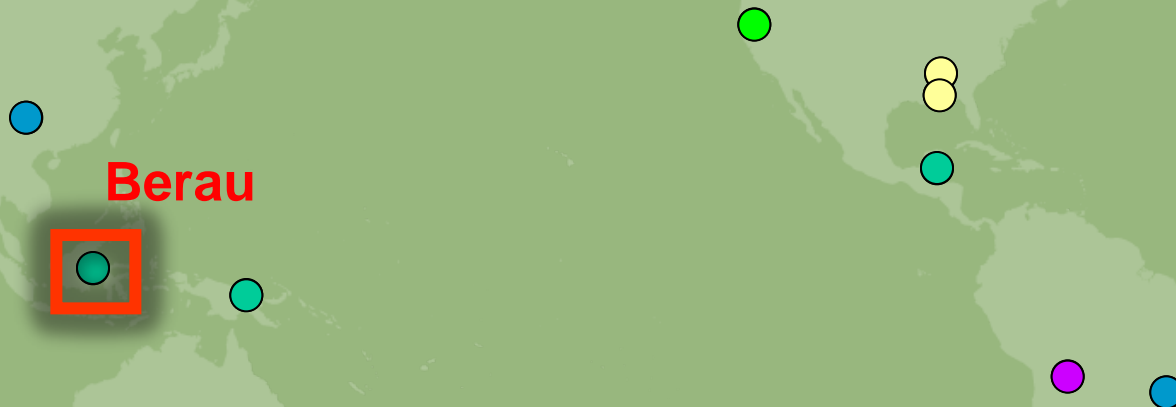




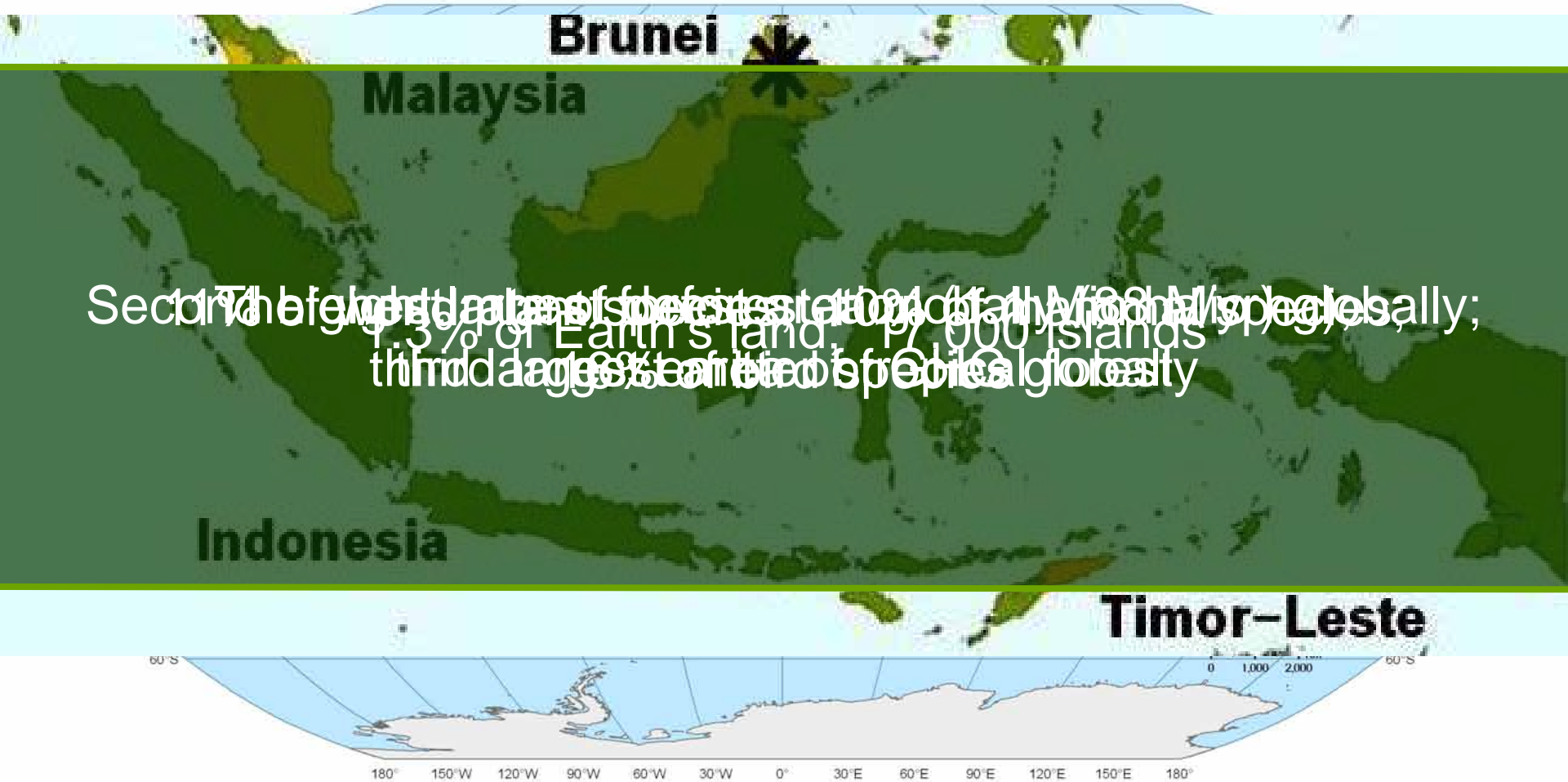
# REDD Implementation: Lessons Learned from Berau, Indonesia

# TNC's Global Climate Program

- started in 1995 with Noel Kempff project in Bolivia as schemes reforestation (Bayou Pierre and Tensas River Basin, Louisiana) conservation, sfm, community (Berau-Indonesia, Adelberts-PNG, Rio Bravo-Belize) sustainable forest management (Garcia River Forest-California) reforestation, community (Tengchong-Yunan/Cina and Guaraquecaba-Brasil) conservation, community (Noel Kempff, Bolivia)

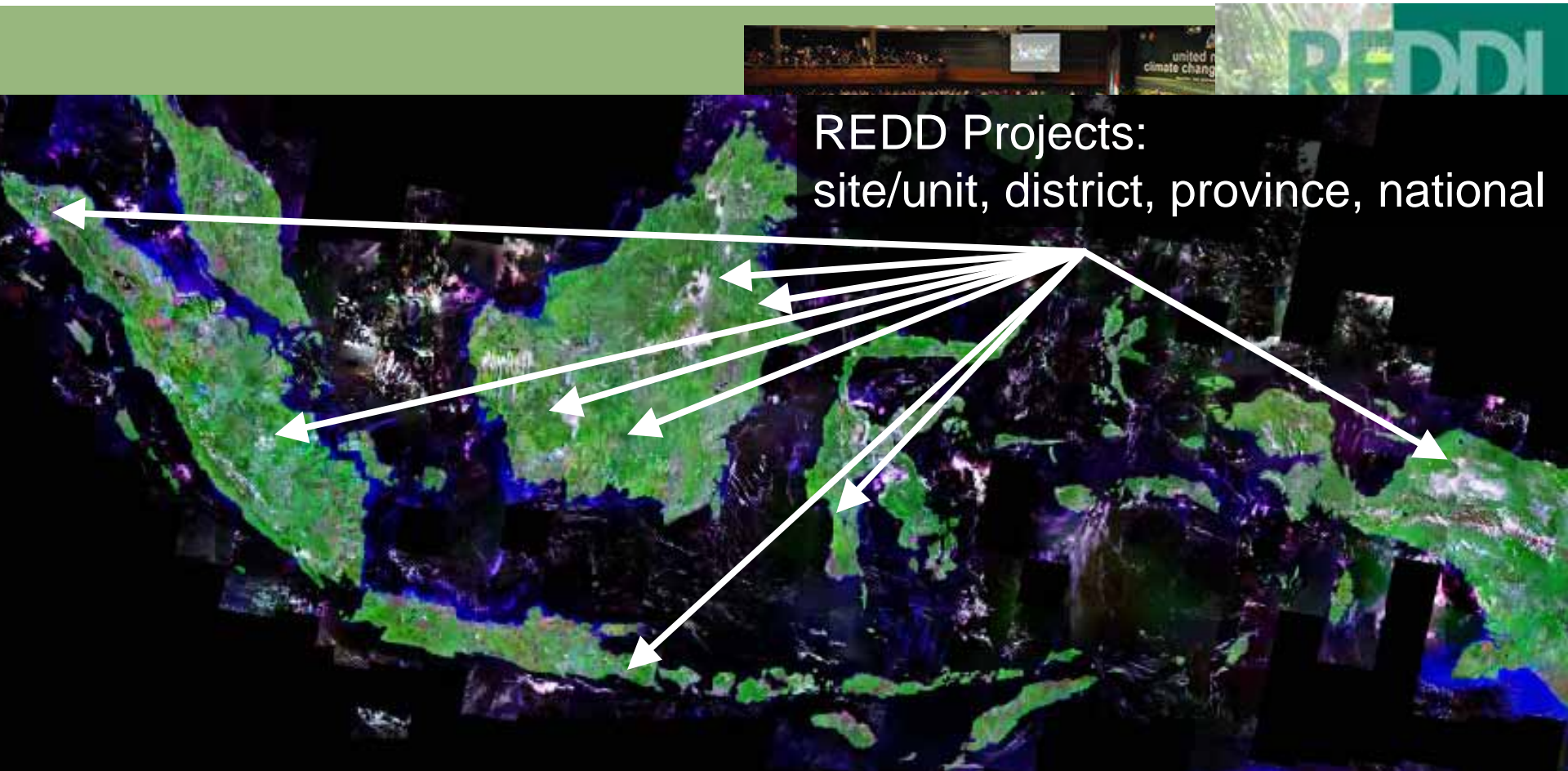


# Indonesia ~ Mega-Diversity to forest



Second largest natural area of forests in the world, 188 million hectares, 4.3% of Earth's land, 17,000 islands, third largest number of species, 13% of global biodiversity

# REDD in Indonesia ~ ~~pre~~ projects



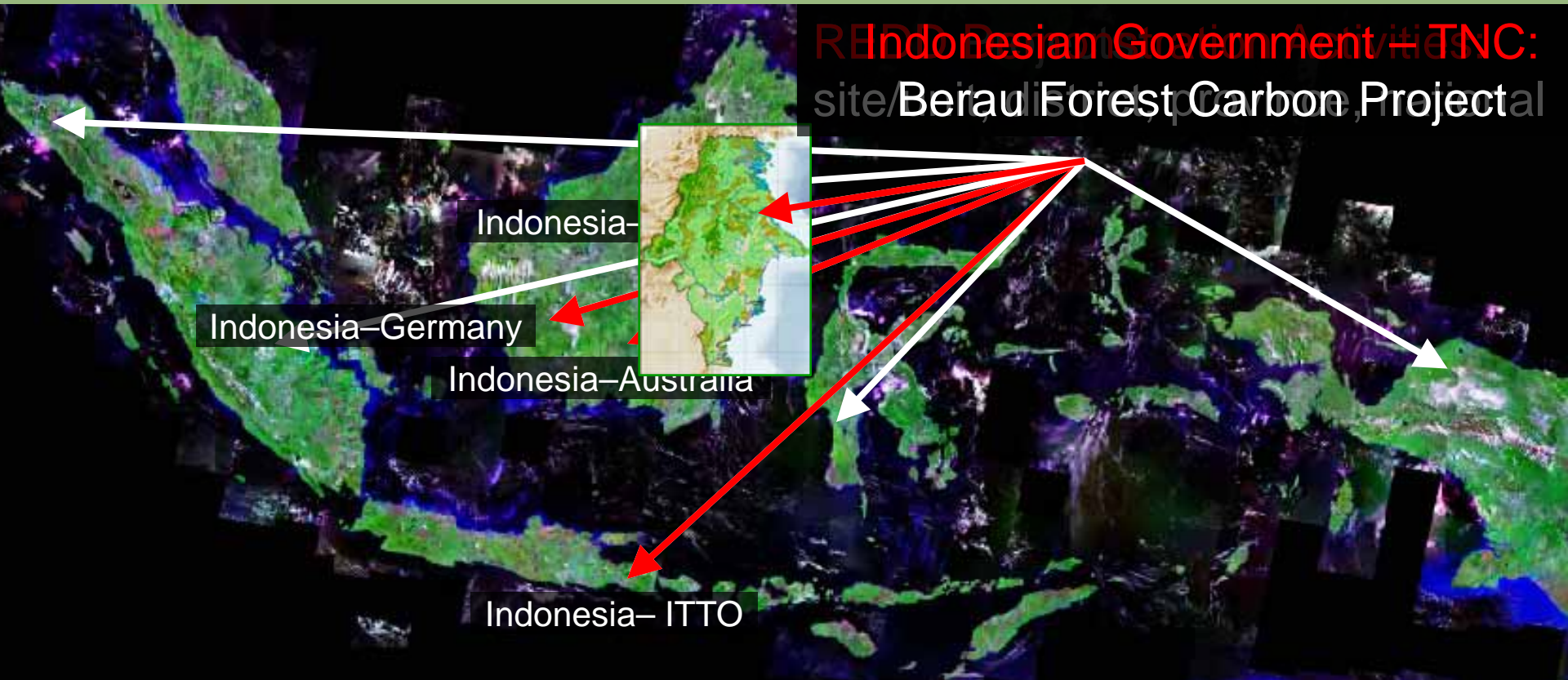
REDD Projects:  
site/unit, district, province, national

- Demonstration activities

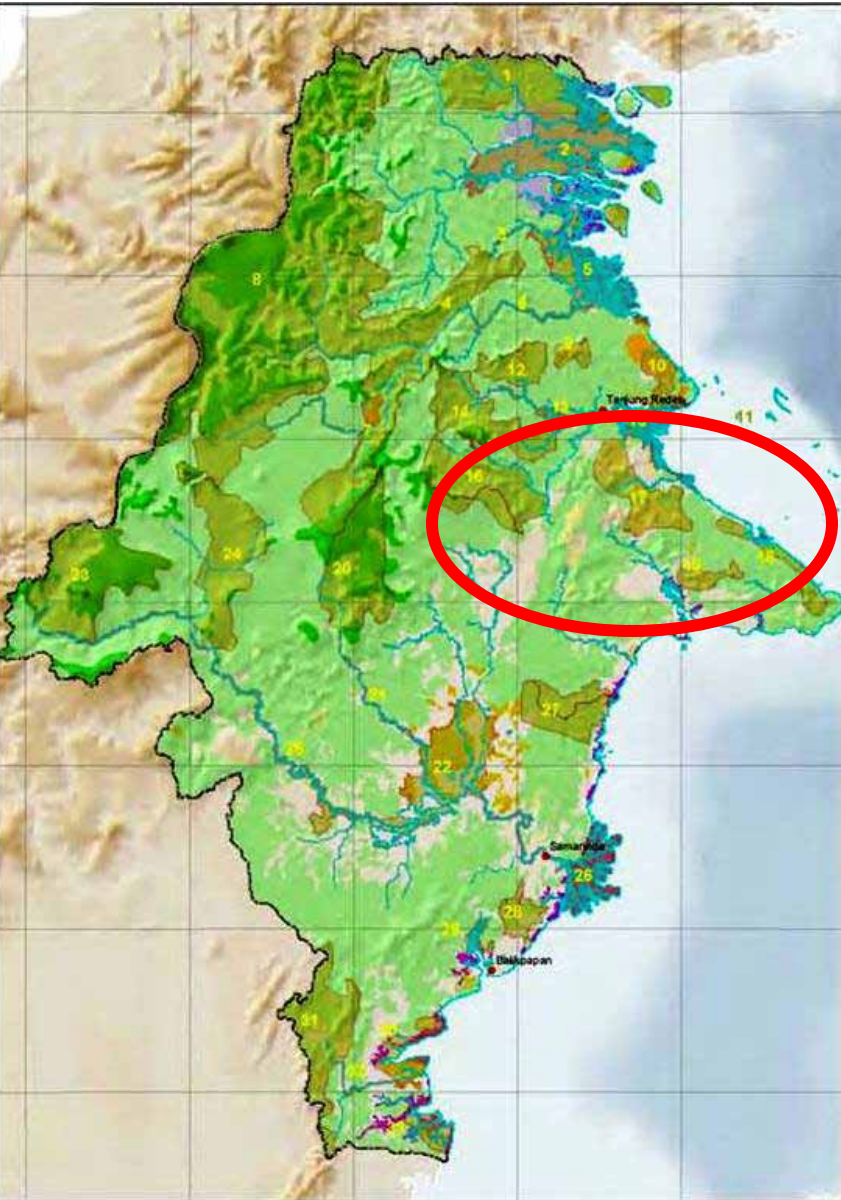
**CARBON**  
**PARTNERSHIP**  
F A C I L I T Y

UN Climate Change  
Conference 2007  
Bali - Indonesia

# REDD in Indonesia ~ ~~REDD~~ projects



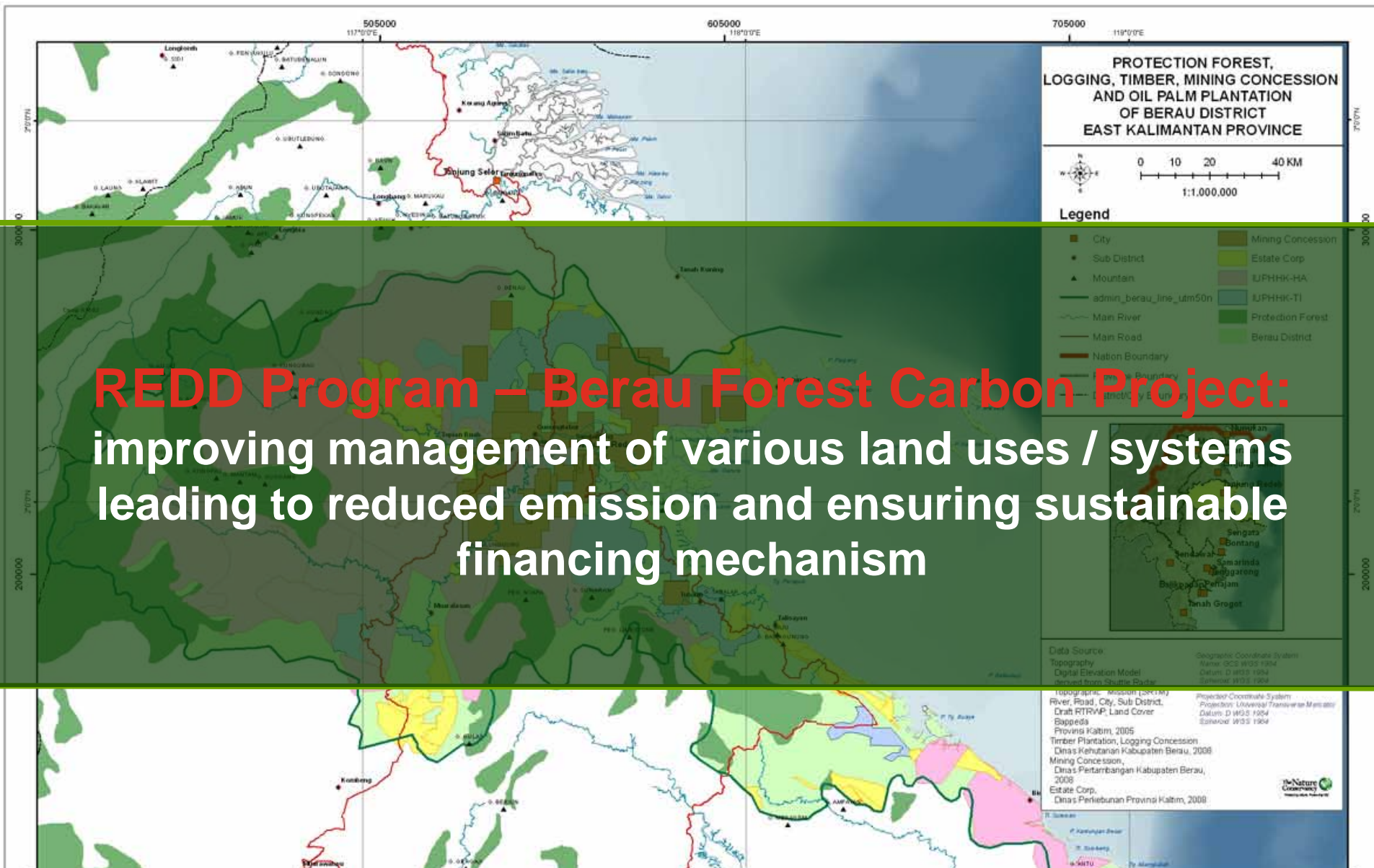
# BECD - why Beraia? ~ BFCP



## Large sub-national Program

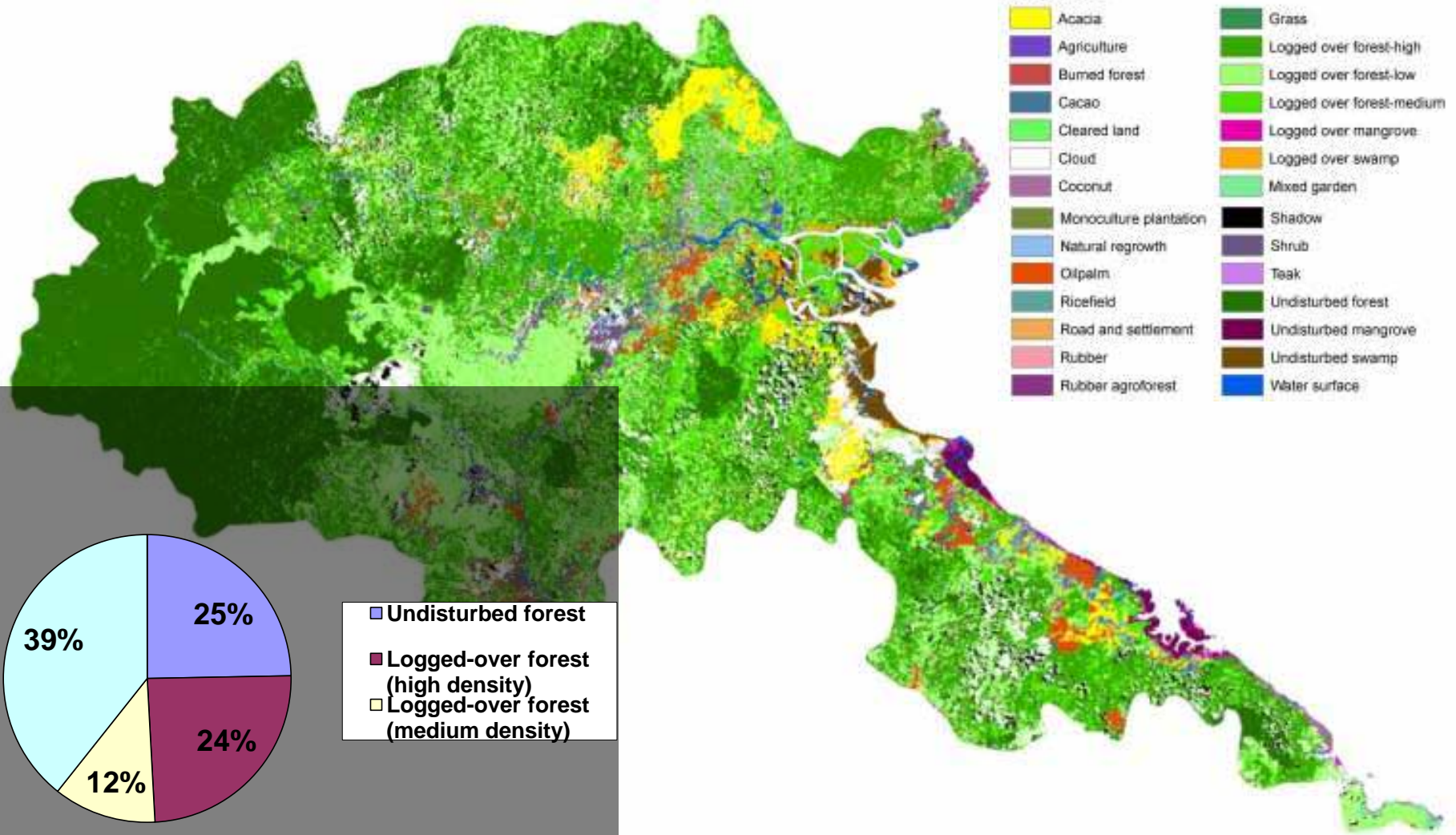
- Integration across scales and sectors
- Landscape approach – better monitoring, less leakage
- Support from decentralized government
- Probably all that is feasible
- Could be a good example / test case for national implementation

# BFCP - what is REDD?



# BFCP – forest cover change in Berau

2005



# BFCP - challenges on the ground

**Total Area ~ 2.2 Millions ha**

**13 Timber concessions 780,000 ha**

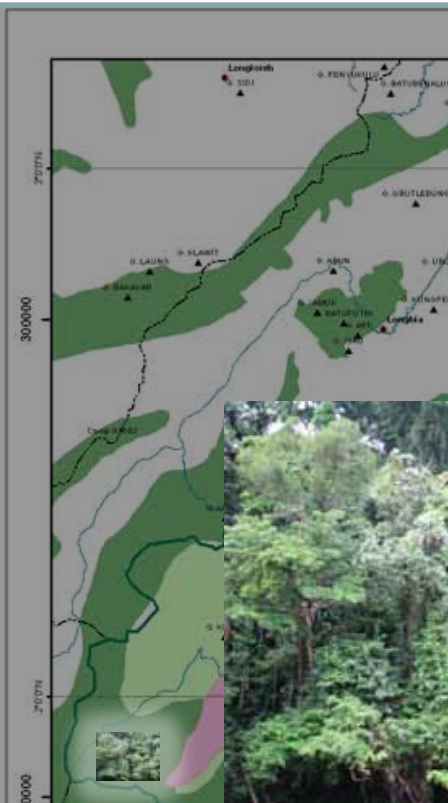
**32 Oil palm concessions 189,000 ha**

**27 Mining concessions 185,000 ha**

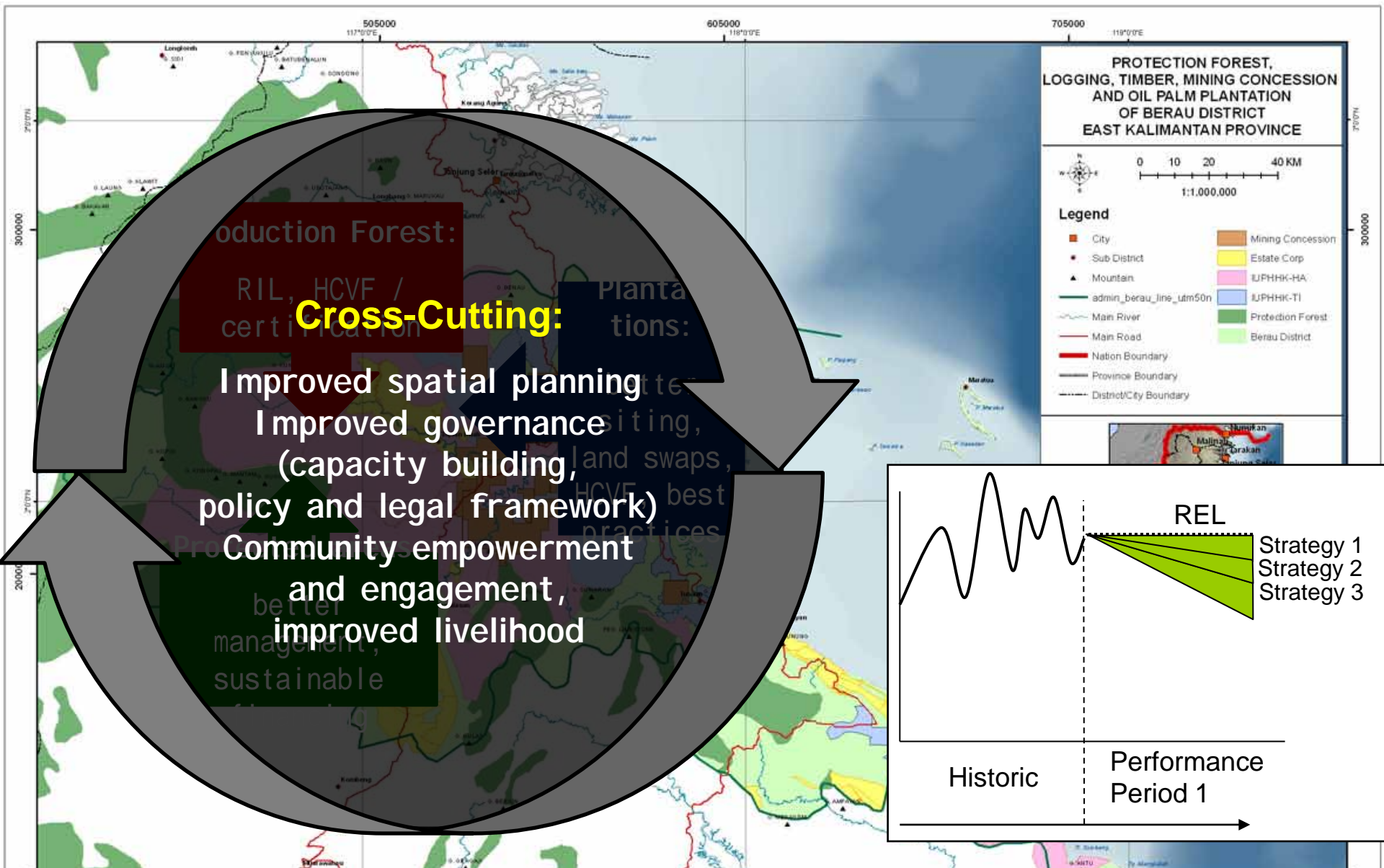
**3 Timber plantation 229,000 ha**

**7 Protected forests 361,000 ha**

**Others 456,000 ha**

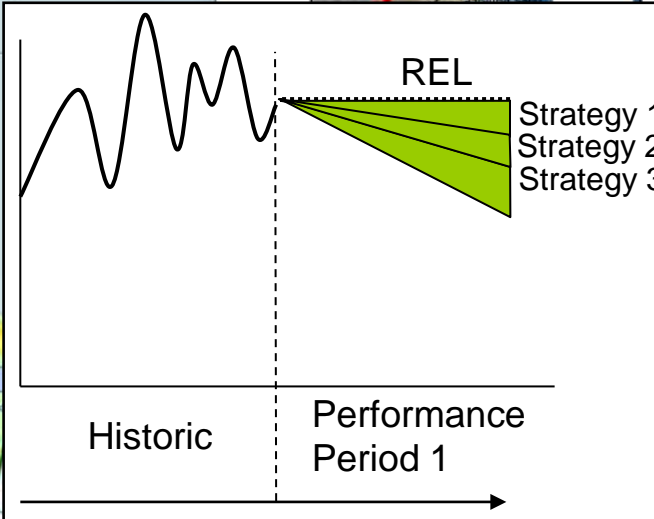


# BFCP - strategy implementation

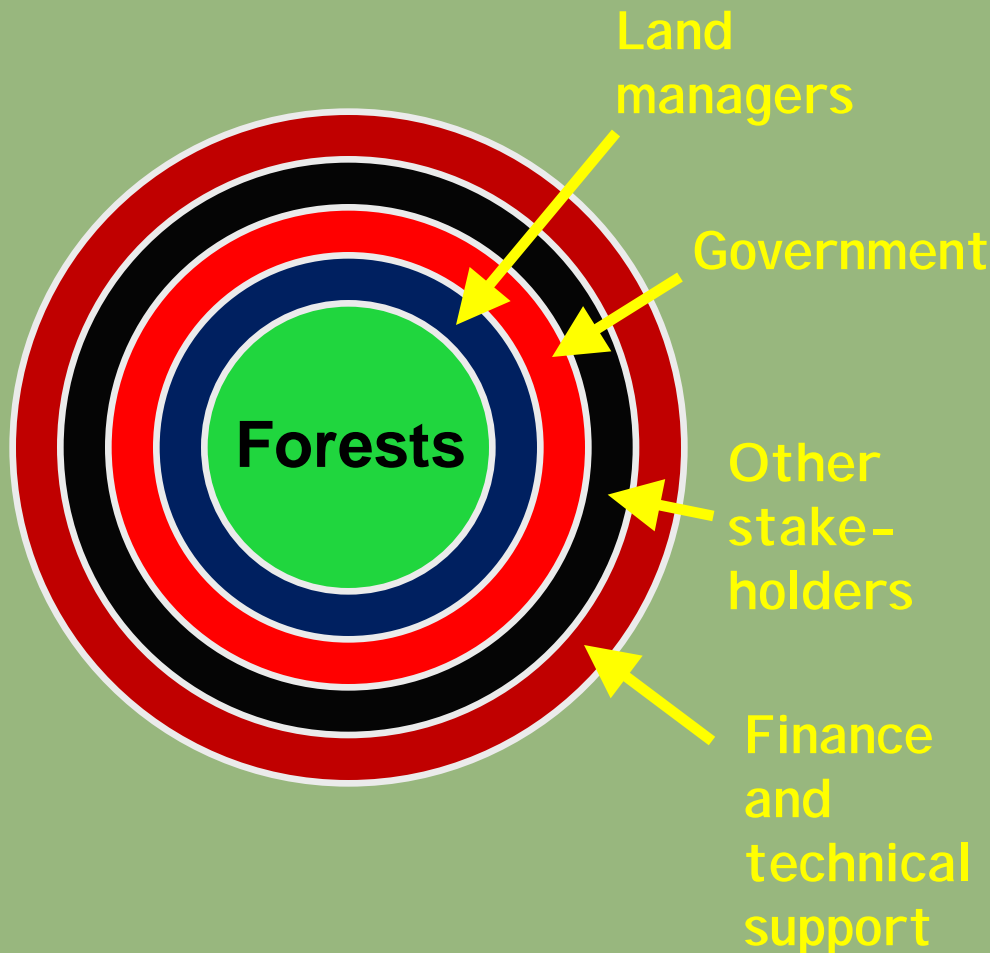


## Cross-Cutting:

Improved spatial planning  
 Improved governance  
 (capacity building,  
 policy and legal framework)  
 Community empowerment  
 and engagement,  
 improved livelihood



# BFCP - partners



## LAND MANAGERS

Companies (timber concessions, plantations, mining)

Communities

## GOVERNMENT

District, Province, National

Various agencies: Forestry, Environment, Agriculture, Mining, Planning, Finance, National Climate Change Council

## OTHER STAKEHOLDERS

Wider society in Berau

Nearby districts and communities

## FINANCE & SUPPORT

Donors: USAID, AUSAid, NORAD, TNC, ?

Investors

Technical: TNC, ICRAF, Winrock, Univ. Mulawarman, Sekala, World Education, Univ. Queensland, USFS, Daemeter, WRI, etc.

# BFCP – project phases

Program will seek funding for a **5-year demonstration phase**. It is expected that during that time, international finance mechanisms will be agreed to by countries enabling strategies to be scaled up and sustainable financing to be achieved

**Full Implementation ??? (2013- )**

## Berau Forest Carbon Program Demonstration Phase (2010-2015)

### Scoping (Jan-Sep 08)

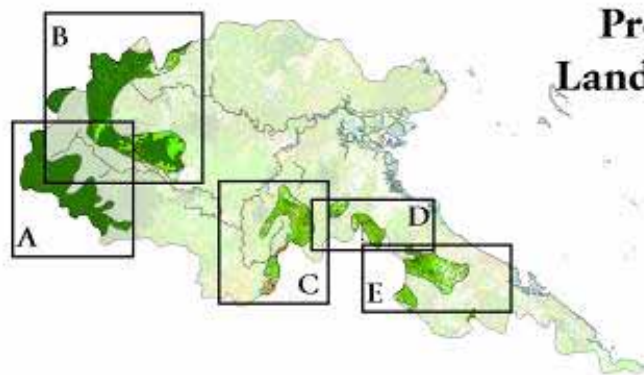
- Political support
- Situational analysis/drivers
- Rough program design hypothesis
- Identification of partners/contractors

### Development (Oct 08-Dec 09)

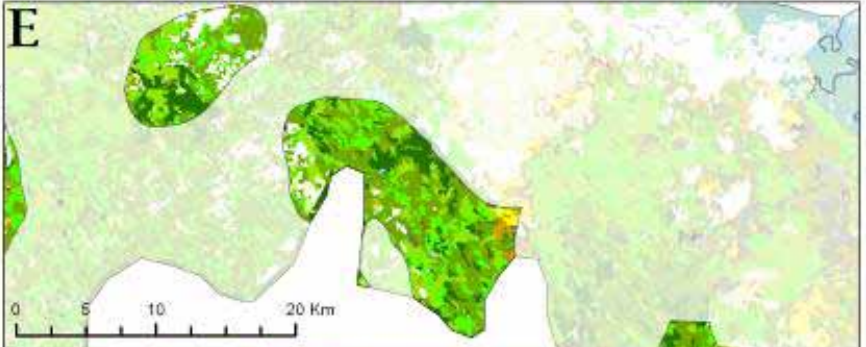
- Baseline scenario and monitoring approach
- Refine strategies for reducing deforestation
- Legal issues
- Stakeholder support
- Funding sources
- Business plan

- Pilot site-based strategies:
  - Improved forest management
  - Forest restoration
  - *Oil palm swap*
  - Land-use planning, policies, enforcement
- Monitoring and verification
- Adaptive management
- Strategies implemented across Berau
- Monitoring and verification
- Expansion to additional districts and provinces

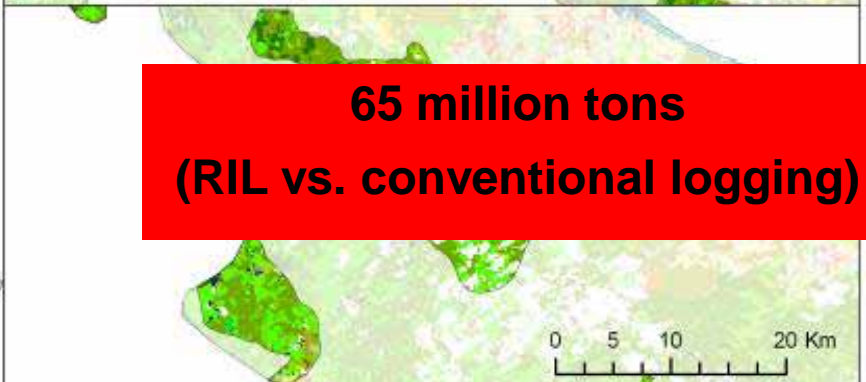
# Protection Forest Land Use-Land Cover (2005)



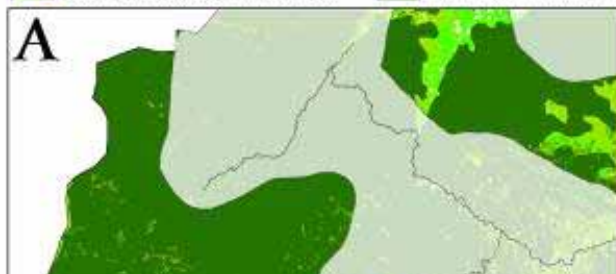
Land Use 2005 (% Protection Forest Area)		
Protection Forests	Logged-over forest (low density) (11.0%)	Ricefield (0.07%)
Acacia (0.20%)	Logged-over forest (medium density) (6.10%)	Road and settlement (0.33%)
Burned forest (0.00%)	Logged-over mangrove (0.00%)	Rubber (0.42%)
Cacao (0.34%)	Logged-over swamp (0.00%)	Shrub (0.29%)
Cleared land (0.08%)	Mixed garden (0.04%)	Teak (0.00%)
Coconut (0.00%)	No data (5.42%)	Undisturbed forest (59.2%)
Cropland (0.03%)	Oil palm (0.41%)	Undisturbed mangrove (0.00%)
Grass land (0.73%)	Old rubber (0.00%)	Undisturbed swamp (0.00%)
Logged-over forest (high density) (14.9%)	Old shrub (0.04%)	Water body (0.24%)
	Other forest plantation (0.10%)	



**65 million tons  
(RIL vs. conventional logging)**



**250+ million tons  
(forest conversion to oil palm)**



**13 million tons  
(potential in protection forest)**

- Protection forests cover about 16% of Berau
- 32% of protection forest area is degraded
- Potential for more than 13 million tons CO2 sequestered through enhancement of forest



Data Source: ICRAP, TINJAU, Forest Resilience, Administrative Boundaries, Borneo Forest

# BFCP ~ Some Lessons Learned

**who,  
what for, and  
how to engage  
local  
communities?**



# BFCP ~ local communities position



- Institutions at village level are weak
- Lack of rights makes relations with companies conflict-prone
- Unequal power results in low compensation
- Local people often outcompeted by outsiders

# BFCP ~ engaging local communities



- Strong village institutions, decision-making processes, and plans
- Increased flow of funding to villages from multiple sources
- Funds used for implementing high-leverage projects
- Transparency and community monitoring of financial management

## BFCP – Financing

### The case for early public funding

- Substantial readiness investment required upfront
- High uncertainty will remain for several years

### The case for long-term private funding

- Up-front financing is critical
- Mix of public/private sources

- Future emission predicted >100 mill. tons over 5 years
- 50% decrease in emissions may require \$500 million
- Funding needed is beyond public finance



Questions?