



# REDD+ Benefit Sharing, Indonesia Proposal



WWF-Indonesia

# REDD+ in Devt. scenario

- **REDD+ is part of Development**
- **Adressing 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, sub national 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

Level	Actions	Payments/incentives
National devt : black/brown, i.e. MP3EI	Greening ,26/41 target, growth 7 %	<ul style="list-style-type: none"> <li>- National budget</li> <li>- International fund</li> <li>- Input based/compliance</li> <li>- Performance base</li> </ul>
Prov devt, key sectors : Forest, palm oil, mining, peat land, community based	RAD-GRK, SRAP/STRADA REDD+, Green spatial planning, landscape approach (HOB, Sumatera, Papua)	<ul style="list-style-type: none"> <li>- Special allocations</li> <li>- Regional Incentives Mechanism (RIM), Compliance window</li> <li>- RIM, Regional initiative window</li> </ul>
District devt, key sectors : Forest, palm oil, mining, peat land, community based	<ul style="list-style-type: none"> <li>- Spatial planning</li> <li>- REDD+ : nested/jurisdictional approach</li> <li>- Develop PES</li> <li>- Conservation district</li> <li>- Land swap</li> </ul>	<ul style="list-style-type: none"> <li>- Budget Special allocations</li> <li>- RIM, Compliance window</li> <li>- RIM, Regional initiative window</li> </ul>
Sectors : forest, palm oil, mining, community based Stakeholders : govt, community, private	Enabling policy, SVLK, forest certification, RSPO, zero burning, sustainable mining, community based practices	Direct payment, carbon market, RIM, rights recognitions, PNPM, Credit Union, tax reductions

# 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 neighbour.



# 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.

# Identifying Beneficiaries

Beneficiaries	Roles/contribution	Benefits
Community (individual)	<ul style="list-style-type: none"> <li>• Directly contributed to emission reduction efforts</li> <li>• Participating in REDD+ project or became member of proponent group</li> </ul>	Manfaat langsung berupa pembayaran dari pengurangan emisi, pekerjaan, penguatan hak atas lahan, peningkatan kapasitas, transfer teknologi.
Indigenous/local community	<ul style="list-style-type: none"> <li>• Organising the group as a project proponent</li> <li>• Mewakili kelompoknya dalam proses pelaksanaan REDD+ termasuk dalam “menegosiasikan” manfaat dari REDD+.</li> </ul>	Manfaat langsung dari pembayaran berbasis kinerja, penguatan hak, peningkatan kapasitas
Project developer/investor	<ul style="list-style-type: none"> <li>• Design and implement REDD+ project</li> <li>• Managing area inside project boundaries</li> <li>• Provide financial resource to develop project</li> </ul>	Menerima pembayaran berbasis kinerja, peningkatan nilai aset
Provincial/district government	<ul style="list-style-type: none"> <li>• Create enabling condition for REDD+ implementation</li> <li>• Regulation alignment and law enforcement</li> <li>• Implement and monitoring measures to reduce deforestation and forest degradation</li> </ul>	Pendapatan dari pajak daerah, transfer pembayaran dari pemerintah pusat, peningkatan kapasitas, bagi hasil dari pembayaran pengurangan emisi
National government	<ul style="list-style-type: none"> <li>• Create enabling condition for REDD+ implementation</li> <li>• Mengembangkan infrastruktur pendukung pelaksanaan REDD+</li> <li>• Creating incentives</li> <li>• Law enforcement</li> <li>• Reform licensing proces</li> <li>• Solving tenurial issues</li> <li>• Create and Strengthen policies to addressing drivers of deforestaion</li> </ul>	Pembayaran berbasis input/REDD+ readiness, pajak, peningkatan kapasitas, transfer teknologi



# 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 transparant 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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