

Pioneering Work on Reduced Emissions from Deforestation and Degradation (REDD) in Indonesia Shows the Way for a New Climate Change Mitigation Mechanism

Overview

During the second half of 2007, the Indonesian Forest Climate Alliance (IFCA) brought together staff from Indonesia's Ministry of Forestry and more than 40 advisors from Indonesia and around the world to develop an analytical framework for avoided deforestation known as REDD, or Reduced Emissions from Deforestation and Degradation. The unprecedented effort led to the REDD strategy for Indonesia and may serve as a model for avoided deforestation going forward. REDD aims to prevent the loss of tropical forests through carbon payment incentives that finance sustainable forest management and greenhouse gas mitigation in developing countries. The proposal proved one of the most energizing, and at times controversial, topics at the UN Climate Change Conference in Bali this December. Its adoption by more than 180 countries endorsed the Bali Action Plan was regarded as a major achievement for the United Nations Framework Convention on Climate Change Conference of Parties (COP 13) in Bali that committed to:

"policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (Decision -/CP.13 1.b.iii)

The Indonesian Ministry of Forestry, with a support of a group of donors (including the UK, Australia, Germany, the World Bank) and other partners from civil society now leading an effort to develop readiness and demonstration activities in Indonesia laying the methodological and political foundation for testing and eventually trigger a carbon market that pays for 'avoided deforestation' on a global scale. Once established, annual carbon payments for REDD could reach \$US 15 billion, and Indonesia's share could be significant given the level of forestry emissions that could potentially be avoided. Ultimately, the REDD effort will help reduce millions of tons of carbon dioxide entering our atmosphere annually due to land conversion and forest loss, accounting for about 20% of anthropogenic greenhouse gas emissions.

Resources:

Indonesia Forest Climate Alliance
<http://redd.pbwiki.com>

United Nations Climate Change Conference in Bali
http://unfccc.int/meetings/cop_13/items/4049.php

Net deforestation rates slowed entering the 21st century, but the world continues to lose 13 million hectares of forests annually, including 6 million hectares of primary forests (FAO 2005). REDD schemes are designed to reduce deforestation. Tropical developing countries are at the heart of this effort: 93% of the potential for REDD credits lies in these countries, according to the FAO. The next decade will be a test of domestic and international institutions' ability to control forces driving conversion of the world's tropical forests and the resulting emission of greenhouse gases. If emission cuts do not occur, then atmospheric concentrations of greenhouse gases may double pre-industrial levels as early as 2035, committing the world to a global average temperature rise of over 2°C.

IFCA has already moved Indonesia toward the forefront of this mitigation effort. Problems with Indonesia's forest management in the past led to one of the world's worst deforestation rates in recent decades. Some estimates show that Indonesia has lost approximately 25 to 40 percent (40 million to 60 million hectares) of its forest cover since the 1950s, more than half of it during the last twenty years. Indonesia has since shown encouraging signs of reforming its forestry sector and Indonesia's President, Susilo Bambang Yudhoyono, has developed measures to tackle illegal logging and initiated a program to rehabilitate degraded areas. The IFCA team, under the

leadership of the Ministry of Forestry, sought to build on these foundations to create a credible system to generate REDD revenue by reducing Indonesia's deforestation rate. Demonstration activities will provide this proof-of-concept work to support a viable market in carbon credits for avoided deforestation in the future.

REDD follows a simple model, although its components are technically complex. First, a baseline is created to project future deforestation rates using socio-economic modeling, historical trend analysis or credible 'negotiated' baselines. National or project level actions then reduce aggregate deforestation below the baseline carefully monitored through a reliable and credible system. The difference between the predicted and actual measured deforestation rates then qualify for compensation. Pilot activities will help establish the knowledge necessary to implement this scheme and donors have pledged to support these efforts.

To launch the REDD process, IFCA focused on 3 key areas identified as critical:

1. **Methodology:** A REDD program must measure and monitor carbon stocks, track forest cover change and create effective payment distribution mechanisms and incentives. These transparent and credible building blocks are critical.
2. **Strategy:** Land use strategies for five forest categories (pulp and paper, oil palm, timber concessions, protected areas, and peat land) were formulated for a REDD regime. The analyses led to options for slowing deforestation and degradation in each of the five categories.
3. **Stakeholders:** IFCA sought to facilitate an alliance and constituency for implementation and keep stakeholders informed of developments.

As host of the UNFCCC COP 13 in Bali from December 3 – 14, 2007, Indonesia focused attention on international action and commitments to mitigate and adapt to climate change, particularly through forestry. The Bali meeting was an opportunity for Indonesia to demonstrate its commitment and leadership on key climate change issues and establish the importance of REDD. The "convening power" of climate change, wide recognition of forest's contribution to climate and strong political interest behind this effort opened the window for forestry to become a key element of future greenhouse gases reduction efforts.

Indonesia has an ambitious but achievable agenda ahead of it to build as much REDD experience as possible by 2012 so that this field experience can inform the formal negotiations and also help create confidence on the feasibility of the system.

The objective will be to nurture the development of a REDD system and manage number of well-documented, ongoing demonstrations providing a platform for a national REDD program:

- establish infrastructure to measure actual deforestation, receive the resulting payments and distribute them equitably under the right incentive scheme;
- address deep-rooted sectoral and governance problems to ensure carbon payments will be based on actual reduced deforestation;
- successfully demonstrate small-scale pilots (sub-sector and/or sub-national level) that deliver sustained reduced deforestation rates, improvements for communities and conservation of forest ecosystems;
- continue consultations with various stakeholders (indigenous people, private sector, civil society, sub-national level, other government agencies, etc) to ensure a broad base of consensus;

- tackle forest governance to strengthen forest law enforcement, transparency, decentralized institutions and community participation.

As such the pioneering work on REDD in Indonesia is showing the way for a new Climate Change Mitigation mechanism. Former Minister for Population and the Environment Emil Salim, Indonesia's chief delegate at the Bali conference, called the discussions in Bali an unparalleled success for Indonesia which has struggled to make the environment – and especially its forests -- the basis for a sustainable economic development agenda.

“The environment was never in the mainstream of development policy, so the key question has been how to get these environmental issues into [policy],” said Salim. “For me this is the major achievement of Indonesia...the opportunity for mainstreaming. Whatever the result of the conference in Bali, for Indonesia's sake, this is a major achievement.”