerintah (Government Annual Work Plan).</i>
RL/REL	:	Reference Level (RL) is the amount of net/gross emissions and removals from a geographical area estimated within a reference time period (eqCO ₂); Reference Emission Level (REL) is the amount of gross emissions from a geographical area estimated within a reference time period (eqCO ₂).
RPJMN	:	<i>Rencana Pembangunan Jangka Menengah Nasional (National Medium-term Development Plan), Years 2015-2019.</i>
RPK	:	<i>Regu Pencegah Kebakaran (Fire Prevention Brigade).</i>
RSF	:	REDD+ Support Facility is a support entity established as a multi donor trust fund managed and administered by the World Bank Indonesia with the main objective to provide technical support and institutional capacity building during the early operational phase of FREDDI and the REDD+ Agency.
RTRW	:	<i>Rencana Tata Ruang Wilayah (Spatial Plan)</i>
Samdhana Institute	:	Samdhana is community of practitioners consisting of small group of individuals namely conservatories, development practitioners and human to bring together skills, knowledge, and extensive local a global network with focus on conservation and natural resource conflict management.
Sekneg	:	<i>Sekretariat Negara (State Secretariat).</i>
SKPD	:	<i>Satuan Kerja Perangkat Daerah (Provincial Work Unit),</i> a collective term for the executive administration of a province and district or city. It does not include the Governor, District Head (<i>Bupati</i>) or Mayor or their respective representatives. Instigated under UU 32/2004 regarding regional government.
SRAP	:	<i>Strategi dan Rencana Aksi Provinsi (Provincial Strategy and Action Plan).</i> See also STRADA /PSAP
STRADA	:	<i>REDD+ Strategi Daerah (REDD+ Regional Strategy).</i> See also SRAP/PSAP.
STRANAS	:	<i>REDD+ Strategi Nasional (REDD+ National Strategy).</i>

TFA	:	Tropical Forest Alliance is a public-private alliance with the goal of reducing tropical deforestation associated with key global commodities. Since 2013, Indonesia have been actively involved in its development and have established specific Indonesia working group to identify and monitor progress on key initiatives in Indonesia.
TNC	:	The Nature Conservancy, a conservation organisation working around the world to protect ecologically important lands and waters for nature and people.
TNI	:	<i>Tentara Nasional Indonesia</i> (Indonesian National Military).
TPSF	:	Tripa Peat-Swamp Forest (<i>Hutan Rawa Gambut Tripa</i>) which forms the area of focus for restoration activities under Provincial projects in this document. Unless otherwise specified, reference to TPSF is not limited to the actual boundaries of TPSF but includes, in particular, the LEA biosphere sanctuary.
	:	<i>Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan</i> (President's Work Unit for Development Monitoring and Oversight).
UNDP	:	United Nations Development Programme; the fund manager of the National REDD+ programme in Indonesia as a part of the agreement (LOI) between the governments of Norway and Indonesia.
UNORCID	:	United Nations Office for REDD+ Coordination in Indonesia; mandated to support the National REDD+ Agency and other stakeholders in implementing Indonesia's REDD+ and related priorities in accordance with a MoU between the United Nations System and the Government of Indonesia signed in September 2011. Other agencies including UNDP, UNEP, UNESCO, ILO, UNOPS, UNODC, FAO and WFP have joined as additional parties to this MoU.
UU	:	Undang-undang (Law).
WALHI	:	WALHI (Indonesia Forum for Environment) is an Indonesian environmental NGO part of Friends of the Earth network, which focus on social transformation, people sovereignty, and sustainability of life and livelihood. It is one of Indonesia's largest environmental NGO with presence in 28 provinces and more than 400 member organisation.
WARSI	:	An Indonesian Conservation community comprising members of twelve (12) NGOs from four provinces in Sumatra (South Sumatra, West Sumatra, Bengkulu and Jambi).
World Bank	:	World Bank, a multilateral development bank and international financial institutions, one of the world's largest sources of funding and knowledge to support governments of member countries in their efforts to reduce poverty and to improve the living standards of people in low and middle-income countries through provision of project of policy-based loans and grants as well as technical assistance such as advice and studies on various sectors, including Environment and Natural Resource Management and Climate Change.
WRI	:	World Resources Institute, a global research organisation that works closely with leaders to sustain a healthy environment as foundation of economic opportunity and human well-being. Established its Indonesia office in 2014 and focuses on working with leaders in business, government and civil society to address climate change, forest restoration, forest governance and access to information.
WWF	:	World Wide Fund for Nature, an international non-governmental organisation working on issues regarding the conservation, research and restoration of the environment, formerly named the World Wildlife Fund, which remains its official name in Canada and the United States.
YPB	:	<i>Yayasan Perspektif Baru</i> is an Indonesian Foundation front by Wimar Witoelar focusing on communication and public education. YPB has been actively advocating forestry issue to enhance public awareness and understanding.

EXECUTIVE SUMMARY

Indonesia is committed to galvanising global action to tackle climate change. This was made apparent during the country's hosting of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties 13, which resulted in the Bali Road Map and Action Plan. Two years later, in 2009, the Government of Indonesia took the courageous step of committing to 26% voluntary greenhouse gas (GHG) emissions reduction by 2020, or up to 41% with international support, then unprecedented for a developing country. In 2010, in support of Indonesia's demonstrated commitment, and to catalyse the global partnerships that successful address of climate change will require, the REDD+ Indonesia-Norway Partnership (henceforth "the Partnership") was forged. Through REDD+, Indonesia and Norway commit to significantly decrease global emissions from deforestation and forest degradation and deliver a tangible sustainable development model to the world.

Following the completion of the first phase, where a National Task Force for REDD+ was established to oversee the creation of requisite institutional and other arrangements, the National REDD+ Agency (REDD+ Agency) was created in September 2013. In 2014, the newly elected Jokowi-Kalla administration intended to move towards a more transparent, and accountable government with the country's commitment to achieve the "triple wins" of sustainable development: social equity, economic growth, and environmental sustainability. Most markedly, this resulted in merging the ministries of environment and forestry, and consolidating *ad hoc* climate change related institutions—including the REDD+ Agency and the National Climate Change Council (DNPI), previously responsible for representing Indonesia at the UNFCCC—under the new Directorate General for Climate Change Control within the new Ministry of Environment and Forestry. For the Partnership, this means continued implementation now falls under the management of the new Directorate General, where it is understood that REDD+, as a multi-sector programme, will be implemented across several Directorate Generals (Echelon I) within the ministry, as well as with the requisite engagement of other relevant ministries.

It is fitting, thus, that the continued execution of the Partnership is paralleled with the consolidation and growth of a host institution within the Government of Indonesia whose potential is commensurately ambitious. The challenge now—as ever—is to translate ambition into reality, and further expand Indonesia's institutional and operational capacity to achieve REDD+ at scale, and in a manner that leads to measurable and verifiable financial value with benefits that are equitably shared.

Evidence points to the positive impact of the Partnership to date. Indonesia's annual tree cover loss declined in 2013 to the lowest point in almost a decade with 1.04 million hectares per year, according to new high-resolution satellite-based maps released by Global Forest Watch, a partnership led by the World Resources Institute. From 2011-2013 Indonesia's average tree cover loss was 1.6 million hectares per year, indicating the past decade's surge may have now plateaued. This is an encouraging sign that Indonesia is implementing the reforms necessary to achieve emissions reduction targets by 2020. Still, the road ahead remains challenging: tree cover loss remains high compared to other nations, with Indonesia ranking fifth amongst all countries for the period of 2011-2013.

This document focuses on a transition arrangement of the Partnership, which will build on the achievements of the results of the first phase, while preparing the start of Phase 2 (2016-2018) of the Partnership in 2016. With the disbandment of the REDD+ Agency earlier in 2015, the Ministry of Environment and Forestry must now continue to honor previous commitments entered into during REDD+ Interim Phase, while putting in place the remaining elements of the REDD+ architecture required for Phase 2. The transition toward Phase 2 presented in this Programme Design Document

serves this dual purpose. Over the course of nine months of implementation (est. by end June 2016) and after delivering the key programmatic and operational results, institutional arrangements and capacity will be in place for Indonesia to move into the Phase 2 of the Partnership for REDD+, with the continued support of the Norwegian Government and of UNDP.

Phase 2 aims to ensure Indonesia is on track to achieve its commitment to reduce emissions from land use, land-use change and forestry (LULUCF), including peat lands, by 2020. This means building and enabling institutions to establish and track reference emissions levels provincial and national scales, the latter against which results-based payment within the Partnership will be made in Phase 3. By the end of Phase 2, Indonesia will have a Measurement Reporting and Verification (MRV) system in place following IPCC Tier 2 reporting standards, which should enable the country to show GHG emissions reductions and to quality these, based on a Forest Reference Emissions Level (FREL) to enable performance-based payments from independently verified greenhouse gas (GHG) reductions at national level

The transition arrangement toward Phase 2 will use the ongoing REDD+ Interim Phase project supported by UNDP to accelerate REDD+ implementation, compile and move forward activities initiated by the National REDD+ Agency and prepare for the start of Phase 2. The transition toward Phase 2 will be the implementation platform of the Partnership for an extended period, pending approval of the expanded program outlined in Section 2 'Programmes and Strategy' and its 'Results Chain, Theory of Change and Results Framework' in Section 4. Under this arrangement, the DG-CCC will put in place the necessary measures for the start of Phase 2, especially to establish both a REDD+ funding instrument and the mechanism for Measurement, Reporting and Verification (MRV) and ensure that safeguard mechanisms are in place. The transition toward Phase 2 will also see technical support to the MoEF on five priority REDD+ programs based on the foundational work completed in Phase 1 and by the former National REDD+ Agency, and in line with the objectives of Indonesia's National Medium-Term Development Plan (RPJM-N) 2015-2019. These are:

Transition Programmes	
1	Fire Prevention: Preventive capacity of five fire prone provinces is increased and incidence of forest and peat fire reduced.
2	Law Enforcement: Legal reform pursued and better law enforcement promoted for the implementation of REDD+.
3	Conflict Resolution: Improved management of land-related conflicts in the context of two priority national parks.
4	Customary Communities: Recognition and protection of the rights of customary law communities (MHA) advanced through institutional and technical support
5	Social Forestry: Improved community welfare and sustainable land and forest management through social forestry.
6	Phase 2 Preparation: Required institutions and systems in place to start Phase 2.

The Partnership will deepen its role to be a critical enabler to emerging national and subnational champions for REDD+ including ministries and provinces who have already developed their provincial REDD+ strategies, have shown ownership over REDD+ by integrating its principles in their spatial planning process and are committed to preventing forest and peat fires. The work at district level, following law No. 23/2014, will focus on those district governments with budgets allocated for participatory community mapping, grassroots organisations that have supported low carbon development, to effectively address drivers of deforestation, acknowledge 'adat' communities to allow for community tenure rights and adjust their spatial plan to allow for protection of high carbon value landscape. The transition toward Phase 2 will ensure that existing partners are supported to expand their ambitions for sustainable development, and that new partners can emerge with the deepen the support-base for REDD+.

From a regulatory point of view, it is crucial that Indonesia puts in place the remaining elements of the architecture for the Partnership to move into Phase 2. For this, Indonesia will submit a first-step Forest Reference Emissions Level (FREL) or Forest Emissions Level (FRL) to the UNFCCC for technical assessment; test and initialize implementation of policies and measures (PAMs) set out in national REDD+ strategies or action plans; and report results through a technical annex of their Biennial Update Report (BUR). Countries will also need to develop their National Forest Monitoring System (NFMS) and a Safeguards Information System (SIS) and Indonesia will follow suit. A funding instrument for Phase 2 will also be established during the transition toward Phase 2, based on the previous recommendations made by the REDD+ Agency.

Undoubtedly, the pragmatism that has underlined the Partnership from its inception recognises the serious challenges that continue to buoy business-as-usual, as well as the complexities that often arise in Indonesia's nascent democracy. The Partnership remains an unwavering commitment to ensure REDD+ materializes as an inclusive mechanism to bring the priorities of Indonesia's marginalised rural populations forward, and realise the country's aspirations for a more equitable, sustainable, and prosperous future.

SECTION 1 – BACKGROUND

The Government of Indonesia recognizes that unrestrained natural resource exploitation will undo existing development gains and render certain development goals unachievable. Neither do turnkey solutions for low carbon development exist. Thus, Indonesia continues to work to pioneer solutions for sustainable development. The commitment to balance and enable social equity, environmental health, and economic growth is clearly outlined within Indonesia's National Medium-Term Development Plan (RPJM-N) 2015-2019. These goals are underpinned by Indonesia's unprecedented voluntary commitment to reduce greenhouse gas (GHG) emissions by 26% and up to 41% by 2020, with international support including the REDD+ Indonesia-Norway Partnership. Indonesia's successful actualization of sustainable development, including the protection of its vast forests, is critical not only for its own national development and wellbeing, but in its significant contribution to global climate change mitigation.

To this end, Phase 1 of the REDD+ Partnership persistently emphasized collaborative ways to create enabling conditions for sustainable development: Work to strengthen the nation's geospatial infrastructure reinforced cross-ministerial collaboration. Information sharing under initiatives like the moratorium—and tackling unsustainable environmental exploitation through a Multi-Door Approach to regulatory due diligence and law enforcement—emphasised coordination and information sharing. Decade long participatory mapping efforts by *masyarakat hukum adat* (MHA) were integrated into the national One Map initiative. Key achievements include the release of the National REDD+ Strategy (Stranas) in September 2012, completing the groundwork for a Measurement, Reporting and Verification (MRV) system, the design and preparation of a Fund for REDD+ (FREDDI) and the development of safeguards called Principles, Criteria and Indicators for REDD+ Safeguards in Indonesia (PRISAI).

Following the completion of Phase 1, the National REDD+ Agency was established through Presidential Regulation 62/2013 to ensure the continued implementation of REDD+ in Indonesia. The Partnership entered into an Interim Phase centered on building the institutional capacity of the REDD+ Agency. This ensured that the foundational work completed by the Working Groups of the National REDD+ Task Force (SatGas REDD+) in gathering baseline information, supporting the establishment of and monitoring the moratorium, and ensuring the overall body of knowledge from Phase I was transferred. The Interim Phase also included a portfolio of time sensitive issues including preventing forest and peat fires, implementing the Constitution Court Ruling No. 35/2012 (MK 35) recognizing the tenure rights of *masyarakat hukum adat*, land conflict resolution in national parks, and strengthening gender inclusion.

In 2014, the newly elected Jokowi-Kalla administration laid out their priority agenda, *Nawa Cita*, and decisively integrated Indonesia's on-going reforms for more efficient, transparent, and accountable government with the country's commitment to achieve the "triple wins" of sustainable development: social equity, economic growth, and environmental sustainability. REDD+ serves a critical role in helping fulfil the prioritization on alleviating rural poverty and enabling development, emphasizing good governance and anti-corruption as keys to improve forest and peat land management, and supporting the shift towards low emissions development, a commitment reflected by the decision of the Administration to reduce fuel subsidies by 70% between 2014 and 2015. REDD+ directly complements the actions and priorities of the current administration reflected in the RPJM-N 2015-2019:

Table 1: Linkage of REDD+ with the RPJM-N 2015-2019

Key Policy Directions	Key Issues Relevant to REDD+ as Outlined in the RPJM-N 2015-2019
Ensure food security through diversification of food production and consumption	<ul style="list-style-type: none"> ○ Increase food supply from domestic production, in particular forest foods as well as environmental services, such as water, biodiversity conservation, to secure food production and intensifying production and reduce reliance on forests for expansions. ○ Increase food reserves, particularly in the regions with emphasis on the use of forests and agroforests for sustainable food production.
Support the development of agribusiness, sustainable agriculture, and farmers' welfare	<ul style="list-style-type: none"> ○ Increase the competitiveness of Indonesia's agricultural commodities by meeting international production standards ○ Increase certification of agricultural commodities for export ○ The development of agribusinesses, especially in rural areas ○ Palm oil production must be consistent with the standards applied by Indonesia Sustainable Palm Oil (ISPO).
Improve the production of forest products and environmental services	<ul style="list-style-type: none"> ○ Support the development of timber forest products and non-timber forest products. <p><i>According to the Ministry of Forestry's Strategic Plan (2010-2014), there are 48.8 million people living in and adjacent to forest areas, around 10.2 million of which are living below poverty line. There are policy instruments to alleviate poverty in forest areas by securing local access to forest resources through Community Forest (Hutan Kemasyarakatan HKM) and Village Forest (Hutan Desa HD). However, communities often face difficulties in obtaining rights to forestland.</i></p>
Improve conservation efforts as well as forest and watershed management	<p><i>Forest resource utilization and conservation has not been optimal due to poor forest governance, deforestation, forest degradation, forest fires, illegal logging, forest conversions, encroachments and illegal trade of forest products.</i></p>
Strengthen the supply and efficiency in energy consumption	<p><i>Geothermal and biofuel development in Indonesia are in conflict with forest conservation, as geothermal fields are generally located within protected forest areas and biofuel are mostly derived from palm oil.</i></p>
Support Sustainable mining	<p><i>Key issues include illegal mining, poor environmental standards, inadequate of monitoring and management, particularly in the rehabilitation process post-mining. Given the substantial impacts mining has on ecosystem services and biodiversity, environmental standards and oversight must be improved.</i></p>
Improve the quality of the environment by developing a sustainable pattern of production and consumption, and promoting the conservation and economic utilisation of bioresources	<ul style="list-style-type: none"> ○ Improve the management of protected areas of 20,63 million ha which include fragile ecosystems such as karts, peat and mangrove <p><i>In accordance to Indonesia Biodiversity Strategy and Action Plan (IBSAP 2003-2020), mainstreaming the importance of biodiversity into local, provincial, and national development activities and programmes is vital for economic, social, and sustainability.</i></p> <p><i>Revise and enact Indonesian National REDD+ strategy as key document that guide both REDD+ development and ensures that the institutional structures are in place.</i></p>
Address climate change and improve the quality of information regarding climate and disasters	<ul style="list-style-type: none"> ○ Up-scaling climate change mitigation and adaptation efforts to achieve a 26% GHG emission reduction target and to improve community resilience to the impacts of climate change, which involves: <ul style="list-style-type: none"> ○ Develop MRV systems which meet the requirements as set out in decision 2/CP.15 ○ Ensure that sufficient capacity is in place to implement Decision 12/CP 19 through the already developed PRISA1 and SIS-REDD+ mechanism. ○ Early warning systems: Increase the use of surveillance tools to improve the accuracy of weather forecast and analysis of earthquakes and tsunamis to support climate change adaptation and mitigation, and to better disaster management and rehabilitation efforts. ○ Address forest fires, the Government has set a target of a 10% reduction in hotspot numbers through the enactment of the National SOP for the prevention of land and forest fires.

Most markedly, these priorities resulted in merging the ministries of environment and forestry, and—through Presidential Decree No. 16 of 2015 issued on 21 January 2015—consolidating *ad hoc* climate change related institutions—including the REDD+ Agency and the National Climate Change Council (DNPI), previously responsible for representing Indonesia at the UNFCCC—under the new

Directorate General for Climate Change Control (DG-CCC) within the new Ministry of Environment and Forestry (MoEF).

For the Partnership, this means continued implementation is led by a new Directorate General, where it is understood that REDD+, as a multi-sector programme, will be mainstreamed in policies and plans across several Directorate Generals (Echelon I) within the ministry, as well as with the requisite engagement of other relevant ministries. The new, more streamlined structure has the potential to ensure better coordination of climate change issues by one mandated body, including REDD+. The integration of the former National REDD+ Agency into the new directorate includes responsibility for overseeing the entirety of the former Agency's mandate, namely coordinating, synchronising, planning, facilitating, managing, monitoring, supervising, and controlling the implementation of REDD+ in Indonesia and ensuring the following:

1. Decrease greenhouse gas (GHG) emissions due to deforestation;
2. Reduction of emissions from degradation of forest and peat lands;
3. Maintenance and enhancement of forest carbon reserves through conservation, sustainable forest management and rehabilitate and restoration of degraded forest land; and
4. Improvement in environmental quality, biodiversity, and welfare of local communities and *masyarakat hukum adat (MHA)*.

While the integration of the REDD+ Agency into the new Directorate delayed the start of Phase 2, this period has been instrumental to ensure thorough handover of the functions and responsibilities of the former REDD+ Agency to the DG-CCC.

The Interim Phase remains the implementation platform of the Partnership for nine (9) more months, pending approval of the expanded program outlined in Section 2, 'Programmes and Strategic Approach'. Under this arrangement, the Ministry of Environment and Forestry is mandated to establish both a REDD+ funding instrument and the mechanism for Measurement, Reporting and Verification (MRV). The Interim Phase will also see continued preparation for Phase 2, with a focus on providing technical support to the MoEF on five other priority REDD+ programs based on the foundational work completed in Phase 1 and by the former National REDD+ Agency, and in line with the objectives of Indonesia's National Medium-Term Development Plan (RPJM-N) 2015-2019. These programs are as follows (more details on the approach in Section 2 and expected results in Section 4).

Table 2: Priority Programmes of the Transition toward Phase 2

Transition Programmes	
1	Fire Prevention: Preventive capacity of five fire prone provinces is increased and incidence of forest and peat fire reduced.
2	Law Enforcement: Legal reform pursued and better law enforcement promoted for the implementation of REDD+.
3	Conflict Resolution: Improved management of land-related conflicts in the context of two priority national parks.
4	Customary Communities: Recognition and protection of the rights of customary law communities (MHA) advanced through institutional and technical support
5	Social Forestry: Improved community welfare and sustainable land and forest management through social forestry.
6	Phase 2 Preparation: Required institutions and systems in place to start Phase 2.

Domestically, the RPJM-N 2015-2019 carries forward the overall objective of the Indonesia's National Action Plans for Reducing Greenhouse Gas Emissions (RAN-GRK) led by Bappenas, which is to mainstream low-carbon development into all relevant national planning processes. It is

anticipated that emissions reduction required from each sector—including from forestry, land-use and land-use change (LULUCF)—will be updated from the initial estimate of 87% of the national total, likely resulting in a small adjustment. The bulk of the burden of reducing emissions from LULUCF will be met by REDD+, and Phase 2 will see the Ministry of Environment and Forestry carry forward work outlined by the Partnership, in consultation with Bappenas, the alignment with national development and emissions reduction targets. Since the inception of REDD+ in Indonesia with Phase 1, Bappenas – host of the RAN-GRK Secretariat – has played a central role. Close cooperation in this transition period and in Phase 2 will enable Indonesia to precisely track the progress of the RAN-GRK and determine the impact of REDD+ implementation.

In parallel, progress in the international realm also supports Indonesia’s on-going work to concretize REDD+. Advances in REDD+ are generally agreed upon as a key successes negotiated in the lead up to the 21st Conference of Parties (COP 21) of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, France. The Warsaw Framework offered greater clarity regarding REDD+ requirements with respect to financing, transparency and safeguards, measurement, reporting and verification (MRV) processes, REDD+ institutional arrangements and the necessity to tackle the drivers of deforestation. Key decisions have also been made on three remaining issues: i) allowing countries to choose between market and non-market approaches; ii) recommending countries to create methodologies that quantify non-carbon benefits eligible for performance-based payments; and iii) further clarifying on the implementation of safeguards, with higher financing tied to higher rates of protection. These decisions pave the way for REDD+ to be a key element of the new climate agreement to be negotiated in Paris, and for REDD+ to become a critical tool for realizing the global operationalization of the Post-2015 Sustainable Development Goals. Indonesia continues to strive to bring forward its experiences in REDD+ preparation and implementation to inform and inspire actionable commitments by the broader global community, and to ensure a more equitable, sustainable, and prosperous future for its peoples.

SECTION 2 - PROGRAMMES AND STRATEGIC APPROACH

2.1 Why the need for continued and immediate support before the inception of Phase 2?

In January 2015, the Government of Indonesia took the decision to merge four institutions with overlapping mandates on forestry, environment, and climate change. This decision has not only structurally but also functionally altered the institutional landscape to address these issues, especially climate change. The REDD+ agenda, previously administered by the national REDD+ Agency, was forced to focus on handover activities rather than field implementation for over 6 months. This delay has had a direct impact on the REDD+ Interim Phase project, the implementation platform of the national REDD+ programme, supported by UNDP. As of August 2015 most of the ongoing program, project, activities, assets, and documentation have been smoothly transferred to the relevant sections of the MoEF, under the leadership of the DG-CCC, that has committed to pursue the implementation of the REDD+ programme in Indonesia.

The merger of the Ministry of Environment and Ministry of Forestry has directly impacted the Ministry's ability to deliver ongoing 2015 programs mainly due to its restructuring and staff appointments. While the leadership of the Ministry up to echelon 2 (Director level) has been successfully appointed, echelon 3 staff (Unit Managers) and below are currently being placed.

From a budgetary perspective, the state budget allocation (APBN) of the Ministry, although approved since December 2014, could not be accessed and required major revisions to reflect the changes in the organizational structure. The Ministry has completed in August the budget revision allowing access to the 2015 APBN funds until December solely for the operations of the Ministry.

A similar situation may arise for the 2016 APBN funds allocation, as the draft budget prepared by the Ministry between March and June 2015 does not fully reflect the actual organizational structure or programs and targets of the ministry. The Ministry may have to undergo another revision process for the 2016 APBN allocation to be released in January 2016. Such revision would take between three and four months until a budget is finalized and funds can be accessed for program implementation.

In the absence of an organizational structure or appointed officer-in-charge of the new Ministry's budget, the REDD+ Interim Phase project supported by UNDP has provided a technical and financial lifeline for the Ministry to honour REDD+ commitments and integrate the programs of the former REDD+ Agency. With the expiration of the current agreement regulating the REDD+ Interim Phase at the end of September, this lifeline may be interrupted and the preparation of Phase 2 further delayed. The DG-CCC, in coordination with relevant DGs, requires timely support to continue the implementation of priority programs currently supported by the REDD+ Interim Phase. The following section describes the overall objective and strategy of the six (6) priority programs that will be implemented under the direction of DG-CCC and with implementation support provided by UNDP. **Detailed activity can be found in Section 4 'Results Chain, Theory of Change and Results Framework' and Budget in Annex 1.**

Programme 1: Fire Prevention

Objective:

Preventive capacity of five fire prone provinces is increased and incidence of forest and peat fire reduced.

Peat- and forest fires are a significant source of Indonesian national GHG emissions, as acknowledged in the Lol between Indonesia and Norway. This acknowledgment differs from the

agreement within the process of the UNFCCC negotiations where peat related emissions outside forest lands are not yet included in REDD+. Indonesia recognizes peat related fires a key priority areas and has been seeking active international support to reduce the risk of fire outbreaks. Within the context of the Norway-Indonesia REDD+ Partnership, this is critical as it is the key to 40% of Indonesian GHG emissions. Other than the Norwegian government, other key development partners such as USAID are investing in the achievement of this objective.

Local communities and the economy bear the brunt of bad fire management by either concessions or smallholder farmers, and poor law enforcement by local and national authorities. The GoI will continue to actively address the issue of forest and land fires at the origin of trans-boundary haze. The haze creates domestic adverse impact on the health of many, on the economy and triggers unnecessary tensions with neighboring countries especially Malaysia and Singapore.

Burning to clear land is prohibited under Law No. 32/2009 on the Protection and Management of Environment and Government Regulation No. 4/2001 on Management of Environmental Degradation and/or Pollution linked to Forest or Land Fires. Possible penalties for those found guilty of breaching Law No. 32/2009 include fines and prison terms.

According to CIFOR¹, enforcing legal restrictions on large companies has proven difficult, partly because of the diffused responsibility across different levels of government and the judiciary. Collecting sufficient evidence to support legal prosecution is onerous. In the few court cases that have attempted to prosecute alleged illegal burning, both criminal responsibility and civil liability have been difficult to prove. Local institutions often do not have the capacity, resources or political will to enforce laws; for regional officials, enforcing the central burn ban would be “political suicide”. Research from earlier years showed that some large companies were more willing to risk being found guilty and having to pay a fine than to pay to institute preventative measures.

Programme 2 on Law Enforcement focuses on legal considerations for fire prevention in concession lands, while Programme 1 focuses on interventions on community land, hence proposing a holistic approach to reduce emissions from peat fire in line with the objective of REDD+ Phase 2.

1.1 Fire prevention capacity increased through integration and institutionalization of i) Forest Fire Risk Early Warning Systems to predict the probability of forest and land fires; and ii) SipongiKMS to monitor in near real time.

First course of action is to harmonize data access for both prevention and observation of fire to provide evidence and anticipating or responding to fires. To this end, the programme will integrate i) Forest Fire Risk Early Warning Systems (developed by IPB) to predict the probability of forest and land fires; and ii) SipongiKMS (developed by REDD+ Agency and MoEF) to monitor in near real time. This will ensure that that data flows from the BIG, LAPAN and BMKG are consolidated and feed into an integrated system at the Ministry, BNPB, and relevant BPBDs. The Ministry will then work to provide access by mirroring the integrated fire prevention and observation data at local level in 5 fire prone provinces (Riau, Jambi, South Sumatra, West and Central Kalimantan) through local government agencies (BLH-D, Dinas Kehutanan, Dinas Perkebunan and BPBD). Meanwhile, the programme will help developing and implementing provincial SOP to complement national SOP (POSNAS) for forest and peat fires with key ministries/institutions. These SOPs foresee that, through early warnings, initial suppression can

¹ Mitigation and Adaptation Strategies for Global Change, Murdiyarsa, D.; Lebel, L., CIFOR, 2007

be carried by concerned parties such as government, plantations, farmers' groups on the ground. However, in the case of large fires, where suppression is not an option, the district's BPBD agency, is expected to intervene as the fire is beyond control.

1.2 Peat land sustainably managed by communities and local government to prevent fires

Based on cadastral data and historical hotspot data issued from the integrated fire management system above, the Ministry will develop its anticipatory fire management capacity of provinces and districts based on informed prediction that help prevent haze in districts that i) have been historically hit hardest by the impact of fires; and ii) where hotspots have been registered on peat soil areas outside of concessions areas and with local communities in proximity. For these 16 districts and 32 sub-districts (*kecamatan*, number subject to change), located in 5 fire prone provinces Riau in priority but also in Jambi, South Sumatra, West and Central Kalimantan, the Ministry will aim to introduce a sustainable solution based on i) analyzing seasonal risks of peat fires and ii) Enhanced community participation for the hydrological rehabilitation of peat lands, through community-based canal blocking and paludiculture² based livelihood options as a measure to prevent haze iii) Initiate hydrological rehabilitation with key private sector stakeholders and communities.

Maintaining water level and moisture of the peat lands high is key to reduce the incidence of fires creating haze. Hydrological rehabilitation will include the constructions of small dams to block canals previously dug to dry up large areas of peat land for agriculture purpose, ground reservoirs and shallow wells to be used during fire suppression effort. Controlled land burning that would slowly be reduced to zero fire land clearing. To complement these efforts other than strengthening formal and indigenous adat rules and regulations current public campaign and fund raising efforts need to be revisited, revised and better enforced.

Addressing forest fire prevention effectively requires an approach focused on where fires are started, with the support of local communities. Community-based forest fire management (CBFFM) is one the intervention areas to improve prevention and response to fires. The Ministry will build on the experience on CBFFM introduced by the REDD+ Task Force. The Ministry's training Centre (*Pusdiklat*) collaborated with the REDD+ programme and successfully tailored *Pusdiklat's* CBFFM training modules, delivered for 15 community forest fire brigades in 4 of the most fire prone districts in Central Kalimantan. Early fire warning help communities to prepare themselves and anticipate the event of small fires starting in their vicinity. To act upon early warning, communities are equipped with with firefighting material and knowledge, trained to execute chains of command and conduct forest patrol. The programme will include the establishment or strengthening of community-based forest fire management (CBFFM) units at village level, for example community-based forest fire brigade '*Masyarakat Peduli Api*' and '*Kelompok Tani Peduli Api*'.

Training and equipment will be provided, and support will be provided to *Manggala Agni*, the government fire brigade linked to the MoEF. Community-based monitoring and reporting coordinated with the assistance of civil-society networks will be put in place and establish communication trees at village level. Heads of village here will play a determining role in organizing fire prevention, monitoring and response. To generate knowledge within the communities, CBFFM trainings are delivered using a Training for Trainers approach. Access to relevant and integrated data on fire as planned under Activity 1.1 is a key prerequisite for the

² land management techniques that cultivate biomass from wet and rewetted peatlands under conditions that maintain the peat body, facilitate peat accumulation and sustain the ecosystem services associated with natural peatlands. Paludicultures help stop peat oxidation and simultaneously provide sustainable harvests from peatlands.

success of these community interventions. Central level information led by the Ministry must trickle down to the provincial level, led by relevant Dinas, to reach district (*kabupaten*) and municipality (*kecamatan*) level, still led by relevant *Dinas* and passed on to the sub-district (*Camat*) and finally village (*Desa/Kelurahan*) to finally be used by community based fire brigade.

1.3 Green development promoted for communities participating in peat fire prevention and canal blocking by proposing income generating programs

Field fire prevention activities will be paired with livelihood programs such as small-scale agriculture, fishponds, husbandry, etc. to reinforce the sustainability of canal blocking functions. The activity is intended to support the community in mapping their village economic potentials and generate economic activity as a poverty reduction measure. Also, the creation of water ponds, reservoirs, and shallow wells can be used as sources of water for both land cultivation and fire fighting.

The programme will also link at local level with the implementation of the Village Law and its National Program '*Bantuan Dana Desa*' (village development funds). Village development grants are made available to boost the economic development of villages, the MoEF can promote its green development agenda, with fire prevention in mind, in the formulation of village planning (RPJMDes) and by prioritizing REDD+ compliant activities to be supported in Phase 2

Due to the number of external factors intervening in the reduction of hotspots, a quantitative target is difficult to achieve with confidence but the Ministry targets a reduction of hotspots in these locations of 30% of the 2014 climate-adjusted baseline.

Programme 2: Law Enforcement

Objective

Legal reform pursued and better law enforcement promoted for the implementation of REDD+.

A three-pronged approach will be taken to support the implementation of REDD+ from a legal perspective, to ramp up law enforcement capacity with a special focus to support prevention of forest fires capacity and law enforcement. Almost all fires are man-made and often associated with the development of large palm oil, timber, or logging companies. This observation is consistent with the analysis made using the Hotspot Monitoring System, KMS that reveal that almost half of all recorded hotspots in 2014 were located in large concessions where these commodities are produced. It is worth noting that fires can be started by different stakeholders for many different reasons. Small-scale farmers may start fires for land clearing having no access other alternatives. These fires easily burn out of control during the dry season when the water level in peat areas is low, spreading across community and concession areas, and even destroying established croplands. Taking legal action against some of the many smallholder is unlikely to alone reduce the large number of hotspots, instead the MoEF aims to focus on sustainable peat land management by communities and develop programs between local governments and companies to give small farmers low-cost access to mechanical land clearing equipment.

2.1 Compliance audit in land and forest fire prevention

In 2014, a joint task force consisting of UKP4, the Ministry of Environment and Forestry, the REDD+ Agency, and the Ministry of Agriculture undertook an audit which purpose was to obtain comprehensive information about the compliance level of companies and local governments in order to prevent forest and land fires. The audit focused on the performance of 17 companies' concessions and 6 districts in the Province of Riau, from June through August 2015. The Audit

sought to measure company performance according to several indicators including company organisation and response systems, facilities and infrastructure, human and environmental resources, biophysics (including peat land) and conflict resolution mechanisms. The audit also sought to develop recommendations with regards to coaching and monitoring to encourage the compliance of companies and local governments in order to prevent future fires. In the transition toward Phase 2, compliance audits will be carried out to review more companies' concessions to assess the performance of companies and districts to manage fires. This activity stems from President Joko Widodo direct observation of the handling of land, forest fires in Sumatra.

2.2 Multi-Regime Law Enforcement

The Ministry will also promote stronger law enforcement through i) training of law enforcement actors at national and at sub-national level in 5 provinces; and ii) institutionalization of the multi-regime approach to law enforcement, in order to tackle illegal forest exploitation and activities, including plantations and mining. The rationale, in brief, is that crimes in forestry and natural resources sector are cross-sectoral crimes. A special approach is required to handle those crimes, namely, a multi-regime approach that will ensure the perpetrators get just punishment for the ecological and economical loss caused by the crimes related to violation of the natural resources and environmental (SDA-LH) laws.

2.3 Reform of the Legal Framework for REDD+

The REDD+ Agency, in partnership with the Ministry of Justice and Human Rights, have developed a Policy Paper on the Road Map of Legislation Reform for the promotion of Forest and Peat Land Governance Improvement (*Peta Jalan Pembaruan Hukum untuk Mendorong Penyempurnaan Tata Kelola Hutan dan Lahan Gambut*). The road map gives a set of recommendations according to which policies and regulations should be amended, enacted or revoked. The basic principles of justice, democracy, legal certainty, and sustainability are used as benchmarks for developing the recommendation rooted from in People's Consultative Assembly Decree Number IX/MPR/2001 on Agrarian Reform and Natural Resources Management. The aim of the policy paper is to ensure that the policy and legal reform provides a legal framework which aligns and supports the sustainable forest and peat land management. Under the transition, the Ministry aims to pursue policy reform by implementing this Road Map.

Programme 3: Conflict Resolution

Objective

Improved management of land-related conflicts in the context of two priority national parks.

Communities and large-scale agriculture in Indonesia share complex relationships, often fraught with conflict, as demonstrated in many concession areas in Sumatra and Kalimantan. Fire may be used by some communities to claim conflicted land or wreak revenge on companies. The intervention will target conflict areas between companies and communities to address land claims and long-standing disputes.

3.1 Policies in place for improved conflict resolution

Furthering the inroad made by the REDD+ Agency in this domain, the transition toward Phase 2 will focus on the participatory design and legal framework of a land-based conflict resolution system. This standard framework is expected to be used by local governments to facilitate conflict resolution between a wide range of stakeholders, especially concessions and local community.

3.2 Two priority national parks affected by land conflicts are protected

The Ministry is committed to mitigate ongoing and future land related conflicts as part of the programme initiated by the REDD+ Agency in priority national parks, especially in i) Bukit Duabelas national park in Jambi and ii) Tesso Nilo national park in Riau. The intervention in Riau is included in priority to accelerate the recognition and protection of the rights of the Orang Rimba in Jambi. This programme overlaps geographically with Programme 4 below.

Programme 4: Customary Law Communities

Objective

Recognition and protection of the rights of customary law communities (MHA) advanced through institutional and technical support

The Ministry will pursue the implementation of the National Programme for the Recognition and Protection of *Masyarakat Hukum Adat* Through REDD+ (PPMHA) declaration signed in September 2014 to realize the Constitutional Court's recent Ruling No 35/2012, which revokes the previous designation of customary land as being owned by the state, and returns the rights of ownership to customary communities/indigenous people. Part of the declaration signed by the Ministry includes the development of a legal basis for the protection and recognition of MHA including, but not limited to, a draft law (RUU) on Protection and Recognition of Customary Communities (PPMHA) and a RUU on Land, through active government participation in the development process of the above two RUUs.

4.1 Creation of a national entity for the recognition and protection of customary communities supported

During the transition toward Phase 2, the programme will support the creation of a national entity which will be mandated with the implementation of the above mentioned eight-point PPMHA declaration. In concrete terms, the programme will support the activities of the Coordination Forum for the Recognition and Protection of Customary Communities (PPMHA) which is hosted by the MoEF in collaboration with stakeholders such as AMAN, Kemitraan, Warsi, etc. and set to become the national entity.

4.2 District level recognition and mapping supported in two provinces

The focus of the programme will be on systems development to support the integration of an expanding map of already 4,822 million hectares of mapped indigenous (customary) territories, led by the Alliance of Indigenous Peoples (AMAN), into government systems. Such initiative to create a data repository, would see a cooperation between the *Badan Registrasi Wilayah Adat* (Agency for Registration of Traditional Regions – BRWA) and the Ministry of Agrarian Reform and Spatial Planning, with support from AMAN and the *Jaringan Kerja Pemetaan Partisipatif* (Indonesian Network for Participatory Mapping – JKPP), as a first step to recognize communal land rights. A single system, would also help structure a uniform way for recognition at the local level (community mapping standards, local regulations, development and content) in accordance to existing regulations.

Beyond supporting AMAN in the mapping process, future activities may include, a partnership to develop a model for training local government in the RTRW for mainstreaming community maps and promoting allocation of state budget to support this process. The REDD+ Agency through its BERSAMA initiative laid the ground work for recognition of rights in seven districts and lessons learned will be captured.

Programme 5: Social Forestry

Objective

Improved community welfare and sustainable land and forest management through social forestry.

Local communities are the pivot for the forest protection in REDD+. The GoI is committed to allocate 12.7 million ha of the national forest estate for community use, as a measure to put these communities on the path to prosperity and stability for those in conflict with other actors in the landscape.

5.1 Permit system reformed to support acceleration of social forestry programs (HKm, HTr, HA, HD)

Better social forestry programmes are expected to clarify legal ambiguity that often occur between local communities and the government regarding forest use. Forests are an important source of livelihood for communities living in and around it. By giving community legal access to the forest under community-based forest management program, this source of livelihood can be secured.

The Ministry aims to issue at least 500,000 hectares of license for social forestry by end 2016 as a first step toward achieving the 12.7 million target by the end of 2019, and thus generating income and at the same time mitigating tenure conflicts, and protecting forest functions while initiating action for communities to improve the quality of these forests and thus enhancing carbon stocks. The intervention will include the reform and simplification of the permit system to accelerate the achievement of the social forestry objectives.

5.2 Existing and future social forestry programs facilitated

The other intervention area to support social forestry consist in developing the national and local infrastructure to issue and manage social forestry licenses in partnership with the DG for Social Forestry of the MoEF. The Ministry will prepare the Indicative Map for Social Forestry (PIASP) a tool to map out the potential locations where the 12.7 million hectares of social forestry licenses could be awarded. This map will in turn be linked to an online licensing system under the responsibility of the DG for Social Forestry, also supported by the programme.

The One Map initiative is currently under the purview of the Coordinating Ministry of Economic Affairs (Deputy of Infrastructure and Regional Development), with the National Agency for Geospatial Information (Badan Informasi Geospasial – BIG) in charge of its completion. BIG has produced a draft Presidential Regulation for the 'Acceleration of the One Map Policy' which include in annex an action plan. The draft regulation is completed and ready to be signed. During the transition toward Phase 2 and before the issuance of the presidential decree, the MoEF will enrich the data collected by BIG with the mapping of social forestry licenses from the DG Social Forestry, using the PIASP map.

Programme 6: Phase 2 Preparation

Objective

Required institutions and systems in place to start Phase 2.

Indonesia aims in this transition to prepare and build its ability to demonstrate initial results-based actions that can be recognized through the UNFCCC process which is prerequisite for successful phase 2 implementation. This is recognized as a critical achievement in terms of 1)

achieving transformation in the forestry sector and land-use management; and 2) Demonstrating the ability of the UNFCCC process to generate REDD+ results should be highlighted and strengthened in the document.

6.1. Technical Milestones for the Transition toward Phase 2

Indonesia will submit its first-step Forest Reference Emissions Level (FREL) or Forest Emissions Level (FRL) to the UNFCCC. The FREL will be used for technical assessment; test and initialize implementation of Policies and Measures (PAMs) as set out in the draft national REDD+ strategy as well the provincial plans. Findings will be reported through a technical annex of their Biennial Update Report (BUR). In Indonesia will further develop its National Forest Monitoring System (NFMS) and a Safeguards Information System (SIS).

In accordance with the terms of the Cancun UNFCCC COP16, the Ministry of Forestry has developed a Safeguards Information System for REDD+ (SIS-REDD+) in order to provide information on the implementation of REDD+ Safeguards from project to national level. It is intended that PRISAI and SIS-REDD+ will be integrated to create a unified national safeguards system. The way forward to integrate and operationalize the application PRISAI using the national SIS-REDD+ will be agreed upon during the transition toward Phase 2, drawing on the field piloting of PRISAI was piloted in the provinces of Central and East Kalimantan and Central Sulawesi, and SIS-REDD+ in the provinces of Jambi and East Kalimantan, in late 2014

6.2. Stakeholder Engagement, Advocacy and Institutional Support

For the successful implementation of REDD+, the newly established DG-CCC needs to galvanize its support-base among key stakeholders from the central and local government, international community, civil society, the academia and the private sector. The Ministry will reinforce its ties with partners and its capacity to advocate for the implementation of REDD+ among potential implementing partners. The DG-CCC will also seek to raise awareness among a varied group of audiences on i) reducing the impact of peat fire and haze; and ii) REDD+ in the context of climate change and the national development objectives.

The Ministry will also continue the preparation of an investment portfolio for additional programs to be implemented under Phase 2. The investment portfolio is a combination of national priority programs and prioritized subnational programs based on the prioritization exercise initiated by the REDD+ Agency when developing Provincial Strategic Action Plans (PSAPs) with partner provinces, as well as a national, small grants and private sectors portfolio. Priority shall be given to expanding the scope of the intervention to programmes related to addressing drivers of deforestation frontally, especially by reducing pressure on forests from industries, at the heart of Phase 2. For example, formal partnerships with other ongoing initiatives such as the Indonesia Palm Oil Pledge (IPOP) and Indonesian Sustainable Palm Oil Platform (inPOP) led by the Ministry of Agriculture should be initiated during the transition toward full Phase 2.

The programme will pay particular attention to engage with the partner provinces to prepare them for REDD+ implementation under phase 2, building on the previous engagement at subnational level. The Ministry will work toward reaching an agreement on the prioritization of provincial/ jurisdictional REDD+ programs to be implemented in phase 2, based on their respective Provincial Strategic Action Plans (PSAPs), as well as a national, small grants and private sectors programmes.

Lastly, this programme will provide institutional support to the DG-CCC through the Project

Management Unit and expert advisors as required.

This 6th programme will be the backbone for the further development of the remaining elements required for the REDD+ architecture of Phase 2. The following milestones are important for Indonesia to enter into full Phase 2 implementation:

- 1) The FREL methodology has been reviewed by MoEF in line with IPCC methodology and is submitted to the UNFCCC for technical evaluation before the COP21. An agreement is reached between the Governments of Indonesia and Norway on the reference level of the REDD+ Partnership
- 2) After a decision is reached on the modality and host used to established the REDD+ Fund, the fund is legally established by the host, with the approval of the Ministry of Finance and operational.
- 3) A revised version of the design document for the national MRV system is released including a clarification of the roles and responsibilities for the MRV system, based on international developments and on emerging lessons to ensure that there is sufficient impartiality and no conflict of interests are emerging.
- 4) Integration of the national set of REDD+ Safeguards 'PRISAI' and implementation of the Safeguards Information System
- 5) Agreement is reached with partner provinces on the prioritization of provincial/ jurisdictional REDD+ programs to be implemented in phase 2, based on their respective Provincial Strategic Action Plans (PSAPs).
- 6) Investment portfolio of programmes in line with the objectives of Phase 2 is developed, based on above mentioned agreement with partner provinces
- 7) An agreement is signed with the Government of Norway to start the implementation of the programme design document for Phase 2 that incorporate the investment portfolio and policy directions of the programme.

The above mentioned programs are directly derived from the work initiated by the REDD+ Agency under the REDD+ Interim Phase. The table below shows the linkages with the ongoing REDD+ Interim Phase.

Table 3: Linkage of transition programmes with the REDD+ Interim Phase

#	REDD+ Interim Phase (Previously agreed Programmes)	Transition toward Phase 2 (Proposed Programmes)
1. 'Fire Prevention'	12.5. Reduce Negative Impact of Forest Fire in Selected Provincial District (Time sensitive portfolio #1)	1. Preventive capacity of five fire prone provinces is increased and incidence of forest and peat fire reduced.
2. 'Law Enforcement'	13.2. Law enforcement capacity in support of related legal frameworks, including the Moratorium, is strengthened	2. Legal reform pursued and better law enforcement promoted for the implementation of REDD+.
3. 'Conflict Resolution'	12.7 Resolution of land conflict in and around selected National Parks reduces encroachment on protected land. (Time sensitive portfolio #3)	3. Improved management of land-related conflicts in the context of two priority national parks.
4. 'Customary Law Communities'	12.6 Legal Recognition of Community Land Rights Increases Sustainable Management Practices of Natural Resources (Time sensitive portfolio #2)	4. Recognition and protection of the rights of customary law communities (MHA) advanced through institutional and technical support
5. 'Social Forestry'	11.3. Strategic Programs Implemented in Priority Provinces	5. Improved community welfare and sustainable land and forest management through social forestry.
6. 'Preparation of Phase 2'	14.1 Institutional Development (including: Gender mainstreaming in REDD+ ensures equitable	6. Required institutions and systems in place to start Phase 2.

The six (6) transition programmes constitute essential targets set by the Ministry to address the national administrative vision. The seamless continuation of these programs beyond September and their integration in Phase 2 is key to maintain the momentum. For this reason, these programs are prioritized and executed using the REDD+ Interim Phase as a platform. The Minister of Environment and Forestry has issued a letter dated 17 June 2015 requesting UNDP in partnership with the Norwegian Government to continue supporting the above-mentioned programs and the REDD+ agenda onwards. This extension with additional financial resources will be instrumental to avoid any gap in the implementation of national and subnational activities, to prepare the inception of Phase 2 later in 2016 and for the Ministry to meet the ambitious targets set by the President, especially for forest fire management and promotion of social forestry.

2.2 What is the overall strategy for Phase 2 and how will the transition pave the way for Indonesia to move to the next step of the Partnership?

It is expected that the Partnership will enter its second phase in 2016 before the completion of the abovementioned transition arrangement, which will then be phased out. The transition's dual purpose to deliver the remaining milestones of the REDD+ architecture for Phase 2 while ensuring continuity of five priority programs, will prepare the MoEF to move into Phase 2. Previous implementation of priority programs during the transition will be scaled up in Phase 2 alongside with new initiatives drawn from an investment portfolio covering the entire scope of REDD+ Phase 2.

In Phase 2, the focus will shift from 'preparation' to 'transformation', understood as moving from 'readiness' to 'demonstration of payment for performance'. The second phase builds upon the key deliverables of the first and interim phases, emphasising two intermediate impacts. First, that 'Indonesia has the institutional and operational capacity to achieve REDD+ objectives' and, second, 'Indonesia achieves REDD+ objectives in selected areas'. At the end of Phase 2, Indonesia will have achieved readiness to implement payment for verified emissions reduction programmes, demonstrated in selected areas, enabling the entry into Phase 3.

Institutional and operational capacity (Intermediate Impact 1)

Since REDD+ Phase 1 and also during the Interim Phase, the Gol focused its effort on establishing the REDD+ architecture to implement the Partnership. Determining a clear roadmap for Phase 2 in terms of developing this institutional and operational capacity hinges on the transition toward Phase 2 where key decisions on the funding instrument, MRV system and safeguard mechanism will be taken. Indonesia's institutional and operational capacity (Intermediate Impact 1) to implement the Partnership will be measured in Phase 2 against by the building blocks for REDD+ set out by the Warsaw Framework for REDD+, taking into account the Indonesian context, namely 1) National readiness; 2) Subnational readiness; 3) MRV system establishment; 4) Stakeholder participation; 5) Funding instrument, including implementation of safeguards and; 6) Mainstreaming of REDD+ for sustainable development.

REDD+, as an entry point to sustainable development and a key element, plays a critical role in ensuring strengthened capacity of relevant national ministries and agencies to prioritize policies that address the three dimensions of sustainable development – social, economic and

environmental. REDD+ has different entry points, implications, and responsibilities for national and subnational government agencies, partner organizations, local and MHA communities, and private companies.

A crucial objective will be to ensure that Provincial REDD+ Work Units are in place under the leadership of Governors and guided by the Ministry of Environment and Forestry, with adequate operational capacity to coordinate, manage and support REDD+ implementation at the provincial level. The work emphasizes maximizing and strengthening existing expertise and institutional resources of specialized provincial Forestry Departments/Environmental Agencies, Planning agencies (responsible for the implementation of REDD+ strategies and spatial planning), the Environmental Agencies and other relevant SKPD responsible for forestry and environmental management.

In Phase 2, the key institutional mechanisms to realize performance-based payments will be operationalized, continually trialled, and improved in readiness for Phase 3. Phase 2 will see the operationalization and strengthening of the national MRV system in line with UNFCCC decision 1/CP.16 that prescribed 1) the issuance of a national Forest Reference Emission Level (FREL); and 2) a robust and transparent National Forest Monitoring System (NFMS) for the monitoring and reporting of the five REDD+ activities.

Phase 2 will see also the operationalization of PRISAI using the national SIS-REDD+ In accordance with the terms of the Cancun UNFCCC COP16. Using SIS-REDD+ as Safeguard Information System (SIS) is a key objective of Phase 2 as it constitutes one of the four prerequisites for REDD+ countries to access results-based finance as per UNFCCC decision 1/CP.16.

The last prerequisite to access results-based finance consists in having a clear national strategy to address drivers of deforestation. The National REDD+ Strategy (Stranas) issued in 2012 by the National REDD+ Task Force will be given an updated legal basis to reflect new institutional arrangements. Opportunity will be given to review the progress made so far and adjust accordingly to reflect the shifting priorities of the Indonesian government and reflect realities of large-scale field implementation.

For the MRV system, the REDD+ Fund and the SIS-REDD+, operationalization itself is an outcome of Phase 2, and these mechanisms will be used and continue to evolve throughout Phase 2, until reaching a critical operational mass to enter Phase 3.

Based on the initial investment portfolio proposed during the transition toward Phase 2, the Ministry of Environment and Forestry will set out the policy direction of the REDD+ programme in line with the Government's five-year development plan (RPJM-N), define the corresponding annual budget allocations for focus areas and implementation partners and modalities. Approval of individual projects, objectives, financial allocation and their implementing agencies, in respective focus areas advancing REDD+ objectives, will be subject to the decision of Board of the REDD+ Fund.

Demonstration of achievements of REDD+ objectives through programme implementation in selected areas (Intermediate Impact 2)

In Phase 2, the Gol will strive to ensure that Indonesia is able to demonstrate achievements of REDD+ objectives through programme implementation in selected areas (Intermediate Impact 2). Phase 2 programmes will contribute to the four main programmes, namely 1) Anticipatory Fire Risk

management (direct continuation of the transition toward Phase 2); 2) Reducing pressure from industries including agriculture, timber, pulp, and paper, and extractives; 3) Enhancing and protecting carbon stock and; 4) Enabling a green economy transition (direct continuation of the Transition toward Phase 2).

Phase 2 will continue to trial and scale initiatives prioritising emission reduction, halting or slowing land conversion resulting from unsustainable practices of key stakeholders such as local entrepreneurs, smallholders and large scale concessions. These activities aim at protection and enhancement of carbon stock, and enablement of green development. This work builds on outputs and achievements from the first and Interim Phases, for which the transition toward Phase 2 is a bridge to keep the momentum, especially related to the national anticipatory capacity to reduce forest and peat fires. Key programmes, include but not limited to, continued audit compliance and license review, promotion of social forestry through community-based forest management programs and implementation of Constitutional Court Ruling No. 35/2012 through the National Programme for the Recognition and Protection of *Masyarakat Hukum Adat* Through REDD+ (PPMHA) in partnership with relevant stakeholders.

New initiatives will also be trialled, with an emphasis on deforestation free supply-chains, compliance with sustainability standards and the development of inventories on abandoned and degraded land for land swaps in close collaboration with the Ministry for Spatial Planning & Agrarian Reform, and the Ministry of Agriculture.

The operationalization of REDD+ serves as both a means to, and a goal of, Indonesia's broader shift to sustainable development. This requires efforts to realize the national commitment to sustainability requires sequenced. Hence the Minister of Environment and Forestry will seek to ensure that REDD+ is fully integrate in current and future national efforts to promote a green economy transition such as the Indonesian Intended National Determined Contributions (INDC). The Ministry is mandated to lead efforts with regards to carbon pricing and Green Economy Development as per law 32/2009 on Environmental Protection and will seek collaboration with BAPPENAS to work towards improved coordination and effective implementation of REDD+ related green economy activities.

Together, this mandate will enable REDD+ to evolve and become a national force for change, poised to not only support, but also reflect the Government of Indonesia's continued commitment to democratization.

2.3 What are the strategic partnerships required for a successful implementation?

As mandated, the DG-CCC of the MoEF is the designated national authority for REDD+ in Indonesia responsible to coordinate, manage and oversee REDD+ implementation in Indonesia. To ensure this, it is critical that REDD+ is considered as one of Indonesia's priority agenda, which can be leveraged by all key stakeholders particularly, line ministries and government institutions to achieve national objectives. The DG-CCC acknowledges the need for strategic partnership in order to implement REDD+, to drive the process, and mainstreaming sustainable environmental management across sectors and development processes in order to effectively address drivers of deforestation.

Previously, the REDD+ Agency has collaborated with various international and national development partners in Indonesia, at national and subnational level. During the transition and with institutional support, the DG-CCC will move towards full operationalization to connect, enable, and provide oversight of key stakeholders implementing REDD+. This includes better clarifying and educating relevant stakeholders on what REDD+ and its benefits are, supporting collaboration and

information sharing on relevant geospatial, planning, and over data between key national ministries, and ensuring connectivity between planning and administrative processes from the village level through national level.

Key partnerships which have been built over the course of Phase 1 and Interim would be strengthened particularly on the on-going collaboration with government and non-government entities in various areas. During the transition toward Phase 2, the Ministry will seek support from local CSOs for the implementation of field activities especially for community-based interventions in fire management. Other key partners include 'adat' associations and their partners as well as local facilitators for social forestry. The selection of partners to implement activities will be subject to UNDP's rules and regulation for engaging third-party partners.

The table below outlines a non-exhaustive list of potential implementing partners of Ministry of Environment and Forestry that can be engaged. Varied partnerships will enable the DG-CCC to carry out its cross-cutting mandate of REDD+ implementation by using the respective skills of a broad array of partners and achieve REDD+ objectives. From this pool or roster of potential partners, specific roles, responsibilities and deliverables expected from selected partners will be enumerated and budgeted for Phase 2, guided by the committees and under the authority of Board of the REDD+ once established.

Table 4: Provisional list of potential implementing partners of REDD+ in Indonesia

Transition Toward Phase 2: Indicative Partners			
Government	Non-Government	UN and MBDs	Arrangement
The selection of partners to implement activities will be subject to UNDP's rules and regulation for engaging third-party partners, in accordance with approved Annual Work Plan.			
KLHK Kementan Bappenas Kemenkeu Kemendag Kementan Kemenagraria Kemendagri Kemenko Polhukam Kemenko Kesra Kemenpu Kemenkumham Kemen ESDM Kemendikbud Kemenegpp Kemenko Ekonomi Kemenristek BKPM BKPRN BIG LAPAN LIPI BPPT BMKG ICRAF INCAS OJK PPATK Bappepti DPR Government of Partner Provinces Government of Partner	AMAN Kemitraan KEHATI PSF CIFOR GGGI CPI CLUA WRI Solidaritas Perempuan ICCC Climate Advisers WWF JKPP EPISTEMA Greenpeace FWI KPA BRWA Samdhana HuMa ICEL WALHI YPB KEHATI PSF CIFOR TNC WARSI Local NGOs / CSOs in provincial/district level Local NGOs / CSOs in provincial/district level	UNDP World Bank	Direct Implementation Joint Programme/Activities Grant (Transfer Funding) through Partner Agencies/directly to Executing Agencies Service Contract

Transition Toward Phase 2: Indicative Partners			
Government	Non-Government	UN and MBDs	Arrangement
Districts DPRD SKPD Association for Governors Association for Head of Districts			

2.4 How to maintain an inclusive stakeholder engagement to raise awareness on related social, economic, and environmental issues?

An engaged and informed citizenry cannot be taken for granted in any context, but is particularly critical for Indonesia's burgeoning democracy. From the start, Indonesia's REDD+ work has emphasised public ownership of the national sustainable development agenda. In the transition toward Phase 2, the key objective of the communications surrounding REDD+ implementation will be to consistently, transparently, and clearly engage with key constituencies, with a particular focus on government counterparts, the urban and rural public, and the international community, particularly in the lead up to the framing of new global architecture to tackle climate change beyond 2015. The DG-CCC, with the support of communications specialists, will develop key institutional messages and appropriate tools and approaches for information dissemination. The underpinning aim of the DG-CCC communications program is to take a proactive approach to ensure the REDD+ agenda and its benefits are clear to all stakeholders.

The DG-CCC communications work will initially focus on reviving and strengthening the momentum of public support for REDD+ within the framework of the national action plan for emission reductions (RAN-GRK), its transition to a green economy and Intended Nationally Determined Contribution (INDC). In the initial stages, it is anticipated that the communications agenda will need to continue to clarify what REDD+ is, the anticipated impact and role of individual citizens, the imperatives behind this agenda, and how REDD+ fits into Indonesia's broader sustainable development ambitions and the administrative vision of Jokowi-JK administration. A robust communications capacity will be developed during the transition toward Phase 2. However, this document, much like REDD+ itself, will be dynamic and taken as a living document, to continue to be adjusted based on the communications experiences to date, and as new or more effective methods and messaging emerge.

Insofar, the REDD+ efforts have largely focused on efforts to improve forest- and peat land management, with the ecological and social gains of performance-based payments remain poorly understood. As a priority, the DG-CCC communications work scope will clarify the concept and associated mechanisms of REDD+ for specific target groups. To help REDD+ and its benefits become more easily understood, the communications team will focus on using simple language, identifying strategic target audiences, using appropriate mediums and media, and framing REDD+ in relevant calls to action. Dedicated, effective, proactive communications is a key component of the operational capacity needed to complete the scope of work in partner provinces, within the central government, and internationally.

The key objective of the REDD+ communications strategy is to create platforms that enable target audiences to be informed and give feedback or take actions based on on-going processes, results, and messaging delivered. Given the still nascent development of REDD+ globally, the Indonesian experience will be valuable for other countries looking to implement REDD+. Indeed, Indonesia has

and continues to benefit from South-South exchange with other REDD+ countries. Indonesia's work aspires to help secure interest and commitment for the requisite financing - both official development funding (ODA) and carbon markets - and private financing through for example landscape bonds, which is necessary to ensure the longevity of REDD+.

The MoEF must continue to emphasise the institutional and procedural viability of REDD+ based on Indonesia's on-going experiences, the unique and replicable use of REDD+ as a catalyst for the complementary goals of empowerment, democratisation, good governance, environmental protection, and economic growth. At a juncture where the global climate change architecture is set for significant change in 2015, the MoEF must work in collaboration with national and international partners on messaging, specific events, and relevant press coverage. All of this aims to bring forward the positive experiences and contributions of Indonesia's REDD+ experiences to the critical COP21 in Paris, France at the end of 2015.

Ultimately, the REDD+ agenda must be reflective of, and driven by, the public, in collaboration with government counterparts, playing a guiding role for the realisation of policies grounded in the will of the people. Effective communications will be key to realising this aim. Without it, the critical mass needed to support the fundamental paradigm shift towards sustainable development will remain near impossible and, with a top-down approach, in direct contradiction to the aspirations of the Indonesian REDD+ agenda.

2.5 How will gender mainstreaming be addressed?

Achieving an equitable natural resource management regime, an equitable development paradigm, and an equitable society requires a commitment to realise gender equality. The imperative to mainstream gender within REDD+ is clearly outlined in existing international and national policies and commitments, and reinforced by experiences on-the-ground that clearly demonstrate the important role of gender equity in supporting sustainable natural resource management. On the international level, gender mainstreaming for REDD+ is rooted in the social and environmental safeguards in the Cancun Agreements, as well as in Indonesia's ratification of the Convention for the Elimination of Discrimination Against Women (CEDAW).

These principles are, further, integrated into Indonesia's REDD+ National Strategy (*Stranas*), which specifically outlines the need to include 'women and communities vulnerable to socio-economic and environmental change'. In addition, *Stranas* explicitly calls for a change in paradigm and working culture along the lines of 'gender sensitivity, through attention to equality in roles, needs and responsibilities of men and women'. PRISAI, the national safeguards system developed by the National REDD+ Task Force, devotes the sixth criteria to 'full, effective and gender-equal participation of all stakeholders'.

Gender mainstreaming is, thus, critical to ensure forest governance in Indonesia is accessible to, influenced by, and meets the need of all stakeholders. The goal of gender mainstreaming is to ensure that the transformation of forest governance will positively impact gender equality and, particularly, women's empowerment. The transition toward Phase 2 will focus on ensuring the realisation of gender-sensitive policies in operations and implementation. In addition to on-going work to realise gender equity dimensions in implementation through PRISAI, the REDD+ Agency formalised a collaboration with the Ministry of Women's Empowerment and Child Protection. The basis for formal cooperation can be found in a recent workshop held in June 2014, and co-hosted by relevant United Nations system entities, including UN Women. The Ministry of Environment and Forestry will seek to renew and strengthen this partnership and to ensure policies measures at all

levels are grounded in reality, an in-depth, sub-nationally focused gender analysis will be carried out to help integrate existing best practices and give recommendations for implementable, relevant, and effective gender mainstreaming.

Programmes of the Transition toward Phase 2 will address the differentiated roles of men and women in access and management of natural resources. While haze adversely affect men women and children equally with respiratory problems, they can play a different role in the intervention to reduce the incidence of fires. For example, while the construction of dams for canal blocking activities may be conducted by men, livelihood programs conducted in the same location will be accessible and proposed in priority to women, for example through the cultivation of cash crops or tree replanting. In terms of fire management, the REDD+ Agency opened training in community based forest fire management (CBFFM) to women, hence participating actively in community patrols and even fire suppression activities when appropriate. The programmes on conflict resolution, recognition and protection of indigenous people and promotion of social forestry all imply equal participation of the community members for decisions that will affect the entire community. Here again, local facilitators and partner NGOs will seek to engage women in the decision making and make sure that their voices are heard.

SECTION 3 - OPERATIONAL ARRANGEMENTS

The following diagram represents the structure of the institutional arrangements to implement the REDD+ Partnership in Indonesia currently based on Presidential Regulation No. 16/2015 that automatically revoked Presidential Regulation 62/2013 regarding the legal establishment of REDD+ Agency and Ministerial Regulation P. 18 /MenLHK-II/2015 on the restructuring of the Ministry of Environment and Forestry.

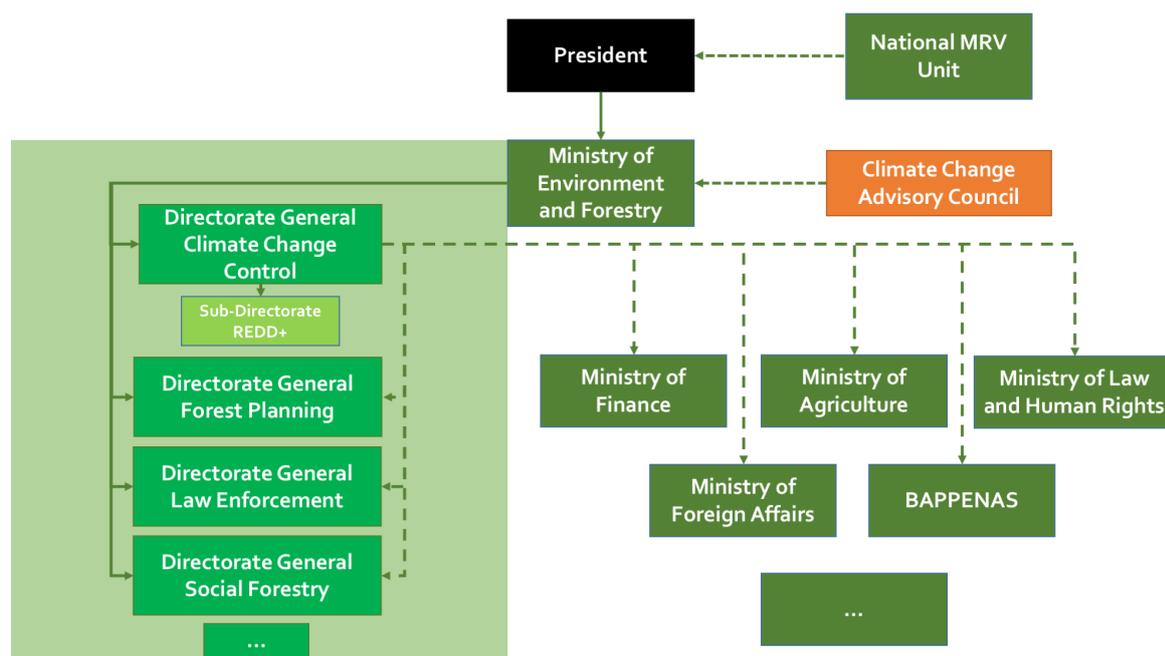


Diagram 1: Structure of the REDD+ implementation in Indonesia

3.1. What Measurement, Reporting and Verification (MRV) System will be put in place in the Transition toward Phase 2?

The tasks outlined with respect to Measurement Reporting and Verification (MRV) preparation in Phase 1 focused chiefly on ensuring access to and consolidation of relevant data. With the agreement of other relevant government institutions and bodies, the business-as-usual number published under the Second National Communication to the UNFCCC is acknowledged as dynamic, and will be further refined and improved in accordance to available data and enhanced methodology and technologies.

The overall design MRV system has been agreed upon since October 2013 and reflects a system that is 'consistent, transparent, complete, accurate, participatory and adaptive to social conditions and bio-ecoregions of Indonesia'. Since the integration of the REDD+ programme in the mandate of the MoEF, this design must be reviewed and adapted to the current institutional context and progress towards operationalization in the transition toward Phase 2. Previously, it has been agreed that sub-national, provincial RELs will be used for policy guidance, rather than for direct benefit sharing,

particularly in order to manage expectations on funding. It has been further decided that results-based payments may use conservative estimations of emissions reductions.

With the integration of the REDD+ Agency's responsibilities within the MoEF, the establishment of a national MRV system and National Forest Monitoring System, in line with UNFCCC decision 1/CP.16, will be led by the Ministry. The task consists in priority to submit the national first step FREL, which will be done before the COP21. A draft Forest Reference Emission Level (FREL) calculated based on 2000-2012 historical deforestation was issued in November 2014, by the REDD+ Agency in consultation with relevant agencies; however not submitted to the UNFCCC. The FREL methodology was reviewed by the MoEF in line with IPCC methodology and will be submitted to the UNFCCC for technical evaluation before the COP21. Once technically assessed by UNFCCC Technical Assessment Team, the Governments of Indonesia and Norway shall jointly agree during Phase 2 on a reference level to be used for the REDD+ Partnership onwards. In parallel, the Ministry will establish national MRV mechanism, taking into account Decision 14/CP.19 and MRV system under the MoEF. Credibility of measured and reported emission reductions results will be assured by a transparent and credible quality assurance process, conducted by third party agreed by both Norway and Indonesia, in line with the most recent IPCC Guidelines for National Greenhouse Gas Inventories, as encouraged in UNFCCC COP decisions. The MoEF aims to establish the following as national MRV set up for climate change mitigation measures in a broader sense, including of course REDD+. Terms of Reference for such credible quality assessment process will in due time be agreed between Norway and Indonesia. During the transition toward Phase 2 and based on the above mentioned national set up, the MRV scope of work includes:

Table 5: National MRV System Roadmap

Immediate Term (within the Transition toward Phase 2)	Medium Term (During Phase 2)
1. Clarification of the roles and responsibilities for the MRV system , based on international developments and on emerging lessons to ensure that there is sufficient impartiality and no conflict of interests are emerging.	1a Performing Verification function through a third party, under oversight of DG-CCC;
2. Establishment MRV coordination and management capacity within the DG-CCC with requisite staffing, terms of reference for the Unit and staff, workflows, work plan, and budget. The unit will be established within the DG-CCC;	2a Developing and executing a continuous capacity development plan for MRV unit;
3. Establishment of inter-ministerial/agency process/consultation platform on national MRV system	3a Issuing an operational inter-agency regulation on national MRV mechanism which is based on consultation with stakeholders and ensure that Indonesia meets the requirement of the convention on MRV.
4. Finalise and disseminate FREL/MRV system in accordance with agreed principles	4a Developing and executing a continuous review process for MRV methodology; 4b Improve data and understanding of key forest and peat land related GHG sources and sinks to reduce uncertainties.
5. Development of a broader communication strategy on MRV for information dissemination on REL and MRV, including new parliament and governments, civil society and wider public, with support of the Communications team,	5a Implement mechanism of collaboration and exchange related to linking national level monitoring and MRV and implementation at sub-national level.

6. Establish dialogue with partner provinces on linking national monitoring and MRV to sub-national implementation.	6a Capacity building plan developed and implemented, beginning at national then through sub-national level.
7. Submission of new/updated national REL to the UNFCCC for technical assessment.	7a Update and present revised REL based on stepwise improvement and feedback from UNFCCC technical assistance.
8. Completion of the integration of SIS-REDD+ and PRISAI,	8a Ensure consistent use for Phase 2 investments and deliver a system that is efficient and effective in ensuring that the chosen safeguards systems delivers social protection and environmental integrity;
9. Expanding MRV system for REDD+ to include REDD+ Actions Performance Index (RAPI) and Mitigation Actions Performance Index (MAPI)	9a RAPI and MAPI developed and ready for assessing mitigation performance in a broader context

The list below represents the tentative design of the national MRV system based on the design proposed by the REDD+ Agency, revised to reflect the integration of the functions and responsibilities within the mandate of the Ministry of Environment and Forestry. The scope of MRV, REL, and the National Forest Monitoring System (NFMS) will include the following:

1. First, ensure consistency in methodologies between MRV/REL and the national GHG inventory.
2. Second, data should be at the national level, with wall-to-wall coverage.
3. Third, the data will include all biophysical natural forest thus not only those forests within the national forest estate.
4. Fourth, using Tier 2 guidelines, and ensuring that information gathered is consistent with relevant National Reports submitted to the UNFCCC, information will also include peat land decomposition and improved estimates of emission from fire.
5. Fifth, reporting on gross greenhouse gas emissions including uncertainty estimations.
6. Sixth, there will be complete transparency on and unrestricted public access to all relevant data and the methodology used, in accordance with national regulation on data and information disclosure.
7. Seventh, the System will be continually improved, and is projected to include all REDD+ activities.
8. Last, and certainly not least, the System will be compliant to the Intergovernmental Panel on Climate Change (IPCC) guidelines as agreed by UNFCCC COP.

3.2 What arrangements will be put in place in the transition toward Phase 2 for fund channeling?

Previously referred to as FREDDI (Fund for REDD+ Indonesia), the "REDD+ Fund", is set to become the national fund channeling mechanism for Phase 3, to be established in Phase 2. Phase 1 saw the completion of the design of FREDDI by the National REDD+ Task Force and further refined by the REDD+ Agency as a National Trust Fund based on Presidential Regulation No. 62/2013 establishing the REDD+ Agency ("PerPres 62/2013") and Presidential Regulation No. 80/2011 on National Trust Fund ("PerPres 80/2011"). Presidential Regulation No. 16/2015 ("PerPres 16/2015") automatically revoked PerPres 62/2013 regarding the legal establishment of REDD+ Agency, hence forcing the Government of Indonesia to reconsider the inception roadmap of FREDDI in view of its legal establishment under the new legal framework of REDD+ implementation in Indonesia.

Despite such changes in the institutional panorama, the design and principles of FREDDI as a fund channeling mechanism defined by the REDD+ Agency and in the rest of this section remain relevant to the establishment of a REDD+ Fund. The main elements of the funding channeling mechanism for REDD+ are as follows:

1. Ability to be integrated into the budget and fiscal structure of the country;
2. Ability to manage at scale an important volume of funds, requiring a programmatic approach - rather than project-based - and a 'fund of funds' structure (see Diagram 3 below)
3. Ability to propose innovative solutions to fund allocation other than the grant modality, especially to facilitate results- or performance-based financing, and the participation of private investors;
4. Protection from adverse effects using a solid and publicly consulted set of safeguards, not only in terms of fiduciary standards, but also in terms of social and environmental impact.

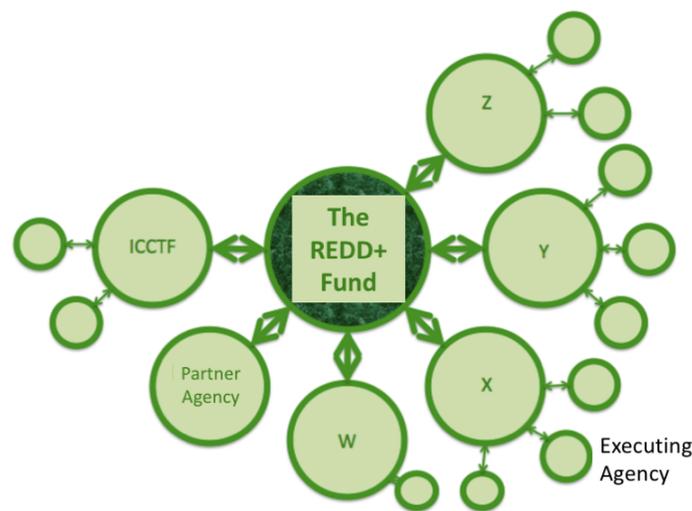


Diagram 2: 'Fund of Funds' structure for implementation

As represented on the diagram above, the REDD+ Fund will operate as a 'Fund of Funds' hence relying on a limited number of trusted Partner Agencies to act as intermediaries in managing implementation with Executing Agencies. This model will help reduce transaction cost so that the REDD+ Fund can focus on managing results rather than contracts with a large number of partners. The possibility of using ICCTF is one of the Partner Agency for the REDD+ Fund is being evaluated.

On safeguards, Phase 1 saw the creation of the national safeguards for REDD+, PRISAI – *Prinsip Kriteria Indikator* Safeguards Indonesia (Principles, Criteria and Indicators for Safeguards in Indonesia). PRISAI is based on the seven principles stipulated in the Cancun Agreement (FCCC/CP/2010/7/Add.1) and have been extended to ten principles to ensure elements peculiar to Indonesia are included. The REDD+ Fund will be supported by a Safeguards Committee to uphold PRISAI safeguards. The function and role of the committee is described in the following section. The Disbursement and Investment Committee will focus on the respect of fiduciary safeguards. The further development and application of PRISAI through the REDD+ Safeguards Information Systems (SIS-REDD+) is now the responsibility of Ministry of Environment and Forestry, in accordance with Perpres 16/2015. The following diagram represents the general structure of the REDD+ Fund:

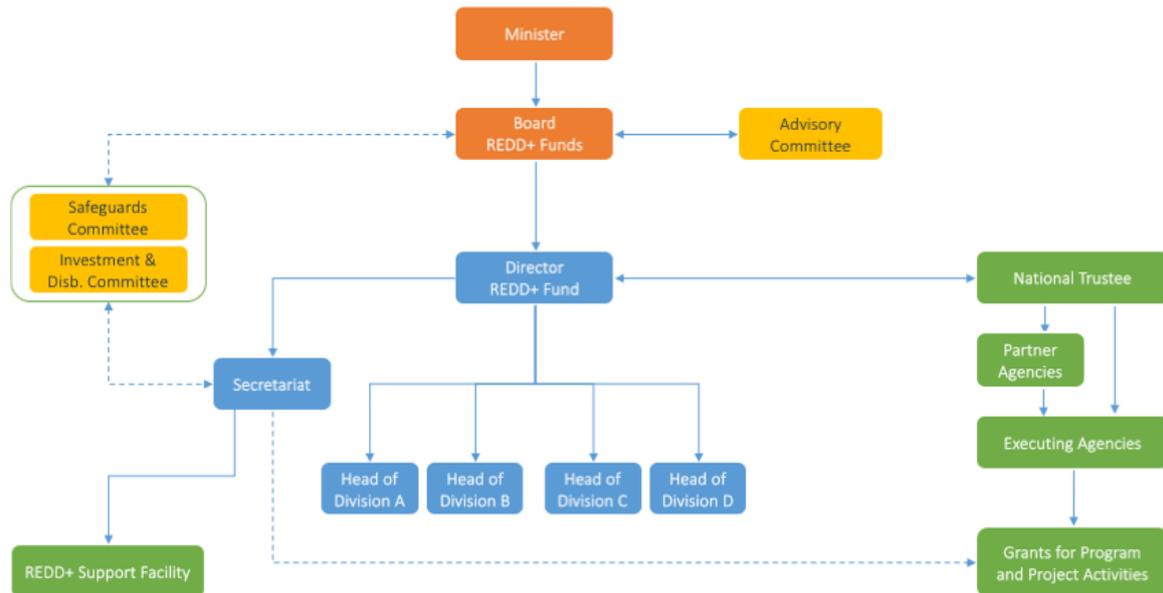


Diagram 3: General structure of the REDD+ Fund

The current challenge is to provide a host institution for the REDD+ Fund to embody the main design elements described above. The GoI should hence consider, in consultation with the Norwegian Government, different options possible for the legal status of a fully nationally managed REDD+ Fund, other than the previous assumption based on using a national trust fund in line with PerPres 62/2013 and PerPres 80/2011.

Three options are offered for the legal establishment of the national REDD+ Fund, namely 1) by creating a new entity using a Public Service Agency (BLU) model; 2) using a national trust fund (*Lembaga Wali Amanat* – LWA) in accordance with PerPres No. 80/2011; or 3) channeling funds using the Indonesia Climate Change Trust Fund. The following section describes in further details the options.

1. The REDD+ Fund as a Public Service Agency (*Badan Layanan Umum* – BLU)

- A BLU is a government agency that provides goods and services that are in direct contact with the public. Services can be offered at no cost or in exchange of a fee. In exchange of paid services, the BLU may generate income earned from fees charged to customers used to self-finance its operations but is not allowed to generate profit.
- A BLU operates as a working unit of ministries, government agencies or local government under the authority delegated by the parent institution concerned. Officials appointed to manage the BLU received a delegation of authority from the Minister, Head of Agency, Governor, Regent or Mayor for the provision of a list of public services.
- For example, the Ministry of Finance oversees the Education Fund Management Institution (*Lembaga Pengelola Dana Pendidikan* – LPDP – <http://www.lpd.depkeu.go.id>), a BLU in charge of managing a scholarship fund accessible to prospecting students. The BLU receives an allocation from the state budget managed by the Ministry of Finance and, on behalf of the Minister, the BLU serves the President's vision to facilitate access to higher level education to citizens

by providing scholarships. Over a hundred entities operate under the BLU model including several universities and hospitals. Another BLU structure, the Plantation Fund Management Agency (BPDP) was established recently under the Ministry of Finance to accommodate the payment of funds from the management of palm plantation companies and is financed using tariff levy on exports.

- The work plan, budget, financial statements and the performance of the BLU are presented as an integral part of the work plan, budget, financial statements and the performance of the parent institution. A BLU is authorized to receive contributions from sources others than state budget (APBN), including Official Development Aid and private sector investments.
- In the context of REDD+, the BLU model can be used as a REDD+ fund able to enter into contractual obligations with the implementing partners of the REDD+ programs prioritized by the Board, via a Trustee. The host institution of the BLU must put in place adequate rules to regulate how to receive and provide performance-based payments in Phase 3 and reinvest these payments in program implementation.

2. The REDD+ Fund as a national PerPres 80/2011 trust fund

- PerPres 80/2011 currently stipulates that only Line Ministries and/or Non-Ministerial Institutions (Kementerian or Lembaga Pemerintah Non Kementerian - LPNK) with budget and working unit establishment authorities are eligible to establish National Trust Funds. The Non-Structural Institution (Lembaga Non Struktural-LNS) status of REDD+ Agency, previously posed a legal challenge for the establishment of FREDDI.
- With a REDD+ Fund hosted by a Line Ministries such as the Ministry of Finance or the Ministry of Environment and Forestry however, it is possible to use the PerPres 80/2011 modality for the REDD+ Fund.
- Using this options, the design and mechanism of FREDDI, proposed by the REDD+ Task Force with support from the World Bank can be fully adopted; however, it requires the establishment of a new legal entity, Board of Trustees and Fund Manager, independent from the host institution. To accelerate this process, the Government of Indonesia can refer to the process of creating ICCTF (see below).
- The current legislation only regulates the use of grants as funding mechanism under a PerPres 80 structure, which means that special regulations must be issued to expand PerPres 80 trust funds to receive and provide performance-based payments. Revisions of the PerPres 80 must be recommended by the Ministry of Finance and endorsed by the President.

3. The Indonesia Climate Change Trust Fund (ICCTF)

- To harmonize and coordinate the international support for climate change, the Government of Indonesia decided in 2009 to establish the Indonesia Climate Change Trust Fund (ICCTF). ICCTF has become one of the first nationally managed trust fund to access bilateral and multilateral finance to invest in domestic climate change mitigation and adaptation projects. UNDP fulfilled the role of interim fund manager from 2009 until December 2014, when ICCTF was sufficiently equipped to operate in terms of staff and processes, and the appropriate legal basis was endorsed by Bappenas.

-
- ICCTF is legally an independent government body but operates under the leadership of Bappenas. Because the REDD+ Fund philosophically share roots especially with the focus of land-use based climate change mitigation and its compliance with RAN-GRK, ICCTF is a logical avenue for the fully national channelling mechanism of REDD+ Lol funds.
 - The experience in policy planning, budgeting, financial management of ICCTF yet still limited in scope, formally adheres to funding programs of government institutions that have been outlined in RPJM-N, RAN-GRK, and the Blue Book – Bappenas development planning process.
 - ICCTF is steered by a Board of Trustees composed of various ministries and other representatives. Using ICCTF to channel Lol funds would require adjustments in its governing structure to reflect the participation of the Ministry of Environment and Forestry, other relevant line Ministries, representatives from the Civil Society, indigenous peoples' associations, and partner provinces.
 - Being regulated by PerPres 80 (see last bullet of previous section), ICCTF is allowed to receive and provides grants. Special regulations must be issued to expand ICCTF ability to receive and provide performance-based payments.

In light of the ongoing discussion regarding the legal framework of the REDD+ Fund, the transition toward Phase 2 will maintain a parallel arrangement to support the implementation of activities while working towards the resolution of the legal processes required for establishment of the Fund using one of the three abovementioned options allowing for a national management. Similarly, the REDD+ Fund, as the permanent national funding mechanism, will be legally established and operational for the start of Phase 2, once questions about legal establishment have been resolved. In parallel, UNDP will continue to offer capacity building and implementation support in parallel with the creation of the REDD+ Fund and until such time capacity is sufficient for the national funding instrument to operate to its full extent. UNDP may also act as an interim trustee with the agreement of all parties.

Crucially, this suggested parallel approach would also ensure that the all-important momentum for a larger scale implementation of REDD+ in Indonesia can be maintained, that national fund management and absorption capacity ramps up as Phase 2 progresses, and that Indonesia continues moving towards full achievement of the milestones foreseen for Phase 3.

Considering the fact that the transition arrangement described in this document will be implemented under the ongoing REDD+ Interim Phase project and does not require the establishment of a funding instrument, the detailed structure and mechanism of the REDD+ Fund will be provided in the proposal for REDD+ Phase 2. Programme 6 of the transition toward Phase 2 will deliver the following key milestones to bring the Partnership forward: i) A decision must be reached on the modality (BLU, PP80 or ICCTF) and host institution for the REDD+ Fund; and ii) After the decision is reached, the REDD+ Fund is legally established by the host, with the approval of the Ministry of Finance and operational.

3.3. What are the corruption risks and anticipated measures to mitigate them?

Corruption within Indonesian public institutions has proliferated due to the easy accessibility to legal and illegal income sources for civil servants, an opaque and widely manipulated legal system, and ambiguous regulations and accountability mechanisms. The misdirection and misappropriation of project funds that results from corruption will – in addition to directly impacting the achievement of outcomes – signal a failure to move away from business as usual, and thus can damage the credibility of the REDD+ programme and all of its sub-projects.

Specifically for REDD+ in Indonesia, the five most relevant corruption risks identified are as follows:

- Undue influence and bribery of public officials to create fraudulent licenses, land titles or carbon rights;
- Collusion between political elites and the private sector to incorporate national circumstances in a way that favours certain types of activities (such as plantations) or socio-economic environments to the benefit of these actors;
- Project developers, logging companies or local elites bribe public officials to register the carbon rights over particular parcels of land in the name of the corrupt actor who could sell the carbon rights to a third party, and then abscond with the proceeds;
- Corruption that results in weak REDD+ safeguards; and
- Fraud related to the distribution of benefits from REDD+ revenues: Intentional non-recognition of competing/unclear/conflicting rights of formal or informal customary land tenure in order to benefit political elites and capture REDD+ revenues.

The DG-CCC aims to serve as a model within the civil service for valuing and ensuring the accountability, integrity, and transparency of staff and all operational processes. The DG-CCC practices zero tolerance to bribery. With regards to applying anti-corruption principles, the Ministry uses as a guideline Law 20/2001 on the Eradication of Corruption, as well as internationally agreed principles such as those contained with the United Nations Convention against Corruption.

The DG-CCC will explore some of the identified following anti-corruptions measures listed below before the establishment of a national funding instrument, especially linked to the development of a “whistle-blower” system. In order to be effective, such a system must ensure that:

- There is adequate knowledge of the system by both authorities and the public;
- There must be effective access to the system. This includes measures to ensure access in remote locations;
- Complaints generate prompt and appropriate action;
- The system provides protection to those making complaints;
- There is prompt and clear feedback on the action taken in response to the complaint. This should also include wide publicity of penalties applied, to serve as a deterrent to others.
- Effective awareness raising for a wide range of stakeholders. This includes local civil society, local government, including forest officials, the media, religious, and other non-governmental leaders, and the judiciary.
- Ensuring free access to information, including budgetary information.
- Review and amend laws and regulations to eliminate ambiguities, which can often generate loopholes, or which may allow prosecution on less serious charges than are justifiable.

The REDD+ programme will also aim to develop and implement policies and measures to create an environment more conducive to addressing corruption. Such policies and measures would need to deal with:

- Separation of land management and land allocation functions;
- Promotion of community-based and participatory management and monitoring of forests;
- Promotion of measures to encourage improved management of forests;
- Review of incentive structure for forest officials;
- Measures to promote media coverage of environmental issues.

Procedures will further be adopted to ensure transparency in the policy-making process in line with Law 14/2008 on Public Access to Information. With regards to relations with third parties including project proponents, anti-corruption mechanisms will be incorporated into the project registry and due diligence procedures will be followed for granting, monitoring, and evaluating project proponents.

The UNDP policy on fraud and other corrupt practices (UNDP Anti-Fraud Policy) is an essential part of UNDP's corporate governance, establishing the framework for preventing, identifying, reporting and effectively dealing with fraud and other forms of corruption. This Policy applies to all activities and operations of UNDP, including any project funded by UNDP, any project implemented by UNDP, and any implementing partner. The Policy aims to prevent and detect fraud: i) involving UNDP staff members and its personnel, including but not limited to consultants, service contract holders (SCs), individual contractors (ICs), interns, and United Nations volunteers (UNVs); and ii) perpetrated against UNDP by contractors, suppliers of goods and services, implementing partners, or other third parties.

3.4. What are the implementation arrangements used for the transition toward Phase 2?

Implementation arrangements follow the standard UNDP project management under Direct Implementation Modality (DIM), based on a request issued by the Head of the REDD+ Task Force in 2013. UNDP implements the 'REDD+ Interim Phase' project by making use of DIM and will continue to do so for the transition toward Phase 2. All relevant rules and regulations of UNDP under this NIM apply.

UNDP projects under Direct Implementation Modality do not require the establishment of a Project Board (PB) led by the GoI, however a co-chaired Project Board by MoEF and UNDP gives the strategic and inclusive guidance that the project requires. The PB provides an oversight of the project's execution and its activities, including recommendations for approval of project/budget plans and revisions. In order to ensure UNDP's ultimate accountability, the PB decisions should be made in accordance to standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition.

The PB comprise: two co-chairs MoEF and UNDP as well as representatives from the Government of Norway and Bappenas. Bappenas plays the role the Senior Beneficiary representing the interests of those who will ultimately benefit from the project. UNDP plays the role of Senior Supplier providing guidance regarding the technical feasibility of the project.

Under the current implementation arrangements, and at the request of the GoI for the 'REDD+ Interim Phase' project, UNDP will continue to provide full Country Office Support Service for the transition toward Phase 2. Under the COSS arrangement, UNDP is responsible for (i) the identification and recruitment of project and programme personnel, (ii) procurement of goods and services, (iii) the administration of donor financial contributions and, (iv) provision of other technical or administrative support required to deliver the outputs. In providing these services, UNDP will apply its rules and regulations. Services provided by the UNDP Country Office, including those through the COSS modality, will be subject to audit by UNDP's external (the United Nations Board of Auditors) and/or internal auditors (UNDP's Office of Audit and Investigation).

As per standard UNDP practice and when deemed relevant for the achievement of specific objectives, specific activities may be contracted to third party organizations drawn from central or

subnational government entities, development agencies, CSOs, the Academia or the private sector. In this case, standard UNDP regulations and procedures under NIM COSS modality apply.

SECTION 4 - RESULTS CHAIN, THEORY OF CHANGE AND RESULTS FRAMEWORK

4.1 How will the expected results of the transition help Indonesia entering Phase 2?

The diagram below illustrates the theory of change applied for the transition toward Phase 2, explaining how its twofold objective, when reached, will help Indonesia transitioning into Phase 2 before end June 2016. With the disbandment of the REDD+ Agency earlier in 2015, the Ministry of Environment and Forestry must now continue to honor previous commitments entered into during REDD+ Interim Phase 2, while putting in place the remaining elements of the REDD+ architecture required for Phase 2. The transition toward Phase 2 presented in this Programme Design Document serves this dual purpose.

Five (5) priority programs namely on 1) fire prevention; 2) law enforcement; 3) conflict management 4) protection and recognition of customary communities; and 5) social forestry; will be implemented as a direct continuation of former REDD+ Agency programs and deliver milestones results defined in the Results Framework that will serve as proofs of concept to scale up implementation in Phase 2.

At the same time the DG-CCC from the MoEF, which is the entity coordinating the implementation of these programs will also work to deliver the remaining building blocks of the REDD+ architecture to move the Partnership into Phase 2. These seven building blocks are guided by the recommendation set out by the Warsaw Framework for REDD+ produced by the COP19, taking into account the new institutional context and the deliverables already produced under REDD+ Phase 1 and throughout the Interim Phase. During the transition the following results are expected, i) Forest Reference Emission finalised; ii) REDD+ Fund legally and established and operational; iii) National MRV design updated; iv) National REDD+ Safeguards integrated; v) Agreement reached on subnational implementation; vi) investment portfolio of programmes produced; and vii) new Phase 2 agreement signed. In addition, the DG-CCC will receive institutional support to deliver on current commitments but most importantly for a large-scale implementation in Phase 2. All details on the expected results of the transition toward Phase 2 are included in the Results Chain and Framework in Section 4.2.

Over the course of nine months of implementation (est. by end June 2016) and after delivering the key programmatic and operational results just mentioned, institutional arrangements and capacity will be in place for Indonesia to move into the Phase 2 of the Partnership for REDD+, with the support of the continued support of the Norwegian Government and of UNDP.

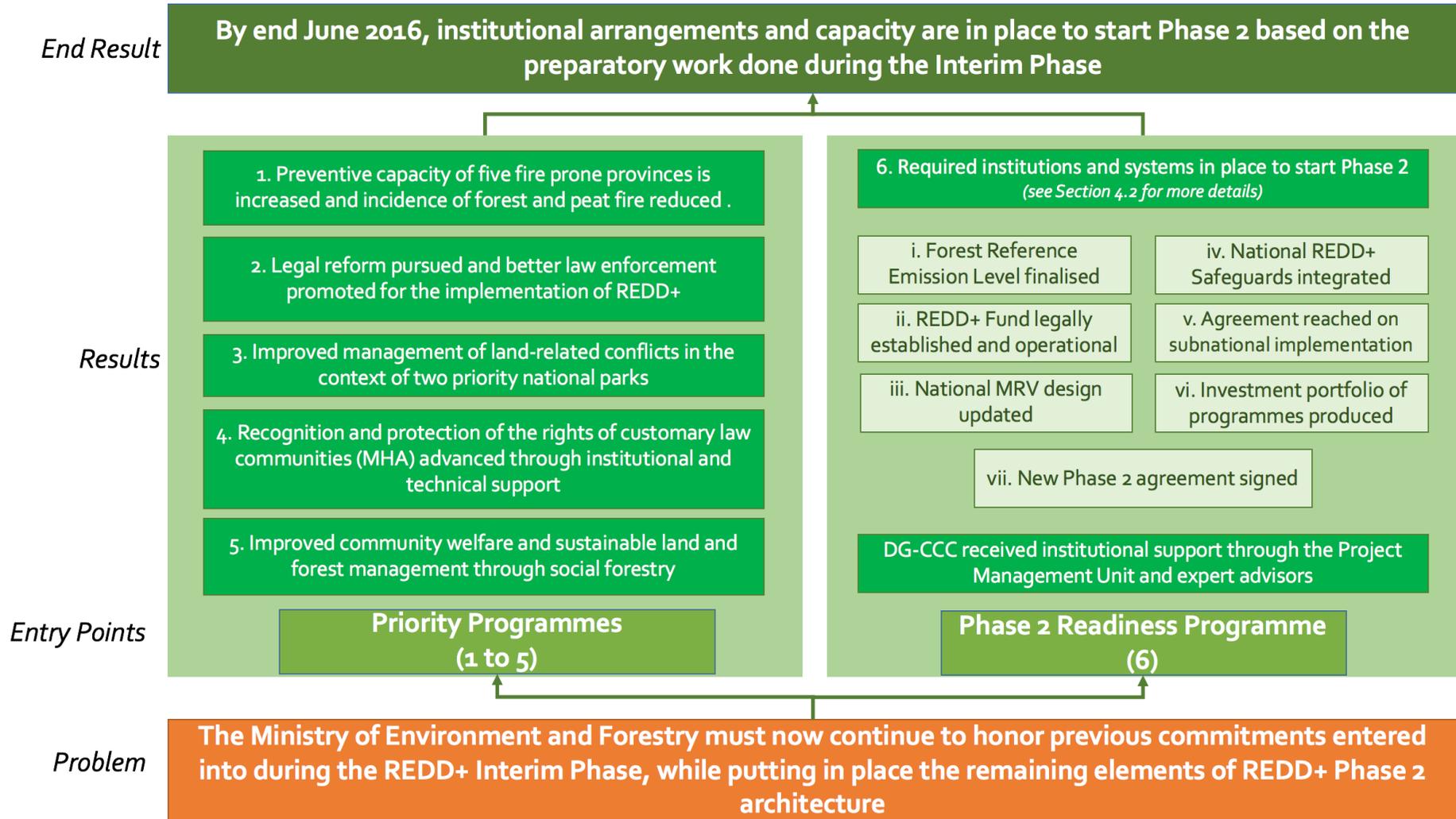


Diagram 4: Theory of Change of the Transition toward Phase 2

4.2 How do the Results Chain and Framework measure progress of the transition toward Phase 2?

Transition toward Phase 2 – Results Chain and Results Framework		
Objective: By end June 2016, institutional arrangements and capacity are in place to start Phase 2 based on the preparatory work done during the Interim Phase		
Outcome 1: Preventive capacity of five fire prone provinces is increased and incidence of forest and peat fire reduced (Transition Programme 1)		USD 6,265,000
Output 12.5: Reduced Negative Impact of Forest Fire in Selected Provincial District (REDD+ Interim Phase)		
Planned Activities:		
<p>1.1 Integration and institutionalization of i) Forest Fire Risk Early Warning Systems to predict the probability of forest and land fires; and ii) SipongiKMS to monitor in near real time.</p> <p>1.2 Forest and peat-land rehabilitation and restoration programmes in cooperation with communities and local government</p> <ul style="list-style-type: none"> • Implementation of hydrological rehabilitation of peat lands, both through community-based canal blocking as a preventive measure for fire • Implementation of capacity development programs on fire prevention for communities and local institutions <p>1.3 Promotion of green development for communities participating in peat fire prevention and canal blocking by proposing income generating programs</p>		
Indicator	Baseline	Target
# of provinces having access to i) near real-time information and ii) fire risk vulnerability maps to prevent or suppress fires	<p>Only Riau (1) has a situation room hosted by the provincial environmental agency (BLH-D) and is able to access near real-time data from KMS created by the REDD+ Agency.</p> <p>Only Central Kalimantan (1) has access to fire risk vulnerability maps provided by IPB, which trained provincial and district government officials.</p>	Once the KMS, Sipongi, Fire Risk System integration has been completed by MoEF using data from BMKG, LAPAN and BIG, data streams and vulnerability maps are made available to all 5 fire prone provinces through the Governor's office and local government following the example of Riau where provincial SOP regulate the prevention and response to fires through BLH-D. With accurate vulnerability maps provided in advance based on 1-3 month prediction, local government – especially Manggala Agni, attached to BKSDA – can secure resources and prioritize locations to prevent new fires and suppress when required.
The Presidential Regulation or Instruction to enact the National SOP on Forest and Land Fires (POSNAS Karhutla) is in place	The government's decision in reducing emissions from Greenhouse Gas (RAN-GRK) from 2005 to 2014 in Indonesia has not been accompanied by control policy on forest and land fires in several sectors involved. Baseline (0)	National SOP on Forest and Land Fires (POSNAS Karhutla) is enacted by President Jokowi followed by necessary regulations for coherent implementation by relevant sectors/institutions. This includes the alignment/revisions of several sectoral regulations that contradict to the goals of forest and land fires management.

<p># of average hotspots per annum in selected locations (source: Earth Observing System Data and Information System (EOSDIS) from NASA and BP REDD+ observations). (Phase 2 indicator for Outcome 2.1)</p>	<p>The number of hotspots in 2 priority islands (Sumatra, Kalimantan) – in 2013 was recorded as many as 18.778, and decreased into 17.820 in 2014 (in areas of 3.861,3 ha). However the number of hotspots is influenced by climate and weather patterns hence these numbers give an indication of the inter-annual variance</p>	<p>A long-term and sustainable solution is in place through community participation in reducing the potential hotspots in 2 priority islands (Sumatra, Kalimantan) from the 2014 climate-adjusted baseline by the end of 2016 – and limiting the impacted area to be less than 3.000 ha.</p>
<p>Outcome 2: Legal reform pursued and better law enforcement promoted for the implementation of REDD+ (Transition Programme 2)</p>		<p>USD 1,050,000</p>
<p>Output 12.5: Law enforcement capacity in support of related legal frameworks, including the Moratorium, is strengthened (REDD+ Interim Phase)</p>		
<p>Planned Activities: 2.1 Compliance audit in land and forest fire prevention 2.2 Promotion of multi-regime law enforcement 2.3 Implementation of legal roadmap</p>		
<p>Indicator</p>	<p>Baseline</p>	<p>Target</p>
<p># of fire prevention audit recommendations are followed up</p>	<p>The compliance audit report in Riau has been published, with six recommendations for better management to prevent forest and land fires. The compliance audit is intended to expand to other forest (and land) fires prone areas.</p>	<p>At least in 60% of the cases (districts/companies) general recommendations raised by the compliance audit are followed up in Riau and compliance audit is expanded to Central Kalimantan and Jambi. More audits will be conducted, an assessment of historical hotspot data must be carried out before determining which companies will be audited and in which locations</p>
<p># of illegal fire cases per year in and around forested areas that are brought to court and legally prosecuted</p>	<p>Several forest and land fires related cases were taken involving communities, smallholders and government. Last year, one (1) case in Riau against a private concession was brought to court by the Government but lost the case.</p>	<p>At least 40% of the cases of alleged violations by concessions having used fire to clear land are brought to court by the Government.</p>
<p>Outcome 3: Improved management of land-related conflicts in the context of two priority national parks (Transition Programme 3)</p>		<p>USD 675,000</p>
<p>Output 12.7: Resolution of land conflict in and around selected National Parks reduces encroachment on protected land. (REDD+ Interim Phase – Time sensitive portfolio #3)</p>		
<p>Planned Activities: 3.1 Strengthening capacity for conflict resolution 3.2 Protection of two priority national parks</p>		
<p>Indicator</p>	<p>Baseline</p>	<p>Target</p>

<p>Ability of the MoEF to assess and handle land related conflicts in priority locations i) Bukit Duabelas national park in Jambi and ii) Tesso Nilo national park in Riau (Phase 2 indicator for Outcome 2.3) as per social conflict resolution law 7/2012)</p>	<p>No systemic attempt to resolve conflicts hence unclear number of ongoing conflicts within protected land has been undertaken which has resulted in ineffective management of these protected areas. Mapping and registration of land-based claims was completed in Tesso Nilo to establish a baseline of current number of conflicts. Needs to be completed for Bukit Dubelas However legal framework is in place that can guide social conflict resolution through law 7/2012.</p>	<p>Ability is demonstrated by:</p> <ol style="list-style-type: none"> 1) Agreement reached on a national conflict resolution mechanism to be applied by the DG Social Forestry 2) Application of the mechanism in Bukit Duabelas national park in Jambi and ii) Tesso Nilo national park in Riau.
<p>Outcome 4: Recognition and protection of the rights of customary law communities (MHA) advanced through institutional and technical support (Transition Programme 4)</p>		<p>USD 600,000</p>
<p>Output 12.6: Legal Recognition of Community Land Rights Increases Sustainable Management Practices of Natural Resources (REDD+ Interim Phase – Time sensitive portfolio #2)</p>		
<p>Planned Activities:</p> <p>4.1 Institutional support for the Recognition and Protection of Indigenous People (PPMHA)</p> <p>4.2 Support to district level recognition and mapping</p>		
<p>Indicator</p>	<p>Baseline</p>	<p>Target</p>
<p># of district undergoing the process of recognition and mapping of customary communities in view of implementing PPMHA</p>	<p>Seven (7) districts were supported in this effort by the REDD+ Agency and successfully mapped indigenous land and achieved recognition of indigenous communities through local regulation.</p>	<p>2 more districts in Kerinci in West Sumatra and Tanah Datar in Jambi receive support for legal recognition of indigenous communities through local regulation once mapping has been completed, as a first step to achieve recognition of customary land rights.</p>
<p>Issuance of Presidential Decree of joint ministerial decree for the creation of a national Task Force for the Recognition and Protection of Indigenous People (PPMHA)</p>	<p>Due to the delay in the creation of a national entity for PPMHA by the central government, a National Coordination Forum for PPMHA has been temporarily created, hosted by MoEF in collaboration with stakeholders such as AMAN, Kemitraan, Warsi, and other key CSOs.</p>	<p>By end June 2016, a national Task Force, the Satgas PPMHA is legally created and mandated for the national implementation of the PPMHA declaration signed 1 September.</p>
<p>Outcome 5: Improved community welfare and sustainable land and forest management through social forestry (Transition Programme 5)</p>		<p>USD 900,000</p>
<p>Output 11.3: Strategic Programs Implemented in Priority Provinces (REDD+ Interim Phase)</p>		

Planned Activities: 5.1 Reform of permit system to support acceleration of social forestry programs (HKm, HTr, HA, HD) 5.2 Support to existing and future social forestry programs		
Indicator	Baseline	Target
Ability of the MoEF to receive and approve new requests for the issuance of social forestry licenses through improved regulations.	In RPJMN 2015-2019, the Ministry of Environment and Forestry targeted to released 12.7 million hectares for social forestry; however, accessing review existing licenses to assess if there is land available for communities is a cumbersome process and no system is in place.	Ability demonstrated by: 1) Social forestry map (PIASP) and web-based system for the social forestry program are launched and able to receive requests by communities and aligned with One Map. 2) Requests can be treated by the local government, submitted to central government 3) License approved to community esp. for 5 districts of West Sumatra
# of hectares operating under social forestry licenses that can deliver potential GHG emission reductions and advance the 4 th objective of REDD+ to support green development	In RPJMN 2015-2019, the Ministry of Environment and Forestry targeted to released 12.7 million hectares for social forestry. As per 2014, there is an estimated 500.000 ha under social forestry license.	The transition toward Phase 2 aims to facilitate the issuance of 30% of annual target representing 720,000 ha (annual target 2.44m ha) for social forestry programme licensed under the scheme of Hutan Adat, Hutan Desa, dan Hutan Kemasyarakatan which have the potential to deliver GHG emissions reductions .
Outcome 6: Required institutions and systems in place to start Phase 2 (Transition Programme 6)		USD 2,400,000
Output 14.1: Institutional Development (including: Gender mainstreaming in REDD+ ensures equitable participation of stakeholders) (REDD+ Interim Phase – Time sensitive portfolio #6)		
Planned Activities: 6.1 Technical milestones for the transition toward Phase 2 6.2 Stakeholder engagement, advocacy and institutional support 6.3 Institutional and technical support to the DG-CCC		
Indicator	Baseline	Target

<p># of awareness raising programs launched and managed by the DG-CCC for Climate Change implemented</p>	<p>The effort in handling the forest and land fires were focused on repressive actions rather than preventive measures. To that end, policy forest and land fires management need to be re-evaluated in an effort to find the best solution to avoid forest and land fires, among others, engaging and empowering community (example: zero burning land management, develop sustainable livelihood options). Similarly the support-base for climate change and REDD+ in the context of the administrative vision of the Jokowi-JK administration needs to be strengthened.</p>	<p>Two awareness raising campaign will be managed by the DG-CCC:</p> <ol style="list-style-type: none"> 1) One short-term multimedia campaign to communicate to communities, local government and the private sector on fire prevention actions in order to minimize haze. 2) One long-term multimedia campaign on REDD+ in the context of climate change control to a general audience, with special focus on target communities, national and local government, private sector, and students. The campaign's objective is to educate people about REDD+ in the context of climate change control, shared knowledge about best practices in specific issues esp. fire prevention for the public, and promotion of sustainable behaviors in general.
<p>Ability of the DG-CCC to manage the implementation of REDD+ transition programs and anticipate the start of Phase 2</p>	<p>Mandate for the coordination of REDD+ implementation is solely with the DG-CCC but with implementation spanning over different DGs of the Ministry and other Ministries, which require substantial capacity to ensure that programs can be delivered in a timely fashion.</p>	<p>The Project Management Unit of the REDD+ Interim Phase project becomes the operational arm of the DG-CCC for the implementation of the transition programs, by providing administrative support and expert advice. The PMU provides such service ad interim until sufficient human resource and operational support can be provided by the MoEF and other entities like the REDD+ Fund.</p>

<p>Readiness of Indonesia to enter into REDD+ Phase 2</p>	<p>Phase 1 and Interim Phase saw the creation of the design of the REDD+ Fund and the national MRV System supported successively by the National REDD+ Task Force and the National REDD+ Agency. A draft Forest Reference Emission Level (FREL) calculated based on 2000-2012 historical deforestation was issued in November 2014, by the REDD+ Agency in consultation with relevant agencies; however not submitted to the UNFCCC. With Presidential Decree No. 6 of 2015 issued on 21 January 2015, the DG-CCC is in charge of the overall preparation of Phase 2 including the funding mechanism and the MRV system based on previous design.</p>	<p>Led by the DG-CCC, the following steps demonstrate readiness:</p> <ol style="list-style-type: none"> 1) The FREL methodology has been reviewed by MoEF in line with IPCC methodology and is submitted to the UNFCCC for technical evaluation before the COP21. An agreement is reached between the Governments of Indonesia and Norway on the reference level of the REDD+ Partnership. 2) After a decision is reached on the modality and host used to established the REDD+ Fund, the fund is legally established by the host, with the approval of the Ministry of Finance and operational. 3) A revised version of the design document for the national MRV system is released including a clarification of the roles and responsibilities for the MRV system, based on international developments and on emerging lessons to ensure that there is sufficient impartiality and no conflict of interests are emerging. 4) Integration of the national set of REDD+ Safeguards 'PRISAI' and implementation of the Safeguards Information System 5) Agreement is reached with partner provinces on the prioritization of provincial/ jurisdictional REDD+ programs to be implemented in phase 2, based on their respective Provincial Strategic Action Plans (PSAPs). 6) Investment portfolio of programmes in line with the objectives of Phase 2 is developed, based on above mentioned agreement with partner provinces <ol style="list-style-type: none"> a. Preparation of Outcome 2.2 programs especially by entering into formal cooperation with ongoing initiatives related to sustainable palm oil, as an effort to move toward a landscape-based approach of land-use management b. Preparation of the scale-up of social forestry program based on the example of community-based forestry management (HKm) in South Sumatra 7) An agreement is signed with the Government of Norway to start the implementation of the programme design document for Phase 2 that incorporate the investment portfolio and policy directions of the programme.
<p>Timeline: 9 months of implementation</p>		<p>TOTAL USD 11,890,000</p>

Table 6: Results Chain and Framework of the transition programmes toward Phase 2

SECTION 5 - RISKS ANALYSIS

Overall:

Risks	Impact	Risk Type/Level	Mitigation
1. Commitment of the GOI towards implementing REDD+ does not remain firm.	<ul style="list-style-type: none"> Lacking high-level support, progress in programme implementation/ transition, is impeded. REDD+ readiness is not achieved to the extent required for the start of Phase 2. 	<ul style="list-style-type: none"> Political Low 	<ul style="list-style-type: none"> Ensuring REDD+ mainstreaming in the MoEF within DG structure and with other actors especially with the national programme to reduce emissions (RAN-GRK) that has proven political support. MoEF will continue to ensure that commitment remains firm at the highest level of the Gol, with attention on building ministerial partnership and seeking support from the President's Office.
2. Government/line ministries do not cooperate and coordinate REDD+ activities due to lack of incentives.	<ul style="list-style-type: none"> Failure of government/line ministries to cooperate slows down programme implementation/ transition. Transition will not be completed on time and REDD+ phase 2 will be further delayed. 	<ul style="list-style-type: none"> Political/ Organisational Medium 	<ul style="list-style-type: none"> Development objectives of the medium-term national plan (RPJM 2015-19) are integrated in the transition toward Phase 2 so the Ministry achieves national priorities in line with REDD+ objectives.
3. Planned readiness activities not fully operational or implemented before end of the transition toward Phase 2.	<ul style="list-style-type: none"> Planned activities take longer than expected and institutional and operational readiness incomplete. Project inputs (e.g. funds and human resources) to enable achievement of outcomes, and/or outputs, not mobilised in a timely manner 	<ul style="list-style-type: none"> Operational/ Institutional Medium 	<ul style="list-style-type: none"> The details of the DG-CCC for REDD+ based on the results framework provided on this document, will be monitored by the Project Management Unit to avoid or compensate for identified delays in priority programs.
4. Establishment of key components and supporting mechanisms of REDD+ are delayed.	<ul style="list-style-type: none"> This results in unclear timelines for specific mechanisms, in particular the REDD+ Fund and/or MRV institution, affects the overall momentum and readiness for verified performance payments. 	<ul style="list-style-type: none"> Organisational/ Operational Medium 	<ul style="list-style-type: none"> Time scheduling for fundamental pre-requisites including, but not limited to, funding instrument and benefit sharing, and MRV, will be designated critical success factors and accordingly monitored directly by the head of the DG-CCC in addition to standard monitoring of Work Plans.
5. Communities lack incentive, support, and/or information to manage resources sustainably.	<ul style="list-style-type: none"> Clarity of land tenure does not directly secure sustainable management of natural resources Incentives and capacity support not in place to enable sustainable natural resource management 	<ul style="list-style-type: none"> Operational/ Political Medium 	<ul style="list-style-type: none"> Communities should be informed and engaged on the benefits of sustainability. Traditional knowledge and systems of management supporting sustainable resource management should be used as foundations and strengthened. Payment for Ecosystem Services and other incentives should be clearly explained, and expectations managed.
6. Insufficient political imperative to	<ul style="list-style-type: none"> Incentives for political reform not in place Existing benefit scheme from BAU remains unchanged 	<ul style="list-style-type: none"> Operational/ Political Medium 	<ul style="list-style-type: none"> Ensure high-level political support and involvement especially that of the Parliament to ensure sufficient legislative reforms and outcomes. Issue a communications campaign designed to illustrate that legislation can change for

<p>support REDD+ through legal and legislative reform.</p>	<ul style="list-style-type: none"> • Contradictions in legislation and regulations unresolved 		<p>the betterment of society.</p> <ul style="list-style-type: none"> • Capitalise on the potential innovation of the incoming presidential administration. • Engage parliamentarians in the REDD+ policy debate
<p>7. Sub-national government reluctant to participate in REDD+ implementation</p>	<ul style="list-style-type: none"> • Reduction of geographical scope of implementation • Delay or cancelation in the execution of field demonstration activities 	<ul style="list-style-type: none"> • Political • Medium 	<ul style="list-style-type: none"> • Ensure political support from governors of respective provinces by engaging with priority provinces. • Seek agreement on prioritization of programmes based on Provincial Strategy and Action Plan that are in line with Phase 2 objectives, which will constitute the subnational component of the investment portfolio for Phase 2
<p>8. Evidences of corruption and/or misuse arise.</p>	<ul style="list-style-type: none"> • Undue influence and bribery of public officials to create fraudulent licenses, land titles or carbon rights; • Collusion between political elites and the private sector to incorporate national circumstances in a way that favours certain types of activities (such as plantations) or socio-economic environments to the benefit of these actors; • Project developers, logging companies or local elites bribe public officials to register the carbon rights over particular parcels of land in the name of the corrupt actor who could sell the carbon rights to a third party, and then abscond with the proceeds; • Corruption that results in weak REDD+ safeguards; and • Fraud related to the distribution of benefits from REDD+ revenues: Intentional non- recognition of competing/unclear/conflicting rights of formal or informal customary land tenure in order to benefit political elites and capture REDD+ revenues. 	<ul style="list-style-type: none"> • Operational/ institutional • Medium 	<ul style="list-style-type: none"> • During the transition toward Phase 2, fund management remains the responsibility of UNDP as interim trustee. • UNDP will uphold the principle of its Anti-Fraud Policy and apply standard and regulation in terms of fiduciary standard, fair procurement and recruitment. • UNDP has zero tolerance for fraud, meaning that all incidents of fraud are to be reported and will be investigated in accordance with established investigation guidelines.

Risks	Impact	Risk Type/Level	Mitigation
9. Partial completion of Programme 1 on 'Fire Prevention'	<ol style="list-style-type: none"> Actors continue to work independently Actors focus on reaction rather than a combined anticipatory and reactionary approach Lack of coordination and ownership of communities for the execution of canal blocking Training or equipment is not appropriate, sufficient, or the equipment procured is not sufficiently maintained 	<ul style="list-style-type: none"> •Technical, Political, Institutional •High 	<ol style="list-style-type: none"> Support MoEF to engage actors and clarify duties for fire prevention and management Ensure clarity in SOP regarding specific actions to be taken, enabling clear designation of responsibilities at national and provincial level Engage with local communities to build awareness on the importance of canal blocking for fire prevention and ensure sustainability of dams built, while pairing fire prevention activities with livelihood programs relevant to local circumstances and generating income. Ensure rigorous and clear analysis of local needs and capacity gaps, with training occurs in ways that are appropriate to local contexts, and appropriate mechanisms for procuring and maintaining equipment
10. Partial completion of Programme 2 on 'Law Enforcement'	<ol style="list-style-type: none"> Unwillingness of stakeholders (central and local governments, concession holders, communities) to engage Lack of coordination between law enforcement and judicial system Wrongful application of the law unfairly victimises marginalised populations, particularly local communities 	<ul style="list-style-type: none"> •Political, Institutional •High 	<ol style="list-style-type: none"> Engage with concession holders to conduct audit compliance with the support for central and local government. Engage with provincial and local law enforcement and judiciary systems to ensure clarity and correctness of process in investigation, Continue to promote multi-regime approach and engage with community-based organisations to identify misapplications of the law
11. Partial completion of Programme 3 on 'Conflict Resolution'	<ol style="list-style-type: none"> Unwillingness of stakeholders (central and local governments, concession holders, communities) to engage Different perceptions of benefits and costs of strategy may inhibit agreement Land conflict resolution requires horizontal cooperation between various institutions: lack of precedent and political factors might inhibit successful cooperation. 	<ul style="list-style-type: none"> •Political, Institutional •High 	<ol style="list-style-type: none"> Reuse preliminary research on local situation conducted by the REDD+ Agency, including potential informants and mediators from stakeholder groups, while ensuring that the perspectives of each stakeholder group are taken into account in strategy formulation in both parks. Ensure mechanisms for feedback are in place when formulating and disseminating information. Work with stakeholders through capacity-building workshops and meetings, to build understanding and facilitate networking and collaboration.
12. Partial completion of Programme 4 on 'Customary Communities'	<ol style="list-style-type: none"> Lack of political will inhibits progress towards a national entity for the recognition of customary communities. Process for mapping and recognition of customary communities unclear 	<ul style="list-style-type: none"> •Political, Institutional •High 	<ol style="list-style-type: none"> Use the constitutional court ruling (MK35), declaration on PPMHA and relevant ministerial and local regulation as a basis for consensus-building Build upon existing collaborations and provide lessons learned from pilot example led by the REDD+ Agency in 7 districts (Bersama programme)
13. Partial completion of Programme 5 on 'Social Forestry'	<ol style="list-style-type: none"> Delay in the issuance of current and future social forestry licenses Lack of transparency and accessibility in the licensing mechanism 	<ul style="list-style-type: none"> •Technical, Political, Institutional •High 	<ol style="list-style-type: none"> Provide facilitation support for communication between communities, local government and central government (DG Social Forestry) Appoint technical experts to support the creation of the social forestry map and online licensing system

<p>14. Partial completion of Programme 6 on 'Preparation of Phase 2</p>	<ol style="list-style-type: none"> 1. Insufficient progress made on establishing the REDD+ funding mechanism by the end of the transition. 2. Other delay in the delivery of key readiness milestones 	<ul style="list-style-type: none"> •Technical, Political, Institutional •High 	<ol style="list-style-type: none"> 1. Close follow-up on the progress of discussions between the MoEF and the MoFin, in consultation with the Norwegian Government. If necessary, provision of further technical assistance, including for example an interim secretariat to support the creation and operationalization of the fund. 2. A monthly coordination meeting between MoEF and Norway will be held to review progress and adjust work plan, in addition to the regular oversight provided by the PMU in order to avoid further delay in the start of Phase 2
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ANNEX 1 - INDICATIVE BUDGET AND ACTIVITY PLAN

PROGRAMS & ACTIVITIES	RIAU	JAMBI	SOUTH SUMATRA	CENTRAL KALIMANTAN	WEST KALIMANTAN	WEST SUMATRA	NATIONAL	TOTAL (USD)
TOTAL	2,271,786	1,494,643	882,143	1,132,857	1,383,571	650,000	4,075,000	11,890,000
1 Preventive capacity of five fire prone provinces is increased and incidence of forest and peat fire reduced	1,555,714	817,857	817,857	1,063,810	1,309,762	-	700,000	6,265,000
1.1 Fire prevention capacity increased through integration and institutionalization of i) Forest Fire Risk Early Warning Systems to predict the probability of forest and land fires; and ii) SipongiKMS to monitor in near real time.	80,000	80,000	80,000	80,000	80,000	-	700,000	1,100,000
Operationalization of a ministerial situation room with integrated fire prevention and observation data feed from BMKG, LAPAN, BIG	-	-	-	-	-	-	300,000	300,000
Develop and implement provincial SOP to complement national SOP (POSNAS) for forest and peat fires with key ministries/institutions.	40,000	40,000	40,000	40,000	40,000	-	300,000	500,000
Support Directorate of Forest Fire to provide access to integrated fire prevention and observation data at local level in 5 fire prone provinces to local government (BLH-D, Dinas Kehutanan, Dinas Perkebunan and BPBD)	40,000	40,000	40,000	40,000	40,000	-	100,000	300,000
1.2 Peat land sustainably managed by communities and local government to to prevent fires	468,571	234,286	234,286	312,381	390,476	-	-	3,215,000
Hydrological rehabilitation measures implemented of peat lands, both through community-based canal blocking as a preventive measure for fire								
Construction of canal blocking to re-wet peat land areas for fire prevention and water ponds, reservoir, and shallow wells as sources of water for fire suppression	342,857	171,429	171,429	228,571	285,714	-	-	1,200,000
Creation of green belts and fire breaks	57,143	28,571	28,571	38,095	47,619	-	-	200,000

	Creation of tree replanting or crop cultivation programs in the vicinity of canal blocking as economic and rehabilitation incentives	68,571	34,286	34,286	45,714	57,143	-	-	240,000
	Capacity development programs delivered on fire prevention for communities and local institutions	450,000	225,000	225,000	300,000	375,000	-	-	1,575,000
	Creation of Community-based forest fire management (CBFFM) on prevention of forest and peat-land fires modalities developed to encourage replication.								
	Support to community based forest fire brigades (Masyarakat Peduli Api - MPA) and patrols organized by Manggala Agni	114,286	57,143	57,143	76,190	95,238	-	-	400,000
	Provision of equipment and training for fires suppression through CBFFM and issuance of local regulation to criminalize the use of fire	142,857	71,429	71,429	95,238	119,048	-	-	500,000
	Creation of community-based monitoring and reporting of forest and peat-land fires coordinated with the assistance of civil-society networks.								
	Establish and implement a communication tree in provinces for coordination up to village level	128,571	64,286	64,286	85,714	107,143	-	-	450,000
	Enhancement of knowledge & capacity of local institutions to manage fires.								
	Provision of equipment to districts and local community for early intervention in fire fighting.	21,429	10,714	10,714	14,286	17,857	-	-	75,000
	Training program on forest management, legal framework and fire control targeted to Police, Army and Forestry Police	42,857	21,429	21,429	28,571	35,714	-	-	150,000
1.3	Green development promoted for communities participating in peat fire prevention and canal blocking by proposing income generating programs	557,143	278,571	278,571	371,429	464,286	-	-	1,950,000
	Implementation of REDD+ Green Village in locations participating in canal blocking activities:								
	Capacity development - Support for Village Planning (RPJMDes)	100,000	50,000	50,000	66,667	83,333	-	-	350,000
	Green infrastructure to boost village economy (village roads, microhydro, etc.)	142,857	71,429	71,429	95,238	119,048	-	-	500,000
	Regulations under Village Law implemented to support REDD+ objectives	28,571	14,286	14,286	19,048	23,810	-	-	100,000
	Innovative programme on sustainable trading and marketing in place to ensure sustainable supply chain.								
	Capital assistance, tools / equipment, and skills training	85,714	42,857	42,857	57,143	71,429	-	-	300,000

	Marketing assistance and post-production Development of Community Based Resource Management, including Payment of Ecosystem Services (PES) and Eco-tourism.	57,143	28,571	28,571	38,095	47,619	-	-	200,000
	Mapping of village's economic potential	57,143	28,571	28,571	38,095	47,619	-	-	200,000
	Introducing alternative livelihoods	85,714	42,857	42,857	57,143	71,429	-	-	300,000
2	Legal reform pursued and better law enforcement promoted for the implementation of REDD+	162,500	162,500	-	-	-	-	725,000	1,050,000
2.1	Compliance audits conducted to improve fire prevention	162,500	162,500	-	-	-	-	-	325,000
	Audit compliance for companies with concessions in the fire zones and continued monitoring on implementation in collaboration with relevant institutions.	162,500	162,500	-	-	-	-	-	325,000
2.2	Multi-regime law enforcement promoted	-	-	-	-	-	-	525,000	525,000
	Strengthening of legal enforcement institutions to support prevention of forest and peat-land fires.	-	-	-	-	-	-	300,000	300,000
	Law enforcement strengthened through systematic application of Multi-regime approach resulting in legal action	-	-	-	-	-	-	225,000	225,000
2.3	Regulatory framework for REDD+ strengthened through implementation of legal roadmap	-	-	-	-	-	-	200,000	200,000
	Development of policy and regulatory reforms at national/subnational levels to reduce deforestation and forest degradation.	-	-	-	-	-	-	200,000	200,000
3	Improved management of land-related conflicts in the context of two priority national parks	300,000	275,000	-	-	-	-	100,000	675,000
3.1	Policies in place for improved conflict resolution	25,000	25,000	-	-	-	-	100,000	150,000
	Participatory design and legal framework of a land-based conflict resolution system.								
	Further support for the development of policy framework	-	-	-	-	-	-	50,000	50,000
	Institutional reinforcement for agrarian reform in the	-	-	-	-	-	-	50,000	50,000

	context of conflict resolution								
	Support to local government to facilitate conflict resolution	25,000	25,000	-	-	-	-	-	50,000
3.2	Two priority national parks affected by land conflicts are protected	275,000	250,000	-	-	-	-	-	525,000
	Development of conflict resolution mechanism in and around national parks (Bukit Duabelas in Jambi and Tesso Nilo in Riau)								
	Mapping of issues to develop recommendations and pilot activities	125,000	100,000	-	-	-	-	-	225,000
	Provision of equipment and personnel for national park protection	150,000	150,000	-	-	-	-	-	300,000
4	Recognition and protection of the rights of customary law communities (MHA) advanced through institutional and technical support	175,000	175,000	-	-	-	-	250,000	600,000
4.1	Creation of a national entity for the recognition and protection of customary communities supported	100,000	100,000	-	-	-	-	200,000	400,000
	Support activities of the National and Provincial Coordination Forum for the Recognition and Protection of Customary Communities (PPMHA) in collaboration with stakeholders such as AMAN, Kemitraan, Warsi, etc.	100,000	100,000	-	-	-	-	200,000	400,000
4.2	District level recognition and mapping supported in two provinces	75,000	75,000	-	-	-	-	50,000	200,000
	Support to recognition of MHA groups by local government and further development of systems supporting mapping	75,000	75,000	-	-	-	-	50,000	200,000
5	Improved community welfare and sustainable land and forest management through social forestry	-	-	-	-	-	600,000	300,000	900,000
5.1	Permit system reformed to support acceleration of social forestry programs (HKm, HTr, HA, HD)	-	-	-	-	-	300,000	200,000	500,000
	through:								
	Facilitation of exchanges between communities and Provincial Forestry Office (Dinas Kehutanan) and Central	-	-	-	-	-	100,000	100,000	200,000

Government									
	Training for community groups to use GPS mapping, alternative crops, etc.	-	-	-	-	-	150,000		150,000
	Simplification of the steps required to issue licenses	-	-	-	-	-	50,000	100,000	150,000
5.2	Existing and future social forestry programs facilitated	-	-	-	-	-	300,000	100,000	400,000
	through:								
	Preparation of the Indicative Map for Social Forestry (PIASP), integration of One Map and development of an online licensing system	-	-	-	-	-	-	100,000	100,000
	Facilitation of the issuance of ongoing requests from 5 districts of West Sumatra	-	-	-	-	-	300,000	-	300,000
6	Required institutions and systems in place to start Phase 2.	78,571	64,286	64,286	69,048	73,810	50,000	2,000,000	2,400,000
6.1	Remaining technical milestones for the transition toward Phase 2 delivered	-	-	-	-	-	-	550,000	550,000
	Development of MRV system including FREL and roles and responsibilities	-	-	-	-	-	-	300,000	300,000
	Design and establishment of REDD+ funding instrument, including the integration of PRISAJ with SIS-REDD+	-	-	-	-	-	-	150,000	150,000
	Development of investment portfolio of potential projects to be funded under for Phase 2	-	-	-	-	-	-	100,000	100,000
6.2	Stakeholder engagement maintained for advocacy	28,571	14,286	14,286	19,048	23,810	-	500,000	600,000
	National and subnational media campaign to disseminate information on fire prevention and REDD+								
	Media relations	-	-	-	-	-	-	150,000	150,000
	Research	-	-	-	-	-	-	150,000	150,000
	Stakeholder engagement events	-	-	-	-	-	-	200,000	200,000
	Civil society based communication platform for exchange data/information from community in the field	28,571	14,286	14,286	19,048	23,810	-	-	100,000

6.3	Institutional and technical support provided to the DG-CCC	-	50,000	50,000	50,000	50,000	50,000	50,000	950,000	1,250,000
	Institutional Support to the National and Subnational REDD+ Programme		50,000	50,000	50,000	50,000	50,000	50,000	500,000	800,000
	Technical support to the program and operational support, including financial management procurement, human resources, and communications		-	-	-	-	-	-	450,000	450,000
									TOTAL (net programmable)	11,890,000
									8% General Management Service (GMS*)	951,200
									TOTAL	12,841,200

* UNDP's Harmonized Conceptual Funding Framework and Cost Recovery Methodology approved by a joint decision of the Executive Boards of UNDP/UNFPA, UNICEF and UNWOMEN (EB Decision 2013/9) outlines the basis for cost recovery from other resources. The EB Decision requires that GMS 8% is charged to third party contribution as cost recovery in providing general management and oversight functions of the organization as a whole.

* UN Operational Exchange Rate (UNORE) USD/NOK as of 1 Sept 2015 treasury.un.org/operationalrates
8.316

Norwegian
Contribution

NOK**

106,787,419

Other
Contribution

-

-

NOK

106,787,419

The Ministry of Environment and Forestry

25 November 2015

