

An aerial photograph showing a vast, dense green forest. A dark, winding river or canal cuts through the forest, forming a large loop. The forest is composed of many small, green trees, creating a textured canopy. The river's surface is dark and reflects the surrounding greenery.

The Indonesia - Norway Agreement to reduce greenhouse gas emissions from deforestation and forest degradation: Greenpeace Assessment of Progress

November 2012



Danau Sentarum National Park,
Kalimantan ©Greenpeace

Executive Summary

Introduction

This paper assesses progress against the Indonesia-Norway Letter of Intent (LoI)¹ on 'Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation (REDD+)', signed on 26 May 2010. After more than two years of action and effort by Indonesia's government and institutions, this Greenpeace assessment includes an analysis of the LoI's performance so far, measured against the agreed key performance indicators from the Indonesia-Norway Joint Concept Note², signed on 12 March 2010.

The LoI set a challenging three and a half year timetable to meet the key performance indicators for the first two agreed phases of the cooperation.

Phase 1 'Preparation' was to be completed by the end of 2010, and Phase 2 'Transformation' was to begin at the start of 2011 and finish by the end of 2012.

Under the LoI, the Government of Norway pledged support and assistance based on the principle of 'contributions-for-delivery' of Phases 1 & 2 totalling US\$ 200 million. Norway's Government pledged an additional US\$ 800 million for Phase 3 'Contributions-for-verified emissions reduction' to start from 2014, based on the 2013 emissions reductions that Indonesia is able to achieve.

Summary of Progress so far

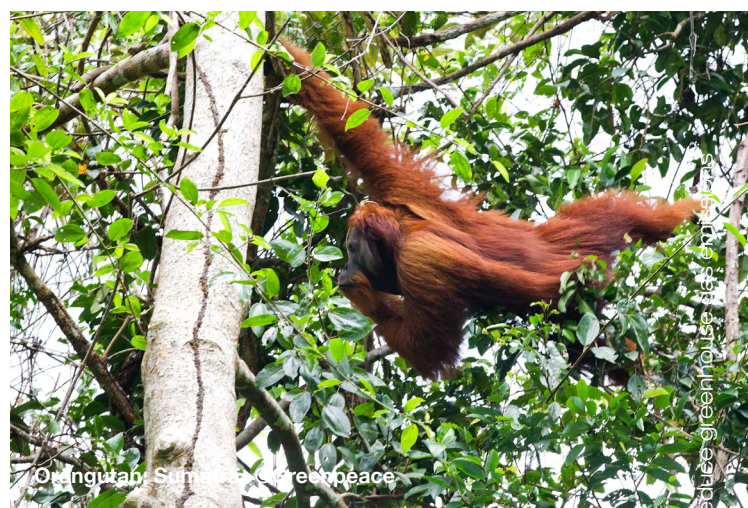
Progress has been slow and it is still questionable whether the timetabled deliverables of the agreement can be achieved before performance payments for emission reductions are due to start flowing in 2014. While some progress has been made on promoting anti-corruption, raising awareness, national ownership and institutional frameworks and plans, the most crucial deliverables, the implementation of 'a two year suspension of all new concessions for conversion of peat and natural forest' and a credible degraded land database, have not been met.

In the first pilot province, Central Kalimantan, legal and tenure certainty, land use planning, cross-government hierarchies and community conflict in relation to forest areas and concessions, remain problematic and unresolved³.

Another pressing reform that is yet to produce tangible results are the monitoring, reporting and verification (MRV) frameworks that need to be in place for Phase 3, which will allow Indonesia to undertake proper land use planning, accurate estimates of baseline emissions and any reductions it achieves to enable performance payments.

Ref:

1. Letter of Intent between the Government of the Kingdom of Norway and the Government of the Republic of Indonesia on "Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation", 26 May 2010. http://www.norway.or.id/PageFiles/404362/Letter_of_Intent_Norway_Indonesia_26_May_2010.pdf
2. Indonesia- Norway Partnership Joint Concept Note, 12 March 2010, http://www.regjeringen.no/upload/MD/2011/vedlegg/klima/klima_skogprosjektet/jcn_indonesia_norway_redd_partnership_2010.pdf
3. Angelsen, A., Brockhaus, M., Sunderlin, W.D. and Verchot, L.V. (eds) 2012 Analysing REDD+: Challenges and choices. CIFOR, Bogor, Indonesia. http://www.cifor.org/publications/pdf_files/Books/BAngelsen1201.pdf and Caldecott, Indrawan, Rinne and Halonen, 2011. Indonesia-Norway REDD+ Partnership: first evaluation of deliverables.



Greenpeace Report-card summarising Lol progress so far

Measured against Key Performance indicators from the Indonesia-Norway Partnership Joint Concept Note (JCN) 12.3.2010

Greenpeace based this assessment on the latest publicly available information and on dialogue with other stakeholders.

PHASE I "PREPARATION": Outputs	Key Performance Indicators (KPIs)	Greenpeace Assessment of progress
<p>Output 1: Presidential decree creating a REDD+ Task Force with the mandate to complete KPI i - v:</p> <p>2. REDD+ agency's mandate, high level structure, organisation design, and key internal processes are defined as described under output 1 above and through consultation with relevant stakeholders.</p> <p>3. A plan to make the REDD+ Agency take over the mandate of the REDD+ Task Force by June 2011 and be fully operational by end of 2011, is in place.</p>	<p>i. Establish a National REDD+ Agency;</p> <p>ii. Ensure the development of a National REDD+ strategy;</p> <p>iii. Set up a funding instrument;</p> <p>iv. Set up an independent MRV system;</p> <p>v. Develop the selection criteria and strategy for implementation in pilot provinces.</p>	<p>Not Done: Presidential Decree No.19 2010 (20 .9.10) Established the REDD+ Task Force; Extended by Decree No. 25 2011 (8.9.2011)</p> <p>Done mid-2012 – National REDD+ strategy only decreed by UKP4 whereas it needs a Presidential Decree for it to be implemented nationally by the Ministries.</p> <p>Not done</p> <p>Not done (still ongoing discussion, some crucial (legal) definitions such peat land, degraded land, primary forest/secondary forest is still not clear)</p> <p>Done, only 1 province (Central Kalimantan) identified as pilot. National action plan on reducing GHG identifies Jambi as being the next potential pilot.</p> <p>Planned end 2012 but without evaluation of output 1 and clear mandate.</p> <p>Delayed - end 2012 instead of 2011, and the plan leaves many questions unanswered, esp. how this agency will lead to improved forest governance.</p>
<p>Output 2: Groundwork for implementation of a two-year moratorium on forest and peatland concessions is completed to ensure implementation that is effective and has optimum social, environmental, and economic implication.</p>	<p>1. Moratorium is effective from January 1st 2011, including:</p> <p>a. Established an explicitly preliminary baseline on forest and peat land cover as well as ownership rights, and a process for improving this baseline throughout the moratorium period.</p> <p>b. Identify implementation policies for how the goals described under output 2 above will be achieved.</p> <p>c. Establishment of a legal basis for the two-year moratorium providing for a legally binding commitment in the provinces, including direction for an enforcement mechanism.</p> <p>2. Identification of data gaps for verification of environmental, social and economic impacts of the moratorium, and consultant(s) to address the data gaps selected and commissioned.</p>	<p>Delayed: Presidential decree was created May 20, 2011.</p> <p>Not done. Ownership rights will remain a problem until the Government of Indonesia recognises the rights of indigenous peoples.</p> <p>Not done – not all new concessions were suspended and existing permits can be extended</p> <p>Partially done but with a 5-month delay (May 2011 instead of January 2011). There is no enforcement mechanism</p> <p>Not done</p>
<p>Output 3: Establishing the initial design for an independent monitoring, reporting, and verification (MRV) institution that will set up a system for anthropogenic forest and peat related greenhouse gas emissions by sources and removals of sinks, forest carbon stocks, and natural forest, as specified in the Lol. The MRV institution will have the following mandates:</p> <p>a. Monitoring and providing reports on land and forest covers that include annual report and more frequent reports that function as an early warning system.</p> <p>b. Providing all relevant and sound data to the public in accordance with Indonesian laws on public disclosure and right to information.</p> <p>c. Authority to procure or to access any and all information it deems appropriate and necessary within its mandate from all official Indonesian entities as well as civil society and private sector sources and consolidate all relevant data namely activity data and emission factor data to monitor forest carbon emission.</p> <p>d. Establish and further develop national capabilities to measure and monitor activities affecting forest carbon stocks.</p>	<p>1. Existing MRV activities identified and initial assessment on data gaps for the purpose of MRV completed.</p> <p>2. Mandate, organizational structure, member roles and terms of reference for members of the MRV institution developed following consultation with relevant multi-stakeholders.</p> <p>3. A clear plan for establishing an independent MRV institution by 2011.</p>	<p>Not done Documents such as SVLK and Annual concessions plans must be made available to the public</p> <p>Not done</p> <p>Not done</p>

Outputs and key performance indicators of Phase 1 of the Indonesia-Norway Partnership that started in 26 May 2010 and will end by 31 December 2010. These key performance indicators will constitute the benchmarks for assessments by the Independent Review Group.

PHASE I "PREPARATION": Outputs	Key Performance Indicators (KPIs)	Greenpeace Assessment of progress
<p>Output 4: Put in place a temporary funding instrument appropriate for financing activities for Phase one that operates to the satisfaction of Indonesian authorities, and managed according to established international standards - including fiduciary, governance, environmental, and social safeguards.</p>	<p>1. An interim financing instrument, operating to the satisfaction of Indonesian authorities, and managed according to established international standards, including fiduciary, governance, environmental, and social safeguards, is operational and agreed to by Indonesia and Norway.</p>	<p>Partially done: Some progress has been made on environmental and social safeguards, where the Ministry of Forestry and the REDD Task Force have their own version.</p> <p>Progress has stalled on the financing instrument because Indonesia and Norway have yet to decide which institution they want to manage the funds.</p>
<p>Output 5: National REDD+ Strategy that addresses key drivers of forest and peat land related emission is completed and has been developed through a credible, transparent, inclusive, and institutionalized multistakeholder process to a level that can provide clear direction for activities in Phase two. The strategy will be open for periodic adjustments so as to better cater to the changing needs on the ground. The strategy will cover:</p> <p>a. Establishing a regulatory climate and implementation protocol including ratifying policies related to REDD+ implementation, disseminating REDD+ guidelines, and distributing benefits and responsibilities fairly.</p> <p>b. Implementing catalysts of change as needed, including reform of land use planning and sector development; reform in legal and law enforcement; improve the local economy; strengthen stakeholder involvement processes, and transparent governance processes.</p> <p>c. Reforming key sectors related to REDD+ including forestry, agriculture, and mining.</p>	<p>1. A version of the National REDD+ Strategy that addresses and proposes high level remedies for key drivers, actors and processes of deforestation, and forest and peatland degradation completed. The strategy will be a living document for further refinement by the REDD+ Agency and will be translated into a national action plan.</p> <p>2. Development of the National REDD+ Strategy follows a transparent, inclusive, credible, and institutionalized consultative process with all key stakeholders including representatives from indigenous peoples (masyarakat adat), local communities, Indonesian universities, the private sector, civil society, and selected Indonesian and international research institutions.</p> <p>3. The strategy proposes methods for implementing Free Prior Informed Consent (FPIC) and equitable benefit sharing.</p> <p>4. Transfer of ownership and responsibility of the National REDD+ strategy from Bappenas to REDD+ Task Force completed.</p>	<p>Done – June 2012. But the National REDD+ strategy was only decreed by UKP4 whereas it needs a Presidential Decree for it to be implemented nationally by the Ministries.</p> <p>Done, although Civil Society Organisations are questioning the inclusiveness of the process.</p> <p>Not done: UN REDD has carried out a REDD FPIC project in Central Sulawesi but the result has not been officially adopted by the Government as the Ministry of Forestry still resists the FPIC concept.</p> <p>Not done: This is unclear as the National REDD+ strategy was only decreed by UKP4 whereas it needs a Presidential Decree for it to be implemented nationally by the Ministries.</p>
<p>Output 6: Selection of the first pilot province in order to:</p> <p>a. Achieve reduced emissions from deforestation and forest and peat land degradation.</p> <p>b. Set an example for other provinces in Indonesia, including the demonstration of needed policies and institutions according to the guidelines and principles for national Indonesian REDD+ effort as described throughout this document and in the Lol.</p> <p>c. Experiment different REDD+ projects for future nation-wide implementation.</p> <p>d. Test and refine newly established institutions (e.g. REDD+ Agency, MRV, Financial Instrument).</p> <p>e. Demonstrate Indonesia-Norway partnership's commitment to address the global climate change challenge.</p>	<p>1. Selection criteria for pilot province has gone through consultation with relevant multi-stakeholders and agreed to by all parties.</p> <p>2. Pilot province selected has large intact tracts of rainforest and faces planned deforestation and forest degradation projects of a scale that will have significant impact on national emissions levels, if implemented.</p>	<p>Done, although not all parties agreed</p> <p>Done, but not in compliance with Lol's emphasis on emission reductions from reduced deforestation, and it hasn't been fully implemented yet .</p> <p>Also, another Government policy on accelerating economic development (e.g. MIFEE in Papua) could potentially result in an increase of emissions and more deforestation in the forested areas, which is inconsistent with the commitment to reduce GHG and LOI.</p>
<p>Output 7: Appointing the necessary focal points in the Governments of Indonesia and Norway, as well as establishing a Joint Consultation Group, with the following mandates:</p> <p>a. Undertake diplomatic efforts for the Indonesia-Norway Partnership including to promote the Partnership and encourage other development partners to participate and contribute.</p> <p>b. Serve as a formal communication forum for Indonesia-Norway Partnership.</p> <p>c. Align expectations and develop agreements between Indonesia and Norway in implementing all deliverables related to Lol.</p>	<p>1. Terms of Reference of the Joint Consultation Group agreed.</p> <p>2. The Joint Consultation Group has the aforementioned mandate.</p> <p>3. One, formal focal point for the implementation of the Lol appointed for the Government of Indonesia and the Government of Norway respectively appointed.</p>	<p>Done</p> <p>Done</p> <p>Done in principle, but in practice, several focal points are responsible for implementation of the Lol.</p>
<p>Output 8: Identifying an Independent Review Group, reporting to the Joint Consultation Group, to carry out annual review on the achievement of deliverables foreseen in agreed key performance indicators.</p>	<p>1. Norway and Indonesia agree on the tender requirements, the criteria and the selection of the appropriate service provider.</p> <p>2. The appointment of the Independent Review Group is in process following a transparent tender process.</p>	<p>The JCN notes that Outputs 8 & 9 do not require independent review.</p>
<p>Output 9: Designing a communications campaign in order to make REDD+ activities transparent, inclusive, and credible.</p>	<p>1. Design of a comprehensive 1-2 years, national and international, communication and education campaign completed.</p>	<p>The JCN notes that Outputs 8 & 9 do not require independent review.</p>



Floating market, Kalimantan ©Greenpeace

Roadblocks to Progress and Fixes needed

Poor Governance

Much of the poor governance stems from the Ministry of Forestry's control of over 70 percent of Indonesia's land, of which only 10 percent has been gazetted, resulting in multiple interpretations of laws and many conflicts with local and indigenous communities⁴. Many forest concessions lack appropriate permits from the Ministry of Forestry and inconsistencies and uncertainties prevail, encouraging corruption, rent-seeking and land banking by concession holders⁵. Ensuring certainty of tenure is just one aspect of governance reform that has produced few results under the Lol.

Outdated Maps and Data

After three formal revisions of the moratorium maps, which have each reduced the area of forest and peatland protected by the moratorium, the moratorium on new concession licensing still fails to include secondary forests⁶ and also allows licensing of forest conversion for food and energy, including palm oil, one of the main drivers of deforestation in Indonesia.

The Ministry of Forestry's most recent land cover map has not been made public⁷. Furthermore, land cover maps from the Ministry of Forestry and the National Land Agency⁸ are based on different methodologies. Concrete steps must be taken to produce the 'one map'⁹ or spatial land use data that is freely and publicly available, transparent, accurate, up-to-date and harmonised across sectors, governments and Ministries.

In addition, deforestation rates in Indonesia are unfortunately hard to obtain and on the basis of existing datasets, it is difficult to identify trends. Data on deforestation released by the Ministry of Forestry is either contradictory¹⁰ or cannot be verified¹¹.

Social and Environmental Safeguards

The Lol was criticised for its weak social and environmental safeguards' objectives¹². Land rights of indigenous peoples have been a major stumbling block for Indonesia.

Significantly, however, the Ministry of Forestry recently completed research showing that there are more than 25,000 officially recognised villages within the forest zones of Indonesia, estimated to include more than fifty million people¹³. Indigenous rights groups in Indonesia see this as a step towards official recognition of a broader indigenous rights agenda¹⁴. However, benefit sharing provisions of REDD+ payments are mired in intergovernmental squabbles¹⁵.

Definition of Degraded Land

Degraded land criteria must take into account carbon stocks and High Conservation Values (HCV)¹⁶ to ensure these lands have low carbon and biodiversity value. If the Presidential Instruction on the moratorium on new licences is any indication¹⁷, Indonesia may be intending to define degraded lands as secondary forests. This would be a blatant betrayal of the Lol agreement and would undermine trust in REDD+ generally.

Permits for concessions on High Carbon Stock (HCS) forest land found to have been issued in breach of existing laws can be rescinded and added to the areas protected by the moratorium, and those found lawful can be prioritised for land swaps to lower carbon value degraded land unencumbered by legal, social, environmental and economic issues.

An effective land swap of lawful concessions on HCS land and the rapidly expanding agricultural and pulpwood activities to low carbon degraded lands free from social conflict requires credible data, appropriate decision-making software and an open and transparent stakeholder led processes.

Conclusions and Recommendations

Once legally enforceable and credible land cover and land use maps have been produced that clearly identify degraded lands, economic development zones, conservation areas, indigenous land claims, and forest, agriculture and mining concessions in a consistent way, REDD+ in Indonesia will be able to progress apace.

To give adequate space for such an enormous task to be prepared and completed, the moratorium must be extended beyond its two year deadline and enhanced to include all peatlands and secondary forests, as well as an urgent revision of existing concessions. The Indonesia Norway REDD+ Partnership is an innovative governance and disbursement mechanism that will require a long lead time, which clearly has been underestimated. REDD+ in Indonesia is a novel idea still taking shape and yet to be fully endorsed and accepted by the Government of Indonesia, its institutions and the influential business lobby. New actors and performance metrics have, understandably, caused delays and frustrated expectations.

This should not be seen as a failure of the Partnership. Rather, it should be seen as a consequence of increasing national ownership of REDD+ by a young democracy still grappling with a legacy of inadequate governance, intergovernmental coordination, regulatory oversight and harmonised land use laws. As such, a recalibration of expectations is urgently needed, as well as a redoubling of effort and assistance to ensure that the crucially important REDD+ enabling reforms, detailed in the Indonesia-Norway Lol, are allowed to continue without further hindrance so that they can have the positive impact they were designed for.

Key Greenpeace Recommendations

The following recommendations are seen by Greenpeace as necessary improvements to the current Lol, moratorium and pilot province schemes, which we believe will enhance Indonesia's REDD+ capacity to engage in meaningful emission reductions.

For the Moratorium

- Extend the term of the moratorium to ensure all key reforms of Phase 2 are successfully completed.
- The moratorium should be enforced and strengthened by including all secondary forests. All lands that are considered High Carbon Stock should be included in the moratorium.
- Enforce the moratorium and ensure that new oil palm and pulp plantations are developed on non-HCS and non-HCV lands.
- The Indonesian government should immediately start a review of existing concessions and withdraw those that have been obtained in violation of its legislation. Concessions of which the legal status has been validated but that are located in HCV or HCS forests should be relocated. In parallel, an independent national monitoring system for deforestation should be developed to bring greater transparency to the process, put in place effective monitoring and enforcement and empower local communities, including the protection of their rights to access to and control of the lands they rely on for their livelihood.
- The moratorium should only be lifted gradually, on a case by case basis, according to achievements, such as concrete actions taken to protect forests and secure responsible forest management, rather than a pre-set time frame.

Beyond the Moratorium

- Clarify mechanisms through which safeguards are to be upheld and ensure the application of safeguards in the demonstration (pilot) provinces.
- Ensure that the new REDD+ Agency is given at the least the same status and influence as other ministries, that it does not fall under the remit of the Ministry of Forestry and that it is impartial and focused on REDD+ and its components.

- Ref:
4. Indrarto, G. B., Murharjanti, P., Khatarina, J., Pulungan, I., Ivalerina, F., Rahman, J., Prana, M. N., Resosudarmo, I. A. P. and Muharrom, E., 2012. The Context of REDD+ in Indonesia: Drivers, agents and institutions. Working Paper 92. CIFOR, Bogor, Indonesia. http://www.cifor.org/publications/pdf_files/WPapers/WP92Resosudarmo.pdf
 5. Ibid.
 6. Secondary forest is defined here as forest with ocular evidence of disturbance, cf. FAO Forestry Department, 2010. Global forest resources assessment 2010. Country report. Indonesia. <http://www.fao.org/docrep/013/al531e/al531e.pdf>
 7. <http://www.dephut.go.id/>
 8. <http://www.bpn.go.id/Beranda/Interaktif/Aplikasi/Peta-Tematik.aspx>
 9. REDD+ Task Force, 5 September 2012. One Map Indonesia. <http://www.satgasreddplus.org/download/120905%20ONEMAP%20Midway%20Workshop%202012.pdf>
 10. Compare, e.g., the annual forest statistics released by MoF (on <http://www.dephut.go.id/>) with MoF data provided to the FAO (<http://www.fao.org/forestry/sofo/en/>)
 11. MoF data provided visually (on <http://nfms.dephut.go.id/monitoring/>) with raw data not provided.
 12. Angelsen, A., Brockhaus, M., Sunderlin, W.D. and Verchot, L.V. (eds) 2012 Analysing REDD+: Challenges and choices. CIFOR, Bogor, Indonesia. http://www.cifor.org/publications/pdf_files/Books/BAngelsen1201.pdf
 13. FPP, PUSAKA, HUMA, 2011. National Update on REDD+ in Indonesia. <http://www.forestpeoples.org/sites/fpp/files/publication/2011/10/national-update-briefing-1.pdf>
 14. Ibid.
 15. Angelsen, A., Brockhaus, M., Sunderlin, W.D. and Verchot, L.V. (eds) 2012 Analysing REDD+: Challenges and choices. CIFOR, Bogor, Indonesia. http://www.cifor.org/publications/pdf_files/Books/BAngelsen1201.pdf
 16. High Carbon Stock forest is above the level (threshold) between natural regenerating secondary forest and degraded forest lands. The HCS approach combines both biodiversity and carbon conservation. Potential HCS forest is first identified and then an HCS forest conservation process that considers forest patch size, shape, connectivity and threats is completed to ensure viable forest areas are conserved. Golden Agri Resources and SMART, June 2012. High Carbon Stock Forest Study report. Defining and identifying High Carbon Stock forest areas for possible conservation, http://www.goldenagri.com.sg/pdfs/misc/High_Carbon_Stock_Forest_Study_Report.pdf provides a detailed explanation of the methodology Golden Agri Resources (GAR) has developed to reach a no deforestation in its palm oil operations.
 17. Instruction of the President of the Republic of Indonesia Number 10 of 2011 About Suspension of Granting of New Licences and Improvements of Governance of Natural Primary Forest and Peat Land, 2011. http://www.theredddesk.org/sites/default/files/2011_presidential_instruction_no_10_year_2011_regarding_suspension_of_granting_of_new_licenses_and_improvement_of_governance_of_natural_primary_forest_and_peat_land.pdf



GREENPEACE
www.greenpeace.org

Greenpeace Southeast Asia - INDONESIA
Jl. KH. Abdullah Syafi'ie (Lapangan Roos) No. 47, Tebet Timur - Jakarta 12820
Telp. (021) 83781701 | **Fax.** (021) 83781702
Email: supporterservices.id@greenpeace.org

Greenpeace Nordic, pb 6803
St. Olavs plass 1, 0130 Oslo
Phone: + 47 22 20 51 01 | **Fax:** + 47 22 20 51 14
Email: info.nordic@greenpeace.org

Printed on recycled paper using soy-based ink

Published by Greenpeace Southeast Asia, November 2012

Pristine forests in Papua ©Greenpeace