

**Meeting of FIP Pilot Countries  
October 31, 2012 - Istanbul, Turkey**

**Progress Updates from FIP Pilots**

**Country:** Indonesia

**Investment Plan:**

- X Not endorsed
- Expected endorsement date: November 2012 Sub-committee meeting

*Briefly outline three major advances, challenges and lessons learned arising from your investment planning and/or implementation process since the last meeting of FIP pilots.*

**Advances:**

1. **The Indonesia National REDD+ Strategy (SATGAS)** was formally launched in June 2012 at a side event of the World Council on Sustainable Development in Brazil (Rio+20). Alignment of the Investment Plan with the launched version of the SATGAS was confirmed. **The National Forest Council (DKN)**, FIP's main platform for stakeholder consultations, underwent a change in leadership, which strengthened the consensus-building process for the investment plan. Under the new leadership, a process for developing and agreeing on protocols for public consultation within the DKN was initiated. The final draft of the FIP Investment Plan for Indonesia was posted on CIF web site on 12 October 2012 for review and feedback by the FIP subcommittee. The Government of Indonesia will present the IP at FIP subcommittee meeting on 5 November.
2. **A technical mission to West Kalimantan** was held to assess the: (i) status of pilot forest management unit (KPH) and ownership at province and district levels; (ii) capacity and willingness of district and province to engage with local communities on land-use planning and sustainable livelihood development; and (iii) strategic fit with REDD+ objectives, including potential for REDD+ project development and collaboration with partner programs.
3. **A meeting on the Dedicated Grant Mechanism (DGM)** was held in September to discuss modalities of implementing the DGM in Indonesia.

**Challenges:**

1. The presentation of the investment plan was moved to November 2012 to accommodate **further consultations**, in part due to the DKN leadership transition. The Ministry of Forestry requested the new DKN leadership to facilitate a dialogue on FIP in April 2012, in response to public comments received on the first draft of the investment plan posted on the web in March 2012. A series of dialogues were held throughout August and September, which

became the basis for subsequent drafts of the investment plan uploaded to the Forestry Ministry website on 10 September, 26 September and 10 October.

2. As demand for FIP investments in other provinces outside Kalimantan is also high, satisfying **the variety of demands** during project design stage would be a challenge, along with challenges in agreeing on targets, baselines and methods to capture data for indicators to refine estimates of GHG emissions reductions from FIP investments, in relation to the “one-map movement”.
3. Indonesia’s size, geographic dispersal and cultural diversity pose a challenge to setting up a well-grounded **DGM National Steering Committee (NSC)**. It is hoped that the emerging DKN protocol for public consultations can help to fast track the national decision-making process for DGM.

**Lessons learned:**

1. **Managing multiple expectations** of stakeholders is critical to building trust in REDD+ initiatives.
2. The investment plan **consultation process can be logistically difficult, expensive and long**, especially in large countries with geographically dispersed and culturally diverse stakeholders, like Indonesia.
3. REDD+ initiatives, including FIP, can help to transform **governance** practices, through promoting coordination within and between ministries, and through supporting broadly-agreed consultation processes.

*2. What is the most important value added and/or benefit from the FIP process in your country?*

With the National Action Plan for Reducing GHG Emissions (RAN GRK) and the National REDD+ Strategy in place, the FIP Investment Plan leverages existing political will as well as large amounts of pledged and emerging REDD+ funding, through addressing remaining barriers to REDD+ implementation at the sub-national level. Key entry points for the Investment Plan to address sub-national barriers will be the **national system of forest management units (KPH)** and ongoing tenure reform processes. Target areas include provinces facing rapid deforestation and peatland degradation.

The investment plan contributes to a transformative process toward good forest governance and sub-national REDD+ readiness in Indonesia, through focusing on the following three themes: Institutional Development for Sustainable Forest and Natural Resource Management; Forest Enterprises and Community Based Forest Management; Community land use planning and livelihoods development.

The investment plan supports cross-cutting analytical work to address critical issues, providing guidance to the project design process and/or the development of national policies. Priority issues include:

- Policies related to community participation in sustainable forest management;
- Forest concession licensing processes and impacts on local communities;
- Support for national safeguards development, e.g. through piloting a district-level safeguards information system.

*Briefly outline the institutional arrangements for the coordination and oversight of the implementation of the investment plan as a program. What works and what needs improvement?*

**Investment Planning Phase:**

Within government, the process is being coordinated with different units of the Ministry of Forestry, the Presidential Unit for REDD+ Delivery (UKP4), National Planning Agency (Bappenas), and the Finance Ministry. Across multiple stakeholders, coordination is happening through the National Forest Council (DKN) that has a matrix structure comprising five chambers (government, local community, private sector, academe, NGO) and four commissions (forest governance; conflict mediation & community capacity building; forest economy; environment & climate change). The investment plan is coordinated with initiatives of multilateral as well as bilateral development partners, including FCPF, GEF, UN-REDD, Norway, Australia, US, UK, and Japan. UN-REDD ends in October 2012, but its work will continue through the UN Office for REDD+ Coordination in Indonesia (UN ORCID).

**Implementation Phase:**

A Steering Committee will be established to perform coordination and oversight functions during program implementation. The Steering Committee will be formed at the Director General level and will be composed of the principal agencies involved (including Ministry of Forestry, the REDD+ Task Force, Ministry of Finance, Ministry of Home Affairs, Bappenas, the National Council on Climate Change) and will include representation from non-Government stakeholders including civil society and the private sector. The MDB's will be given observer status. Steering Committee meetings will be held every 6 months to evaluate activities and progress. Technical coordination meetings, organized by the Ministry of Forestry, will be held 2-4 times per year.

*If you have an endorsed investment plan, which of your projects have progressed the most in terms of preparation/implementation and what are the 3 main factors that have contributed to this progress?*

The investment plan is yet to be endorsed. Endorsement of the investment plan will pave the way for the design and implementation of 3 projects:

1. Community-Focused Investments to Address Deforestation & Forest Degradation
2. Promoting Sustainable Community Based Natural Resource Management and Institutional Development
3. Strengthening Forestry Enterprises to Mitigate Carbon Emissions

Given the geographic nature of some countries, **provisions must be made for travel** in order to be inclusive of all regions.

Cultural and linguistic diversity in Indonesia also means that **translated documents and simultaneous translation of meetings** must be provided.

In addition, stakeholders at all levels still need education about REDD+ and FIP. It takes **targeted and iterative communications with each stakeholder group** to ensure common understandings.

*What are the 3 major tasks ahead for your investment plan during the next 6-12 months?*

Assuming investment plan endorsement in November 2012, major tasks include:

1. **Project preparation, including stakeholder consultations at project level**, is expected to run from December 2012 to March 2013. Multilateral review and refinement of project documents is targeted to occur during the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2013.
2. **Requests for project approval** are targeted for submission to FIP SC in April 2013 (IFC) and November 2013 (ADB and WB).
3. **Submission to the MDB Boards & signing of grant agreement with GOI** are projected to occur in 2<sup>nd</sup> quarter 2013 (IFC) and 1<sup>st</sup> quarter 2014 (ADB and WB).

To ensure effective links and complementarities between the Investment Plan and the DGM for Indonesia, close coordination is needed with the DKN chamber for local communities, in charge of facilitating discussions to nominate representatives to the DGM National Steering Committee and appoint a national Intermediary Institution as well as one of the MDBs to act as the national Executing Agency.