REDD+ Benefit Sharing, Indonesia Proposal
REDD+ in Devt. scenario

- REDD+ is part of Development
- **Addressing Driver of DD: devt needs** (infrastructure, population growth), sector/market needs (palm oil, mining, timber, pulp and paper), forest fire, illegal logging, encroachment
- Forest and peat land contribution in emission reduction target: 87% (13 priority programs)
- Options in REDD+ implementation (based on REDD+ National Strategy (esp. Strategic Program))
- Funding window: Fund for REDD+ Indonesia (FREDDI)
Redefinition of project boundaries, subnational implementation

• The use of landscape and jurisdictional approach in defining “projects.” Project boundaries include projects, people, public and private sectors.
  – Key pilot cases: Kapuas Hulu in West Kalimantan, and Berau and West Kutai in East Kalimantan.

• REDD+ as a productive sector, a source of growth and income, contributing to the “green development plan” of the regions.

• Governance.
  – Community co-owns projects, not only in financial terms.
  – Community having access to decision making process in REDD+.
Benefit Sharing Paradigm

Paradigm shift that guides the principles for benefit-sharing and incentive mechanisms:

- Community as “disturbed neighbors” of an “REDD+ Project” that needs to be “bribed” through cash-distribution.

- Benefits being defined almost entirely as cash distribution.

- Benefits being defined almost entirely as derived from carbon.

- Community as a part of, and “co-owners” of the project, being inside the project boundary, sharing responsibility as well as benefits.

- Benefits being defined as well-being, happiness, sustainability, with fulfilled social needs.

- Benefits being defined as carbon and other social and ecological services.
### Approach in design benefit sharing

<table>
<thead>
<tr>
<th>Level</th>
<th>Actions</th>
<th>Payments/incentives</th>
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</thead>
<tbody>
<tr>
<td>National devt: black/brown, i.e. MP3EI</td>
<td>Greening, 26/41 target, growth 7%</td>
<td>National budget, International fund, Input based/compliance, Performance base</td>
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<tr>
<td>Prov devt, key sectors: Forest, palm oil, mining, peat land, community based</td>
<td>RAD-GRK, SRAP/STRADA REDD+, Green spatial planning, landscape approach (HOB, Sumatera, Papua)</td>
<td>Special allocations, Regional Incentives Mechanism (RIM), Compliance window, RIM, Regional initiative window</td>
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<tr>
<td>District devt, key sectors: Forest, palm oil, mining, peat land, community based</td>
<td>Spatial planning, REDD+ : nested/jurisdictional approach, Develop PES, Conservation district, Land swap</td>
<td>Budget Special allocations, RIM, Compliance window, RIM, Regional initiative window</td>
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<td>Sectors: forest, palm oil, mining, community based Stakeholders: govt, community, private</td>
<td>Enabling policy, SVLK, forest certification, RSPO, zero burning, sustainable mining, community based practices</td>
<td>Direct payment, carbon market, RIM, rights recognitions, PNPM, Credit Union, tax reductions</td>
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REDD+ Benefit : Beyond cash

• As a part of the “green development plan” of the region, there has to be a transfer of capital from REDD+ projects to sustainable development.
• Benefit should last beyond “project periods.”
• Benefits are reinvested in social, environmental, and physical capital for sustainability.
• Strengthen and recognize community rights, community not as a neigbour.
REDD+ Benefit : Beyond carbon

• Benefits come not only from carbon, although it is a good start.
  – Other ecological services such as water, ecotourism, and biodiversity-based commodities.
  – Other “social” and “cultural” services.

• Payments for services from forests other than carbon need to be calculated and made, at the right scale and scope, by the right parties.
<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Roles/contribution</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community (individual)</td>
<td>• Directly contributed to emission reduction efforts</td>
<td>Manfaat langsung berupa pembayaran dari pengurangan emisi, pekerjaan, penguatan hak atas lahan, peningkatan kapasitas, transfer teknologi.</td>
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<td></td>
<td>• Participating in REDD+ project or became member of proponent group</td>
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<tr>
<td>Indigenous/local community</td>
<td>• Organising the group as a project proponent</td>
<td>Manfaat langsung dari pembayaran berbasis kinerja, penguatan hak, peningkatan kapasitas.</td>
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<tr>
<td></td>
<td>• Mewakili kelompoknya dalam proses pelaksanaan REDD+ termasuk dalam “menegosiasikan” manfaat dari REDD+.</td>
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<tr>
<td>Project developer/investor</td>
<td>• Design and implement REDD+ project</td>
<td>Menerima pembayaran berbasis kinerja, peningkatan nilai aset.</td>
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<td></td>
<td>• Managing area inside project boundaries</td>
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<td></td>
<td>• Provide financial resource to develop project</td>
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<tr>
<td>Provincial/district government</td>
<td>• Create enabling condition for REDD+ implementation</td>
<td>Pendapatan dari pajak daerah, transfer pembayaran dari pemerintah pusat, peningkatan kapasitas, bagi hasil dari pembayaran pengurangan emisi</td>
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<td></td>
<td>• Regulation alignment and law enforcement</td>
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<td></td>
<td>• Implement and monitoring measures to reduce deforestation and forest degradation</td>
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</tr>
<tr>
<td>National government</td>
<td>• Create enabling condition for REDD+ implementation</td>
<td>Pembayaran berbasis input/REDD+ readiness, pajak, peningkatan kapasitas, transfer teknologi.</td>
</tr>
<tr>
<td></td>
<td>• Mengembangkan infrastruktur pendukung pelaksanaan REDD+</td>
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<td></td>
<td>• Creating incentives</td>
<td></td>
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<td></td>
<td>• Law enforcement</td>
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<td></td>
<td>• Reform licensing process</td>
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<tr>
<td></td>
<td>• Solving tenurial issues</td>
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<td></td>
<td>• Create and Strengthen policies to addressing drivers of deforestation</td>
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Channels for Distribution

• Use existing channels for distribution, whenever appropriate.
  – Government transfer payment mechanism: i.e. proposed Regional Incentive Mechanism
  – In Indonesia: PNPM, grant-making institutions, banks, credit unions.
• Create new ones, whenever appropriate.
  – Establishment of Provincial Ecosystem Services Funds.
  – Joint ventures with funds and fund managers.
• Do it as a part of a “green development plan” of the region. This includes poverty alleviation and sustainable livelihoods.
• Ensure community access.
• Creates incentives that trigger positive/green actions
Safeguards/PRISAI and benefit sharing mechanism

• REDD+ must benefit the people.
• Safeguards and benefit sharing mechanisms are two sides of the same coin.
  – Safeguards serve to avoid REDD+ initiative to run against other social, environmental, and financial objectives.
  – Fair REDD+ benefit sharing to all relevant stakeholders and rights holders;
  – Ensure the process in defining benefit, identify beneficiaries and other process in participatory and transparent process
Challenges and issues

• Legal framework
• Clarity on tenurial and defining ownership over carbon and other services
• Implementing safeguards and FPIC to identify and defining beneficiaries, identify benefit from REDD+;
• Increase institutional capacity on managing REDD+ benefit;
• Benefit contribute in Addressing drivers of deforestation
• Prevent corruption and mismanagement in REDD+
• Alignment with others mechanisms that design for REDD+
Thank you

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