

REDD+ results-based payment: Where are the safeguards?

Notes on the Emission Reduction Report for the Indonesia-Norway Partnership by
Directorate General of Climate Change, Ministry of Environment and Forestry (2019)

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Key Messages

- The Government of Indonesia has submitted an Emissions Reduction Report for the Indonesia-Norway partnership to reduce emissions from deforestation and forest degradation in which emissions reduction of 4,813,933-ton CO₂ is proposed to be paid for by the Norway Government under phase 3 of the partnership, namely the Contributions-for-Verified Emissions Reduction or Results-Based Payment (RBP).
- The partnership is based on the UNFCCC rules, which mandate certain requirements regarding safeguards, including provision of the most recent summary of information on how all Cancun Safeguards are addressed and respected before obtaining results-based payments.
- The most recent information regarding safeguards provided by the Government of Indonesia, one that can be accessed publicly, has described the *process* of development of Safeguards Information System Principles, Criteria, Indicators, and Safeguards Implementation Assessment Tools, a design of institutional structure for SIS-REDD+ and a web-platform to report it. However, there has been no summary of information regarding the *results* of implementation of such systems although it has been mentioned that there are already many REDD+ activities that have been using and or registered in such systems.
- In addition to that, the Government of Indonesia have also implemented many policies that resulted in reduction of deforestation and forest degradation, which should be assessed in terms of whether safeguards, especially pertaining to participation and the rights of indigenous people and local communities, have been addressed and respected in their implementation.
- Therefore, the Norway Government should request for and or facilitate a transparent and participatory development of a report on REDD+ safeguards implementation, which includes more substantive information about the results of SIS-REDD+ implementation and how REDD+ policies have addressed and respected safeguards, before providing the first results-based payment.

Context

In the Letter of Intent (LoI) signed in 26 May 2010 between Indonesia and Norway to reduce greenhouse gas emissions from deforestation and forest degradation, safeguards are mentioned in

two contexts: (i) as one of the principles for implementation of the partnership, specifically the full and effective participation of stakeholders in REDD+ planning and implementation, including indigenous people, civil society, and local community and (ii) as one of the management principles of funding instrument under the partnership, namely the fiduciary, governance, social and environmental safeguards.

Since the partnership is based on the UNFCCC rules, to obtain and receive results-based payment or contributions-for-verified emissions reduction, the Government of Indonesia must provide the most recent summary of information on how all Cancun Safeguards are addressed and respected before they can receive results-based payments (Decision 9 CP.19 paragraph 4). Such information has not been incorporated in the emissions reduction report submitted by the Government of Indonesia to the Norway government for the obtainment of the first Results-Based Payment for emissions reduction in the period of 2017-2018.

The Emissions Reduction Report

In the third phase of the Partnership, Indonesia and Norway have developed an agreed MRV Protocol outlining the mechanism of the results-based payment. As a follow-up, the Government of Indonesia developed a baseline for the RBP as agreed in the MRV protocol and submitted an emission reduction report from avoided deforestation and forest degradation in 2017-2018. The baseline will be used as a basis of payments from Norway government for emissions reduction from deforestation and forest degradation in the period of 2017-2020.¹

The RBP baseline in the report is different from Indonesia's FREL to the UNFCCC in terms of the reference period used: 2000-2016 as opposed to 1990-2012 used in Indonesia's FREL to the UNFCCC. The RBP baseline for emissions reduction from deforestation and forest degradation for payment from Norway is 32.5% lower than the baseline (FREL) submitted to the UNFCCC, which is 0.351 GtCO₂.²

The RBP baseline was calculated using the average annual emissions from 2006/2007 to 2015/2016 from deforestation and forest degradation. For deforestation, the baseline is 236.9 MtCO₂ per year and for forest degradation, it is 41.6 MtCO₂ per year.

Historically, emissions from deforestation in the period of 2006 to 2016 are shown in Figure 1 below.

¹ Directorate General of Climate Change, Ministry of Environment and Forestry, Emissions Reduction Report for the Indonesia-Norway Partnership, 2019.

² Republic of Indonesia, Forest Reference Emissions Level for Reducing Emissions from Deforestation and Forest Degradation, 2016.

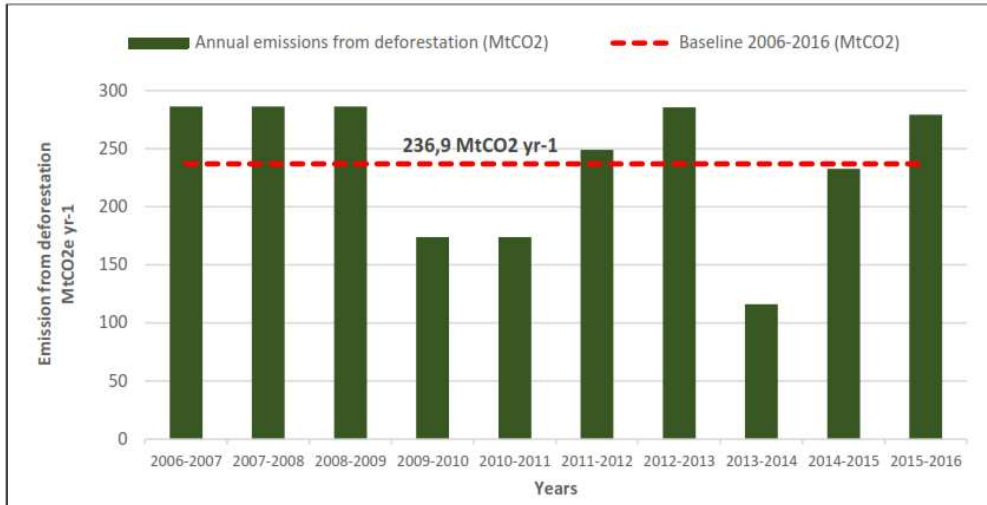


Figure 1. Average annual historical emissions from deforestation expressed in millions tCO₂.

Source: Ministry of Environment and Forestry, 2019.

As for forest degradation, historical emissions in the period of 2006-2016 can be seen in Figure 2 below.



Figure 2. Average annual historical emissions from forest degradation expressed in millions tCO₂.

Source: Ministry of Environment and Forestry, 2019.

The total annual emissions from deforestation and forest degradation is **278.5 MtCO₂e per year**, which becomes the RBP baseline for emissions reduction from deforestation and forest degradation for 2016-2017, 2017-2018, 2018-2019, and 2019-2020. The RBP baseline will be updated indicatively every 5 years, taking into account updates to Indonesia’s FREL submitted to the UNFCCC.³

³ Directorate General of Climate Change, Ministry of Environment and Forestry, Emissions Reduction Report for the Indonesia-Norway Partnership, 2019.

The RBP baseline covers all natural forests in Indonesia, including dryland, mangrove, and swamp forests, both primary and secondary. As for activities, it only covers activities related to deforestation and forest degradation, excluding sustainable management of forest, role of conservation, and enhancement of carbon stock. As for pools and gases, it only covers Above Ground Biomass (AGB) and carbon dioxide (CO₂).⁴

In terms of activity data, the government analyzed historical land cover changes from datasets of 2006, 2009, 2011, 2012, 2013, 2014, 2015, dan 2016 from the National Forest Monitoring System (NFMS) and calculate the emissions estimates. The emissions factors for deforestation and forest degradation used are identical to those used in Indonesia’s FREL submitted to the UNFCCC based on the National Forest Inventory.⁵

The proposed emissions reduction from deforestation and forest degradation in 2017-2018 to be paid for by Norway is as follows:⁶

Activity	Baseline (tCO ₂ /year)	Actual Emissions (tCO ₂ /year)	Emissions Reduction (tCO ₂ /year)	% of Emissions Reduction from Baseline
Deforestation	236,947,440	228,349,830	8,597,610	3.63%
Forest degradation	41,551,481	42,743,041	1,191,560	-2.87%
Total	278,498,921	271,092,871	7,406,050	2.66%
Set asides (35%)			2,592,118	
Total proposed for first RBP			4,813,933.15	

The emissions reduction is deducted by 35%, consisting of 20% deduction to reduce uncertainty risk, 0% to anticipate leakage risk, and 15% to reflect Indonesia’s ambition to reduce its national GHG. Therefore, the final emissions reduction proposed to be paid for by Norway is 4,813,933.15 tCO₂.⁷

Safeguards

As mentioned above, the issue of safeguards, except for the “set asides” emissions reduction aimed to reduce the risk of leakage and reversal, among others, is outside the scope of the emission reduction report. However, it should be stressed that the UNFCCC, on which the partnership is based, has the following key requirements regarding safeguards:⁸

- Safeguards need to be ‘addressed’ and ‘respected’ throughout REDD+ implementation.
- National-level safeguards information system (SIS) needs to be put in place.
- Summaries of safeguards information, reporting on addressing and respecting, need to be produced periodically.

More specifically, to obtain and receive results-based payment or contributions-for verified emissions reduction under the Lol, Indonesia must provide the most recent summary of information on how all

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ See <https://www.unredd.net/knowledge/redd-plus-technical-issues/safeguards.html>

Cancun Safeguards are addressed and respected before they can receive results-based payments (Decision 9 CP.19 paragraph 4).

The most recent 'organized' information regarding REDD+ safeguards can be found in the Indonesia Report on REDD+ Performance, which was completed in December 2017, updated and finalized in January 2018, and contains information from the period of 2013 to 2017.⁹ The information, however, is limited to the following: (i) Development of Principles, Criteria, and Indicators (PCI) for Safeguards Information System (SIS), (ii) Institutional structure and information flow in SIS REDD+, and (iii) Operationalization of the SIS-REDD+.¹⁰ Most of the information provided is about *process* and has not adequately demonstrated whether the government has truly ensured that all REDD+ safeguards have been addressed and respected throughout REDD+ implementation.

For example, there is not yet information about the results of safeguards implementation in the efforts to reduce deforestation and forest degradation, which are collected using the SIS-REDD+ PCI and Safeguards Implementation Assessment Tools and reported through the SIS-REDD+ web-platform despite the mention of the 31 REDD+ activities (actors/units) registered on the web-platform and the 9 REDD+ activities that are said to have fulfilled the Safeguards Implementation Assessment Tools and are being verified.¹¹ In addition, since the government/government agencies have implemented many policies that resulted in reduction of deforestation and forest degradation in recent years (such as the moratorium) as well as projects on the ground, there should be a special report on safeguards fulfillment during the implementation of such policies, especially pertaining to respect for indigenous people and local communities and full and effective participation of stakeholders in REDD+ planning and implementation. Such report must be demanded, facilitated and or and supported by the Norway Government, before obtainment of the results-based payment.

In addition, there are some urgent aspects regarding the institutional setting for safeguards implementation that must be followed-up by the Government of Indonesia and supported by the Norway Government. The first is establishment of a Multi-Stakeholder Forum (MSF) at subnational and national level to serve as a point for communication and coordination, provide policy recommendations, and become the contact center for complaints related to REDD+ safeguards implementation. The second is clarification regarding mechanisms for assessing safeguards implementation reports that will be made independently by REDD+ implementation, which should be a part of the funding instrument that is currently under development.

Amidst the fanfare of the eventual arrival of both countries at the third phase of the partnership, which should be applauded, ensuring that safeguards are truly addressed and respected throughout REDD+ implementation must not be left behind. For it is only by ensuring that there are positive outcomes for forest governance, participation, the rights of indigenous people and local communities, and the integrity of the ecosystems, that the emissions reduction could be sustained in the long run.

⁹ Directorate General on Climate Change, "Indonesia Report on REDD+ Performance," 2018, http://ditjenppi.menlhk.go.id/reddplus/images/adminppi/dokumen/Book_IRPR_KLHK_B5_revisi_4_opt.pdf

¹⁰ Ibid.

¹¹ Ibid.

References

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