

POLICY APPROACHES AND POSITIVE INCENTIVES ON ISSUES RELATING TO REDD IN DEVELOPING COUNTRIES

INDONESIAN PRESENTATION

At AWG_LCA 3 WORKSHOP

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INTRODUCTION

Existing global records:

- ⊙ Vegetation and soil store ± 7500 Gt CO₂ ($> 2 \times$ CO₂ in the atmosphere)
- ⊙ Forest stores ~ 4500 Gt CO₂ ($>$ CO₂ in the atmosphere)
- ⊙ Deforestation resulted in 8 Gt CO₂ emissions per year (WRI, 2002)

If deforestation is considered as 20 % of the problem (global GHGs emissions), avoided/reduced deforestation could be 20 % of the solution.

INDONESIA'S EFFORTS ON REDD

Following :

- ◎ UNFCCC process since COP-11 (2005),
- ◎ Development outside UNFCCC process,

Indonesia :

Prior to COP-13

- ◎ Developed REDDI architecture (analysis on methodological issues, market potentials and incentive mechanisms, and strategy for addressing drivers of DD/for reducing emissions from DD,
- ◎ Established Indonesia Forest Climate Alliance (IFCA) to facilitate multi-stakeholders communication /consultation/coordination on the process

Post COP-13

- ◎ Follow up 2007 works (addressing methodological and institutional challenges, continue stakeholders' communication)
- ◎ Prepare REDDI Guidelines (at the final stage)
- ◎ Demonstration activities (progress : FS)
- ◎ REDD voluntary carbon market initiatives at sub-national level (progress : concept development)

Indonesia's country circumstances

- Island country with 7 bio-geographical regions,
- Autonomous governance system,
- Forest transition from the east (Papua : low historical DD) to the west (Sumatera : high historical DD, Java : forest cover increases),
- Start REDD using national approach with sub-national implementation → promote equitable distribution of responsibilities and incentives between central and autonomous governments/stakeholders,
- Learning by doing through demonstration activities and voluntary carbon market initiatives.

IDEAS ON POLICY APPROACHES

- ◎ Lessons learnt/relevant outcomes from demonstration activities and voluntary carbon market initiatives (e.g. tackling methodological and institutional challenges, issues of displacement of emissions and other issues discussed in UNFCCC process) → should be taken into account in REDD negotiations towards COP-15 and beyond,
- ◎ Focus the effort on REDD, while enhancing policy approaches to recognize role of forest conservation, sustainable management of forest, and enhancement of forest carbon stocks, as complement to REDD.

IDEAS ON POSITIVE INCENTIVES TO STIMULATE REDD ACTIONS

- ⊙ Proportionality in resource provision : 20 % of GHGs global emissions (global problem) ~ 20 % of global emissions reduction (global solution)
→ 20 % of global resources available for mitigation,
- ⊙ Resource channeling :
 - Welcome multilateral channel, however, simplicity of procedures, transparency in resource allocation and management, fair distribution of resources, are crucial,
 - Bilateral channel should be encouraged, including for capacity building and transfer of technology,
 - Role of private sectors through market-based mechanisms should be encouraged.
- ⊙ Governance issues at the national level shall be dealt according to national circumstances and existing laws/regulations. REDD is performance based → guidance in Element 1b (MRV) of Bali Action Plan (Dec 1/CP.13) and guidance in Annex to COP 13 decision on REDD (Dec 2/CP 13) can be used to evaluate the effectiveness of actions, including how issues of displacement of emissions are addressed.